

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill No.
3 10 entitled “An act relating to amending the Vermont Employment Growth
4 Incentive Program” respectfully reports that it has considered the same and
5 recommends that the report of the Committee on Commerce and Economic
6 Development be amended as follows:

7 Sec. 1. 32 V.S.A. § 3325 is amended to read:

8 § 3325. VERMONT ECONOMIC PROGRESS COUNCIL

9 * * *

10 (b) Membership.

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

12 (A) nine residents of the State appointed by the Governor with the
13 advice and consent of the Senate who are knowledgeable and experienced in
14 the subjects of community development and planning, education funding
15 requirements, economic development, State fiscal affairs, property taxation, or
16 entrepreneurial ventures and represent diverse geographical areas of the State
17 and municipalities of various sizes;

18 (B) one member of the Vermont House of Representatives, appointed
19 by the Speaker of the House; and

20 (C) one member of the Vermont Senate, appointed by the Senate
21 Committee on Committees.

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

4 (B) A regional member shall be a nonvoting member and shall serve
5 during consideration by the Council of an application from ~~his or her~~ the
6 member's region.

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

10 (c) Terms.

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

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

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

17 (d) Compensation.

18 (1) For attendance at a meeting and for other official duties, a member
19 appointed by the Governor shall be entitled to compensation for services and
20 reimbursement of expenses as provided in section 1010 of this title, except that
21 a member who is a member of the General Assembly shall be entitled to

1 compensation for services and reimbursement of expenses as provided in
2 2 V.S.A. § 23.

3 (2) A regional member who does not otherwise receive compensation
4 and reimbursement of expenses from ~~his or her~~ the member's regional
5 development or planning organization shall be entitled to compensation and
6 reimbursement of expenses for attendance at meetings and for other official
7 duties as provided in section 1010 of this title.

8 (e) Operation.

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

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

12 (3) The Council shall have:

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

16 (B) administrative staff.

17 (4) The Council shall adopt and make publicly available a policy
18 governing conflicts of interest that meets or exceeds the requirements of the
19 State Code of Ethics and shall include:

1 (A) clear standards for when a member of the Council may
2 participate or must be recused when an actual or perceived conflict of interest
3 exists; and

4 (B) a provision that requires a witness who is an officer of the State
5 or its political subdivision or instrumentality to disclose a conflict of interest
6 related to an application.

7 (5) The Council shall not enter into executive session to discuss
8 applications or other matters pertaining to the Vermont Employment Growth
9 Incentive Program under subchapter 2 of this chapter unless the Executive
10 Branch State economist is present and has been provided all relevant materials
11 concerning the session.

12 * * *

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

14 § 3326. COST-BENEFIT MODEL

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

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

20 (c)(1) The Council shall contract with the Executive Branch State
21 economist to perform the cost-benefit analysis using the cost-benefit model

1 when considering an application for incentives under subchapter 2 of this
2 chapter.

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

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

9 § 3340. REPORTING

10 (a) On or before September 1 of each year, the Vermont Economic
11 Progress Council and the Department of Taxes shall submit a joint report on
12 the incentives authorized in this subchapter to the House Committees on Ways
13 and Means, on Commerce and Economic Development, and on
14 Appropriations, to the Senate Committees on Finance, on Economic
15 Development, Housing and General Affairs, and on Appropriations, and to the
16 Joint Fiscal Committee.

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

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

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

21 (A) the date and amount of authorization;

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

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

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

5 (E) the aggregate number of new qualifying jobs anticipated to be
6 created;

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

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

11 (H) NAICS code; and

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

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

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

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

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

20 (2) Notwithstanding a provision of this section to the contrary, when
21 reporting data and information pursuant to this section, the Council and

1 Department shall take steps necessary to avoid disclosing any information that
2 would enable the identification of an individual employee or the employee's
3 compensation.

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

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

8 § 3341. CONFIDENTIALITY OF PROPRIETARY BUSINESS
9 INFORMATION

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

13 (b) Information and materials submitted by a business concerning its
14 application, income taxes, and other confidential financial information shall
15 not be subject to public disclosure under the State's public records law in
16 1 V.S.A. chapter 5, but shall be available to the Joint Fiscal Office or its agent
17 upon request of a legislative member of the Council or upon authorization of
18 the Joint Fiscal Committee or a standing committee of the General Assembly,
19 and shall also be available to the Auditor of Accounts in connection with the
20 performance of duties under section 163 of this title; provided, however, that
21 the Joint Fiscal Office or its agent and the Auditor of Accounts shall not

1 disclose, directly or indirectly, to any person any proprietary business
2 information or any information that would identify a business except in
3 accordance with a judicial order or as otherwise specifically provided by law.

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

8 Sec. 5. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022
9 Acts and Resolves No. 164, Sec. 5 and 2023 Acts and Resolves No. 72,
10 Sec. 39, is further amended to read:

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

13 Notwithstanding any provision of law to the contrary, the Vermont
14 Economic Progress Council shall not accept or approve an application for a
15 Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,
16 subchapter 2 on or after January 1, 2025 2026.

17 Sec. 6. ECONOMIC DEVELOPMENT INCENTIVES; COUNCIL

18 REPORT

19 (a) Task. The Vermont Economic Progress Council shall produce a report
20 on the purposes and performance of current State-funded economic

1 development incentive programs in collaboration with the following
2 stakeholders:

3 (1) an individual, appointed by the Vermont Sustainable Jobs Fund;

4 (2) an individual, appointed by Main Street Alliance of Vermont;

5 (3) an individual, appointed by Vermont Businesses for Social

6 Responsibility; and

7 (4) an individual, appointed by the Public Assets Institute.

8 (b) Duties. In furtherance of producing the report, the Council shall meet
9 with the stakeholders as set forth in subsection (a) of this section and conduct
10 hearings, receive testimony, and review and consider:

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

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

15 (A) the structure, management, and oversight features of the
16 program;

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

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

1 (d) Report. On or before January 15, 2025, the Council shall submit a
2 report to the House Committee on Commerce and Economic Development and
3 the Senate Committee on Economic Development, Housing and General
4 Affairs with its findings and any recommendations for legislative action,
5 including whether and how any proposed program addition, revision, or other
6 legislative action would:

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

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

11 (e) Meetings. The Council shall meet as often as necessary, including
12 holding special meetings, to accomplish the duties set forth in this section.

13 Sec. 7. EFFECTIVE DATE

14 This act shall take effect on July 1, 2024.

15

16

17 (Committee vote: _____)

18

19

Representative _____

20

FOR THE COMMITTEE