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S.62

Introduced by Senators Sirotkin, Balint, Clarkson, Hooker and Lyons

Referred to Committee on Economic Development, Housing and General
Affairs

Date: February 3, 2021

Subject: Commerce and trade; economic development

Statement of purpose of bill as introduced: This bill proposes to create a New
Vermont Employee Incentive Program.

~~An act relating to creating a New Vermont Employee Incentive Program~~

An act relating to creating incentives for new remote and relocating workers

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

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

CHAPTER 1. ECONOMIC DEVELOPMENT

* * *

§ 4. NEW VERMONT EMPLOYEE INCENTIVE PROGRAM

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

1 ~~(b) A qualifying new employee may be eligible for a grant under the~~
2 Program for qualifying expenses, subject to the following:

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

4 (2) The Agency may award an enhanced grant, which shall not exceed
5 \$7,500.00, for a qualifying new employee who becomes a resident in a labor
6 market area in this State in which:

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

9 (B) the average annual wage in the State exceeds the annual average
10 wage in the labor market area.

11 (c) The Agency shall:

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

15 (2) promote awareness of the Program, including through coordination
16 with relevant trade groups and by integration into the Agency's economic
17 development marketing campaigns;

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

20 (4) adopt measurable goals, performance measures, and an audit

21 strategy to assess the utilization and performance of the Program.

1 ~~(d) Annually, on or before December 15, the Agency shall submit a report~~
2 to the House Committee on Commerce and Economic Development and the
3 Senate Committee on Economic Development, Housing and General Affairs
4 concerning the implementation of this section, including:

5 (1) a description of the policies and procedures adopted to implement
6 the Program;

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

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

9 (e) As used in this section:

10 (1) "New relocating worker" means an individual who on or after
11 January 1, 2021:

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

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

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

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

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

1 ~~(i) 160 percent of the State minimum wage, or~~
2 ~~(ii) if the employer is located in a labor market area in which the~~
3 ~~average annual unemployment rate is higher than the average annual~~
4 ~~unemployment rate for the State, 140 percent of the State minimum wage.~~
5 ~~(2) “New remote worker” means an individual who:~~
6 ~~(A) is a full-time employee of a business with its domicile or primary~~
7 ~~place of business within or outside Vermont;~~
8 ~~(B) becomes a full-time resident of this State on or after January 1,~~
9 ~~2021; and~~
10 ~~(C) performs the majority of his or her employment duties remotely~~
11 ~~from a home office or a co-working space located in this State.~~
12 ~~(3) “Qualifying expenses” means:~~
13 ~~(A) for a new relocating worker, the actual costs the new relocating~~
14 ~~worker incurs for one or more of the following:~~
15 ~~(i) relocation expenses, which may include closing costs for a~~
16 ~~primary residence, rental security deposit, first month’s rent payment, and~~
17 ~~other expenses established in Agency guidelines; and~~
18 ~~(ii) expenses necessary for a new worker to perform his or her~~
19 ~~employment duties, including connectivity costs, specialized tools and~~
20 ~~equipment, and other expenses established in Agency guidelines, and~~

1 ~~(B) for a new remote worker, the actual costs the new remote worker~~
2 incurs for one or more of the following that are necessary to perform his or her
3 employment duties:

4 (i) relocation to this State;

5 (ii) computer software and hardware;

6 (iii) broadband access or upgrade; and

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

8 (4) “Qualifying new employee” means:

9 (A) a new relocating worker; or

10 (B) a new remote worker.

11 * * *

12 Sec. 2. IMPLEMENTATION; FUNDING; TRANSITION

13 (a) It is the intent of the General Assembly to consolidate into a single
14 program:

15 (1) the funding and activities of the New Remote Worker Grant
16 Program created in 2018 Acts and Resolves No. 197, Sec. 1, as amended by
17 2019 Acts and Resolves No. 80, Sec. 15; and

18 (2) the funding and activities of the New Worker Relocation Incentive
19 Program created by 2019 Acts and Resolves No. 80, Sec. 12.

20 (b) Consistent with subsection (a) of this section, the Agency of Commerce
21 and Community Development may use any remaining funds appropriated to it

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 July 1, 2021; and

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

7 Sec. 3. REPEAL

8 The following are repealed:

9 (1) 2018 Acts and Resolves No. 197, Sec. 1, as amended by 2019 Acts
10 and Resolves No. 80, Sec. 15 (New Remote Worker Grant Program); and

11 (2) 2019 Acts and Resolves No. 80, Sec. 12 (New Worker Relocation
12 Incentive Program).

13 Sec. 4. EFFECTIVE DATE

14 ~~This act shall take effect on passage.~~

Sec. 1. INTENT AND PURPOSE

It is the intent of the General Assembly and the purpose of this act to:

(1) expand the Vermont workforce;

(2) attract new residents to the State; and

(3) provide support to employers who are unable to fill positions from among candidates who are already located in this State, whether due to very low unemployment rate or due to a disconnect between job requirements and candidate qualifications.

Sec. 2. 10 V.S.A. chapter 1 is amended to read:

CHAPTER 1. ECONOMIC DEVELOPMENT

** * **

§ 4. NEW RELOCATING AND REMOTE EMPLOYEES; INCENTIVES

(a) The Agency of Commerce and Community Development shall design and implement a program to award incentive grants to relocating employees as provided in this section and subject to the policies and procedures the Agency adopts to implement the program.

(b) A relocating employee may be eligible for a grant under the program for qualifying expenses, subject to the following:

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

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

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

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

(c) The Agency shall:

(1) adopt procedures for implementing the program, which shall include a simple certification process to certify relocating employees and qualifying expenses;

(2) promote awareness of the program, including through coordination with relevant trade groups and by integration into the Agency's economic development marketing campaigns;

(3) award grants to relocating employees on a first-come, first-served basis beginning on July 1, 2021, subject to available funding; and

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

(d) Annually, on or before December 15, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the policies and procedures adopted to implement the program;

(2) the promotion and marketing of the program;

(3) an analysis of the utilization and performance of the program, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling.

(e) As used in this section:

(1) “Qualifying expenses” means the actual costs a relocating employee incurs for one or more of the following:

(A) relocation expenses, which may include moving costs, closing costs for a primary residence, rental security deposit, one month’s rent payment, and other relocation expenses established in Agency guidelines;

(B) reasonable and necessary costs, considering the employee’s location and employment position, to access or upgrade broadband Internet connectivity or to acquire membership in a co-working or similar space.

(2) “Relocating employee” means an individual who on or after July 1, 2021 meets the following criteria:

(A) The individual becomes a full-time resident of this State.

(B) The individual:

(i)(I) becomes a full-time employee at a Vermont location of a business domiciled or authorized to do business in this State; and

(II) the employer attests to the Agency that, after reasonable time and effort, the employer has been unable to fill the employee’s position from among Vermont applicants; or

(ii) is a full-time employee of an out-of-state business and performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State.

(C) The individual receives gross salary or wages that equal or exceed:

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

(ii) 140 percent of the State minimum wage if:

(I) the individual becomes a full-time employee at a Vermont location of a business domiciled or authorized to do business in this State that is located in a Vermont labor market area in which the average annual unemployment rate is higher than the average annual unemployment rate for the State; or

(II) the individual is a full-time employee of an out-of-state business and performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State, and the individual becomes a resident in a Vermont labor market area in which the average annual unemployment rate is higher than the average annual unemployment rate for the State.

(D) The individual is subject to Vermont income tax.

Sec. 3. IMPLEMENTATION; FUNDING; TRANSITION; REPORT

(a) It is the intent of the General Assembly to consolidate into a single program:

(1) the funding and activities of the New Remote Worker Grant Program created in 2018 Acts and Resolves No. 197, Sec. 1, as amended by 2019 Acts and Resolves No. 80, Sec. 15; and

(2) the funding and activities of the New Worker Relocation Incentive Program created by 2019 Acts and Resolves No. 80, Sec. 12.

(b) Consistent with subsection (a) of this section, the Agency of Commerce and Community Development may use any remaining funds appropriated to it for the New Remote Worker Grant Program and the New Worker Relocation Incentive Program to:

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

(2) award incentives to relocating employees under the program created pursuant to Sec. 2 of this act on or after July 1, 2021.

(c) On or before January 15, 2022, the Agency of Commerce and Community Development shall report to the Senate Committee on Economic Development, Housing and General Affairs and to the House Committee on Commerce and Economic Development concerning any recommended changes to the program created in Sec. 2 of this act, including any residency requirements or other further changes on new employee eligibility.

Sec. 4. REPEAL

The following are repealed:

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

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

Sec. 5. EFFECTIVE DATES

(a) This section and Sec. 3 shall take effect on passage.

(b) The remaining sections shall take effect on July 1, 2021.