

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred House Bill No. 641 entitled “An act relating to promoting technology-
4 based economic development” respectfully reports that it has considered the
5 same and recommends that the bill be amended by striking out all after the
6 enacting clause and inserting in lieu thereof the following:

7 * * * Vermont Employment Growth Incentive Program;

8 Confidential Business Information * * *

9 Sec. 1. 32 V.S.A. § 3340 is amended to read:

10 § 3340. REPORTING

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

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

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

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

21 (A) the date and amount of authorization;

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

3 (C) whether the authorization is active; ~~and~~

4 (D) the date the authorization will expire; ~~and~~

5 (E) the wage threshold for the year authorized;

6 (F) the NAICS code and physical address; and

7 (G) the amount of incentives authorized and the amount earned; and

8 (3) the following ~~aggregate~~ information aggregated for all participants
9 by enhancement and by county:

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

12 (B) the ~~number~~ median wage and average wage of qualifying jobs;

13 ~~and~~

14 (C) the total number of qualifying jobs by wage range;

15 ~~(C)~~(D) the amount of new payroll and capital investment; and

16 (E) the type of job.

17 (c) The Council and the Department shall present data and information in
18 the joint report in a searchable format, provided that the Council and
19 Department may suppress individual charts or data that includes information
20 about only one business.

1 (d) Notwithstanding any provision of law to the contrary, an incentive
2 awarded pursuant to this subchapter shall be treated as a tax expenditure for
3 purposes of chapter 5 of this title.

4 Sec. 2. 32 V.S.A. § 3341 is amended to read:

5 § 3341. ~~CONFIDENTIALITY OF PROPRIETARY~~ CONFIDENTIAL
6 BUSINESS INFORMATION

7 ~~(a) The Vermont Economic Progress Council and the Department of Taxes~~
8 ~~shall use measures to protect proprietary financial information, including~~
9 ~~reporting information in an aggregate form.~~

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

1 ~~(e) Nothing in this section shall be construed to prohibit the publication of~~
2 ~~statistical information, rulings, determinations, reports, opinions, policies, or~~
3 ~~other information so long as the data are disclosed in a form that cannot~~
4 ~~identify or be associated with a particular business.~~

5 (a) As used in this section, “confidential business information” means the
6 following information that is not otherwise publicly disclosed pursuant to
7 section 3340 of this title or other provision of law:

8 (1) return information, as defined in section 3102 of this title, except
9 that for purposes of this section the term “person” as used in the definition of
10 “return information” means only a natural person;

11 (2) trade secrets, as defined in 1 V.S.A. § 317(c)(9); and

12 (3) records related to incentive claims under this chapter that are
13 produced or acquired by the Department of Taxes.

14 (b) Confidential business information is exempt from public inspection and
15 copying under the Public Records Act.

16 (c) The Vermont Economic Progress Council and the Department of Taxes
17 shall adopt measures to protect against the public disclosure of confidential
18 business information and shall not disclose confidential business information
19 except:

20 (1) to the Joint Fiscal Office or its agent upon request by:

21 (A) the Joint Fiscal Committee;

1 (B) the Speaker of the House;

2 (C) the President Pro Tempore of the Senate;

3 (D) the Chair of the House Committee on Appropriations, on
4 Commerce and Economic Development, or on Ways and Means; or

5 (E) the Chair of the Senate Committee on Appropriations, on
6 Economic Development, Housing and General Affairs, or on Finance;

7 (2) to the Auditor of Accounts in connection with the performance of
8 duties under section 163 of this title;

9 (3) pursuant to a judicial order; or

10 (4) as otherwise specifically provided by law.

11 (d) The Joint Fiscal Office, its agent, and the Auditor may disclose
12 confidential business information only to the persons and committees specified
13 in subdivision (c)(1) of this section, who shall review confidential business
14 information in executive session and shall not further disclose the confidential
15 business information.

16 *** Vermont Employment Growth Incentive Program; Pilot Programs ***

17 Sec. 3. 32 V.S.A. § 3343 is added to read:

18 § 3343. CAPITAL INVESTMENT CONVERTIBLE LOAN PROGRAM

19 (a) Creation. Within the Vermont Employment Growth Incentive Program,
20 there is created a Capital Investment Convertible Loan Program, the purpose of
21 which is to offer an incentive to smaller businesses in the form of a convertible

1 loan in order to upgrade facilities, machinery, and equipment and to increase
2 total payroll.

3 (b) Requirements. Notwithstanding any provision of this chapter to the
4 contrary:

5 (1) A business with 50 or fewer employees, which for purposes of this
6 section includes the employees of any other business under common control,
7 may apply for an incentive in the form of a convertible loan by submitting an
8 application to the Council in the form and with the information the Council
9 requires.

10 (2) For purposes of this section:

11 (A) An award period is three years.

12 (B) A qualifying job may include an existing position at the business
13 that otherwise meets the definition in subdivision 3331(9) of this title.

14 (C) An application shall include a payroll performance requirement
15 and a capital investment performance requirement.

16 (D) A business may participate in either the incentive program or the
17 convertible loan program and shall not participate in both simultaneously,
18 provided that a business that otherwise qualifies for an enhanced incentive
19 under section 3334 or 3335 of this title may receive the benefits of the
20 enhancement.

1 (3) If the Council approves the application for an award, the Council
2 shall recommend the application to the Vermont Economic Development
3 Authority and the business must submit a loan application to the Authority for
4 its review and approval pursuant to underwriting standards it adopts for that
5 purpose.

6 (4)(A) If the Authority approves the loan application, notwithstanding
7 any provision of 10 V.S.A. chapter 12 to the contrary, it shall issue a loan up to
8 the total value of the incentives approved for the award period.

9 (B) The business is required to make interest-only loan payments
10 during the award period.

11 (5) If the Authority does not approve the loan application or approves a
12 loan for less than the total value of the incentives, the business may withdraw
13 its loan application and return to the Council to amend or withdraw its
14 application.

15 (6) A loan shall convert to a grant at the end of the award period if the
16 business remains in good standing on the loan and:

17 (A) the Authority verifies that the business meets or exceeds its
18 capital investment requirement; and

19 (B) the Department of Taxes verifies to the Authority that the
20 business meets or exceeds its payroll performance requirement.

1 (7) If the business satisfies the criteria in subdivision (5) of this
2 subsection, the Department shall pay to the Authority the balance of the loan
3 principal.

4 (8) If the business meets its payroll performance requirement but does
5 not meet its capital investment requirement:

6 (A) a percentage of the loan shall convert to a grant equal to the
7 percentage of the capital investment the business made during the award period
8 relative to the capital investment performance requirement;

9 (B) the Department shall pay to the Authority an amount equal to the
10 amount converted; and

11 (C) the business shall pay the balance of the principal and interest on
12 terms specified in the loan agreement.

13 (9) If the business does not meet its payroll performance requirement,
14 the loan does not convert, and the business shall pay the balance of the
15 principal and interest on terms specified in the loan agreement.

16 Sec. 4. IMPLEMENTATION OF VEGI PILOT PROGRAMS; REPORT;
17 STUDY; SUNSET

18 (a) The Vermont Economic Progress Council, the Department of Taxes,
19 and the Vermont Economic Development Authority shall collaborate to adopt
20 written policies and procedures governing the implementation of 32 V.S.A.

1 § 3343, which shall include policies and procedures for determining
2 background growth rates in payroll.

3 (b) The Council shall not accept or approve an application pursuant to
4 32 V.S.A. § 3343 after December 31, 2025.

5 (c) On or before January 15, 2022 and through the duration of the program,
6 the Council shall report to the House Committees on Commerce and Economic
7 Development and on Ways and Means and to the Senate Committees on
8 Economic Development, Housing and General Affairs and on Finance, as
9 follows:

10 (1) The Council shall provide the written policies and procedures
11 adopted pursuant to subsection (a) of this section.

12 (2) The Council shall provide information concerning the
13 implementation and effectiveness of 32 V.S.A. § 3343, including information
14 on the number and status of applications, projected fiscal benefit to the State,
15 and actual fiscal benefit to the State realized.

16 * * * Better Places Program * * *

17 Sec. 5. 24 V.S.A. § 2799 is added to read:

18 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

19 (a)(1) There is created a Better Places Fund under 32 V.S.A. chapter 7,
20 subchapter 5.

1 (2) The purpose of the Fund is to utilize crowdfunding to spark
2 community revitalization through collaborative grantmaking for projects that
3 create, activate, or revitalize public spaces.

4 (3) The Department of Housing and Community Development shall
5 administer the Fund in coordination with and support from other State agencies
6 and nonprofit and philanthropic partners.

7 (b) The Fund is composed of the following:

8 (1) State or federal funds appropriated by the General Assembly;

9 (2) gifts, grants, or other contributions to the Fund;

10 (3) proceeds from the issuance of general obligation bonds; and

11 (4) any interest earned by the Fund.

12 (c) As used in this section, “public space” means an area or place that is
13 open and accessible to all people, generally with no charge for admission, and
14 includes village greens, squares, parks, community centers, town halls,
15 libraries, and other public-accessible buildings and connecting spaces such as
16 sidewalks, streets, alleys, and trails.

17 (d)(1) The Department of Housing and Community Development shall
18 establish an application process, eligibility criteria, and criteria for prioritizing
19 assistance for awarding grants from the Fund.

20 (2) The Department may award a grant to a municipality or nonprofit
21 organization for a project that is located in a designated downtown, village

1 center, new town center, or neighborhood development area that will create a
2 new public space or revitalize or activate an existing public space.

3 (3) To be eligible for a grant, a project shall use matching funds raised
4 through a crowdfunding approach that includes multiple donors and other
5 appropriate requirements to ensure a broad base of community and financial
6 support for the project.

7 (e) The Department of Housing and Community Development, with the
8 assistance of a fiscal agent, shall distribute funds under this section in a manner
9 that provides funding for projects of various sizes in as many geographical
10 areas of the State as possible.

11 (f) The Department of Housing and Community Development may use up
12 to 15 percent of any appropriation to the Fund from the General Fund to assist
13 with crowdfunding, administration, and technological needs of the Better
14 Places Program.

15 * * * Effective Dates * * *

16 Sec. 6. EFFECTIVE DATES

17 This act shall take effect on July 1, 2020, except that Sec. 3 (convertible
18 loan program) shall take effect on July 1, 2021.

1 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE