

1 H.395

2 Introduced by Committee on Commerce and Economic Development

3 Date:

4 Subject: Conservation and Development; Vermont Economic Development

5 Authority; Vermont Clean Energy Loan Fund

6 Statement of purpose of bill as introduced: This bill proposes to establish a

7 Vermont Clean Energy Loan Fund.

8 An act relating to the establishment of the Vermont Clean Energy Loan  
9 Fund

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 10 V.S.A. chapter 12, subchapter 13 is added to read:

12 Subchapter 13. Vermont Clean Energy Loan Fund

13 § 280cc. CREATION; PURPOSES

14 There is established within the Authority the Vermont Clean Energy Loan  
15 Fund, referred to in this subchapter as “the Fund,” the purpose of which shall  
16 be to enable the Authority to make loans and provide other forms of financing  
17 for projects that stimulate and encourage development and deployment of  
18 clean energy technologies in the State of Vermont. The extension of credit to  
19 support these purposes is critical to sustain economic growth and the quality of  
20 life for Vermont residents in the future.

1     § 280dd. PROGRAMS ADMINISTERED BY THE FUND

2         (a) The Fund shall consist of:

3             (1) All existing loans made by the Authority, the Vermont Small  
4     Business Development Corporation, and the Vermont Agricultural Credit  
5     Corporation for energy conservation, energy generation, and agricultural  
6     energy efficiency.

7             (2) The following programs:

8                 (A) The Vermont Business Energy Conservation Loan Program.

9                 (B) The Renewable Energy Loan Program.

10                (C) The Agricultural Energy Loan Program.

11                (D) The Energy Conservation Loan Guarantee Program.

12             (3) All existing loans of the Clean Energy Development Fund (CEDF),  
13     established in 30 V.S.A. § 8015.

14         (b) The Fund shall be administered by the Authority and shall not be  
15     subject to 32 V.S.A. chapter 7, subchapter 5.

16         (c) The Authority shall establish:

17             (1) New financing programs that the Authority determines are necessary  
18     to encourage and promote projects that support renewable and sustainable  
19     energy creation and reduce reliance upon traditional fossil fuel sources.



1 have at least 14 other members selected by the members of the ~~authority~~  
2 Authority. The company shall be organized and operate under the nonprofit  
3 corporation laws of the ~~state~~ State of Vermont to the extent not inconsistent  
4 herewith. The ~~authority~~ Authority shall have the power to contract with the  
5 company to provide staff and management needs of the company. The  
6 ~~authority~~ Authority is authorized to contribute ~~up to \$25,000.00~~ to the capital  
7 of the company in an amount the Authority determines is necessary and  
8 appropriate;

9 (14) To incorporate one or more nonprofit corporations in Vermont to  
10 fulfill the goals of this chapter. Such corporation shall be empowered to  
11 borrow money and to receive and accept gifts, grants, or contributions from  
12 any source, provided that such gifts, grants, or contributions are not less than  
13 \$5,000.00 from any one source for the period of one year and provided that  
14 such nonprofit corporation provides business loans of not less than \$2,500.00  
15 to any particular entity or individual. The voting members of the ~~authority~~  
16 Authority shall be directors of the corporation. The corporation shall be  
17 organized and operate under the nonprofit corporation laws of the ~~state~~ State of  
18 Vermont. The ~~authority~~ Authority may contract with the corporation to  
19 provide staff and management needs of the company. The ~~authority~~ Authority  
20 may contribute ~~no more than \$1,050,000.00~~ to the capital of the corporation in  
21 an amount the Authority determines is necessary and appropriate;

1 \* \* \*

2 (17) To contribute to the capital of the Vermont Agricultural Credit  
3 Corporation established pursuant to chapter 16A of this title in an amount the  
4 Authority determines is necessary and appropriate;

5 (18) To contribute to the capital of the Vermont Clean Energy Loan  
6 Fund established under subchapter 13 of this chapter in an amount the  
7 Authority determines is necessary and appropriate.

8 Sec. 3. 10 V.S.A. § 234 is amended to read:

9 § 234. THE VERMONT JOBS FUND

10 \* \* \*

11 (b) In order to provide monies in the ~~industrial development fund~~ Fund for  
12 loans under this chapter, the ~~authority~~ Authority may issue notes for purchase  
13 by the ~~state treasurer~~ State Treasurer as provided in section 235 of this chapter.

14 \* \* \*

15 (f) The Authority may loan money from the Fund to the Vermont Clean  
16 Energy Loan Fund established under subchapter 13 of this chapter at interest  
17 rates and on terms and conditions set by the Authority.

18 Sec. 4. 10 V.S.A. § 280a is amended to read:

19 § 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

20 (a) The ~~authority~~ Authority may develop, modify, and implement any  
21 existing or new financing program, provided that any specific project that

1 benefits from such program shall meet the criteria contained in the Vermont  
2 sustainable jobs strategy adopted under section 280b of this title, and provided  
3 further that the program shall meet the criteria contained in the Vermont  
4 sustainable jobs strategy adopted under section 280b of this title. ~~Such~~ These  
5 programs may include:

6 (1) the ~~mortgage insurance program~~ Mortgage Insurance Program,  
7 administered under subchapter 2 of chapter 12 of this title;

8 (2) the ~~loans to local development corporations program~~ Loans to Local  
9 Development Corporations Program, administered under subchapter 3 of  
10 chapter 12 of this title;

11 (3) the ~~industrial revenue bond program~~ Industrial Revenue Bond  
12 Program, administered under subchapter 4 of chapter 12 of this title;

13 (4) the ~~direct loan program~~ Direct Loan Program, administered under  
14 subchapter 5 of chapter 12 of this title;

15 (5) the ~~Vermont financial access program, administered under~~  
16 ~~subchapter 8 of chapter 12 of this title;~~

17 ~~(6) the SBA 504 Certified Development Company and Rural Economic~~  
18 ~~Activity Loan programs~~ Small Business Loan Programs of the authority's  
19 Vermont ~~503~~ 504 Corporation, administered by the ~~authority~~ Authority under  
20 subdivision 216(13) of this title;



1 any of the aforementioned; and ~~nine~~ 11 members, who shall be residents of the  
2 ~~state~~ State of Vermont, appointed by the ~~governor~~ Governor with the advice  
3 and consent of the ~~senate~~ Senate. Of the 12 appointed members, two members  
4 shall have demonstrated knowledge and experience in renewable energy or  
5 energy conservation or both. The appointed members shall be appointed for  
6 terms of six years and until their successors are appointed and qualified. The  
7 first members appointed by the ~~governor~~ Governor to the new ~~authority~~  
8 Authority shall be appointed, ~~three~~ four for a term of two years, ~~three~~ four for a  
9 term of four years, and three for a term of six years. Appointed members may  
10 be removed by the ~~governor~~ Governor for cause and the ~~governor~~ Governor  
11 may fill any vacancy occurring among the appointed members for the balance  
12 of the unexpired term.

13 (c) The ~~authority~~ Authority shall elect a chair, from among its appointed  
14 members, and a vice chair and treasurer from among its members and shall  
15 employ a manager who shall hold office at the ~~authority's~~ Authority's pleasure  
16 and who, unless he or she is a member of the classified service under 3 V.S.A.  
17 chapter 13 of Title 3, shall receive such compensation as may be fixed by the  
18 ~~authority~~ Authority with the approval of the ~~governor~~ Governor. A quorum  
19 shall consist of ~~six~~ eight members. Members disqualified from voting under  
20 section 214 of this title shall be considered present for purposes of determining  
21 a quorum. No action of the ~~authority~~ Authority shall be considered valid

1 unless the action is supported by a majority vote of the members present and  
2 voting and then only if at least ~~four~~ five members vote in favor of the action.

3 \* \* \*

4 Sec. 6. 10 V.S.A. § 219(d) is amended to read:

5 (d) In order to assure the maintenance of the debt service reserve  
6 requirement in each debt service reserve fund established by the ~~authority~~  
7 Authority, there may be appropriated annually and paid to the ~~authority~~  
8 Authority for deposit in each such fund, such sum as shall be certified by the  
9 chair of the ~~authority~~ Authority, to the ~~governor~~ Governor, the ~~president of the~~  
10 ~~senate~~ President of the Senate, and the ~~speaker of the house~~ Speaker of the  
11 House, as is necessary to restore each such debt service reserve fund to an  
12 amount equal to the debt service reserve requirement for such fund. The chair  
13 shall annually, on or about February 1, make, execute, and deliver to the  
14 ~~governor~~ Governor, the ~~president of the senate~~ President of the Senate, and the  
15 ~~speaker of the house~~ Speaker of the House, a certificate stating the sum  
16 required to restore each such debt service reserve fund to the amount aforesaid,  
17 and the sum so certified may be appropriated, and if appropriated, shall be paid  
18 to the ~~authority~~ Authority during the then current state fiscal year. The  
19 principal amount of bonds or notes outstanding at any one time and secured in  
20 whole or in part by a debt service reserve fund to which state funds may be  
21 appropriated pursuant to this subsection shall not exceed ~~\$115,000,000.00~~

1     \$130,000,000.00, provided that the foregoing shall not impair the obligation of  
2     any contract or contracts entered into by the authority in contravention of the  
3     Constitution of the United States.

4     Sec. 7. INVESTMENT OF STATE MONIES

5         The Treasurer is hereby authorized to establish a short-term credit facility  
6     for the Vermont Economic Development Authority in an amount of up to  
7     \$10,000,000.00 to be used as interim financing for its Clean Energy Loan Fund  
8     authorized under 10 V.S.A. § 280cc.

9     Sec. 8. EFFECTIVE DATE

10         This act shall take effect on July 1, 2013.