



State to Main

The Voice of Vermont Business



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Tourism Funding Advances

The [House Committee on Commerce and Economic Development](#) put their support behind the Vermont Chamber's priority issue by recommending to the House Committee on Appropriations that the \$500,000 increase for the Vermont Department of Tourism and Marketing's destination marketing program be considered a high funding priority. Legislators will continue their review of the Governor's proposed budget over the coming weeks.

Individuals and businesses can join the Vermont Chamber in urging the Legislature to invest in Vermont tourism [by signing the petition](#).

Minimum Wage Increase Passed

The Legislature successfully overrode Governor Scott's veto of the minimum wage increase bill which will cost employers \$121 million by 2022 and result in suppressed economic growth, according to the Joint Fiscal Office. The Vermont Chamber worked to prevent the bill's passage in 2019 and continued to highlight the negative impacts of the mandated increase during our legislative engagement over the past several months. Despite overwhelming economic evidence that these increases will do little to improve our economy-- and in fact, will suppress economic growth-- leadership prioritized minimum wage increases as one of their primary economic goals this session.

During summer visits to business members around the state, the Vermont Chamber consistently heard from employers searching for workers to fill

positions that pay \$15 an hour or more. State and federal officials are also scrambling to fill thousands of [Vermont census worker positions](#) that pay between \$20 and \$22 an hour. With these realities in mind, it is difficult to understand the reasoning behind prioritizing wage increases that will have negative impacts, predominately on small and rural businesses, rather than focusing on solutions to Vermont's workforce shortages. [Find out how your legislator voted on S.23.](#)

Bill Limits Ability to Prevent Storefront Solicitation

The [Vermont Chamber testified](#) on a bill that would erode the ability of business owners to prevent loitering and solicitation at storefronts. Recent changes made in [Draft 3.0 of H.492](#) inserted particularly worrisome content that added shopping mall interiors to the list of spaces forced to allow solicitation. This latest version maintains provisions that limit the ability of store owners to seek the removal of individuals soliciting on sidewalks in front of privately-owned businesses.

The Vermont Chamber recognizes the ongoing need to care for Vermont's homeless population, and we support the general intent of H.492. However, we have serious concerns about sections of the bill that would create circumstances which limit the ability of business owners to facilitate safe and successful business operations. We will continue to oppose legislation that degrades this fundamental ability.

Vermont Businesses and Manufacturers at Risk for Higher Electric Rates

The Senate Finance Committee continued its review of S.267, a bill that will increase the cost of electricity and negatively impact large energy users like manufacturers and ski areas. The [Vermont Chamber shared its concerns in testimony](#) with a provision that would require electric utilities to increase their distributed renewable generation portfolio from 10% to 20% by 2032. Such an increase could ultimately result in a 4% increase in electricity rates and potentially cost manufacturers hundreds of millions of dollars in additional operating expenses over the next decade. The Vermont Chamber supported the recommendation by the [Department of Public Service to conduct a study](#) as the first step to fully understand the costs and benefits before implementing a mandate in statute. The Committee will continue its review of the bill after Town Meeting Day. The bill will likely move to the Senate Committee on Natural Resources and Energy.

While the Vermont Chamber supports the use of renewable energy in Vermont's energy portfolio, we are concerned about the increased costs this initiative places on business. If S.267 impacts your business, please contact [Chris Carrigan](#) with your concerns.

TIFs Reviewed in Senate

The Senate Finance Committee reviewed [S.191](#), an act relating to tax increment financing districts, that would base the municipal increment on the assessed value of the property. Under the bill, if assessed value decreases in comparison to the initial value, the municipality is responsible for paying the difference to the education fund. The bill would also allow interest-only debt financing, and a district would be able to create a capital reserve or a debt service reserve fund after consultation from the bond bank, their bankers, their taxpayers, and the [Vermont Economic Progress Council](#) (VEPC). Additionally, current TIF districts are able to expand or alter their district boundary by July 1, 2021, but after the effective date, TIF districts must come in with their fully anticipated plan and will not be able to make boundary changes.

The Vermont Chamber is supportive of programs that optimize investments to build and renovate housing, commercial, and retail space which ultimately results in economic growth.

Act 250 Revision Moves to Senate

After two years of reform efforts, the House passed their Act 250 revision bill by a 88-52 vote. The notably complex piece of legislation includes changes that would better enable development in designated downtowns. And after hours of debate, the bill also includes an amendment that reestablishes the elevation threshold triggering Act 250 back to 2,500 ft. The original draft of the bill lowered that threshold to 2,000 ft, which would have brought hundreds of thousands of additional acres of land into Act 250 jurisdiction. The [Vermont Chamber testified](#) in support of maintaining the 2,500 ft threshold. While the House bill contains provisions that the Vermont Chamber supports, we remain concerned about aspects of the bill.

The bill will now move to the Senate, where it is anticipated debate will continue on its more controversial aspects. The Vermont Chamber will advocate for a final result that does not unreasonably burden or constrain Vermont's business community.

Economic Incentives Are In the Mix

The House and Senate committees that focus on economic development issues reviewed the [long list](#) of proposals initiated by the Scott Administration. The House Committee on Commerce and Economic Development forwarded their recommendations in priority order to the House Appropriations Committee. Some of the programs garnering a high level of support include:

- \$500,000 additional tourism marketing funding

- \$1,000,000 technology-based economic development
- \$1,000,000 for the Secretary of State's one-stop shopping business portal
- \$150,000 to support New American recruitment and settlement

The \$250,000 slated for economic development marketing funding only received a medium priority ranking.

The Senate Economic Development Committee focused their attention on the new business incentive-- an effort to keep businesses with more than 100 employees in the community-- recognizing the vast economic impact of these anchor companies. They also reviewed the [remote worker](#) and [new worker](#) incentives and appear likely to inject additional funding into those programs which they initiated. The remote worker has 116 applications pending totaling \$370,000 in incentives while the more recent, new worker program has 20 pending applications, totaling \$91,000.

In Case You Missed It

Tax Revenues: [January Tax Revenues Ahead Of Targets To Start Year](#)

Legislation: [House Backs Marijuana Market](#)

Don't Forget to Vote on March 3rd

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Vermont Chamber of Commerce, 751 Granger Road Barre, VT 05641, 802-223-3443

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