

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 162  
3 entitled “An act relating to promoting economic development” respectfully  
4 reports that it has considered the same and recommends that the bill be  
5 amended by striking out all after the enacting clause and inserting in lieu  
6 thereof the following:

7 \* \* \* Recruitment and Relocation \* \* \*

8 Sec. 1. 3 V.S.A. § 2476 is amended to read:

9 § 2476. DEPARTMENT OF TOURISM AND MARKETING

10 \* \* \*

11 (c) Economic development marketing. The Department shall be  
12 responsible for the promotion of Vermont as great place to live, work, and do  
13 business in order to increase the benefits of economic development marketing,  
14 including:

15 (1) attracting additional private investment in Vermont businesses;

16 (2) recruiting new businesses;

17 (3) attracting more innovators and entrepreneurs to locate in Vermont;

18 (4) attracting, recruiting, and growing the workforce to fill existing

19 vacancies in growing businesses and to retain workers and their families; and

20 (5) promoting and supporting Vermont businesses, goods, and services.

21 \* \* \*

1       Sec. 2. NEW WORKER RELOCATION INCENTIVE PROGRAM

2           (a) The Agency of Commerce and Community Development shall design  
3           and implement the New Worker Relocation Incentive Program, which shall  
4           include a simple certification process to certify new workers and certify  
5           qualifying expenses for a grant under this section.

6           (b) A new worker may be eligible for a grant under the Program for  
7           qualifying expenses in the amount of not more than \$7,500.00, consistent with  
8           the following limitations, and subject to available funding and procedures the  
9           Agency adopts to implement the program:

10           (1) A base grant for relocation to any area in Vermont shall be  
11           \$5,000.00.

12           (2) A grant for relocation to a designated labor market area may be  
13           enhanced, not to exceed \$7,500.00.

14           (3) The Agency shall assess applications on a rolling basis and give first  
15           priority, at any point in the application process, to workers in identified priority  
16           sectors, which may include health care, early child care and learning, lodging  
17           and restaurant industry, manufacturing, technology, and construction trades.

18           (4) A new worker may apply for a grant beginning January 1, 2020 and  
19           shall be paid when proof of residency and income tax liability reaches the  
20           equivalent of the amount claimed.

1           (5) A remote worker may apply for a grant under the Program when all  
2           funds from the New Remote Worker Grant Program created in 2018 Acts and  
3           Resolves No. 197, Sec. 1 are encumbered.

4           (c) The Agency shall:

5                 (1) adopt procedures for implementing the Program;

6                 (2) promote awareness of the Program, including through coordination  
7                 with relevant trade groups and by integration into the Agency’s economic  
8                 development marketing campaigns; and

9                 (3) adopt measurable goals, performance measures, and an audit strategy  
10                to assess the utilization and performance of the Program.

11           (d) As used in this section:

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

13                     (A)(i) is a full-time employee of a business with its domicile or  
14                     primary place of business outside Vermont and performs the majority of his or  
15                     her employment duties remotely from a home office or a coworking space  
16                     located in this State; or

17                     (ii) is a full-time employee of a business located in Vermont and

18                     (B) becomes a full-time resident of this State on or after January 1,  
19                     2020.

1           (2) “Qualifying expenses” mean actual costs that a new worker  
2           incurs for:

3                   (A) moving expenses;

4                   (B) repayment of student loan debt;

5                   (C) down payment assistance; and

6                   (D) initial rental deposits.

7           (e) On or before October 1, 2020, the Agency shall submit a report to the  
8           House Committee on Commerce and Economic Development and the Senate  
9           Committee on Economic Development, Housing and General Affairs  
10           concerning the implementation of this section, including:

11                   (1) a description of the procedures adopted to implement the Program;

12                   (2) the promotion and marketing of the Program;

13                   (3) any additional recommendations for qualifying new worker expenses  
14           or qualifying workers that should be eligible under the Program, and

15                   (4) any recommendations for the maximum amount of the grant.

16           Sec. 3. DUTIES CONTINGENT UPON FUNDING

17           The duties imposed on the Agency of Commerce and Community  
18           Development in Sec. 2 of this act are contingent upon the appropriation of  
19           funds in fiscal year 2020 for the purposes specified.

1                   \* \* \* Vermont Employment Growth Incentive Program \* \* \*

2           Sec. 4. REPEAL

3                   32 V.S.A. § 3336 (enhanced incentive for workforce training) is repealed.

4           Sec. 5. ENHANCED INCENTIVES; BACKGROUND GROWTH; SMALL  
5                   BUSINESS PARTICIPATION

6                   On or before December 15, 2020, the Vermont Economic Progress Council  
7                   shall submit to the Senate Committee on Economic Development, Housing and  
8                   General Affairs and to the House Committee on Commerce and Economic  
9                   Development a report addressing:

10                   (1) the use of the enhanced incentive for environmental technology  
11                   businesses in the Vermont Employment Growth Incentive Program and shall  
12                   specifically address the effectiveness, costs, and benefits of modifying the  
13                   background growth rate when calculating the value of the enhanced incentives;  
14                   and

15                   (2) specific recommendations for reducing the administrative burdens  
16                   and other barriers to participation in the Program for small businesses.

17           Sec. 6. VERMONT EMPLOYMENT GROWTH INCENTIVE; STUDY

18                   On or before January 15, 2020, the Agency of Commerce and Community  
19                   Development, in consultation with the State Auditor, shall study and report to  
20                   the House Committees on Commerce and Economic Development and on  
21                   Ways and Means and to the Senate Committees on Economic Development,

1 Housing and General Affairs and on Finance concerning the Vermont  
2 Employment Growth Incentive Program, specifically addressing the following:

3 (1) the internal controls and methods used to evaluate whether the  
4 program is working as intended;

5 (2) the procedures used to select, vet, and approve participants and  
6 projects;

7 (3) the controls and due diligence surrounding the application of the  
8 “but for” test;

9 (4) the specific outcomes of the Program in each year, including the net  
10 revenue gain to the State and the net increase in jobs, payroll, and capital  
11 investment; and

12 (5) the procedures and controls for measuring and verifying those  
13 Program outcomes.

14 \* \* \* Effective Date \* \* \*

15 Sec. 7. EFFECTIVE DATE

16 This act shall take effect on July 1, 2019.

17  
18  
19 (Committee vote: \_\_\_\_\_)

1

\_\_\_\_\_

2

Representative \_\_\_\_\_

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FOR THE COMMITTEE