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H.748

Introduced by Representatives Wizowaty of Burlington, Botzow of Pownal,
Conquest of Newbury, Evans of Essex, Fisher of Lincoln,
French of Shrewsbury, Lanpher of Vergennes, Lenes of
Shelburne, Macaig of Williston, McCullough of Williston,
Miller of Shaftsbury, Mitchell of Barnard, Ram of Burlington,
Smith of Mendon, Spengler of Colchester, Stevens of
Waterbury, Till of Jericho, Waite-Simpson of Essex, Wilson of
Manchester, Zenie of Colchester and Zuckerman of Burlington

Referred to Committee on

Date:

Subject: Commerce and trade; corporate transparency

Statement of purpose: This bill proposes to strengthen corporate transparency
and reporting requirements for businesses competing for economic
development subsidies and contracts for goods and services with the state.

An act relating to corporate transparency in the state budget

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

Sec. 1. REPEAL

10 V.S.A. § 7 (economic development assistance reporting) is repealed.

1 Sec. 2. 10 V.S.A. chapter 2 is added to read:

2 CHAPTER 2. CORPORATE TRANSPARENCY

3 IN THE STATE BUDGET

4 § 17. DEFINITIONS

5 As used in this chapter:

6 (1) “Consulting services” means work that a person other than a regular
7 employee of a state contracting agency or local contracting agency does for or
8 on behalf of the agency in return for compensation provided under the terms of
9 a public contract. The work may include:

10 (A) Performing or providing research, analysis, assessments, data
11 processing or computer programming, training or education, accounting, audits
12 or evaluations, treatment, or security;

13 (B) Giving professional advice or recommendations;

14 (C) Designing business or communications processes, procedures,
15 methods, or strategies; or

16 (D) Other work related to the functions of the state contracting
17 agency or local contracting agency.

18 (2) “Contract” means any expenditure of public funds of at least
19 \$25,000.00 for the purpose of establishing an agreement and outlining a
20 transaction between an entity and a government body to perform a specific
21 service for compensation.

1 (3) “Contracting agency” means any agency of the state or a local
2 government unit that awards contracts.

3 (4) “Contractor” means any person other than a regular employee of a
4 state contracting agency or local contracting agency who performs work for or
5 on behalf of the agency in return for compensation provided under the terms of
6 a public contract

7 (5) “Corporate parent” means any person, association, corporation, joint
8 venture, partnership, or other entity that owns or controls 50 percent or more of
9 a recipient corporation.

10 (6) “Corporation” means any entity subject to the tax levied by
11 32 V.S.A. § 5832 or by Section 11 of the Internal Revenue Code of 1986 as
12 amended, except that “qualified personal service corporations,” as defined in
13 section 448 of the Internal Revenue Code of 1986, as amended, shall be
14 exempt from this chapter.

15 (7) “Date of subsidy” means the date that a granting body provides the
16 initial monetary value of a development subsidy to a recipient corporation;
17 provided, however, that where the subsidy is for the installation of new
18 equipment, such date shall be the date the corporation puts the equipment into
19 service and provided, further, that where the subsidy is for improvements to
20 property, such date shall be the date the improvements are finished or the date
21 the corporation occupies the property, whichever is earlier.

1 (8) “Development subsidy” means any expenditure of public funds with
2 a value of at least \$25,000.00 for the purpose of stimulating economic
3 development within the state, including bonds, grants, loans, loan guarantees,
4 enterprise zones, empowerment zones, tax increment financing, grants, fee
5 waivers, land price subsidies, matching funds, tax abatements, tax exemptions,
6 and tax credits.

7 (9) “Doing business in this state” means owning or renting real or
8 tangible personal property physically located in this state; having employees,
9 agents, or representatives acting on the corporation’s behalf in this state;
10 making sales of tangible personal property to purchasers that take possession
11 of such property in this state; performing services for customers located in this
12 state; performing services in this state; earning income from intangible
13 property that has a business site in this state; engaging in regular and
14 systematic solicitation of sales in this state; being a partner in a partnership
15 engaged in any of the preceding activities in this state; or being a member of a
16 limited liability company engaged in any of the preceding activities in this
17 state.

18 (10) “Full-time job” means a job in which an individual is employed by
19 a recipient corporation for at least 35 hours per week.

1 (11) “Granting body” means any agency, board, office, public benefit
2 corporation, or authority of the state or a local government unit that provides a
3 development subsidy.

4 (12) “Local government unit” means an agency, board, commission,
5 office, public benefit corporation, or public authority of a political subdivision
6 of the state.

7 (13) “Part-time job” means a job in which an individual is employed by
8 a recipient corporation for less than 35 hours per week.

9 (14) “Project site” means the site of a project for which any
10 development subsidy is provided.

11 (15) “Property-taxing entity” means any entity which levies taxes upon
12 real or personal property.

13 (16) “Recipient contractor” means any person, association, corporation,
14 joint venture, partnership, or other entity that is awarded a contract bid.

15 (17) “Recipient corporation” means any person, association,
16 corporation, joint venture, partnership, or other entity that receives a
17 development subsidy.

18 (18) “Small business” means a corporation whose corporate parent and
19 all subsidiaries thereof employed fewer than 20 full-time employees or had
20 total gross receipts of less than \$1 million during the calendar year.

1 (19) “State” means an agency, board, commission, office, public benefit
2 corporation, or public benefit authority of the state.

3 (20) “Subsidy value” means the face value of any and all development
4 subsidies provided to a recipient corporation.

5 (21) “Tax expenditure” means a statutory provision, however
6 denominated, that exempts certain persons, property, goods, or services, in
7 whole or in part, from the operation of a tax.

8 (22) “Tax expenditure budget” means a compilation of information
9 about the state’s tax expenditures that includes data from the previous, current,
10 and upcoming fiscal years.

11 (23) “Temporary job” means a job in which an individual is hired for a
12 season or for a limited period of time.

13 § 18. APPLICANT AND RECIPIENT CORPORATION REPORTING

14 (a)(1) Application for economic development subsidies. Each granting
15 body, together with the applicant for a development subsidy, shall complete an
16 application for the subsidy on a form prepared by the department of finance
17 and management. In addition to any information required by any other statute,
18 the information required on the application shall include the following:

19 (A) An application tracking number for the granting agency and the
20 project;

1 (B) The name, street and mailing address, and telephone number of
2 the chief officer of the granting body;

3 (C) The name, street and mailing address, and telephone number of
4 the chief officer of the applicant's corporate parent;

5 (D) The name, street and mailing address, and telephone number of
6 the chief officer of the applicant;

7 (E) The name, street and mailing address, and telephone number of
8 the granting agency official responsible for monitoring the subsidy;

9 (F) The street address of the project site;

10 (G) The name, type, and description of the economic development
11 subsidy;

12 (H) The three-digit North American Industry Classification System
13 number of the project site;

14 (I) The total number of individuals employed by the applicant at the
15 project site on the date of the application, broken down by full-time, part-time,
16 and temporary positions;

17 (J) The total number of individuals employed in the state by the
18 applicant's corporate parent and all subsidiaries thereof as of December 31 of
19 the prior fiscal year, broken down by full-time, part-time, and temporary
20 positions;

1 (K) The development subsidy or subsidies being applied for with the
2 granting body, and the value of such subsidy or subsidies; the name of any
3 other granting body from which development subsidies are sought or obtained;
4 and the aggregate value of all development subsidies requested or received
5 from all sources;

6 (L) The number of new jobs to be created by the applicant at the
7 project site, broken down by full-time, part-time, and temporary positions;

8 (M) The average hourly wage to be paid to all current and new
9 employees at the project site, broken down by full-time, part-time, and
10 temporary positions, and further broken down by wage groups as follows:
11 \$7.01 to \$8.00 an hour, \$8.01 to \$9.00 an hour, \$9.01 to \$10.00 an hour,
12 \$10.01 to \$11.00 an hour, \$11.01 to \$12.00 an hour, \$12.01 to \$13.00 an hour,
13 \$13.01 to \$14.00 an hour, and \$14.01 or more per hour;

14 (N) The type and amount of health care coverage to be provided by
15 the applicant within 90 days of commencement of employment at the project
16 site, including any costs to be borne by the employees;

17 (O) The number of current employees provided health benefits;

18 (P) The number of current employees and anticipated new employees
19 represented by a collective bargaining;

20 (Q) For project sites located in a Metropolitan Statistical Area, as
21 defined by the federal Office of Management and Budget, the average hourly

1 wage paid to nonmanagerial employees in the state for the industries involved
2 at the project, as established by the United States Bureau of Labor Statistics;

3 (R) For project sites located outside Metropolitan Statistical Areas,
4 the average weekly wage paid to nonmanagerial employees in the county for
5 industries involved at the project, as established by the United States
6 Department of Commerce;

7 (S) Whether or not the project will be LEED-certified and if so,
8 provide the rating;

9 (T) The start and end dates for the economic development subsidy;

10 (U) The project site's proximity to mass transit, a regional rail line, or
11 a major highway off-ramp;

12 (V) A statement as to whether the development subsidy may reduce
13 employment at any other site controlled by the applicant or its corporate
14 parent, within or outside the state, resulting from automation, merger,
15 acquisition, corporate restructuring, or other business activity;

16 (W) A statement confirming the subsidy applicant's past legal
17 compliance, including minimum wage, employee rights, and affirmative action
18 laws;

19 (X) A statement as to whether the project involves the relocation of
20 work from another address and if so, the number of jobs to be relocated and the
21 address from which they are to be;

1 (Y) The projected net tax revenue accruing to the local agency as a
2 result of the economic development subsidy;

3 (Z) Inclusion of any material documents, such as insurance policies,
4 rating agency reports, or other pertinent documents, that are necessary to
5 ensure the subsidy is reasonably crafted and geared toward its public interest
6 within a co-financed or leveraged project;

7 (AA) Projected subsidy value; and

8 (BB) A certification by the chief officer of the applicant as to the
9 accuracy of the application.

10 (2) If the granting body shall approve the application, it shall send a
11 copy to the department of finance and management within 15 days of such
12 approval. If the application is not approved, the granting body shall retain the
13 application in its records.

14 (3) Before granting an economic development subsidy, each local
15 agency shall provide public notice and a hearing regarding the economic
16 development subsidy. A public hearing and notice under this subdivision is
17 not required if a hearing and notice regarding the economic development
18 subsidy is otherwise required by law.

19 (b)(1) Application for contract bid. Each contracting agency, together with
20 the applicant for a contract bid, shall complete an application for the contract
21 on a form prepared by the department of finance and management. In addition

1 to any information required by any other statute, the information required on
2 the application shall include the following:

3 (A) An application tracking number for the contracting agency and
4 the contract;

5 (B) The name, street and mailing address, and telephone number of
6 the chief officer of the contracting agency;

7 (C) The name, street and mailing address, and telephone number of
8 the chief officer of the applicant's corporate parent;

9 (D) The name, street and mailing address, and telephone number of
10 the chief officer of the applicant;

11 (E) The name, street and mailing address, and the employer and
12 employment category or job description of each person that will provide
13 consulting services under the contract, including subcontractors.

14 (F) The name, street and mailing address, and telephone number of
15 the contracting agency official responsible for monitoring the contract;

16 (G) The three-digit North American Industry Classification System
17 number of the entity applying for a bid;

18 (H) The type of service required by contract;

19 (I) The total number of individuals employed by the applicant on the
20 date of the application, broken down by full-time, part-time, and temporary
21 positions;

1 (J) The total number of individuals employed in the state by the
2 applicant's corporate parent and all subsidiaries thereof as of December 31 of
3 the prior fiscal year, broken down by full-time, part-time and temporary
4 positions;

5 (K) The bids being applied for with the contracting agency, and the
6 value of such contract or contracts; the name of any other contracting agencies
7 from which bids are sought or obtained; and the aggregate value of all bids
8 requested or received from all sources;

9 (L) The number of contractors or subcontractors needed to perform
10 required services, broken down by full-time, part-time, and temporary
11 positions;

12 (M) The types of services the contractor, subcontractor, and any
13 contract employees provide;

14 (N) The average hourly wage to be paid to each contractor,
15 subcontractor, and contract employee, broken down by full-time, part-time,
16 and temporary positions, and further broken down by wage groups as follows:
17 \$7.01 to \$8.00 an hour, \$8.01 to \$9.00 an hour, \$9.01 to \$10.00 an hour,
18 \$10.01 to \$11.00 an hour, \$11.01 to \$12.00 an hour, \$12.01 to \$13.00 an hour,
19 \$13.01 to \$14.00 an hour, and \$14.01 or more per hour;

1 (O) The number of hours each person, including each subcontractor
2 and contract employees, is expected to work in providing consulting services
3 to the agency under the terms of the contract;

4 (P) The total compensation of each contractor and subcontractor;

5 (Q) The type and amount of health care coverage to be provided by
6 the applicant within 90 days of commencement of the contract, including any
7 costs to be borne by the employees;

8 (R) The number of contractors or subcontractors associated with the
9 contract represented by a collective bargaining;

10 (S) For applicants based in a Metropolitan Statistical Area, as defined
11 by the federal Office of Management and Budget, the average hourly wage
12 paid to nonmanagerial employees in the state for the industries involved at the
13 project, as established by the United States Bureau of Labor Statistics;

14 (T) For applicants based outside Metropolitan Statistical Areas, the
15 average weekly wage paid to nonmanagerial employees in the county for
16 industries involved at the project, as established by the United States
17 Department of Commerce;

18 (U) The start and end dates for the contract;

19 (V) A statement confirming the applicant's past legal compliance,
20 including minimum wage, employee rights, and affirmative action laws;

21 (W) Projected savings accruing to the contracting agency;

1 (X) Projected total cost of contract;

2 (Y) A certification by the chief officer of the applicant as to the
3 accuracy of the application.

4 (2) If the contracting agency shall approve the contract bid, it shall send
5 a copy to the department of finance and management within 15 days of such
6 approval. If the application is not approved, the granting body shall retain the
7 application in its records.

8 (3) Before approving a contract bid, each contracting agency shall
9 provide public notice and a hearing regarding the contract bid. A public
10 hearing and notice under this subdivision is not required if a hearing and notice
11 regarding the contract bid is otherwise required by law.

12 § 19. REPORTS ON SUBSIDIES AND CONTRACTS

13 (a)(1) Establishment of measurable standards. Before entering into a
14 public contract, a contracting agency shall establish measurable standards for
15 assessing the quality of the goods or services, personal services, personal
16 property, public improvements or public works, alterations, repairs, or
17 maintenance that a contractor will provide or perform under the contract. The
18 contracting agency may develop the quality standards applicable to the public
19 contract in cooperation with or as a result of negotiations with the contractor to
20 which the contracting agency has awarded the public contract. Unless the
21 contracting agency for good cause specifies otherwise, the quality standards

1 may not be less than the highest standards prevalent in the industry or business
2 most closely involved in providing the appropriate goods or services, personal
3 services, personal property, public improvements, public works, alterations,
4 repairs, or maintenance.

5 (2) If a contracting agency performs a cost analysis before a
6 procurement for goods or services with an estimated contract price that
7 exceeds \$25,000.00, that analysis shall be subject to disclosure under
8 subchapter 3 of chapter 5 of Title 1. The contracting agency shall provide a
9 comparison of the findings of the cost analysis with the actual cost of the
10 contract in its annual and biannual reports described in subsection (c) of this
11 section.

12 (b) Report on economic development subsidies.

13 (1) Annual reports.

14 (A) Each granting body, together with the recipient of the subsidy,
15 shall complete a report for the subsidy on a form prepared by the department of
16 finance and management no later than 30 days after the start of the fiscal year.

17 The report shall include the following information:

18 (i) The application tracking number;

19 (ii) The name, street and mailing addresses, telephone number,
20 and chief officer of the granting body;

1 (iii) The name, street and mailing addresses, telephone number,
2 and chief officer of the recipient corporation;

3 (iv) The name, street and mailing address, and telephone number
4 of the contracting agency official responsible for monitoring the subsidy;

5 (v) A summary of the number of jobs required, created, and lost,
6 broken down by full-time, part-time, and temporary positions;

7 (vi) The name, type, and description of the economic development
8 subsidy;

9 (vii) The average hourly wage to be paid to all current and new
10 employees at the project site, broken down by full-time, part-time, and
11 temporary positions, and further broken down by wage groups as follows:
12 \$7.01 to \$8.00 an hour, \$8.01 to \$9.00 an hour, \$9.01 to \$10.00 an hour,
13 \$10.01 to \$11.00 an hour, \$11.01 to \$12.00 an hour, \$12.01 to \$13.00 an hour,
14 \$13.01 to \$14.00 an hour, and \$14.01 or more per hour;

15 (viii) Location of employees by zip code;

16 (ix) The type and amount of health care coverage provided to the
17 employees at the project site, including any costs borne by the employees;

18 (x) The number of current employees represented by collective
19 bargaining;

20 (xi) Whether the project will be LEED-certified and if so, provide
21 the rating;

1 (xii) The start and end dates and schedule for the economic
2 development subsidy;

3 (xiii) The project site's proximity to mass transit, a regional rail
4 line, or a major highway off-ramp;

5 (xiv) The comparison of the total employment in the state by the
6 recipient's corporate parent on the date of the application and the date of the
7 report, broken down by full-time, part-time, and temporary positions;

8 (xv) A statement as to whether the use of the development subsidy
9 during the previous fiscal year has reduced employment at any other site
10 controlled by the recipient corporation or its corporate parent, within or outside
11 the state as a result of automation, merger, acquisition, corporate restructuring,
12 or other business activity;

13 (xvi) A statement as to whether the project has involved the
14 relocation of work from another address and if so, the number of jobs relocated
15 and the address from which they were;

16 (xvii) Identification of all sources of public and private financing
17 in relation to the project;

18 (xviii) Inclusion of any cost analysis or feasibility study that may
19 have been conducted by the state or granting agency before the subsidy was
20 awarded;

1 (xix) Inclusion of any material documents, such as insurance
2 policies, rating agency reports, or other pertinent documents, that are necessary
3 to ensure the subsidy is reasonably crafted and geared toward its public interest
4 within a co-financed or leveraged project;

5 (xx) The net tax revenue accruing to the local agency as a result of
6 the economic development subsidy;

7 (xxi) Total subsidy value;

8 (xxii) Record action, if any, the granting agency has taken against
9 potential noncompliance;

10 (xxiii) A signed certification by the chief officer of the recipient
11 corporation as to the accuracy of the progress report.

12 (B) The granting body will then compile the data specified in
13 subdivision (1)(A) of this subsection and file a progress report with the
14 department of finance and management for each project for which a
15 development subsidy has been granted no later than 60 days after the start of
16 the fiscal year.

17 (C) On all subsequent annual progress reports, the granting body
18 shall indicate whether the recipient corporation is still in compliance with its
19 job creation, wage and benefit goals, and whether the corporate parent is still in
20 compliance with its state employment requirement.

1 (D) Granting bodies and recipient corporations shall file annual
2 progress reports for the duration of the subsidy or not less than five years,
3 whichever period is greater.

4 (2) Two-year report.

5 (A) No later than 15 days after the second anniversary of the date of
6 subsidy, the granting body shall file with the department of finance and
7 management a two-year progress report, including the same information as
8 required under subdivision (1)(A) of this subsection. The recipient corporation
9 shall certify as to the accuracy of such report.

10 (B) The granting body shall state in the two-year report whether the
11 recipient corporation has achieved its job creation, wage and benefit goals, and
12 whether the corporate parent has maintained 90 percent of its employment in
13 the state.

14 (3) The department of finance and management shall compile and
15 publish all data from the progress reports in both written and electronic form,
16 including the department's website. The department's website shall provide an
17 easily accessible, searchable database of the specified data.

18 (4) The local agency shall provide a final report at the conclusion of
19 each economic development subsidy that shall contain the information
20 described in subdivision (1)(A) of this subsection, in written form available to

1 the public, and through its website. The local agency's website shall provide
2 an easily accessible, searchable database of the specified data.

3 (5) The granting body and the department of finance and management
4 shall have access at all reasonable times to the project site and the records of
5 the recipient corporation in order to monitor the project and to prepare progress
6 reports.

7 (6) A recipient corporation that fails to provide the granting body with
8 the information or access required under this section shall be subject to a fine
9 of not less than \$500.00 per day if they have not provided the agency with
10 necessary information 30 days after the start of each fiscal year.

11 (c) Report on contracts.

12 (1) Annual reports.

13 (A) Each contracting agency, together with the contract recipient,
14 shall complete a report for the contract on a form prepared by the department
15 of finance and management no later than 30 days after the start of the fiscal
16 year. The report shall include the following information:

17 (i) An application tracking number for the contracting agency for
18 the service;

19 (ii) The name, street and mailing address, and telephone number
20 of the chief officer of the contracting agency;

1 (iii) The name, street and mailing address, and telephone number
2 of the chief officer of the applicant's corporate parent;

3 (iv) The name, street and mailing address, and telephone number
4 of the chief officer of the applicant;

5 (v) The name, street and mailing address, employer, and
6 employment category or job description of each person that provided
7 consulting services under the contract, including subcontractors;

8 (vi) The name, street and mailing address, and telephone number
9 of the contracting agency official responsible for monitoring the contract;

10 (vii) The three-digit North American Industry Classification
11 System number of the entity applying for a bid;

12 (viii) The procedure the agency used to solicit and award the
13 contract. The record should note whether the procedure involved competitive
14 bidding or competitive proposals and summarize the extent to which the
15 procedure sought to solicit and succeeded in soliciting bids or proposals from
16 minorities, women, or emerging small businesses;

17 (ix) Type of service required by contract;

18 (x) The total number of individuals employed by the applicant on
19 the date of the application and the date of the report, broken down by full-time,
20 part-time, and temporary positions;

1 (xi) The total number of individuals employed in the state by the
2 applicant's corporate parent, and all subsidiaries thereof, as of December 31 of
3 the prior fiscal year, broken down by full-time, part-time, and temporary
4 positions;

5 (xii) The bids applied for with the contracting agency, and the
6 value of such contract or contracts; the name of any other contracting agencies
7 from which bids were sought or obtained, and the aggregate value of all bids
8 requested or received from all sources;

9 (xiii) The number of contractors, subcontractors, and contract
10 employees who performed required services, broken down by full-time,
11 part-time, and temporary positions;

12 (xiv) The types of services the contractor, subcontractor, and any
13 contract employees provide;

14 (xv) The average hourly wage paid to each contractor,
15 subcontractor, and contract employee, broken down by full-time, part-time,
16 and temporary positions, and further broken down by wage groups as follows:
17 \$7.01 to \$8.00 an hour, \$8.01 to \$9.00 an hour, \$9.01 to \$10.00 an hour,
18 \$10.01 to \$11.00 an hour, \$11.01 to \$12.00 an hour, \$12.01 to \$13.00 an hour,
19 \$13.01 to \$14.00 an hour, and \$14.01 or more per hour;

1 (xvi) The number of hours each person, including each
2 subcontractor, works in providing consulting services to the agency under the
3 terms of the contract;

4 (xvii) The total compensation of each contractor, subcontractor,
5 and any contract employees;

6 (xviii) A summary of each amendment to the contract that
7 changed the contract term, the contract price or estimated total value, the
8 nature of the consulting services, or the identity of a person providing
9 consulting services under the contract, including the identity of subcontractors;

10 (xix) The type and amount of health care coverage provided by the
11 applicant within 90 days of commencement of the contract, including any costs
12 to be borne by the employees;

13 (xx) The number of contractors or subcontractors associated with
14 the contract represented by a collective bargaining;

15 (xxi) For applicants based in a Metropolitan Statistical Area, as
16 defined by the federal Office of Management and Budget, the average hourly
17 wage paid to nonmanagerial employees in the state for the industries involved
18 at the project, as established by the United States Bureau of Labor Statistics;

19 (xxii) For applicants based outside Metropolitan Statistical Areas,
20 the average weekly wage paid to nonmanagerial employees in the county for

1 industries involved at the project, as established by the United States

2 Department of Commerce;

3 (xxiii) The start and end dates for the contract;

4 (xxiv) A statement confirming the applicant's past legal
5 compliance, including minimum wage, employee rights, and affirmative action
6 laws;

7 (xxv) The savings accrued to the contracting agency;

8 (xxvi) Total cost of contract;

9 (xxvii) Inclusion of cost analysis, if previously conducted by state
10 or contracting agency;

11 (xxviii) A comparison of the actual cost with the findings of a cost
12 analysis, if previously conducted by the contracting agency;

13 (xxix) A copy of the actual contract and any revisions or
14 amendments;

15 (xxx) A certification by the chief officer of the applicant as to the
16 accuracy of the application.

17 (B) Each contracting agency shall compile the data specified in
18 subdivision (1)(A) of this subsection and file a progress report with the
19 department of finance and management for each contract, no later than 60 days
20 after the start of the fiscal year.

1 (C) On all subsequent annual progress reports, the contracting agency
2 shall indicate whether the recipient corporation is still in compliance with its
3 savings, wage, and benefit goals, and have met the measurable standards set by
4 the agency under subdivision (a)(1) of this section.

5 (D) Each contracting agency and recipient contractor shall file annual
6 progress reports for the duration of the contract, or not less than five years,
7 whichever period is greater.

8 (2) Two-year report.

9 (A) No later than 15 days after the second anniversary of the date of
10 contract, the contracting agency shall file with the department of finance and
11 management a two-year progress report including the same information as
12 required under subdivision (1)(A) of this subsection. The recipient contractor
13 shall certify as to the accuracy of such report.

14 (B) The contracting agency shall state in the two-year report whether
15 the recipient contractor has achieved its savings, wage, and benefit goals, and
16 have met the measurable standards set by the agency under subdivision (a)(1)
17 of this section.

18 (3) The department of finance and management shall compile and
19 publish all data from the progress reports in both written and electronic form,
20 including on the department's website. The department's website shall provide
21 an easily accessible, searchable database of the specified data.

1 (4) The contracting agency shall provide a final report at the conclusion
2 of each economic development subsidy that shall contain the information
3 described in subdivision (1)(A) of this subsection, in written form available to
4 the public, and through its website. The local agency's website shall provide
5 an easily accessible, searchable database of the specified data.

6 (5) The contracting agency and the department of finance and
7 management shall have access at all reasonable times to the project site and the
8 records of the recipient corporation in order to monitor the project and to
9 prepare progress reports.

10 (6) A recipient contractor that fails to provide the contracting agency
11 with the information or access required under this section shall be subject to a
12 fine of not less than \$500.00 per day if the contractor has not provided the
13 agency with necessary information 30 days after the start of each fiscal year.

14 (d)(1) Contract audits. The commissioner of finance and management has
15 authority to audit a contractor's performance under a public contract into
16 which a state contracting agency enters. The audit shall use generally accepted
17 accounting principles and may:

18 (A) Examine the contractor's books, papers, correspondence, and
19 other records related to the public contract;

20 (B) Assess whether the contractor has met the quality standards set
21 forth in the public contract under subsection (a) of this section;

1 (C) Determine whether the contractor has met commercial standards
2 of good faith and fair dealing in the contractor's course of dealing with the
3 contracting agency;

4 (D) Examine other issues that the commissioner deems germane to
5 assessing the contractor's performance under the public contract.

6 (2) A state contracting agency may request the commissioner of finance
7 and management to audit a contractor's performance under a public contract
8 for any reason and at any point during which the public contract is in effect or
9 for a period of six years after the date on which the public contract terminates.

10 (3) The terms of a public contract shall require a contractor to keep
11 books, papers, and other records and to document the contractor's performance
12 under the terms of the public contract, with particular reference to the
13 contractor's compliance with the quality standards set forth in the public
14 contract, in as much detail as will enable the commissioner of finance and
15 management to conduct an audit under this section. The contractor shall keep
16 the records described in this subsection for a minimum period of six years after
17 the date on which the public contract terminates.

18 (4) A local contracting agency shall designate a person that will have the
19 authority to audit contractor performance under a public contract into which
20 the local contracting agency enters. The person the local contracting agency
21 authorizes to conduct the audit shall do so in accordance with the standards

1 prescribed in this section and shall follow as closely as practicable the
2 procedures employed by the department of finance and management.

3 (5) The contracting agency and the contractor shall cooperate with the
4 auditing agency in all respects and shall permit full access to all information
5 that the auditing agency deems necessary for a true and complete review.

6 § 20. UNIFIED REPORTING

7 (a)(1) Unified tax expenditure budget. No later than 60 days after the end
8 of the fiscal year, the commissioner of finance and management shall compile
9 a tax expenditure budget for the previous fiscal year and present the tax
10 expenditure budget, including an analysis of tax expenditures, to the governor
11 and the general assembly. The tax expenditure budget shall include tax
12 expenditures with revenue impacts equal to or greater than \$5,000.00 in the
13 aggregate for a specific tax expenditure, and shall include:

14 (A) The amount of uncollected state tax revenues resulting from
15 every tax credit, abatement, exemption, and reduction provided by the state or
16 a local governmental unit, including gross receipts, income, sales, use, raw
17 materials, excise, property, utility, and inventory taxes;

18 (B) The name of each corporate taxpayer which claimed any tax
19 credit, abatement, exemption, or reduction under subdivision (A) of this
20 subdivision (1) of any value equal to or greater than \$5,000.00, together with
21 the dollar amount received by each such corporation;

1 (C) A projection of the costs of tax expenditures for all significant
2 general fund revenue sources;

3 (D) Identification of each tax expenditure and its statutory basis,
4 purpose, year of enactment, and date of repeal, if any;

5 (E) Identification, to the extent possible, of the beneficiaries of each
6 tax expenditure, including the number of businesses that used the tax
7 expenditure and the number of businesses that potentially qualified for but
8 failed to use the tax expenditure;

9 (F) Identification of any unintended consequences of the tax
10 expenditure that have come to the attention of the commissioner;

11 (G) An estimate of total state revenue distributed for tax expenditures
12 in the current fiscal year;

13 (H) An estimate of total state revenue to be distributed for tax
14 expenditures in the upcoming fiscal year;

15 (I) All state-appropriated expenditures for economic development,
16 including line-item budgets for every state-funded entity concerned with
17 economic development, including the agency of commerce and community
18 development, the department of labor, vocational education programs, state
19 university research programs, manufacturing extension service, workforce
20 investment boards, the Vermont economic development authority, industrial
21 development authorities, regional development authorities, and finance

1 authorities. The report shall additionally include a comprehensive presentation
2 of the costs of all development subsidies to the state during the prior fiscal
3 year, an estimate of the anticipated costs of development subsidies for the
4 current fiscal year, and an estimate of the costs of all development subsidies
5 for the fiscal year of the requested budget, including:

6 (i) The total cost to the state of tax expenditures resulting from the
7 development subsidies, the costs for each category of tax expenditure, and the
8 amounts of tax expenditures by geographical area;

9 (ii) The cost to the state of all appropriated expenditures for
10 development subsidies, including line-item budgets for every state-funded
11 entity concerned with economic development.

12 (2) Any tax credit, abatement, exemption, or reduction received by a
13 corporation of less than \$5,000.00 each shall not be itemized. The
14 commissioner of finance and management shall report an aggregate dollar
15 amount of such expenditures and the number of companies so aggregated for
16 each tax expenditure.

17 (3) The commissioner of finance and management is authorized to
18 request from a state agency or a local government agency official information
19 necessary to complete the tax expenditure budget required by this section. An
20 agency or official shall comply with a request made pursuant to this section.

1 (4) Before the conclusion of any tax expenditure under subdivision
2 (a)(1) of this section of any value equal to or greater than \$5,000.00, the
3 commissioner of finance and management shall submit a report to the general
4 assembly and the governor to assess whether to reappraise the particular tax
5 credit, abatement, exemption, or reduction, which includes:

6 (A) A statement of the purpose served by the tax expenditure;

7 (B) An appraisal of the tax expenditure's effectiveness in serving its
8 purpose;

9 (C) An evaluation of whether the tax expenditure serves a public
10 need;

11 (D) An evaluation of whether other statutes have enhanced or
12 impeded the tax expenditure's effectiveness in serving its purpose;

13 (E) An appraisal of whether the tax expenditure promotes economic
14 growth and development;

15 (F) An estimate of the amount of revenue lost each fiscal year
16 because of the tax expenditure;

17 (G) A recommendation as to whether the tax expenditure should be
18 allowed to expire or be renewed; and

19 (H) Any other relevant information.

20 (5) The department of finance and management shall compile and
21 publish all data from the report in both written and electronic form, including

1 the department's website. The department's website shall provide an easily
2 accessible, searchable database of the specified data.

3 (b)(1) Unified reporting of contracts. For the aggregated total of public
4 contracts, each contracting agency must provide a comprehensive report to the
5 department of finance and management no later than three months after the end
6 of the fiscal year detailing:

7 (A) The total number of contracts that the local contracting agency or
8 each state contracting agency awarded in the previous fiscal year, along with
9 the total expenditures for all such contracts up until the date on which the
10 agency produced the report, including:

11 (i) Consulting;

12 (ii) Construction;

13 (iii) Equipment;

14 (iv) Grants;

15 (v) Leases;

16 (vi) Miscellaneous services;

17 (vii) Printing;

18 (viii) Repayment agreements;

19 (ix) Intergovernmental agreements; and

20 (x) Goods.

21 (B) The total workforce of the agency;

1 (C) The total number of persons, including subcontractors that
2 provided consulting services to the agency;

3 (D) A calculation of contractors as a percent of total agency
4 workforce;

5 (E) The total number of minorities, women, or emerging small
6 businesses that provided consulting services to the agency;

7 (F) The total number of bids or proposals the agency received in
8 connection with each contract;

9 (G) Description of the types of contracts the agency awarded;

10 (H) The frequency of contracts awarded during the previous fiscal
11 year arranged by the number of bids or proposals and the source selection
12 method;

13 (I) The number of contracts disapproved by the agency during the
14 previous fiscal year and the reasons for disapproval arranged by state agency
15 and source selection method, and the number and outcome of bid protests;

16 (J) The total compensation the agency paid to each person, including
17 subcontractors that provided consulting services to the agency under all
18 contracts the agency awarded to the person;

19 (K) Average wages paid;

20 (L) Total savings agency accrued from using contractors;

1 (M) Estimated number and costs of contracts to be awarded in the
2 following fiscal year;

3 (N) The total cost of all contracts awarded;

4 (O) A comparison of the number of contracts the agency solicited
5 and awarded independently to the number of contracts the agency solicited and
6 awarded in connection with a cooperative procurement process. This must
7 also show the sum of the contract prices or estimated dollar values of the
8 contracts solicited and awarded independently, together with the sum of the
9 agency's expenditures for the contracts up until the date on which the agency
10 produced the report, compared to the corresponding sums for contracts
11 solicited and awarded in connection with cooperative procurements.

12 (2) The department of finance and management shall compile the data in
13 subdivision (1) of this subsection and provide to the general assembly and the
14 governor a comprehensive presentation of the data in subdivision (1) of this
15 subsection as well as the costs of all contracts to the state during the prior fiscal
16 year, an estimate of the anticipated costs of contracts for the then current fiscal
17 year, and an estimate of the costs of all contracts for the fiscal year of the
18 requested budget.

19 (3) The department of finance and management shall compile and
20 publish all data from the report in both written and electronic form, including

1 the department's website. The department's website shall provide an easily
2 accessible, searchable database of the specified data.

3 (c)(1) Unified reporting of property tax reductions and abatements. Each
4 property-taxing entity shall annually submit a report to the department of
5 finance and management regarding any nonresidential real property in the
6 entity's jurisdiction that has received a property tax abatement or reduction
7 during the fiscal year. The report shall contain information, including the
8 name of the property owner; the address of the property; the start and end dates
9 of the property tax reduction or abatement; the schedule of the tax reduction;
10 each tax abatement, reduction, and exemption for the property; and the amount
11 of property tax revenue not paid to the taxing entity as a result of the reduction
12 or abatement.

13 (2) Each property-taxing entity shall also submit a report to the
14 department of finance and management setting forth the total property tax
15 revenue not paid to such entity during the fiscal year as a result of all property
16 tax reductions and abatements in the entity's jurisdiction.

17 (3) The reports required under subdivisions (1) and (2) of this subsection
18 shall be prepared on two forms prepared by the department of finance and
19 management, and shall be submitted to the department by the property-taxing
20 entity no later than three months after the end of the fiscal year.

1 (4) The department of finance and management shall annually compile
2 and publish all of the data contained in the reports required under subdivisions
3 (1) and (2) of this subsection in both written and electronic form, including on
4 the department's website. The department's website shall provide an easily
5 accessible, searchable database of the specified data.

6 (5) If a property-taxing entity fails to submit its reports to the
7 department of finance and management within the prescribed time, the
8 department shall notify the commissioner of the department of taxes,
9 whereupon the commissioner shall withhold further tax reductions or
10 abatements to the delinquent entity until the entity files its reports with the
11 department of finance and management.

12 § 21. PRIVATE ENFORCEMENT AND PUBLIC DISCLOSURE

13 (a) Private enforcement action. If a granting body or contracting agency
14 fails to enforce any provision of this chapter, any individual who paid personal
15 income taxes to the state in the calendar year prior to the year in dispute, or any
16 organization representing such taxpayers, shall be entitled to bring a civil
17 action in state court to compel enforcement under this chapter. The court shall
18 award reasonable attorney's fees and costs to a prevailing taxpayer or
19 organization.

20 (b) Public record disclosure. All records required to be prepared or
21 maintained under this chapter, including applications, cost analyses, audits,

1 progress reports, and any other records or proceedings relating thereto, shall be
2 subject to disclosure under subchapter 3 of chapter 5 of Title 1.

3 (c) Preemption. Nothing in this chapter shall be read to require or
4 authorize any recipient corporation to reduce wages or benefits established
5 under any collective bargaining agreement or state or federal prevailing wage
6 law.

7 Sec. 3. EFFECTIVE DATE

8 This act shall take effect upon passage.