

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred House Bill No. 10 entitled “An act relating to amending the Vermont
4 Employment Growth 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. 32 V.S.A. § 3325 is amended to read:

8 § 3325. VERMONT ECONOMIC PROGRESS COUNCIL

9 (a) Creation. The Vermont Economic Progress Council is created to
10 exercise the authority and perform the duties assigned to it, including its
11 authority and duties relating to:

12 (1) the Vermont Employment Growth Incentive Program pursuant to
13 subchapter 2 of this chapter; and

14 (2) tax increment financing districts pursuant to 24 V.S.A. chapter 53,
15 subchapter 5 and section 5404a of this title.

16 (b) Membership.

17 (1) The Council shall have 11 voting members:

18 (A) nine residents of the State appointed by the Governor with the
19 advice and consent of the Senate who are knowledgeable and experienced in
20 the subjects of community development and planning, education funding
21 requirements, economic development, State fiscal affairs, property taxation, or

1 entrepreneurial ventures and represent diverse geographical areas of the State
2 and municipalities of various sizes;

3 (B) one member of the Vermont House of Representatives appointed
4 by the Speaker of the House; and

5 (C) one member of the Vermont Senate appointed by the Senate
6 Committee on Committees.

7 (2)(A) The Council shall have two regional members from each region
8 of the State, one appointed by the regional development corporation of the
9 region and one appointed by the regional planning commission of the region.

10 (B) A regional member shall be a nonvoting member and shall serve
11 during consideration by the Council of an application from his or her region.

12 (3) The Council shall provide not less than 30 days' notice of a vacancy
13 to the relevant appointing authority, which shall appoint a replacement not
14 later than 30 days after receiving notice.

15 (c) Terms.

16 (1) Members of the Council appointed by the Governor shall serve initial
17 staggered terms with five members serving four-year terms, and four members
18 serving two-year terms.

19 (2) After the initial term expires, a member's term is four years and a
20 member may be reappointed.

21 (3) A term commences on April 1 of each odd-numbered year.

1 (d) Compensation.

2 (1) For attendance at a meeting and for other official duties, a member
3 appointed by the Governor shall be entitled to compensation for services and
4 reimbursement of expenses as provided in section 1010 of this title, except that
5 a member who is a member of the General Assembly shall be entitled to
6 compensation for services and reimbursement of expenses as provided in 2
7 V.S.A. § 23.

8 (2) A regional member who does not otherwise receive compensation
9 and reimbursement of expenses from his or her regional development or
10 planning organization shall be entitled to compensation and reimbursement of
11 expenses for attendance at meetings and for other official duties as provided in
12 section 1010 of this title.

13 (e) Operation.

14 (1) The Governor shall appoint a chair from the Council's members.

15 (2) The Council shall receive administrative support from the Agency of
16 Commerce and Community Development and the Department of Taxes.

17 (3) The Council shall have:

18 (A) an executive director appointed by the Governor with the advice
19 and consent of the Senate who is knowledgeable in subject areas of the
20 Council's jurisdiction and who is an exempt State employee; and

21 (B) administrative staff.

1 (4) The Council shall make and preserve a recording of its executive
2 sessions, which shall be available upon request to the legislative Joint Fiscal
3 Office and to the Auditor of Accounts.

4 (5) The Council shall adopt and make publicly available a policy
5 governing conflicts of interest, which shall include clear standards for when a
6 member of the Council may participate or must be recused when an actual or
7 perceived conflict of interest exists.

8 (f) Rulemaking authority. The Council shall have the authority to adopt
9 policies and procedures as necessary, and to adopt rules under 3 V.S.A. chapter
10 25, to implement the provisions of this chapter.

11 (g) Decisions not subject to review. A decision of the Council to approve or
12 deny an application under subchapter 2 of this chapter, or to approve or deny a
13 tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5
14 and section 5404a of this title, is an administrative decision that is not subject
15 to the contested case hearing requirements under 3 V.S.A. chapter 25 and is
16 not subject to judicial review.

17 Sec. 2. 32 V.S.A. § 3326 is amended to read:

18 § 3326. COST-BENEFIT MODEL

19 (a) The Council shall adopt and maintain a cost-benefit model for assessing
20 and measuring the projected net fiscal cost and benefit to the State of proposed
21 economic development activities.

1 (b) The Council shall not modify the cost-benefit model without the prior
2 approval of the Joint Fiscal Committee.

3 (c) The Council shall contract with the executive branch State economist to
4 perform the cost-benefit analysis using the cost-benefit model when
5 considering an application for incentives under subchapter 2 of this chapter.

6 Sec. 3. VERMONT EMPLOYMENT GROWTH INCENTIVE; STUDY

7 On or before January 15, 2022, [the Speaker of the House and the President
8 Pro Tempore of the Senate shall jointly appoint a five member panel] [the Joint
9 Fiscal Office shall issue a request for proposals] to review the operations of the
10 Vermont Economic Progress Council and the Vermont Employment Growth
11 Incentive Program and submit recommendations to the Speaker and President
12 Pro Tempore concerning the following matters:

13 (1) changes to the composition of the Council and any statutory and
14 operational changes necessary to ensure that the Council has sufficient
15 resources and expertise to achieve structural independence and the ability to
16 perform its duties without reliance on other State agencies and departments for
17 legal, fiscal, or operational functionality;

18 (2) statutory and operational changes necessary to determine the
19 efficacy of new job creation through the Program, including methods to
20 determine whether new positions are filled by current residents or new

1 residents and whether net new positions are created and filled by new
2 employees or merely by job switchers;

3 (3) whether the Program should be modified or expanded to change the
4 basis of awarding financial incentives, including eliminating the payroll
5 performance requirement, modifying the capital investment performance
6 requirement, or other making other changes;

7 (4) evaluating whether the cost-benefit model adequately and
8 appropriately accounts for the multiplier effects of awarding financial
9 incentives to businesses that prioritize local supply chains; and

10 (5) whether to limit or suspend the program at certain levels of
11 unemployment in this State and on what basis.

12 Sec. 4. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022 Acts
13 and Resolves No. 164, Sec. 5, is further amended to read:

14 Sec. H.12. VEGI; REPEAL OF AUTHORITY TO AWARD
15 INCENTIVES

16 Notwithstanding any provision of law to the contrary, the Vermont
17 Economic Progress Council shall not accept or approve an application for a
18 Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,
19 subchapter 2 on or after January 1, ~~2024~~ 2025.

20 Sec. 5. EFFECTIVE DATE

21 This act shall take effect on passage.

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4 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE