

1 Introduced by House Committee on Commerce and Economic Development
2 Referred to Committee on
3 Date:
4 Subject: Commerce and trade; economic development
5 Statement of purpose of bill as introduced: This bill proposes to promote
6 economic recovery and economic development.

7 An act relating to promoting economic recovery and economic development

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

9 *** Tourism and marketing fund; seed investment;
10 dedicated funding mechanism ***

11 Sec. 1. FINDINGS

12 (a) The General Assembly finds:

13 (1) The tourism and hospitality sector has suffered widespread
14 disruption from the Covid-19 pandemic, with restaurant, lodging,
15 entertainment, specialty retail and related businesses, as well as cultural
16 attractions, suffering job losses and an uncertain ability to remain operational
17 due to the travel restrictions imposed and the revenue losses that have been
18 experienced.

1 (2) According to the Vermont Department of Tourism and Marketing
2 2019 Benchmark Study, Vermont’s tourism industry brings in \$3.0 billion into
3 the Vermont economy, and supports over 31,000 jobs.

4 (3) When travel is safe again, Vermont will have a strategic opportunity
5 coming out of the pandemic to encourage visitation due our abundance of open
6 space, strong cultural and outdoor recreation assets and careful management of
7 the virus.

8 (4) Vermont has the smallest tourism marketing budget in New England.
9 In FY20, New Hampshire’s tourism budget was \$10.8M, Massachusetts’s was
10 \$12.9M and Maine’s was \$17.9M, compared to \$3.0M for Vermont.

11 (5) Increased investment in destination marketing will allow the
12 Department of Tourism and Marketing to market Vermont as a global tourism
13 destination to attract more visitors, bring economic activity to rural
14 communities, and sustain Vermont’s iconic brand.

15 Sec. 2. 10 V.S.A. chapter 27, subchapter 4 is added to read:

16 Subchapter 4. Tourism Marketing Promotion Fund

17 § 670. TOURISM MARKETING PROMOTION FUND

18 (a)(1) There is created a Tourism Marketing Promotion Fund, within the
19 Department of Tourism and Marketing, which the Department shall manage
20 pursuant to 32 V.S.A. chapter 7, subchapter 5.

1 (2) The purpose of the Fund is for the Department to promote Vermont’s
2 travel, recreation, culinary, arts, culture, agritourism, and heritage experiences
3 to attract visitors, and stimulate visitor spending with local attractions and
4 small businesses in rural communities and throughout the state. By using the
5 amounts within the Fund, the Department will enhance Vermont’s image as a
6 tourist destination, increase visitor spending, and boost the revenues that are
7 generated through the meals and rooms tax.

8 (3) It is the intent that the amounts the Fund receives from the meals
9 and rooms tax shall be in addition to the funding regularly appropriated to the
10 Department for tourism and marketing.

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

12 (1) 69% of excess revenue from the meals and rooms taxes collected as
13 compared to the current year Consensus Revenue Forecast, and as imposed
14 under 32 V.S.A. chapter 225; and

15 (2) any other amounts transferred or appropriated to it by the General
16 Assembly.

17 (c) All interest earned on Fund balances shall be credited to the Fund. Any
18 balance remaining at the end of the fiscal year shall remain in the Fund.

19 (d) Funds shall not be transferred in years when meals and rooms tax
20 revenues are not above the current year Consensus Revenue Forecast.

21

1 but not limited to, at restaurants, entertainment businesses, retail stores, and
2 tourism attractions.

3 (1) The program design for the Buy Local Consumer Stimulus Program
4 shall include:

5 (A) An enrollment period for businesses to sign up for the program.

6 Eligible businesses will include:

7 (1) restaurants, retail stores, entertainment businesses and
8 attractions; and,

9 (2) be located in a designated downtown or village center,
10 designated by the Downtown Development Board pursuant to 24 V.S.A.
11 chapter 76a, subchapter 2793a

12 (B) An enrollment period for consumers to sign up for the program.

13 At the end of the enrollment period, consumers who receive incentives from
14 the program will be determined by a random lottery.

15 (1) The distribution of incentives to consumers will be based on
16 percent of population, by county.

17 (2) Consumers who receive an incentive will be able to choose
18 where to redeem that incentive from one or more businesses in their county of
19 residence, based on the number of businesses in that county participating in the
20 program.

1 (3) Consumers will be able to redeem the incentives through
2 December 31, 2022.

3 Sec. 6. APPROPRIATION

4 (a) In fiscal year 2022, the amount of \$1,000,000 is appropriated from the
5 General Fund to the Department of Tourism and Marketing.

6 **** Reloated Worker Program****

7 Sec. 7. 10 V.S.A. chapter 1 is amended to read:

8 CHAPTER 1. ECONOMIC DEVELOPMENT

9 * * *

10 § 4. NEW VERMONT EMPLOYEE INCENTIVE PROGRAM

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

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

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

19 (2) The Agency may award an enhanced grant, which shall not exceed
20 \$7,500.00, for a qualifying new employee who becomes a resident in a labor
21 market area in this State in which:

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

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

5 (c) The Agency shall:

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

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

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

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

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

20 (1) a description of the policies and procedures adopted to implement
21 the Program;

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

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

3 (e) As used in this section:

4 (1) “New relocating worker” means an individual who on or after July 2,
5 2021:

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

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

9 (C) receives gross wages for the position that equal or exceed the
10 State minimum wage;

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

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

14 (B) becomes a full-time resident of this State on or after July 1, 2021;
15 and

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

18 (3) “Qualifying expenses” means:

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

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

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

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

10 (i) relocation to this State;

11 (ii) computer software and hardware;

12 (iii) broadband access or upgrade; and

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

14 (4) “Qualifying new employee” means:

15 (A) a new relocating worker;

16 (B) a new remote worker; or

17 (C) a new returning worker.

18 Sec. 8. IMPLEMENTATION; FUNDING; TRANSITION

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

1 (1) the funding and activities of the New Remote Worker Grant Program
2 created in 2018 Acts and Resolves No. 197, Sec. 1, as amended by 2019 Acts 7
3 and Resolves No. 80, Sec. 15; and

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

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

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

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

15 Sec. 9. APPROPRIATION

16 In fiscal year 2022, the amount of \$500,000 is appropriated from the
17 General Fund to the Department of Economic Development, of which the
18 \$100,000 will be set aside and utilized to advance equity and diversity
19 workforce goals.

20 Sec. 10. REPEAL

21 The following are repealed:

1 allow for growth and transformation that builds upon local and regional
2 character, culture, and quality of place.

3 (5) Research shows that community-driven placemaking projects
4 increase economic and civic vitality, and create spaces where commerce
5 thrives, social connections flourish, civic participation increases, and residents
6 are empowered to take ownership of their future to build healthier and
7 equitable local economies.

8 (b) It is the intent of the General Assembly to:

9 (1) enhance the livability and unique sense of place in Vermont’s
10 downtowns and villages by providing funding, training, and resources to
11 support investments in public spaces and local placemaking projects that build
12 prosperous, equitable, healthy, and resilient communities;

13 (2) promote healthy, safe, equitable, and vibrant downtowns, villages,
14 and neighborhoods for people of all ages, abilities, backgrounds, and incomes
15 by increasing public space and placemaking investments in local communities;

16 (3) strategically coordinate and simplify the funding process from
17 multiple community development funders, streamline the grantmaking and
18 distribution process, democratize community access to grant funds, and
19 provide communities a nimble, flexible source to quickly fund and launch
20 community-driven placemaking projects to make positive and enduring change
21 locally; and

1 (4) help local leaders identify, develop, and implement placemaking
2 projects by creating the Better Places Program to advance local recovery
3 efforts, rebuild local economies, boost local capacity, and reconnect
4 Vermonters to one another – critical elements that help communities recover
5 quickly and build prosperous and resilient communities in the future.

6 Sec. 12. 24 V.S.A. § 2799 is added to read:

7 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

8 (a)(1) There is created a Better Places Program within the Department of
9 Housing and Community Development, and a Better Places Fund, which the
10 Department shall manage pursuant to 32 V.S.A. chapter 7, subchapter 5.

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

14 (3) The Department may administer the Program in coordination with
15 and support from other State agencies and nonprofit and philanthropic partners.

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

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

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

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

20 (4) any interest earned by the Fund.

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

6 (d)(1) The Department of Housing and Community Development shall
7 establish an application process, eligibility criteria, and criteria for prioritizing
8 assistance for awarding grants through the Program.

9 (2) The Department may award a grant to a municipality or nonprofit
10 organization for a project that is located in or serves a designated downtown,
11 village center, new town center, or neighborhood development area that will
12 create a new public space or revitalize or activate an existing public space.

13 (3) The Department may develop matching grant eligibility
14 requirements, such as requiring that to be eligible for a grant, a project shall
15 use matching funds raised through a crowdfunding approach that includes
16 multiple donors and other appropriate requirements to ensure a broad base of
17 community and financial support for the project.

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

1 (f) The Department of Housing and Community Development may use up
2 to 15 percent of any appropriation to the Fund from the General Fund to assist
3 with crowdfunding, administration, and technological needs of the Program.

4 (g) Beginning on January 15, 2022 and annually thereafter, the Department
5 of Housing and Community Development shall submit to the Senate
6 Committee on Economic Development, Housing and General Affairs and the
7 House Committee on Commerce and Economic Development an annual report
8 regarding the activities and progress of the Program. The report shall:

9 (1) summarize the Program activities in the preceding year and report on
10 the number of awarded grants and the total grant funds allocated;

11 (2) report on partner resources and contributions to the Program; and

12 (3) report on any measurable economic activity, which may include
13 number of jobs created, number of visitors, the approximate number of square
14 feet to be activated or redeveloped, and the number of volunteers engaged in
15 the project.

16 Sec. 13. APPROPRIATION

17 In fiscal year 2022, the amount of \$5,000,000 is appropriated from the
18 General Fund to the Department of Housing and Community Development.

19 * * * Technology-Based Economic Development * * *

20 Sec. 14. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

21 PROGRAM

1 (a) Purpose.

2 (1) The COVID-19 pandemic has shown the devastating effects of over
3 reliance on tourism and service - based economy can have on its citizens.

4 (2) The opportunity exists for Vermont to take a long-term view and
5 approach towards strengthening its economic base by creating an environment
6 where technology - based businesses can thrive.

7 (3) The goal is to take a long-term view towards strengthening
8 Vermont’s economic base, to help raise the median wage, lower the overall tax
9 burden, help Vermont business remain competitive in national and global
10 economies, and create strategic university partnerships that further the
11 economic development goals of the State.

12 (4) To ensure Vermont remains relevant and competitive in the global
13 economy over the next 20 years, the Technology Based Economic
14 Development Program is designed to strengthen our State’s economic base by
15 providing the essential tools and resources necessary to foster a climate where
16 technology-based businesses can be created and thrive.

17 (5) The Vermont Department of Economic Development in partnership
18 with the UVM Office of Engagement will help Vermont businesses looking to
19 commercialize new technologies advanced through research and development.

1 (6) It will help existing tech and advanced manufacturing companies in
2 Vermont remain relevant in the market by strengthening collaboration between
3 industry and higher-ed.

4 (7) In the long-term it will help Vermonters in all 14 counties who want
5 the opportunity to work at companies on the cutting edge of innovation.

6 (b) Matching Grants and Technical Support.

7 (1) The Department of Economic Development shall contract with a
8 technical service provider to assist Vermont-based technology companies in
9 applying for federal small business innovation research and small business
10 technology transfer grants.

11 (2) Eligible Vermont companies who receive a federal SBIR/STTR
12 Phase I or II grant will be eligible to apply for a matching grant from the
13 Department of Economic Development.

14 (3) Grantees would be eligible for up to 50 percent of the federal award
15 up to \$50,000.00.

16 (4) Build and market co-location and science service opportunities at
17 UVM (i.e., mass spectrometry and scanning electron microscope services, etc.)
18 in areas like materials science, aerospace and environmental sensor industries.

19 (c) Industry Research Partnership Program.

20 (1) Eligible Vermont companies can apply for grants to purchase
21 services from universities and research institutions to stimulate innovation.

1 (2) Eligible uses include research and development assistance,
2 technology assessments, product prototyping, lab validation, and overcoming
3 product development hurdles.

4 (3) Grantees must provide a dollar-for-dollar match to State funding.

5 (d) Furthering Economic Development.

6 (1) Utilizing other services and capabilities of UVM’s office of
7 engagement to help match students with opportunities at VT employers, enable
8 and encourage alumni relocation to Vermont, and utilize data science
9 capabilities to inform decisions and policy.

10 (2) The Department of Economic Development will work with the Office
11 of Engagement to amplify opportunities to start, grow, or relocate business to
12 the state of Vermont.

13 (e) Outcomes; measures. The Secretary shall adopt measures to evaluate
14 the effectiveness of the funding, including federal dollars leveraged, amount of
15 private capital raised by participating companies, and the number of new jobs
16 created.

17 Sec. 15. APPROPRIATION

18 In fiscal year 2022, the amount of \$1,000,000 is appropriated from the
19 General Fund to the Department of Economic Development.

20 *** Downtown Tax Credit Program ***

21

1 Sec. 16. 32 V.S.A. 5930aa is amended to read:

2 § 5930aa. DEFINITIONS

3 As used in this subchapter:

4 (1) “Qualified applicant” means an owner or lessee of a qualified
5 building involving a qualified project, but does not include a State or federal
6 agency or a political subdivision of either; or an instrumentality of the United
7 States.

8 (2) “Qualified building” means a building built at least 30 years before
9 the date of application, located within a designated downtown ~~or~~ village
10 center, or neighborhood development area, which, upon completion of the
11 project supported by the tax credit, will be an income-producing building not
12 used solely as a single-family residence. Churches and other buildings owned
13 by religious organization may be qualified buildings, but in no event shall tax
14 credits be used for religious worship.

15 (3) “Qualified code improvement project” means a project:

16 (A) to install or improve platform lifts suitable for transporting
17 personal mobility devices, limited use or limited application elevators,
18 elevators, sprinkler systems, and capital improvements in a qualified building,
19 and the installations or improvements are required to bring the building into
20 compliance with the statutory requirements and rules regarding fire prevention,

1 life safety, and electrical, plumbing, and accessibility codes as determined by
2 the Department of Public Safety.

3 (B) to abate lead paint conditions or other substances hazardous to
4 human health or safety in a qualified building; or

5 (C) to redevelop a contaminated property in a designated downtown
6 or, village center, or neighborhood development area under a plan approved by
7 the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

8 (4) “Qualified expenditures” means construction-related expenses of the
9 taxpayer directly related to the project for which the tax credit is sought but
10 excluding any expenses related to a private residence.

11 (5) “Qualified façade improvement project” means the rehabilitation of
12 the façade of a qualified building that contributes to the integrity of the
13 designated downtown or, designated village center, or neighborhood
14 development area. Façade improvements to qualified buildings listed, or
15 eligible for listing, in the State or National Register of Historic Places must be
16 consistent with Secretary of the Interior Standards, as determined by the
17 Vermont Division for Historic Preservation.

18 * * *

19 Sec. 17. 32 V.S.A. § 5930ee is amended to read:

20 § 5930ee. LIMITATIONS

1 entities to tap resources of institutions, enterprises, and people to a greater
2 degree.

3 (6) A partnership with an FTR will provide the State with lead
4 generation services, expansion monitoring, in-market representation, market
5 intelligence, and the ability to engage and nurture high-growth companies
6 primed for expansion.

7 Sec. 22. APPROPRIATION

8 (a) In fiscal year 2022, the amount of \$300,000 is appropriated from the
9 General Fund to the Department of Economic Development.