

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~~ the
12 member's region.

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

16 * * *

17 (e) Operation.

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

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

21 (3) The Council shall have:

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

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

6 (c)(1) The Council shall contract with the Executive Branch State
7 economist to perform the cost-benefit analysis using the cost-benefit model
8 when considering an application for incentives under subchapter 2 of this
9 chapter.

10 (2) The Executive Branch State economist shall consult with the Joint
11 Fiscal Office or its agent concerning the performance of the cost-benefit
12 analysis and the operation of the cost-benefit model for each application in
13 which the value of potential incentives an applicant may earn equals or
14 exceeds \$1,000,000.00.

15 Sec. 3. 32 V.S.A. § 3340 is amended to read:

16 § 3340. REPORTING

17 (a) On or before September 1 of each year, the Vermont Economic
18 Progress Council and the Department of Taxes shall submit a joint report on
19 the incentives authorized in this subchapter to the House Committees on Ways
20 and Means, on Commerce and Economic Development, and on
21 Appropriations, to the Senate Committees on Finance, on Economic

1 Development, Housing and General Affairs, and on Appropriations, and to the
2 Joint Fiscal Committee.

3 (b) The Council and the Department shall include in the joint report:

4 (1) the total amount of incentives authorized during the preceding year
5 and the amount per business;

6 (2) with respect to each business with an approved application:

7 (A) the date and amount of authorization;

8 (B) the calendar year or years in which the authorization is expected
9 to be exercised;

10 (C) whether the authorization is active; ~~and~~

11 (D) the date the authorization will expire; ~~and~~

12 (E) the aggregate number of new qualifying jobs anticipated to be
13 created;

14 (F) Vermont gross wages and salaries for new qualifying jobs, sorted
15 by groups in \$25,000.00 increments;

16 (G) the aggregate amount of new full-time payroll anticipated to be
17 created; and

18 (H) NAICS code; and

19 (3) the following aggregate information for claims processed:

20 (A) the number of claims and incentive payments made in the current
21 and prior claim years;

1 (B) the number of qualifying jobs for each approved claim; and

2 (C) the amount of new payroll and capital investment for each
3 approved claim.

4 (c)(1) The Council and the Department shall present data and information in
5 the joint report in a searchable format.

6 (2) Notwithstanding a provision of this section to the contrary, when
7 reporting data and information pursuant to this section, the Council and
8 Department shall take steps necessary to avoid disclosing any information that
9 would enable the identification of an individual employee or the employee's
10 compensation.

11 (d) Notwithstanding any provision of law to the contrary, an incentive
12 awarded pursuant to this subchapter shall be treated as a tax expenditure for
13 purposes of chapter 5 of this title.

14 Sec. 4. 32 V.S.A. § 3341 is amended to read:

15 § 3341. CONFIDENTIALITY OF PROPRIETARY BUSINESS

16 INFORMATION

17 (a) The Vermont Economic Progress Council and the Department of Taxes
18 shall use measures to protect proprietary financial information, including
19 reporting information in an aggregate form.

20 (b) Information and materials submitted by a business concerning its
21 application, income taxes, and other confidential financial information shall

1 not be subject to public disclosure under the State’s public records law in 1
2 V.S.A. chapter 5, but shall be available to the Joint Fiscal Office or its agent
3 upon request of a legislative member of the Council or upon authorization of
4 the Joint Fiscal Committee or a standing committee of the General Assembly,
5 and shall also be available to the Auditor of Accounts in connection with the
6 performance of duties under section 163 of this title; provided, however, that
7 the Joint Fiscal Office or its agent and the Auditor of Accounts shall not
8 disclose, directly or indirectly, to any person any proprietary business
9 information or any information that would identify a business except in
10 accordance with a judicial order or as otherwise specifically provided by law.

11 (c) Nothing in this section shall be construed to prohibit the publication of
12 statistical information, rulings, determinations, reports, opinions, policies, or
13 other information so long as the data are disclosed in a form that cannot
14 identify or be associated with a particular business.

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

17 Sec. H.12. VEGI; REPEAL OF AUTHORITY TO AWARD
18 INCENTIVES

19 Notwithstanding any provision of law to the contrary, the Vermont
20 Economic Progress Council shall not accept or approve an application for a

1 Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,
2 subchapter 2 on or after January 1, ~~2024~~ 2026.

3 Sec. 6. ECONOMIC DEVELOPMENT INCENTIVES; STUDY

4 (a) Creation. There is created the Task Force on Economic Development
5 Incentives composed of the following five members:

6 (1) one member of the House Committee on Commerce and Economic
7 Development and one at-large member with experience in business and
8 economic development appointed by the Speaker of the House of
9 Representatives;

10 (2) one member of the Senate Committee on Economic Development,
11 Housing and General Affairs and one at-large member with experience in
12 business and economic development appointed by the Senate Committee on
13 Committees; and

14 (3) one at-large member appointed jointly by the Speaker of the House
15 of Representatives and the Senate Committee on Committees.

16 (b) Powers and duties. The Task Force shall conduct hearings, receive
17 testimony, and review and consider:

18 (1) the purpose and performance of current State-funded economic
19 development incentive programs; and

20 (2) models and features of economic development incentive programs
21 from other jurisdictions, including:

1 (A) the structure, management, and oversight features of the
2 program;

3 (B) the articulated purpose, goals, and benefits of the program, and
4 the basis of measuring success; and

5 (C) the mechanism for providing an economic incentive, whether
6 through a loan, grant, equity investment, or other approach.

7 (c) Assistance.

8 (1) The Task Force shall have the administrative, fiscal, and legal
9 assistance of the Office of Legislative Operations, the Joint Fiscal Office, and
10 the Office of Legislative Counsel.

11 (2) The Task Force may direct the Joint Fiscal Office to issue a request
12 for proposals and enter into one or more agreements for consulting services.

13 (d) Report. On or before January 15, 2024, the Task Force shall submit a
14 report to the House Committee on Commerce and Economic Development and
15 the Senate Committee on Economic Development, Housing and General
16 Affairs with its findings and any recommendations for legislative action,
17 including whether and how any proposed program addition, revision, or other
18 legislative action would:

19 (1) integrate with and further advance the current workforce
20 development and economic development systems in this State; and

1 (2) advance the four principles of economic development articulated in
2 10 V.S.A. § 3.

3 (e) Meetings.

4 (1) The member of the House Committee on Commerce and Economic
5 Development shall call the first meeting of the Task Force to occur on or
6 before September 1, 2023.

7 (2) The Committee shall select a chair from among its members at the
8 first meeting.

9 (3) A majority of the membership shall constitute a quorum.

10 (4) The Task Force shall cease to exist on January 15, 2024.

11 (f) Compensation and reimbursement.

12 (1) For attendance at meetings during adjournment of the General
13 Assembly, a legislative member of the Task Force serving in the member's
14 capacity as a legislator shall be entitled to per diem compensation and
15 reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six
16 meetings.

17 (2) Other members of the Task Force shall be entitled to per diem
18 compensation and reimbursement of expenses as permitted under 32 V.S.A.
19 § 1010 for not more than six meetings.

20 (g) Appropriation. The amount of \$250,000.00 is appropriated from the
21 General Fund in fiscal year 2024 for per diem compensation and

1 reimbursement of expenses for members of the Task Force and for consulting
2 services approved by the Task Force pursuant to this section.

3 Sec. 7. EFFECTIVE DATE

4 This act shall take effect on July 1, 2023.

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9 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE