

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to  
3 which was referred Senate Bill No. 256 entitled “An act relating to creating the  
4 New Vermont Employee Incentive Program” respectfully reports that it has  
5 considered the same and recommends that the bill be amended by striking out  
6 all after the enacting clause and inserting in lieu thereof the following:

7 \* \* \* New Worker Recruitment \* \* \*

8 Sec. 1. 10 V.S.A. chapter 1 is amended to read:

9 CHAPTER 1. ECONOMIC DEVELOPMENT

10 \* \* \*

11 § 4. NEW VERMONT EMPLOYEE INCENTIVE PROGRAM

12 (a) The Agency of Commerce and Community Development shall design  
13 and implement a New Vermont Employee Incentive Program to award  
14 incentive grants to qualifying new employees as provided in this section and  
15 subject to the policies and procedures the Agency adopts to implement the  
16 Program.

17 (b) Incentives. A qualifying new employee may be eligible for a grant  
18 under the Program for qualifying expenses, subject to the following:

19 (1) A base grant shall not exceed \$5,000.00.

1           (2) The Agency may award an enhanced grant, which shall not exceed  
2           \$7,500.00, for a qualifying new employee who becomes a resident in a labor  
3           market area in this State in which:

4                   (A) the average annual unemployment rate in the labor market area  
5                   exceeds the average annual unemployment rate in the State; or

6                   (B) the average annual wage in the State exceeds the annual average  
7                   wage in the labor market area.

8           (c) The Agency shall:

9                   (1) adopt procedures for implementing the Program, which shall include  
10                  a simple certification process to certify qualifying new employees and  
11                  qualifying expenses;

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

15                  (3) award grants to qualifying new employees on a first-come, first-  
16                  served basis beginning on January 1, 2021, subject to available funding; and

17                  (4) adopt measurable goals, performance measures, and an audit strategy  
18                  to assess the utilization and performance of the Program.

19           (d) Annually, on or before December 15, the Agency shall submit a report  
20           to the House Committee on Commerce and Economic Development and the

1 Senate Committee on Economic Development, Housing and General Affairs  
2 concerning the implementation of this section, including:

3 (1) a description of the policies and procedures adopted to implement  
4 the Program;

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

6 (3) an analysis of the utilization and performance of the Program.

7 (e) As used in this section:

8 (1) “New relocating worker” means an individual who on or after  
9 January 1, 2021:

10 (A) becomes a full-time resident of this State;

11 (B) becomes a full-time employee of a business domiciled or  
12 authorized to do business in this State;

13 (C)(i) is employed in an occupation identified by the Department of  
14 Labor in its 2016–2026 Long Term Occupational Projections as one of the top  
15 occupations at each level of educational attainment typical for entry; or

16 (ii) the Agency determines should otherwise receive an incentive  
17 grant under the Program because the worker possesses exceptional education,  
18 skills, or training or due to other extraordinary circumstances; and

19 (D) receives gross wages for the position that equal or exceed:

20 (i) 160 percent of the State minimum wage; or

1                   (ii) if the employer is located in a labor market area in which the  
2                   average annual unemployment rate is higher than the average annual  
3                   unemployment rate for the State, 140 percent of the State minimum wage.

4                   (2) “New remote worker” means an individual who:

5                   (A) is a full-time employee of a business with its domicile or primary  
6                   place of business within or outside Vermont;

7                   (B) becomes a full-time resident of this State on or after January 1,  
8                   2021; and

9                   (C) performs the majority of his or her employment duties remotely  
10                  from a home office or a co-working space located in this State.

11                  (3) “Qualifying expenses” means:

12                  (A) for a new relocating worker, the actual costs the new relocating  
13                  worker incurs for one or more of the following:

14                  (i) relocation expenses, which may include closing costs for a  
15                  primary residence; rental security deposit; first month’s rent payment; and  
16                  other expenses established in Agency guidelines; and

17                  (ii) expenses necessary for a new worker to perform his or her  
18                  employment duties, including connectivity costs, specialized tools and  
19                  equipment, and other expenses established in Agency guidelines.



1 for the New Remote Worker Grant Program and the New Worker Relocation

2 Incentive Program to:

3 (1) award incentives to new remote workers and new workers who  
4 qualify for an incentive under either of those programs until January 1, 2021;  
5 and

6 (2) award incentives to qualifying employees under the New Vermont  
7 Employee Incentive Program created by this act on or after January 1, 2021.

8 Sec. 3. REPEAL

9 The following are repealed:

10 (1) 2018 Acts and Resolves No. 197, Sec. 1, as amended by 2019 Acts  
11 and Resolves No. 80, Sec. 15 (New Remote Worker Grant Program); and

12 (2) 2019 Acts and Resolves No. 80, Sec. 12 (New Worker Relocation  
13 Incentive Program).

14 \* \* \* Project-Based Tax Increment Financing Projects \* \* \*

15 Sec. 4. 24 V.S.A. 1892(d) is amended to read:

16 (d) The following municipalities have been authorized to use education tax  
17 increment financing for a tax increment financing district:

18 (1) the City of Burlington, Downtown;

19 (2) the City of Burlington, Waterfront;

20 (3) ~~the Town of Milton, North and South~~ Town of Bennington;

21 (4) ~~the City of Newport~~ City of Montpelier;

- 1 (5) the City of Winooski;
- 2 (6) the ~~Town of Colchester~~;
- 3 ~~(7) the~~ Town of Hartford;
- 4 ~~(8)~~(7) the City of St. Albans;
- 5 ~~(9)~~(8) the City of Barre;
- 6 ~~(10)~~(9) the Town of Milton, Town Core; and
- 7 ~~(11)~~(10) the City of South Burlington.

8 Sec. 5. TAX INCREMENT FINANCING PROJECT DEVELOPMENT;  
9 PILOT PROGRAM

10 (a) Definitions. As used in this section:

11 (1) “Committed” means pledged and appropriated for the purpose of the  
12 current and future payment of tax increment financing and related costs as  
13 defined in this section.

14 (2) “Financing” means debt incurred, including principal, interest, and  
15 any fees or charges directly related to that debt, or other instruments or  
16 borrowing used by a municipality to pay for improvements and related costs  
17 for the approved project, only if authorized by the legal voters of the  
18 municipality in accordance with 24 V.S.A. § 1894. Payment for eligible  
19 related costs may also include direct payment by the municipality using the  
20 district increment. However, such anticipated payments shall be included in  
21 the vote by the legal voters of the municipality in accordance with subsection

1 (e) of this section. If interfund loans within the municipality are used as the  
2 method of financing, no interest shall be charged. Bond anticipation notes may  
3 be used as a method of financing and may qualify as a municipality’s first  
4 incurrence of debt. A municipality that uses a bond anticipation note during  
5 the third or sixth year that a municipality may incur debt pursuant to subsection  
6 (e) of this section shall incur all permanent financing not more than one year  
7 after issuing the bond anticipation note.

8 (3) “Improvements” means the installation, new construction, or  
9 reconstruction of infrastructure that will serve a public purpose, including  
10 utilities, transportation, public facilities and amenities, land and property  
11 acquisition and demolition, and site preparation. “Improvements” also means  
12 the funding of debt service interest payments for a period of up to five years,  
13 beginning on the date on which the first debt is incurred.

14 (4) “Legislative body” means the mayor and alderboard, the city  
15 council, the selectboard, and the president and trustees of an incorporated  
16 village, as appropriate.

17 (5) “Municipality” means a city, town, or incorporated village.

18 (6) “Original taxable value” means the total valuation as determined in  
19 accordance with 32 V.S.A. chapter 129 of all taxable real property located  
20 within the project as of the creation date, provided that no parcel within the  
21 project shall be divided or bisected.

1           (7) “Project” means public improvements, as defined in subdivision (3)  
2           of this subsection (a), that meets the criteria set forth in subdivision (h)(2) of  
3           this section, with a total debt ceiling, including related costs, and principal and  
4           interest payments, of not more than \$1,500,000.00.

5           (8) “Related costs” means expenses incurred and paid by the  
6           municipality, exclusive of the actual cost of constructing and financing  
7           improvements, that are directly related to the creation and implementation of  
8           the project, including reimbursement of sums previously advanced by the  
9           municipality for those purposes. Related costs may not include direct  
10           municipal expenses such as departmental or personnel costs.

11           (b) Pilot Program. Beginning January 1, 2021 and ending December 31,  
12           2026, the Vermont Economic Progress Council is authorized to approve not  
13           more than 15 tax increment financing projects, provided that there shall be not  
14           more than one project per municipality.

15           (c) General authority. Under the pilot program established in subsection  
16           (b) of this section, a municipality, upon approval of its legislative body, may  
17           apply to the Vermont Economic Progress Council pursuant to the approval  
18           process set forth in subsection (h) of this section to use tax increment financing  
19           for an individual project located within or serving one or more active  
20           designations approved by the Vermont Downtown Board under 24 V.S.A.

1 chapter 76A or located within an industrial park as defined in 10 V.S.A.

2 § 212(7).

3 (d) Eligibility.

4 (1) A municipality is only authorized to apply for a project under this  
5 section if the project will serve one or more active designations approved by  
6 the Vermont Downtown Development Board under 24 V.S.A. chapter 76A.

7 (2) A municipality with an approved tax increment financing district as  
8 set forth in 24 V.S.A. 1892(d) is not authorized to apply for a project under this  
9 section.

10 (e) Incurring indebtedness.

11 (1) A municipality approved under the process set forth in subsection (h)  
12 of this section may incur indebtedness against revenues to provide funding to  
13 pay for improvements and related costs for tax increment financing project  
14 development.

15 (2) Notwithstanding any provision of any municipal charter, the  
16 municipality shall only have one authorizing vote to incur debt through one  
17 instance of borrowing to finance or otherwise pay for the tax increment  
18 financing project improvements and related costs. The municipality shall be  
19 authorized to incur indebtedness only after the legal voters of the municipality,  
20 by a majority vote of all voters present and voting on the question at a special  
21 or annual municipal meeting duly warned for the purpose, authorize the

1 legislative body to pledge the credit of the municipality, borrow, or otherwise  
2 secure the debt for the specific purposes so warned.

3 (3) Any indebtedness shall be incurred within three years from the date  
4 of approval by the Vermont Economic Progress Council, unless the Vermont  
5 Economic Progress Council grants an extension of an additional three years  
6 provided, however, that an updated plan is submitted prior to the three-year  
7 termination date of the project.

8 (f) Original Taxable Value. As of the date the project is approved by the  
9 Vermont Economic Progress Council, the lister or assessor for the municipality  
10 shall certify the original taxable value and shall certify to the legislative body  
11 in each year thereafter during the life of the project the amount by which the  
12 total valuation as determined in accordance with 32 V.S.A. chapter 129 of all  
13 taxable real property located within the project has increased or decreased  
14 relative to the original taxable value.

15 (g) Tax increments.

16 (1) In each year following the approval of the project, the listers or  
17 assessor shall include no more than the original taxable value of the real  
18 property in the assessed valuation upon which the treasurer computes the rates  
19 of all taxes levied by the municipality and every other taxing district in which  
20 the project is situated, but the treasurer shall extend all rates so determined  
21 against the entire assessed valuation of real property for that year. In each year

1 for which the assessed valuation exceeds the original taxable value, the  
2 municipality shall hold apart, rather than remit to the taxing districts, that  
3 proportion of all taxes paid that year on the real property within the project  
4 which the excess valuation bears to the total assessed valuation. The amount  
5 held apart each year is the “tax increment” for that year. No more than the  
6 percentages established pursuant to subsection (i) of this section of the  
7 municipal and State education tax increments received with respect to the  
8 project and committed for the payment for financing for improvements and  
9 related costs shall be segregated by the municipality in a special tax increment  
10 financing project account and in its official books and records until all capital  
11 indebtedness of the project has been fully paid. The final payment shall be  
12 reported to the treasurer, who shall thereafter include the entire assessed  
13 valuation of the project in the assessed valuations upon which municipal and  
14 other tax rates are computed and extended and thereafter no taxes from the  
15 project shall be deposited in the project’s tax increment financing account.

16 (2) Notwithstanding any charter provision or other provision, all  
17 property taxes assessed within a project shall be subject to the provision of  
18 subdivision (1) of this section. Special assessments levied under 24 V.S.A.  
19 chapters 76A or 87 or under a municipal charter shall not be considered  
20 property taxes for the purpose of this section if the proceeds are used  
21 exclusively for operating expenses related to properties within the project and

1 not for improvements within the district, as defined in subdivision (a)(3) of this  
2 section.

3 (3) Amounts held apart under subdivision (1) of this subsection (g) shall  
4 only be used for financing and related costs as defined in subsection (a) of this  
5 section.

6 (h) Approval process. The Vermont Economic Progress Council shall only  
7 approve a municipality's application for a tax increment financing project  
8 development if:

9 (1) the proposed infrastructure improvements and the projected  
10 development or redevelopment are compatible with confirmed municipal and  
11 regional development plans; the project has clear local and regional  
12 significance for employment, housing, or transportation improvements; and

13 (2) the application meets one of the following five criteria:

14 (A) The development clearly requires substantial public investment  
15 over and above the normal municipal operating or bonded debt expenditures.

16 (B) The development includes new or rehabilitated affordable  
17 housing, as defined in 24 V.S.A. § 4303.

18 (C) The project will affect the remediation and redevelopment of a  
19 brownfield located within the district. As used in this section, "brownfield"  
20 means an area in which a hazardous substance, pollutant, or contaminant is or

1 may be present, and that situation is likely to complicate the expansion,  
2 development, redevelopment, or reuse of the property.

3 (D) The development will include at least one entirely new business  
4 or business operation or expansion of an existing business within the district,  
5 and this business will provide new, quality, full-time jobs that meet or exceed  
6 the prevailing wage for the region as reported by the Department of Labor.

7 (E) The development will enhance transportation by creating  
8 improved traffic patterns and flow or creating or improving public  
9 transportation systems.

10 (i) Use of tax increment.

11 (1) Education property tax increment. For only debt incurred within the  
12 period permitted under subdivision (e)(3) of this section after approval of the  
13 project, up to 70 percent of the education tax increment may be retained for up  
14 to 20 years, beginning with the education tax increment generated the year in  
15 which the first debt incurred for the project financed in whole or in part with  
16 incremental education property tax revenue. Upon incurring the first debt, a  
17 municipality shall notify the Department of Taxes and the Vermont Economic  
18 Progress Council of the beginning of the 20-year retention period of the  
19 education tax increment.

20 (2) Use of the municipal property tax increment. For only debt incurred  
21 within the period permitted under subdivision (e)(3) of this section after

1 approval of the project, not less than 85 percent of the municipal tax increment  
2 shall be retained to service the debt, beginning the first year in which debt is  
3 incurred, pursuant to subdivision (1) of this subsection.

4 (3) The Vermont Economic Progress Council shall determine there is a  
5 nexus between the improvement and the expected development and  
6 redevelopment for the project and expected outcomes.

7 (j) Distribution. Of the municipal and education tax increments received in  
8 any tax year that exceed the amounts committed for the payment of the  
9 financing for improvements and related costs for the project, equal portions of  
10 each increment may be retained for the following purposes: prepayment of  
11 principal and interest on the financing, placed in a special account required by  
12 subdivision (g)(1) of this section and used for future financing payments, or  
13 used for defeasance of the financing. Any remaining portion of the excess  
14 municipal tax increment shall be distributed to the city, town, or village  
15 budget, in the proportion that each budget bears to the combined total of the  
16 budgets, unless otherwise negotiated by the city, town, or village, and any  
17 remaining portion of the excess education tax increment shall be distributed to  
18 the Education Fund.

19 (k) Information Reporting. Every municipality with an approved project  
20 pursuant to this section shall:

1           (1) Develop a system, segregated for the project, to identify, collect, and  
2           maintain all data and information necessary to fulfill the reporting  
3           requirements of this section, including performance measures.

4           (2) Throughout the year, as required by events, provide notification to  
5           the Vermont Economic Progress Council and the Department of Taxes  
6           regarding any tax increment financing development project debt obligations,  
7           public votes, or votes by the municipal legislative body immediately following  
8           such obligation or vote on a form prescribed by the Council, including copies  
9           of public notices, agendas, minutes, vote tally, and a copy of the information  
10           provided to the public in accordance with 24 V.S.A. § 1894(i);

11           (3) Annually:

12           (A) Ensure that the tax increment financing project account required  
13           by subdivision (g)(1) is subject to the annual audit prescribed in subsection (m)  
14           of this section. Procedures must include verification of the original taxable  
15           value and annual and total municipal and education tax increments generated,  
16           expenditures for debt and related costs, and current balance.

17           (B) On or before February 15 of each year, on a form prescribed by  
18           the Council, submit an annual report to the Vermont Economic Progress  
19           Council and the Department of Taxes, including the information required by  
20           subdivision (2) of this section if not already submitted during the year, all  
21           information required by subdivision (A) of this subdivision (3), and the

1 information required by 32 V.S.A. § 5404a(i), including performance measures  
2 and any other information required by the Council or the Department of Taxes.

3 (l) Annual report. The Vermont Economic Progress Council and the  
4 Department of Taxes shall submit an annual report to the Senate Committees  
5 on Economic Development, Housing and General Affairs and on Finance and  
6 the House Committees on Commerce and Economic Development and on  
7 Ways and Means on or before April 1 each year. The report shall include the  
8 date of approval, a description of the project, the original taxable value of the  
9 property subject to the project development, the scope and value of projected  
10 and actual improvements and developments, projected and actual incremental  
11 revenue amounts, and division of the increment revenue between project debt,  
12 the Education Fund, the special account required by subdivision (g)(1) and the  
13 municipal General Fund, projected and actual financing, and a set of  
14 performance measures developed by the Vermont Economic Progress Council,  
15 which may include outcomes related to the criteria for which the municipality  
16 applied and the amount of infrastructure work performed by Vermont firms.

17 (m) Audit; financial reports. Annually, until the year following the end of  
18 the period for retention of education tax increment, a municipality with an  
19 approved project under this section shall:

20 (1) by January 1, submit an annual report to the Vermont Economic  
21 Progress Council, which shall provide sufficient information for the Vermont

1 Economic Progress Council to prepare its report required by subsection (i) of  
2 this section; and

3 (2) by April 1, ensure that the project is subject to the annual audit  
4 prescribed in 24 V.S.A. §§ 1681 and 1690. Procedures must include  
5 verification of the original taxable value and annual and total municipal and  
6 education tax increments generated, expenditures for debt and related costs,  
7 and current balance.

8 (n) Authority to issue decisions.

9 (1) The Secretary of Commerce and Community Development, after  
10 reasonable notice to a municipality and an opportunity for a hearing, is  
11 authorized to issue decisions to a municipality on questions and inquiries  
12 concerning the administration of projects, statutes, rules, noncompliance with  
13 this section, and any instances of noncompliance identified in audit reports  
14 conducted pursuant to subsection (m) of this section.

15 (2) The Vermont Economic Progress Council shall prepare  
16 recommendations for the Secretary prior to the issuance of a decision. As  
17 appropriate, the Council may prepare such recommendations in consultation  
18 with the Commissioner of Taxes, the Attorney General, and the State  
19 Treasurer. In preparing recommendations, the Council shall provide a  
20 municipality with a reasonable opportunity to submit written information in  
21 support of its position. The Secretary shall review the recommendations of the

1 Council and issue a final written decision on each matter within 60 days of the  
2 receipt of the recommendations. The Secretary may permit an appeal to be  
3 taken by any party to a Superior Court for determination of questions of law in  
4 the same manner as the Supreme Court may by rule provide for appeals before  
5 final judgment from a Superior Court before issuing a final decision.

6 \* \* \* Vermont Employment Growth Incentive Pilot Program \* \* \*

7 Sec. 6. 32 V.S.A. § 3343 is added to read:

8 § 3343. CAPITAL INVESTMENT CONVERTIBLE LOAN PROGRAM

9 (a) Creation. Within the Vermont Employment Growth Incentive Program  
10 there is created a Capital Investment Convertible Loan Program, the purpose of  
11 which is to offer an incentive to smaller businesses in the form of a convertible  
12 loan in order to upgrade facilities, machinery, and equipment and to increase  
13 total payroll.

14 (b) Requirements. Notwithstanding any provision of this chapter to the  
15 contrary:

16 (1) A business with 30 or fewer employees, which for purposes of this  
17 section includes the employees of any other business under common control,  
18 may apply for an incentive in the form of a convertible loan by submitting an  
19 application to the Council in the form and with the information the Council  
20 requires.

21 (2) For purposes of this section:

1           (A) An award period is three years.

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

4           (C) An application shall include a payroll performance requirement  
5 and a capital investment performance requirement.

6           (D) A business may participate in either the incentive program or the  
7 convertible loan program and shall not participate in both simultaneously,  
8 provided that a business that otherwise qualifies for an enhanced incentive  
9 under sections 3334 or 3335 of this title may receive the benefits of the  
10 enhancement.

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

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

19           (B) The business is required to make monthly, interest-only payments  
20 during the award period.

21           (C) The interest rate shall not exceed one percent.

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

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

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

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

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

14                  (8) If the business meets its payroll performance requirement, but does  
15                  not meet its capital investment requirement:

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

19                   (B) the Department shall pay to the Authority an amount equal to the  
20                  amount converted; and

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

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

6           (c) Limitations.

7           (1) An incentive approved pursuant to this section shall not exceed  
8 \$150,000.

9           (2) Within the annual program cap established in section 3342 of this  
10 title, the Council may approve not more than \$1.5 million in incentives  
11 pursuant to this section in each calendar year.

12           Sec. 7. IMPLEMENTATION OF VEGI PILOT PROGRAMS; REPORT;  
13           STUDY; SUNSET

14           (a) The Vermont Economic Progress Council, the Department of Taxes,  
15 and the Vermont Economic Development Authority shall collaborate to adopt  
16 written policies and procedures governing the implementation of 32 V.S.A. §  
17 3343, which shall include policies and procedures for determining background  
18 growth rates in payroll.

19           (b) The Council shall not accept or approve an application pursuant to 32  
20 V.S.A. § 3343 after December 31, 2024.

1           (c) On or before January 15, 2021 and through the duration of the program,  
2           the Council shall report to the House Committees on Commerce and Economic  
3           Development and on Ways and Means and to the Senate Committees on  
4           Economic Development, Housing and General Affairs and on Finance, as  
5           follows:

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

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

12                  (3) The Council, in coordination with the Agency of Commerce and  
13                  Community Development, shall provide recommendations concerning the  
14                  design and implementation of an additional incentive program within the  
15                  VEGI program, the purpose of which is:

16                           (A) to incentivize large, anchor businesses throughout Vermont to  
17                           make significant capital investments in their Vermont facilities; and

18                           (B) appropriately recognize and account for:

19  
20                                   (i) the economic benefits that large employers currently provide,  
21                                   particularly in rural areas of the State;

1                   (ii) the negative impacts that occur when such employers diminish  
2                   their presence or withdraw from the State; and

3                   (iii) the economic benefits to the State that arise from significant  
4                   capital investments and accompanying growth in payroll and jobs at existing  
5                   facilities.

6                   Sec. 8. VERMONT EMPLOYMENT GROWTH INCENTIVE; STUDY

7                   (a) On or before January 15, 2021, the Vermont Economic Progress  
8                   Council shall provide to the House Committees on Commerce and Economic  
9                   Development and on Ways and Means and to the Senate Committees on  
10                  Economic Development, Housing and General Affairs and on Finance a report  
11                  based on an independent third-party review of the Vermont Employment  
12                  Growth Incentive Program that addresses:

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

15                  (2) the procedures used to select, vet, and approve participants and  
16                  projects;

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

19                  (4) recommendations on possible alternatives to the “but for” test that  
20                  may be used to qualify a business to participate in the Program;

1           (5) the specific outcomes of the Program in each year, including the net  
2 revenue gain to the State and the net increase in jobs, payroll, and capital  
3 investment;

4           (6) the procedures and controls for measuring and verifying those  
5 Program outcomes; and

6           (7) any other issues that arise during the independent review of the  
7 Program.

8                           \* \* \* Downtown and Village Center Tax Credit \* \* \*

9           Sec. 9. 32 V.S.A. § 5930ee is amended to read:

10          § 5930ee. LIMITATIONS

11           Beginning in fiscal year 2010 and thereafter, the State Board may award tax  
12 credits to all qualified applicants under this subchapter, provided that:

13           (1) the total amount of tax credits awarded annually, together with sales  
14 tax reallocated under section 9819 of this title, does not exceed ~~\$2,600,000.00~~  
15 \$4,000,000.00;

16                           \* \* \* Appropriations \* \* \*

17          Sec. 10. APPROPRIATIONS

18           In fiscal year 2021 the following amounts are appropriated from the General  
19 Fund as follows:

20           (1) \$1,000,000 to the Secretary of State to complete the work of the  
21 steering committee created in 2018 Acts and Resolves No. 196, Sec. 1, as

1 amended by 2019 Acts and Resolves No. 80, Sec. 13 to design and implement  
2 a one-stop business portal for businesses, entrepreneurs, and citizens to provide  
3 information about starting and operating a business in Vermont.

4 (2) \$600,000 to the Agency of Commerce and Community Development  
5 to support Vermont businesses seeking to participate in the federal Small  
6 Business Innovation Research program:

7 (A) \$200,000 to contract with one or more technical service  
8 providers to assist businesses in applying for grants; and

9 (B) \$400,000 to provide State-funded matching grants of not more  
10 than 50 percent of a federal SBIR Phase I or II grant, not to exceed \$50,000.00.

11 (3) \$250,000 to the Department of Tourism and Marketing for tourism  
12 marketing, economic development marketing, and to promote outdoor  
13 recreation, with priority given to economic development marketing.

14 (4) \$500,000 to the Vermont Economic Development Authority for  
15 interest rate subsidies, loan loss reserves, and the costs of administration of the  
16 Capital Investment Convertible Loan Program in 32 V.S.A. § 3343 for the  
17 duration of the pilot program.

18 \* \* \* Effective Dates \* \* \*

19 Sec. 11. EFFECTIVE DATES

20 This act shall take effect on July 1, 2020, except that Sec. 3 (repeal of  
21 incentive programs) shall take effect on January 1, 2021.

1           and that after passage the title of the bill be amended to read: “An act  
2 relating to workforce and economic development”

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

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\_\_\_\_\_

11

Senator \_\_\_\_\_

12

FOR THE COMMITTEE