

S.256. An act relating to creating the New Vermont Employee Incentive Program

As passed Sen. Econ Dev.

Secs. 1-3 create and implement the “New Vermont Employee Incentive Program.” This essentially codifies and makes permanent a single program comprising the New Remote Worker Grant Program and the New Worker Relocation Incentive Program. The criteria for new remote workers and new relocating workers is the same in the new consolidated Program as for the underlying programs.

Sec. 4. updates the statutory list of municipalities that have been authorized to use education property tax increment for a tax increment financing (TIF) district.

Sec. 5. authorizes and implements a pilot program between January 1, 2021 and December 31, 2026 for “project-based tax increment financing projects,” which would allow up to 15 projects in municipalities with active designations under the Downtown Development program that are likely too small or narrow in scope to meet the criteria for the current statutory TIF district program to use TIF financing for a project with a total debt ceiling of not more than \$1,500,000.00. The program is limited to one project per municipality and a total of five projects per year. A municipality with an active TIF district is not eligible for the program.

Secs. 6-7 create and implement within the current Vermont Employment Growth Incentive Program a pilot “Capital Investment Convertible Loan Program.” Under this pilot program an applicant approved by both VEPC and VEDA may receive its incentive payment up-front in the form of a VEDA loan, rather than a payout in installments over five years. If the approved business meets its performance requirements, the loan will convert to a grant and the Department of Taxes will reimburse VEDA in the amount remaining on the loan.

Sec. 8 creates a study of the internal controls, accounting, and administration of the VEGI Program.

Sec. 9 increases the maximum annual amount of Downtown and Village Center Tax Credits that may be awarded from \$2.6m to \$4m.

Sec. 10 appropriates economic development funding:

- \$1m to the Secretary of State to complete the one-stop business portal;
- \$600k to ACCD for SBIR technical assistance and matching grants
- \$250,000 to ACCD for economic development and tourism marketing
- \$500,000 to VEDA for the Capital Investment Convertible Loan Program