

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 868
3 entitled “An act relating to miscellaneous economic development provisions”
4 respectfully reports that it has considered the same and recommends that the
5 report of the Committee on Economic Development, Housing and General
6 Affairs be amended as follows:

7 First: By striking out Sec. A.1 (adding one legislative member to VEDA) in
8 its entirety and inserting in lieu thereof: Sec. A.1. [Reserved.]

9 Second: By striking out Sec. A.5 in its entirety and inserting in lieu thereof
10 a new Sec. A.5 to read:

11 Sec. A.5. 10 V.S.A. § 234 is amended to read:

12 § 234. THE VERMONT JOBS FUND

13 * * *

14 (c) Monies in the Fund may be loaned to the Vermont Agricultural Credit
15 Program to support its lending operations as established in chapter 16A of this
16 title at interest rates and on terms and conditions to be set by the Authority to
17 establish a line of credit in an amount not to exceed ~~\$60,000,000.00~~
18 \$100,000,000.00 to be advanced to the Vermont Agricultural Credit Program
19 to support its lending operations as established in chapter 16A of this title.

20 * * *

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

2 Notwithstanding any provision of law to the contrary, the Vermont
3 Economic Progress Council shall not accept or approve an application for a
4 Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,
5 subchapter 2 on or after January 1, 2022.

6 Sec. H.13. VERMONT EMPLOYMENT GROWTH INCENTIVE

7 PROGRAM REVIEW

8 (a) On or before August 15, 2016, the Vermont Economic Progress Council
9 shall convene a Vermont Employment Growth Incentive Program Review
10 Group.

11 (b) The Group shall consist of the following members:

12 (A) the Executive Director of the Vermont Economic Progress
13 Council;

14 (B) a representative of the Vermont Regional Development
15 Corporations appointed by the Secretary of Commerce and Community
16 Development;

17 (C) a representative of the business community designated by the
18 Governor; and

19 (D) a member of the public designated jointly by the Speaker of the
20 House and the Senate Committee on Committees.

1 (c) The Group shall review the following questions relating to the Vermont
2 Employment Growth Incentive Program:

3 (1) whether the enhanced incentives available under the program are
4 appropriate and necessary, including:

5 (A) an analysis of the growth in the environmental technology sector
6 in Vermont as defined in the enhanced incentive for environmental technology
7 business and whether growth in this sector obviates the need for the current
8 enhancement;

9 (B) whether the State should forego additional net fiscal benefit
10 under the enhancements and whether the policy objectives of the
11 enhancements are met;

12 (2) whether and how to include a mechanism in the Program for equity
13 investments in incentive recipients;

14 (3) whether and under what circumstances the Department of Taxes
15 should have, and should exercise, the authority to recapture the value of
16 incentives paid to a business that is subsequently sold or relocated out of the
17 State, or that eliminates qualifying jobs after receiving an incentive;

18 (4) how to most effectively ensure, through the application and award
19 process, that recipients of VEGI incentives are in compliance with all federal
20 and State water quality and air quality laws and regulations;

1 (B) a policy analyst from the Agency of Commerce and Community
2 Development;

3 (C) an economic and labor market information chief from the
4 Department of Labor; and

5 (D) a fiscal analyst from the Department of Taxes or the State
6 economist.

7 (b) The Group shall meet not more than twice and shall review the
8 following questions relating to the Vermont Employment Growth Incentive
9 Program:

10 (1) whether the cost-benefit model is the most current and appropriate
11 tool for evaluating fiscal impacts of the Program and whether it is effectively
12 utilized;

13 (2) whether the inputs to the cost-benefit model should be adjusted for
14 those applicants who assert that but for the incentive the scale or timing of the
15 project would change;

16 (3) whether the Program can integrate the use of business-specific
17 background growth rates in addition to, or in place of, industry-specific
18 background growth rates; and, if industry-specific background growth rates are
19 recommended, a methodology to review, calculate, and set those rates
20 routinely; and

1 Sec. Z.1. EFFECTIVE DATES

2 (a) This section and the following sections shall take effect on passage:

3 (1) Secs. A.2–A.7 (Vermont Economic Development Authority).

4 (2) Sec. B.1 (cooperatives; electronic voting).

5 (3) Sec. E.4 (technical correction to business registration statute).

6 (4) Sec. G.1 (Medicaid for working people with disabilities).

7 (5) Sec. Q.2 (tax study).

8 (b) The following sections shall take effect on July 1, 2016:

9 (1) Sec. D.1 (Vermont Training Program).

10 (2) Secs. F.1–F.9 (Vermont State Treasurer).

11 (3) Secs. H.10 (extension of sunset) and Secs. H.13–H.15 (program
12 reviews).

13 (4) Sec. I.1 (blockchain technology).

14 (5) Sec. J.1 (Internet-based lodging accommodations study).

15 (6) Secs. K.1–K.3 (State Workforce Development Board).

16 (7) Secs. L.1–L.3 (Vermont Creative Network).

17 (8) Secs. O.1–O.2 (Vermont Sustainable Jobs Fund).

18 (9) Secs. S.1–S.3 (Vermont Enterprise Fund; appropriation).

19 (10) Secs. T.1–T.4 (workforce housing; down payment assistance).

20 (c) The following sections shall take effect on July 1, 2017:

21 (1) Secs. C.1–C.2 (regional planning and development).

1 (2) Secs. E.1–E.2 (conversion, merger, share exchange, and
2 domestication of a corporation).

3 (d)(1) Notwithstanding 1 V.S.A. § 214, Sec. E.3 (technical corrections to
4 LLC Act) shall take effect retroactively as of July 1, 2015, and apply only to:

5 (A) a limited liability company formed on or after July 1, 2015; and

6 (B) except as otherwise provided in subdivision (4) of this
7 subsection, a limited liability company formed before July 1, 2015 that elects,
8 in the manner provided in its operating agreement or by law for amending the
9 operating agreement, to be subject to this act.

10 (2) Sec. E.3 does not affect an action commenced, a proceeding brought,
11 or a right accrued before July 1, 2015.

12 (3) Except as otherwise provided in subdivision (4) of this subsection,
13 Sec. E.3 shall apply to all limited liability companies on and after July 1, 2016.

14 (4) For the purposes of applying Sec. E.3 to a limited liability company
15 formed before July 1, 2015, for the purposes of applying 11 V.S.A. § 4023 and
16 subject to 11 V.S.A. § 4003, language in the company’s articles of
17 organization designating the company’s management structure operates as if
18 that language were in the operating agreement.

19 (e) Sec. R.1 (Financial Literacy Commission) shall take effect on July 2,
20 2016.

1 (f) Secs. H.1–H.9 (Vermont Employment Incentive Growth Program) and
2 Secs. H.11–H.12 (prospective repeal of current VEGI statute; prospective
3 repeal of authority to issue award incentives) shall take effect on January 1,
4 2018.

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6

7 (Committee vote: _____)

8

9

Senator _____

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FOR THE COMMITTEE