

S.94

An act relating to promoting and recruiting workers to the State of Vermont

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

Sec. 1. 32 V.S.A. chapter 151, subchapter 11P is added to read:

Subchapter 11P. New Worker Cash Incentive

§ 5930pp. NEW WORKER CASH INCENTIVE

(a) As used in this section:

(1) “New worker” means an individual who:

(A) earned income from an entity with its domicile or primary place of business either within or outside this State in the form of wages, salaries, commissions, fees, or other forms of compensation for services rendered as recognized under 26 C.F.R. § 1.61–2, or had net earnings from self-employment as defined under 26 U.S.C. § 1402, in an annualized amount equal to or exceeding \$30,000.00; and

(B) becomes a full-time resident of this State on or after July 1, 2018.

(2) “Qualifying expenses” means a new worker’s actual costs for one or more of the following that are incurred due to relocation to this State and are necessary to perform the new worker’s employment duties:

(A) moving expenses;

(B) computer software and hardware;

(C) broadband access or upgrade; and

(D) membership in a co-working or similar space.

(3) "Agency" means the Agency of Commerce and Community Development.

(b)(1) A new worker shall be eligible to apply to the Agency for a cash incentive under this section in the amount of \$1,000.00 in the calendar year following the year in which he or she becomes a resident of this State.

(2)(A) The Agency shall certify that a new worker meets the eligibility requirements under this section before disbursing a cash incentive to the new worker.

(B) The Agency shall award cash incentive payments on a first-come, first-serve basis, up to \$250,000.00 in total annual payments until the funds are expended.

(c) The Agency shall:

(1) promote awareness of the new worker cash incentive authorized under this section;

(2) develop a process to certify a new worker's eligibility for a cash incentive under this section; and

(3) adopt measurable goals, performance measures that demonstrate results, and an audit strategy to assess the utilization and performance of the cash incentive authorized in this section.

(d) For the purposes of this section, the Department of Taxes shall calculate the amount of a new worker's annualized income as follows:

(1) multiply the income declared on the income tax return filed for the taxable year during which the new worker became a resident of this State by twelve, and

(2) divide the amount in subdivision (1) of this subsection by the number of months in which the new worker was a resident of this State during the taxable year.

Sec. 2. 32 V.S.A. § 3102(e) is amended to read:

(e) The Commissioner may, in his or her discretion and subject to such conditions and requirements as he or she may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

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(20) To the Secretary of Commerce and Community Development, provided that the information is limited to whether a new worker filed an income tax return under chapter 151 of this title; whether that new worker was a new filer on or after taxable year 2018; and whether that return shows an amount of income that meets the eligibility requirements for the cash incentive provided under 32 V.S.A. § 5930pp.

Sec. 2. IMPROVING INFRASTRUCTURE AND SUPPORT FOR REMOTE WORK IN VERMONT; STUDY; REPORT

(a) The Secretary of Commerce and Community Development, in consultation with the Commissioners of Labor, of Public Service, and of Buildings and General Services, and other interested stakeholders, shall identify and examine the infrastructure improvements and other support needed to enhance the ability of businesses to establish a remote presence in Vermont and to allow Vermonters and businesses developing from maker spaces, co-working spaces, remote work hubs, and innovation spaces to work and provide services remotely.

(b) Based on his or her findings, and in consultation with the Commissioners of Labor, of Public Service, and of Buildings and General Services, and other interested stakeholders, the Secretary shall design a program to address the needs identified pursuant to subsection (a) of this section. AS PASSED BY SENATE S.94 2018 Page 4 of 6

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(c) Specifically, the program shall:

- (1) address the infrastructure needs of remote workers and businesses developing from generator spaces;
- (2) promote and facilitate the use of remote worksites and maker spaces, co-working spaces, remote work hubs, and innovation spaces;
- (3) encourage out-of-state companies to use remote workers in Vermont;
- (4) reduce the administrative and regulatory burden on businesses employing remote workers in Vermont;
- (5) increase the ease of start-up companies finding remote work or maker spaces, co-working spaces, remote work hubs, and innovation spaces in the State; and
- (6) support the interconnection of current and future maker spaces, co-working spaces, remote work hubs, and innovation spaces in this State.

(d) On or before January 15, 2019, the Secretary shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a written report detailing:

- (1) his or her findings, program, and any recommendations for legislative action to implement the program; and
- (2) any additional policy changes to improve the climate for remote workers, including zoning measures, insurance and liability issues, workforce

training needs, broadband access, access to co-working spaces, and an assessment of environmental implications of working remotely.

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Sec. 3. INTEGRATED PUBLIC-PRIVATE STATE WORKSITES

(a) The Secretary of Administration, in consultation with the Secretary of Commerce and Community Development and the Commissioner of Buildings and General Services, shall examine the potential for the State to establish remote worksites that are available for use by both State employees and remote workers in the private sector.

(b) The Secretary shall examine the feasibility of and potential funding models for the worksites, including the opportunity to provide at low or no cost co-work space within State buildings that is currently vacant or underutilized.

(c) On or before January 15, 2019, the Secretary shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs detailing his or her findings and any recommendations for legislative action.

Sec. 4. BROADBAND AVAILABILITY FOR REMOTE WORKERS

On or before January 15, 2019, the Director of Telecommunications and Connectivity, in consultation with the Agency of Commerce and Community Development, shall submit with the annual report required by 30 V.S.A.

§ 202e findings and recommendations concerning:

(1) the current availability of broadband service in municipal downtown centers that do, or could at reasonable cost, support one or more co-working spaces or similar venues for remote workers and small businesses; and

(2) strategies for expanding and enhancing broadband availability for such spaces.

Sec. 5. EFFECTIVE DATES

(a) This section and Secs. 2–4 shall take effect on passage.

(b) Sec. 1 (new remote worker tax credit) shall take effect on the date specified in H.924 (2018) as enacted.