

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred Senate Bill No. 62 entitled “An act relating to creating a
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 Sec. 1. INTENT AND PURPOSE

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

9 (1) expand the Vermont workforce;

10 (2) attract new residents to the State; and

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

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

16 CHAPTER 1. ECONOMIC DEVELOPMENT

17 * * *

18 **§ 4. NEW RELOCATING AND REMOTE EMPLOYEES; INCENTIVES**

19 (a) The Agency of Commerce and Community Development shall design
20 and implement a program to award incentive grants to relocating employees as

1 provided in this section and subject to the policies and procedures the Agency
2 adopts to implement the Program.

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

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

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

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

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

13 (c) The Agency shall:

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

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

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

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

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

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

9 (2) the promotion and marketing of the program;

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

13 (e) As used in this section:

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

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

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

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

3 (A) The individual becomes a full-time resident of this State ~~and~~
4 ~~certifies that the individual has not owned a residence in this State in the three~~
5 ~~years prior to relocation.~~

6 (B) The individual:

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

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

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

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

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

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

19 (I) the individual becomes a full-time employee at a Vermont
20 location of a business domiciled or authorized to do business in this State that
21 is located in a Vermont labor market area in which the average annual

1 unemployment rate is higher than the average annual unemployment rate for
2 the State; or

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

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

10 Sec. 3. IMPLEMENTATION; FUNDING; TRANSITION; **REPORT**

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

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

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

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

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

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

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

12 Sec. 4. REPEAL

13 The following are repealed:

14 (1) 2018 Acts and Resolves No. 197, Sec. 1, as amended by 2019 Acts
15 and Resolves No. 80, Sec. 15 (New Remote Worker Grant Program); and

16 (2) 2019 Acts and Resolves No. 80, Sec. 12 (New Worker Relocation
17 Incentive Program).

18 Sec. 5. APPROPRIATION

19 (a) In fiscal year 2022 the amount of \$1,000,000 is appropriated from the
20 General Fund to the Agency of Commerce and Community Development to
21 provide grants pursuant to the program created in Sec. 2 of this act.

1 **(b)(1) The Agency may use not more than six percent of the amounts**
2 **appropriated for the costs of administration, including marketing and**
3 **promotion of the program.**

4 **(2) The Agency shall make reasonable efforts to promote the availability**
5 **of grants through the program to communities who are underrepresented in**
6 **Vermont and to populations that have historically experienced discrimination**
7 **or unequal access to benefits and services.**

8 Sec. 6. EFFECTIVE DATE

9 (a) This section and Sec. 3 of this act shall take effect on passage.

10 (b) The remaining sections of this act shall take effect on July 1, 2021.

11

12 **and that after passage the title of the bill be amended to read: “An act**
13 **relating to creating incentives for new remote and relocating workers”**

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17 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE