

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 868  
3 entitled “An act relating to miscellaneous economic development provisions”  
4 respectfully reports that it has considered the same and recommends that the  
5 report of the Committee on Economic Development, Housing and General  
6 Affairs be amended as follows:

7 First: By striking out Sec. A.1 (adding one legislative member to VEDA) in  
8 its entirety and inserting in lieu thereof: Sec. A.1. [Reserved.]

9 Second: By striking out Sec. A.5 in its entirety and inserting in lieu thereof  
10 a new Sec. A.5 to read:

11 Sec. A.5. 10 V.S.A. § 234 is amended to read:

12 § 234. THE VERMONT JOBS FUND

13 \* \* \*

14 (c) Monies in the Fund may be loaned to the Vermont Agricultural Credit  
15 Program to support its lending operations as established in chapter 16A of this  
16 title at interest rates and on terms and conditions to be set by the Authority to  
17 establish a line of credit in an amount not to exceed ~~\$60,000,000.00~~  
18 \$100,000,000.00 to be advanced to the Vermont Agricultural Credit Program  
19 to support its lending operations as established in chapter 16A of this title.

20 \* \* \*

1 Third: In Sec. A.6, in 10 V.S.A. § 374a, by striking out subsection (b) in its  
2 entirety and inserting in lieu thereof the following:

3 (b) No borrower shall be approved for a loan from the corporation that  
4 would result in the aggregate principal balances outstanding of all loans to that  
5 borrower exceeding the then-current maximum Farm Service Agency loan  
6 guarantee limits, or ~~\$2,000,000.00~~ \$5,000,000.00, whichever is greater.

7 Fourth: In Sec. D.1, following the first asterisks and preceding subsection  
8 (e), by inserting:

9 (b) Eligibility for grant. The Secretary of Commerce and Community  
10 Development may award a grant to an employer if:

11 \* \* \*

12 (2) the employer provides its employees with at least three of the  
13 following:

14 \* \* \*

15 (H) other paid time off, ~~including~~ excluding paid sick days;

16 \* \* \*

17 Fifth: In Sec. H.1, in 32 V.S.A. § 3331(9)(C)(viii), by striking out  
18 including and inserting in lieu thereof excluding

19 Sixth: By striking out Sec. H.10 (VEGI Program Review) in its entirety, re-  
20 designating Secs. H.11–H.12 as Secs. H.10–H.11, and inserting Secs. H.12-  
21 H.15 to read:

1 Sec. H.12. VEGI; REPEAL OF AUTHORITY TO AWARD INCENTIVES

2 Notwithstanding any provision of law to the contrary, the Vermont  
3 Economic Progress Council shall not accept or approve an application for a  
4 Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,  
5 subchapter 2 on or after January 1, 2022.

6 Sec. H.13. VERMONT EMPLOYMENT GROWTH INCENTIVE

7 PROGRAM REVIEW

8 (a) On or before August 15, 2016, the Vermont Economic Progress Council  
9 shall convene a Vermont Employment Growth Incentive Program Review  
10 Group.

11 (b) The Group shall consist of the following members:

12 (A) the Executive Director of the Vermont Economic Progress  
13 Council;

14 (B) a representative of the Vermont Regional Development  
15 Corporations appointed by the Secretary of Commerce and Community  
16 Development;

17 (C) a representative of the business community designated by the  
18 Governor; and

19 (D) a member of the public designated jointly by the Speaker of the  
20 House and the Senate Committee on Committees.

1           (c) The Group shall review the following questions relating to the Vermont  
2           Employment Growth Incentive Program:

3                   (1) whether the enhanced incentives available under the program are  
4           appropriate and necessary, including:

5                           (A) an analysis of the growth in the environmental technology sector  
6           in Vermont as defined in the enhanced incentive for environmental technology  
7           business and whether growth in this sector obviates the need for the current  
8           enhancement;

9                           (B) whether the State should forego additional net fiscal benefit  
10           under the enhancements and whether the policy objectives of the  
11           enhancements are met;

12                   (2) whether and how to include a mechanism in the Program for equity  
13           investments in incentive recipients or to recoup incentive payments in the  
14           event an incentive recipient is sold;

15                   (3) how to most effectively ensure, through the application and award  
16           process, that recipients of VEGI incentives are in compliance with all federal  
17           and State water quality and air quality laws and regulations;

18                   (4) the size, industry, and profile of the businesses that historically have  
19           experienced, and are forecast to experience, the most growth in Vermont, and  
20           whether the Program should be more targeted to these businesses;

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

3           (6) whether additional applicant and program data reporting and  
4           transparency could be accomplished without damage to applicant businesses.

5           (d) On or before January 15, 2018, the Group shall report its findings,  
6           conclusions, recommendations, and supporting data for legislative action to the  
7           House Committees on Commerce and Economic Development, on Ways and  
8           Means, and on Appropriations, and to the Senate Committees on Economic  
9           Development, Housing and General Affairs, on Finance, and on  
10          Appropriations.

11          Sec. H.14. VERMONT EMPLOYMENT GROWTH INCENTIVE

12    PROGRAM; TECHNICAL WORKING GROUP REVIEW

13          (a) The Joint Fiscal Committee shall convene a Vermont Employment  
14          Growth Incentive Program Technical Working Group that shall consist of the  
15          following members, as designated by the Committee:

16    (A) the legislative economist or another designee from the Joint  
17          Fiscal Office;

18    (B) a policy analyst from the Agency of Commerce and Community  
19          Development;

20    (C) an economic and labor market information chief from the  
21          Department of Labor; and

1           (D) a fiscal analyst from the Department of Taxes or the State  
2 economist.

3           (b) The Group shall meet not more than twice and shall review the  
4 following questions relating to the Vermont Employment Growth Incentive  
5 Program:

6           (1) whether the cost-benefit model is the most current and appropriate  
7 tool for evaluating fiscal impacts of the Program and whether it is effectively  
8 utilized;

9           (2) whether the inputs to the cost-benefit model should be adjusted for  
10 those applicants who assert that but for the incentive the scale or timing of the  
11 project would change;

12           (3) whether the Program can integrate the use of business-specific  
13 background growth rates in addition to, or in place of, industry-specific  
14 background growth rates; and, if industry-specific background growth rates are  
15 recommended, a methodology to review, calculate, and set those rates  
16 routinely;

17           (4) whether differential rates in annual average wages or annual average  
18 unemployment, defined by labor market area, are appropriate triggers for an  
19 incentive enhancement for projects located in, or lower wage threshold for jobs  
20 created in, qualifying labor market areas, and whether the margins of error in

1 annual labor market area wage and unemployment rates are within an  
2 acceptable range of tolerance for this use;

3 (c) On or before November 15, 2016 the Group shall submit a report of its  
4 findings and conclusions to the Joint Fiscal Committee, the VEGI Program  
5 Review Group, and the General Assembly.

6 Sec. H.15. VERMONT EMPLOYMENT GROWTH INCENTIVE

7 PROGRAM; QUALIFYING JOB; BENEFITS; REVIEW

8 On or before December 15, 2016, the Vermont Economic Progress Council  
9 shall consider and report its recommendations to the House Committees on  
10 Commerce and Economic Development, on Ways and Means, and on  
11 Appropriations, and to the Senate Committees on Economic Development,  
12 Housing and General Affairs, on Finance, and on Appropriations, on specific  
13 standards for the type, quality, and value of employee benefits that an applicant  
14 must offer in order for a new job to count as a “qualifying job” for purposes of  
15 the Vermont Employment Growth Incentive Program, which may include a  
16 requirement that the value of benefits be set at a minimum percentage of total  
17 compensation or at a percentage of the average value of benefits offered by  
18 businesses in this State.

19 Twelfth: By striking out Sec. Z.1 in its entirety and inserting in lieu thereof  
20 a new Sec. Z.1 to read:

21 **Sec. Z.1. EFFECTIVE DATES**

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5  
6  
7

\* \* \*

(Committee vote: \_\_\_\_\_)

\_\_\_\_\_

Senator \_\_\_\_\_

FOR THE COMMITTEE