

1 S.288

2 Introduced by Committee on Economic Development, Housing and General
3 Affairs

4 Date:

5 Subject: Economic development; state fiscal stabilization funds; jobs;
6 broadband infrastructure

7 Statement of purpose: This bill proposes to provide economic incentives for
8 businesses and farms across Vermont to create and preserve jobs and to
9 improve Vermont's technological infrastructure and economic environment.

10 An act relating to the Vermont recovery and reinvestment act of 2010

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

12 * * * VRRRA 2010 Legislative Intent * * *

13 Sec. 1. LEGISLATIVE INTENT

14 (a) This act is intended to supplement and support the programs and
15 policies established in No. 54 (H.313) of the Acts of 2009, the Vermont
16 Recovery and Reinvestment Act of 2009, and to provide other economic
17 incentives.

18 (b) The provisions of this act provide short-term economic stimulus to
19 certain sectors of the Vermont economy, and invest in long-term strategies that

1 are consistent with the four principal goals of economic development identified
2 by the commission on the future of economic development which are:

3 (1) Vermont's businesses, educators, nongovernmental organizations,
4 and government form a collaborative partnership that results in a highly skilled
5 multigenerational workforce to support and enhance business vitality and
6 individual prosperity.

7 (2) Vermont invests in its digital, physical, and human infrastructure
8 as the foundation for all economic development.

9 (3) Vermont state government takes advantage of its small scale to
10 create nimble, efficient, and effective policies and regulations that support
11 business growth and the economic prosperity of all Vermonters.

12 (4) Vermont leverages its brand and scale to encourage a diverse
13 economy that reflects and capitalizes on our rural character, entrepreneurial
14 people, and reputation for environmental quality.

15 * * * SFSF General Services Fund Appropriations * * *

16 Sec. 2. STATE FISCAL STABILIZATION FUND; GENERAL SERVICES
17 FUND; APPROPRIATIONS

18 (a) In fiscal year 2010, \$8,670,000.00 from the state fiscal stabilization
19 fund general services fund that remains available to Vermont under the
20 American Recovery and Reinvestment Act of 2009 (ARRA), Pub.L.
21 No. 111-5, is hereby appropriated as prescribed in Secs. 3-17 of this act.

1 (b) For the specific purpose of ensuring SFSF funds are expended in a
2 timely fashion and in accordance with the deadlines and restrictions
3 established under ARRA, and also to ensure that the objectives of the
4 appropriations contained herein are accomplished, the secretary of
5 administration is authorized to substitute general fund appropriations for the
6 SFSF appropriations in this section, and in such an event, the secretary is
7 authorized to expend the SFSF funds on any other authorized general fund
8 expenditure.

9 Sec. 3. ENTREPRENEUR'S SEED CAPITAL FUND

10 (a) The amount of \$1,000,000.00 is appropriated to the entrepreneur's seed
11 capital fund established under chapter 14A of Title 10.

12 (b) This appropriation will supplement the \$1,000,000.00 of ARRA funds
13 in the clean energy development fund transferred to the seed capital fund
14 pursuant to Sec. 18 of this act, as well as the \$2,150,000.00 appropriated to the
15 fund under No. 54 of the Acts of 2009 and the \$1,000,000.00 in federal funds
16 received by the fund manager, Vermont center for emerging technologies
17 (VCET), from the economic development initiative of the United States
18 Department of Housing and Urban Development, and pledged as a match to
19 the seed fund.

20 (c) Equity capital is a major basis upon which lenders make loan decisions.
21 Unfortunately, early stage equity capital remains a vital financing gap for

1 Vermont entrepreneurs, preventing job creation and new tax revenue
2 generation. To accelerate job growth by helping emerging firms get across this
3 funding gap, the entrepreneur's seed capital fund was initiated last year. The
4 fund manager has already identified 38 firms across Vermont in sectors such as
5 life sciences, agriculture, energy, software, and manufacturing, who are now
6 seeking over \$45,000,000.00 in early-stage equity capital with an estimated
7 three-year job creation of nearly 700 jobs. In order to attract high potential
8 firms and maximize this revolving fund's ability and competitiveness to
9 leverage dollars from both newly available federal and private sources, the size
10 of the fund must be at least \$5,000,000.00.

11 (d) The entrepreneur's seed capital fund is now focused on high
12 opportunity, value-adding employers rather than more general retail and
13 services sectors, which presently have ample access to financial resources and
14 lenders. In fact, unlike last year, Vermont banks have seen dramatic increases
15 in the making of commercial loans, and liquidity and credit in debt form have
16 returned significantly. On the other hand, venture capital investment remains
17 at dramatic lows, down nearly 33 percent in the last year alone.

18 (e) Vermont's capitalization of the entrepreneur's seed capital fund
19 represents a one-time investment in financial infrastructure that shall revolve
20 forward for at least 10 years. The seed fund does not require an annual state
21 subsidy.

1 Sec. 4. RURAL BROADBAND; VTA

2 (a) The amount of \$2,850,000.00 is appropriated to the Vermont
3 telecommunications authority (VTA) for the purpose of making broadband
4 services available to at least 10,000 households or businesses in locations
5 where such services are not currently available, as provided in 30 V.S.A.
6 § 8079, as established in Sec. 19 of this act. Of the appropriation made in this
7 subsection, up to \$500,000.00 may be used for upgrades in underserved
8 business districts, as specified in 30 V.S.A. § 8079(f).

9 (b) No portion of the appropriation made in subsection (a) of this section
10 shall be encumbered or disbursed until a detailed itemization of the specific
11 manner in which the funds shall be spent is presented to and approved by the
12 joint fiscal committee, after obtaining input from the senate committee on
13 economic development, housing and general affairs and the house committee
14 on commerce and economic development.

15 (c) This appropriation is in addition to the proposed \$5,000,000.00
16 appropriation to the VTA in the fiscal year 2011 capital bill, intended to allow
17 VTA to construct telecommunications infrastructure (towers and fiber optic
18 cable). Together, an appropriation of almost \$8,000,000.00 will allow the
19 VTA to leverage access estimated to between \$10,000,000.00 and
20 \$20,000,000.00 in moral obligation bonding as authorized under No. 79 of the
21 Acts of 2007.

1 (d) Access to telecommunications and broadband services is this era's
2 equivalent to rural electrification in the 1930s. Viewed as uneconomical, at
3 that time, private electric companies were unwilling to operate lines and
4 distribute electricity in rural areas. Under the authority of the Rural
5 Electrification Act of 1936, the United States Department of Agriculture began
6 making direct loans and loan guarantees to electric utilities to serve customers
7 in rural areas. Rural electrification is now viewed as an achievement that has
8 been a tremendous force for positive social change and social equality in rural
9 areas.

10 Sec. 5. VERMONT EMPLOYMENT TRAINING PROGRAM

11 (a) The amount of \$1,000,000.00 is appropriated to the department of
12 economic, housing, and community development for the program operations of
13 the Vermont employment training program established under 10 V.S.A. § 531.

14 (b) This appropriation, when combined with the fiscal year 2011
15 \$1,700,000.00 appropriation, will add up to historic high funding for the
16 training program. In fiscal year 2010, \$1,900,000.00 was appropriated to the
17 training program.

18 (c) The Vermont training program works with businesses and educational
19 institutions to develop programs targeting the manufacturing, health care,
20 information technology, telecommunications, and environmental engineering
21 sectors; and can cover up to 50 percent of the cost of training. It is estimated

1 that the fund will be depleted in March 2010, denying up to 2,000 Vermonters
2 the opportunity to receive workforce training.

3 Sec. 6. TOURISM AND MARKETING; MEDIA ADVERTISING

4 (a) The amount of \$300,000.00 is appropriated to the department of
5 tourism and marketing to supplement the fiscal year 2010 \$1,950,000.00
6 appropriation (later subject to a rescission of \$181,000.00) to increase the
7 frequency of and expand the media buys in the state's key regional markets for
8 Vermont's winter recreation and hospitality operations. The additional media
9 advertising is aimed at increasing the number of visitors that will decide to
10 visit Vermont. Should circumstances require, a portion of the appropriation
11 will be spent to supplement the planned \$600,000.00 spring and summer media
12 advertising campaigns. This appropriation supplements the \$100,000.00
13 appropriated to the Vermont Convention Bureau, which is attached to the Lake
14 Champlain Regional Chamber of Commerce, in No. 54 of the Acts of 2009.

15 (b) Particularly during the current recession and at a time when other states,
16 such as Connecticut, are curtailing their travel advertising, Vermont should
17 continue to invest in marketing and tourism and optimize the opportunities to
18 have a positive impact on our hospitality businesses.

19 Sec. 7. AGRICULTURE; VERMONT FARMERS

20 (a) The amount of \$1,000,000.00 is appropriated to the Vermont economic
21 development authority (VEDA) to be used by the Vermont agricultural credit

1 corporation for the Vermont agricultural credit program established under
2 10 V.S.A. § 374a to assist Vermont farmers with capital to meet operating and
3 related needs.

4 (b) This appropriation is intended to supplement the \$1,000,000.00 general
5 fund appropriation to VEDA contained in No. 4 of the Acts of 2009 (the
6 budget adjustment act), which was aimed at helping farmers meet spring 2009
7 operating expenses.

8 (c) Vermont lost more than 100 farms in the last two years alone, and
9 thousands in previous years. From January to July, 2009, 33 farms have
10 ceased operations. With every working farm that shuts down, Vermont suffers
11 economically, environmentally, and socially.

12 (d) At present, the cost of dairy production exceeds the price farmers are
13 paid for milk. The national dairy crisis in 2009 was caused by a decline in
14 demand for dairy products on the national and international markets due to the
15 global economic crisis. The imbalance in supply and demand caused the price
16 paid to dairy farmers to decline by over 40 percent from 2008. The decline in
17 milk prices has caused Vermont dairy farmers to either go out of business or
18 go severely into debt and has created a great deal of hardship for dairy farmers
19 and related businesses.

1 Sec. 8. FARM-TO-PLATE INVESTMENT PROGRAM

2 (a) The amount of \$100,000.00 is appropriated to the Vermont sustainable
3 jobs fund program established in 10 V.S.A. § 328 to further the initiatives of
4 the Farm-to-Plate investment program established in 10 V.S.A. § 330 and
5 support entities that will enhance the production, storage, processing, and
6 distribution infrastructure of the Vermont food system. The funds shall be
7 competitively awarded by the program director, in consultation with the
8 secretary of agriculture, food and markets and the Vermont sustainable
9 agriculture council, in the form of grants to nonprofit farmers' markets and like
10 entities that are ready to implement their business plans or expand their
11 existing operations to provide additional capacity and services within the food
12 system. The funds also may be used for the coordination and implementation
13 of the recommendations contained in the strategic plan of the Farm-to-Plate
14 investment program.

15 (b) According to the United States Department of Agriculture's 2007
16 census of agriculture and the Vermont department of labor's 2007 quarterly
17 census of employment and wages, jobs throughout Vermont's entire food
18 system represent approximately 20 percent (or 54,334) of all private sector
19 jobs, and food-system-related enterprises comprise 31 percent (or 9,166) of all
20 private establishments

1 Sec. 9. FARM-TO-INSTITUTION PARTNERSHIPS

2 (a) The amount of \$100,000.00 is appropriated to the secretary of
3 agriculture, food and markets for the purpose of providing grants for capital
4 upgrades or the development of programs to support farm-to-institution
5 partnerships which can be used as models for similar partnerships throughout
6 Vermont.

7 (b) The purpose of the farm-to-institution initiatives is to increase
8 institutional purchases of fresh, locally grown food. The participation of
9 institutional buyers, such as hospitals, schools, and businesses, will play an
10 important role in stimulating greater local food production and keeping more
11 money in the local economy and further sustain the key role that agriculture
12 plays in the vibrant past and future of Vermont's economy.

13 Sec. 10. ADDISON COUNTY; CHAMPLAIN BRIDGE CLOSURE;

14 VERMONT JOBS FUND

15 (a) The amount of \$800,000.00 is appropriated to the Vermont economic
16 development authority (VEDA) to provide interest-rate subsidies through the
17 Vermont jobs fund established under 10 V.S.A. § 234, and to provide loans to
18 businesses negatively affected by the closure of the Lake Champlain bridge at
19 Crown Point as provided in subsections (b) and (c) of this section.

20 (b) Addison County; Priority on Funds. For a period of 90 days after the
21 enactment of this act, for-profit business operations in Addison County that

1 have incurred economic losses as a direct result of the closure of the Lake
2 Champlain bridge at Crown Point may apply to VEDA for loans to assist with
3 maintaining payroll, ordering inventory, and covering operational expenses,
4 including increased expenses resulting from increased travel costs. VEDA
5 shall make the loans from the Vermont jobs fund, subject to the following
6 requirements:

7 (1) The minimum loan issue shall be \$1,000.00; the maximum
8 \$25,000.00.

9 (2) All applicants must have been in business and operational prior to
10 October 16, 2009.

11 (3) Interest rates shall be established by the VEDA board of directors,
12 but shall not exceed the current maximum interest rate applicable under the
13 Vermont jobs fund, and may be zero.

14 (c) With respect to loans made under subsection (b) of this section, VEDA
15 shall establish underwriting criteria and standards to ensure that eligible
16 businesses are creditworthy, but for the three-month closure of the Lake
17 Champlain bridge at Crown Point; term limits that are based upon individual
18 business circumstances; criteria for determining which economic losses qualify
19 as the direct result of the bridge closure; and any other terms and conditions it
20 deems appropriate and necessary to accomplish the purposes of this section.

1 (d) Any appropriation not used to make loans to eligible Addison County
2 businesses under subsection (b) of this section may be used by VEDA to make
3 loans through the Vermont jobs fund to provide interest-rate subsidies to
4 applicants unless there is a demonstrated financial need.

5 Sec. 11. VEDA; VERMONT JOBS FUND

6 (a) The amount of \$1,000,000.00 is appropriated to the Vermont economic
7 development authority to provide interest-rate subsidies on loans approved
8 under the Vermont jobs fund established in 10 V.S.A. § 234.

9 (b) In the event \$1,000,000.00 in funds from the clean energy development
10 fund, established in 10 V.S.A. § 6523, is not transferred to the entrepreneur's
11 seed capital fund, established in 10 V.S.A. § 291, by act of the 2010 legislative
12 session, the \$1,000,000.00 appropriation in subsection (a) of this section shall
13 be made to the entrepreneur's seed capital fund.

14 Sec. 12. DOWNTOWN AND VILLAGE CENTER PROGRAM

15 (a) The amount of \$100,000.00 shall be transferred to the general fund in
16 fiscal year 2011 to cover the costs of allocating \$100,000.00 worth of tax
17 credits in calendar year 2010 under the downtown and village center program
18 pursuant to 32 V.S.A. § 5930ee, which amount is in addition to the statutory
19 cap of \$1,700,000.00.

1 (b) Community capital of Vermont is a community-based 501(c)(3)
2 nonprofit serving the entire state of Vermont. Administration of the Vermont
3 job start loan program was transferred from the Vermont economic
4 development authority to community capital of Vermont as of May 1, 2008.

5 Sec. 15. VERMONT FILM CORPORATION

6 (a) The amount of \$100,000.00 is appropriated to the Vermont film
7 corporation to continue its work of creating jobs and growing the state's new
8 media and film economy, as described in chapter 26 of Title 10. It is
9 anticipated that the corporation will solicit funds from private sources pursuant
10 to its authority under 10 V.S.A. § 645(3) to cover the remaining balance of its
11 operational and other business expenses.

12 (b) On or before January 15, 2010, the secretary of commerce and
13 community development and the board of directors of the Vermont film
14 corporation shall submit a recommendation to the senate committee on
15 economic development, housing and general affairs and the house committee
16 on commerce and economic development as to whether the work now done by
17 the film corporation should be assumed by the department of travel and
18 tourism within the agency of commerce and community development or
19 remain with the film corporation.

1 (c) Given its unique blend of creative, cultural, and educational resources,
2 Vermont currently has an opportunity to become a destination for a new media
3 and film industry.

4 (d) Vermont is home to authors, filmmakers, producers, and young people
5 concentrating their educational and professional development in the emerging
6 fields of communications, multi-media and film production, graphic and digital
7 design, and the performing arts.

8 (e) Vermont's natural and seasonal beauty and the charm and character of
9 its towns and regions equal or surpass other potential destinations for the
10 media and film industry, and these strengths position Vermont as an ideal
11 location for filming and producing movies, television, commercials, and other
12 media.

13 (f) Vermont is home to at least five institutions of higher education that
14 provide one or more degrees or certificate programs in media or film sectors,
15 including Burlington College's cinema studies and film production program;
16 Champlain College's communications and creative media division; the
17 University of Vermont's film and television studies program; Marlboro
18 College's undergraduate programs in media, visual, and performing arts; and
19 Castleton State College's concentrations in communication, mass media, and
20 digital media.

1 (g) Considering these substantial resources, it is the intent of the general
2 assembly to encourage and promote the development of a strong and dynamic
3 media and film sector within Vermont's creative economy.

4 Sec. 16. UVM; PARAMEDIC-LEVEL TRAINING PROGRAM

5 (a) The amount of \$70,000.00 is appropriated to the University of
6 Vermont's initiative for rural emergency medical services for the purpose of
7 establishing a statewide paramedic-level training program.

8 (b) This appropriation will supplement the \$25,840.00 already committed
9 to the program by Essex Rescue and, when combined, will enable the program
10 to leverage an additional \$503,360.00 of federal funds from the Federal
11 Emergency Management Agency.

12 (c) Vermont is currently the only state without a statewide paramedic
13 training program. The paramedic-level training program funded by this section
14 will initially provide training to 15 students in the northwest region of the state
15 and will establish Vermont's first statewide continuing education program for
16 paramedics in Vermont.

17 Sec. 17. NEIGHBOR-TO-NEIGHBOR PROGRAM

18 (a) The amount of \$50,000.00 is appropriated to the department for
19 disabilities, aging, and independent living to continue the neighbor-to-neighbor
20 program administered through the Area Agencies on Aging. The funds

1 appropriated in this section may be used as the required 20-percent match for
2 AmeriCorps funds.

3 (b) Through the neighbor-to-neighbor program, the Area Agencies on
4 Aging employ individuals from AmeriCorps to provide services to enable
5 older adults and individuals with disabilities to live independently in their
6 homes.

7 * * * Reallocation of ARRA Funds in the CEDF: Seed Fund * * *

8 Sec. 18. 10 V.S.A. § 6523 is amended to read:

9 § 6523. VERMONT CLEAN ENERGY DEVELOPMENT FUND

10 (a) Creation of fund.

11 (1) There is established the Vermont clean energy development fund to
12 consist of ~~all~~ each of the following:

13 (A) The proceeds due the state under the terms of the memorandum
14 of understanding between the department of public service and Entergy
15 Nuclear VY and Entergy Nuclear Operations, Inc. that was entered under
16 public service board docket 6812; together with the proceeds due the state
17 under the terms of any subsequent memoranda of understanding entered before
18 July 1, 2005 between the department of public service and Entergy Nuclear
19 VY and Entergy Nuclear Operations, Inc.

20 (B) ~~\$21,999,000.00 in funds received by the state under the~~
21 ~~appropriation contained in the American Recovery and Reinvestment Act~~

1 ~~(ARRA) of 2009, Pub.L. No. 111-5, to the state energy program authorized~~
2 ~~under 42 U.S.C. § 6321 et seq.~~

3 ~~(C) \$9,593,500.00 received by the state under ARRA from the~~
4 ~~United States Department of Energy through the energy efficiency and~~
5 ~~conservation block grant (EECBG) program.~~

6 ~~(D)~~ Any other monies that may be appropriated to or deposited into
7 the fund.

8 * * *

9 (h) ARRA funds. All ~~ARRA~~ American Recovery and Reinvestment Act
10 (ARRA) funds placed in the clean energy development fund described in
11 section 6524 of this title shall be disbursed, administered, and accounted for in
12 a manner that ensures rapid deployment of the funds and is consistent with all
13 applicable requirements of ARRA, including requirements for administration
14 of funds received and for timeliness, energy savings, matching, transparency,
15 and accountability. ~~These funds shall be maintained in a separate account~~
16 ~~specifically restricted to ARRA funds within the clean energy development~~
17 ~~fund.~~ These funds shall be expended for the following categories listed in this
18 subsection, provided that no single project directly or indirectly receives a
19 grant in more than one of these categories. The clean energy development
20 board shall have discretion to use non-ARRA moneys within the fund to
21 support all or a portion of these categories and shall direct any ARRA moneys

1 for which non-ARRA moneys have been substituted to the support of other
2 eligible projects, programs, or activities under ARRA and this section.

3 * * *

4 (7)(A) \$880,000.00 to the 11 regional planning commissions
5 (\$80,000.00 to each such commission) to conduct energy efficiency and energy
6 conservation activities that are eligible under the EECBG program.

7 (B) \$1 million to the entrepreneurs' seed capital fund created under
8 section 291 of this title to conduct ARRA-eligible activities related to clean
9 energy resources or emerging energy efficient technologies.

10 (8) Concerning the funds authorized for use in subdivisions (4)–(7) of
11 this subsection:

12 (A) To the extent permissible under ARRA, up to five percent may
13 be spent for administration of the funds received.

14 (B) In the event that the clean energy development board determines
15 that a recipient of such funds has insufficient eligible projects, programs, or
16 activities to fully utilize the authorized funds, the clean energy development
17 board shall have discretion to reallocate the balance to other eligible projects,
18 programs, or activities under this section.

19 (9) The clean energy development board is authorized, to the extent
20 allowable under ARRA, to utilize up to 10 percent of ARRA funds received
21 for the purpose of administration. The board shall allocate a portion of the

1 amount utilized for administration to retain permanent, temporary, or limited
2 service positions or contractors ~~to administer such funds~~ and the remaining
3 portion to the oversight of specific projects receiving ARRA funding through
4 the ~~clean energy development fund~~ board.

5 * * *

6 (j) Governor disapproval. The governor shall have the authority within 30
7 days of approval or adoption to disapprove a project, program, or other activity
8 approved by the clean energy development board ~~to be funded by the clean~~
9 ~~energy development fund~~ if the source of the funds is ARRA; and any rules
10 adopted under subsection (i) of this section. The governor may at any time
11 waive his or her authority to disapprove any project, program, or other activity
12 or rule under this subsection.

13 * * * VTA Broadband Infrastructure * * *

14 Sec. 19. 30 V.S.A. § 8079 is added to read:

15 § 8079. BROADBAND INFRASTRUCTURE; INVESTMENT

16 (a) To achieve the goals established in subsection 8060(b) of this title, the
17 authority is authorized to invest in broadband infrastructure or contract with
18 retail providers for the purpose of making services available to at least 10,000
19 households or businesses in locations where such services are currently
20 unavailable or to upgrade services in underserved business districts, as
21 determined by the authority. For purposes of this section, locations shall not

1 be considered unserved if a broadband provider has a legally binding
2 commitment to provide service to those locations or a provider has received a
3 broadband stimulus grant to provide service to those locations.

4 (b) To accomplish the purpose of this section, the authority shall publish a
5 request for proposals for (1) the construction of physical broadband
6 infrastructure, to be owned by the authority; or (2) initiatives by public-private
7 partnerships or retail vendors designed to provide broadband service to blocks
8 of unserved locations; or both, as determined by the authority as necessary to
9 provide 100 percent coverage to Vermont households and businesses within
10 such blocks of unserved areas.

11 (c) The authority shall review proposals and award contracts based upon
12 the price, quality of services offered, positive experience with infrastructure
13 maintenance, retail service delivery, and other factors determined to be in the
14 public interest by the authority.

15 (d) To the extent any funds appropriated by the general assembly are
16 rendered unnecessary for the purpose of reaching unserved Vermonters due to
17 a successful application to the broadband initiatives program under the Rural
18 Utilities Service of the U.S. Department of Agriculture, such funds shall be
19 placed in reserve by the authority to be used first to achieve 100-percent
20 coverage pursuant to chapter 91 of Title 30 and, once that is achieved, to then

1 deliver fiber-quality service to Vermont's public facilities, regional business
2 hubs, and anchor businesses and institutions.

3 (e) Beginning July 1, 2010, the authority may invest up to \$500,000.00 for
4 upgrades in broadband services in underserved business districts.

5 * * * Vermont Employment Training Program: JFO Evaluation * * *

6 Sec. 20. 10 V.S.A. § 531(i) is added to read:

7 (i) Program Outcomes. Beginning in fiscal year 2011, the joint fiscal office
8 (JFO) or a contractor selected by JFO shall conduct an evaluation of the
9 outcomes of the employment training program every five years by reviewing
10 its operations, benchmarks, and outcomes to determine the economic and state
11 fiscal impact of the program. The evaluation of the program's outcomes shall
12 include the impact on real wages and personal income; the change in state
13 employment; the job growth across the manufacturing, information
14 technology, telecommunications, health care, and environmental engineering
15 industry sectors; job training; and business growth and retention. Costs
16 incurred in conducting the evaluation shall be reimbursed from the training
17 program fund up to \$15,000.00.

18 * * * Increased Moral Obligation for Vermont Jobs Fund * * *

19 Sec. 21. 10 V.S.A. § 219(d) is amended to read:

20 (d) In order to assure the maintenance of the debt service reserve
21 requirement in each debt service reserve fund established by the authority,

1 there may be appropriated annually and paid to the authority for deposit in
2 each such fund, such sum as shall be certified by the chair of the authority, to
3 the governor or the governor-elect, the president of the senate, and the speaker
4 of the house, as is necessary to restore each such debt service reserve fund to
5 an amount equal to the debt service reserve requirement for such fund. The
6 chair shall annually, on or about February 1, make, execute, and deliver to the
7 governor or the governor-elect, the president of the senate, and the speaker of
8 the house, a certificate stating the sum required to restore each such debt
9 service reserve fund to the amount aforesaid, and the sum so certified may be
10 appropriated, and if appropriated, shall be paid to the authority during the then
11 current state fiscal year. The principal amount of bonds or notes outstanding at
12 any one time and secured in whole or in part by a debt service reserve fund to
13 which state funds may be appropriated pursuant to this subsection shall not
14 exceed ~~\$70,000,000.00~~ \$100,000,000.00, provided that the foregoing shall not
15 impair the obligation of any contract or contracts entered into by the authority
16 in contravention of the Constitution of the United States.

17 * * * Transferability of Downtown Tax Credits * * *

18 Sec. 22. 32 V.S.A. § 5930dd(f) is added to read:

19 (f) In lieu of using a tax credit to reduce its own tax liability, an applicant
20 may request the credit in the form of an insurance credit certificate that an
21 insurance company may accept in return for cash and for use in reducing its tax

1 liability under subchapter 7 of chapter 211 of this title in the first tax year in
2 which the qualified building is placed back in service after completion of the
3 qualified project or in the subsequent nine years. The amount of the insurance
4 credit certificate shall equal the unused portion of the credit allocated under
5 this subchapter, and an applicant requesting an insurance credit certificate shall
6 provide to the state board a copy of any returns on which any portion of the
7 allocated credit under this section was claimed.

8 * * * Estate Tax * * *

9 Sec. 23. 32 V.S.A. § 7475(2) is amended to read:

10 (2) the applicable credit amount shall remain as provided for under
11 Section 2010 of the Internal Revenue Code as in effect on January 1, ~~2008~~
12 2009; and

13 * * * Recovery Zone Facility Bond (RZFB) Program * * *

14 Sec. 24. RZFB PROGRAM; PUBLIC OUTREACH

15 (a) The American Recovery and Reinvestment Act of 2009 (ARRA),
16 Pub.L. No. 111-5, allocates authority for the issuance of \$135,000,000.00 of
17 recovery zone facility (private activity) bonds to Vermont, which must be
18 issued before the end of calendar year 2010.

19 (b) The federal government issued the bonding authorizations to 11 of
20 Vermont's 14 counties; however, in the opinion of the Vermont attorney
21 general, Vermont counties do not have the necessary authority to issue or

1 authorize others to issue facility bonds. ARRA allows the counties to waive
2 their allocations to state government, which they did. In October 2009, the
3 emergency board approved a plan designating the Vermont economic
4 development authority (VEDA) as the entity responsible for issuing the bonds.

5 (c) The recovery zone facility bond (RZFB) program is designed to aid
6 certain businesses through the issuance of tax-exempt bonds. Tax-exempt
7 bonds traditionally carry lower interest rates than conventional bank loans
8 because income earned by purchasers of these bonds is exempt from federal
9 and, in some cases, state tax. VEDA is encouraged to take any steps necessary
10 to increase public awareness of the RZFB program.

11 (d) VEDA is authorized to increase the current \$25,000,000.00 cap per
12 project to \$50,000,000.00.

13 * * * Vermont Redevelopment Authority * * *

14 Sec. 25. VERMONT REDEVELOPMENT AUTHORITY; STUDY

15 (a) The Brattleboro Development Credit Corporation, in consultation with
16 the other regional development corporations in Vermont, may develop a
17 proposal for enabling legislation that permits a municipality to form an
18 economic development authority.

19 (b) The proposal shall include recommendations regarding the following:

20 (1) The powers that an economic development authority may exercise
21 with respect to: eminent domain; permitting; access to bonding; access to

1 lending through state authorities such as VEDA; property acquisition; and
2 infrastructure investment;

3 (2) The goals of an economic development authority, such as increasing
4 the grand list; increasing occupancy and rent levels; increasing employment
5 opportunities; as well as benchmarks and indicators for measuring an
6 authority's success with meeting those goals.

7 (c) The Brattleboro Development Credit Corporation is invited to submit its
8 proposal to the general assembly by January 15, 2011.

9 * * * Legislative Priorities for ARRA Funds * * *

10 Sec. 26. LEGISLATIVE PRIORITIES FOR ARRA FUNDS

11 With respect to federal funds potentially available to the state of Vermont as
12 competitive funds under the ARRA and in addition to any other legislatively
13 identified priorities established with regard to ARRA funds, the general
14 assembly establishes the following priorities as outlined in this section.

15 (1) Railroad projects determined by the Vermont office of economic
16 stimulus and recovery as being consistent with Vermont's transportation plan.

17 (2) With respect to passenger rail funds requested by the state, upgrades
18 to passenger rail service along the western corridor, such as the Ethan Allen
19 Express improvements and extension corridor program. This corridor program
20 consists of track and crossing improvements and a bridge project along the
21 existing Ethan Allen Express Amtrak route as well as an extension of that

1 service from Bennington to Rutland and from Rutland to Burlington. The
2 program will serve to support intercity passenger rail service through the most
3 populous area of the state and further connect vital economic regions of the
4 state to each other and to the state of New York.

5 (3) Telecommunications projects determined by Vermont's chief
6 technology officer as being consistent with the goals and policies established
7 under chapter 91 of Title 30.

8 Sec. 27. REPEAL; PRIORITIES FOR MUNICIPAL

9 TELECOMMUNICATIONS

10 Sec. 17(d) of No. 54 of the Acts of 2009 (municipal priorities for municipal
11 communications services) is repealed and the remaining subdivisions of that
12 subsection are renumbered accordingly.

13 * * * Simplified Licensing Process for Certain Commercial Lenders * * *

14 Sec. 28. 8 V.S.A. § 2200(1) is amended to read:

15 (1) "Commercial loan" means any loan or extension of credit that is
16 described in subdivision 46(1), (2), or (4) of Title 9 ~~and that is in excess of~~
17 ~~\$25,000.00.~~ The term does not include a loan or extension of credit ~~for the~~
18 ~~purpose of farming, as defined in subdivision 6001(22) of Title 10 and does~~
19 ~~not include a loan or extension of credit for the purpose of financing secured in~~
20 whole or in part by an owner occupied one- to four-unit dwelling.

1 Sec. 29. 8 V.S.A. § 2202(d) is added to read:

2 (d) This section does not apply to a lender making only commercial loans.

3 Sec. 30. 8 V.S.A. § 2202a is added to read:

4 § 2202a. APPLICATION FOR COMMERCIAL LENDER LICENSE; FEES

5 (a) Application for a license for a lender making solely commercial loans
6 shall be in writing, under oath, and in the form prescribed by the
7 commissioner, and shall contain the name and address of the residence and the
8 place of business of the applicant and, if the applicant is a partnership or
9 association, of every member thereof, and, if a corporation, of each officer,
10 director, and control person thereof; the county and municipality with street
11 and number, if any, where the business is to be conducted; and such further
12 information as the commissioner may require.

13 (b) At the time of making application, the applicant shall pay to the
14 commissioner a \$500.00 fee for investigating the application and a \$500.00
15 initial license fee for a period terminating on the last day of the current
16 calendar year.

17 (c) In connection with an application for a commercial lender license, the
18 applicant and each officer, director, and control person of the applicant shall
19 furnish to the Nationwide Mortgage Licensing System and Registry (NMLSR)
20 information concerning the applicant's identity and the identity of each of the
21 applicant's officers, directors, and control persons, including:

1 (1) Fingerprints for submission to the Federal Bureau of Investigation
2 and for any other governmental agency or entity authorized to receive such
3 information for a state, national, and international criminal history background
4 check.

5 (2) Personal history and experience in a form prescribed by the
6 NMLSR, including the submission of authorization for the NMLSR and the
7 commissioner to obtain information related to any administrative, civil, or
8 criminal findings by any governmental jurisdiction.

9 (3) Any other information required by the NMLSR or the commissioner.

10 Sec. 31. 8 V.S.A. § 2203(f) is added to read:

11 (f) This section does not apply to a lender making only commercial loans.

12 Sec. 32. 8 V.S.A. § 2204(d) is added to read:

13 (d) This section does not apply to a lender only making commercial loans.

14 Sec. 33. 8 V.S.A. § 2204c is added to read:

15 § 2204c. APPROVAL OF APPLICATION; ISSUANCE OF COMMERCIAL

16 LENDER LICENSE

17 (a) Upon the filing of the application and payment of the required fees, the
18 commissioner shall issue and deliver a commercial lender license to the
19 applicant upon findings by the commissioner as follows:

20 (1) That the experience, character, and general fitness of the applicant
21 are such as to command the confidence of the community and to warrant belief

1 that the business will be operated honestly, fairly, and efficiently within the
2 purposes of this chapter. If the applicant is a partnership or association, such
3 findings are required with respect to each partner, member, and control person.
4 If the applicant is a corporation, such findings are required with respect to each
5 officer, director, and control person.

6 (2) That the applicant and each officer, director, and control person of
7 the applicant has never had a lender license, mortgage broker license, mortgage
8 loan originator license, or similar license revoked in any governmental
9 jurisdiction, except that a subsequent formal vacation of such revocation shall
10 not be deemed a revocation.

11 (3) That the applicant and each officer, director, and control person of
12 the applicant has not been convicted of or pled guilty or nolo contendere to a
13 felony in a domestic, foreign, or military court:

14 (A) During the seven-year period preceding the date of the
15 application for licensing, except a conviction for driving under the influence or
16 a similarly titled offense in this state or in any other jurisdiction; or

17 (B) At any time preceding such date of application, if such felony
18 involved an act of fraud, dishonesty, or a breach of trust, or money laundering;

19 (C) Provided that any pardon of a conviction shall not be a conviction
20 for purposes of this subsection.

1 (b) If the commissioner does not find as set forth in subsection (a) of this
2 section, the commissioner shall not issue a license. Within 60 days of filing of
3 the completed application, the commissioner shall notify the applicant of the
4 denial, stating the reason or reasons therefore. If after the allowable period, no
5 request for reconsideration under subsection 2205(a) of this title is received
6 from the applicant, the commissioner shall return to the applicant the sum paid
7 by the applicant as a license fee, retaining the investigation fee to cover the
8 costs of investigating the application.

9 (c) If the commissioner makes findings as set forth in subsection (a) of this
10 section, he or she shall issue the license within 60 days of filing the completed
11 application. Provided the licensee annually renews the license, the license
12 shall be in full force and effect until surrendered by the licensee or until
13 revocation, suspension, termination, or refusal to renew by the commissioner.

14 Sec. 34. 8 V.S.A. § 2209(a)(6) is added to read:

15 (6) For the renewal of a lender's license for a lender making only
16 commercial loans, \$500.00.

17 Sec. 35. 8 V.S.A. § 2224(b) is amended to read:

18 (b) Annually, within 90 days of the end of its fiscal year, each licensed
19 lender, mortgage broker, and sales finance company shall file financial
20 statements with the commissioner in a form and substance satisfactory to the
21 commissioner, which financial statements must include a balance sheet and

1 income statement. This subsection does not apply to a lender making only
2 commercial loans.

3 Sec. 36. 9 V.S.A. § 46 is amended to read:

4 § 46. EXCEPTIONS

5 Section 43 of this title relating to deposit requirements and section 45 of this
6 title relating to prepayment penalties shall not apply and the parties may
7 contract for a rate of interest in excess of the rate provided in section 41a of
8 this title in the case of:

9 * * *

10 (2) obligations incurred by any person, partnership, association or other
11 entity to finance in whole or in part income-producing business or activity, but
12 not including obligations incurred to finance family dwellings of ~~two~~ four units
13 or less when used as a residence by the borrower or to finance real estate which
14 is devoted to agricultural purposes as part of an operating farming unit when
15 used as a residence by the borrower; or

16 * * *

17 * * * Effective Dates * * *

18 Sec. 37. EFFECTIVE DATES

19 This act shall be effective upon passage except:

20 (1) Sec. 11(a) of this act (appropriating \$1,000,000.00 to the Vermont
21 economic development authority for the Vermont jobs fund) shall be effective

1 only upon the passage of an act in the 2010 legislative session transferring
2 \$1,000,000.00 from the clean energy development fund, established in
3 10 V.S.A. § 6523, to the entrepreneur's seed capital fund, established in
4 10 V.S.A. § 291.

5 (2) Sec. 22 of this act (relating to insurance credit certificates) shall take
6 effect upon passage and shall apply to tax years beginning on or after
7 January 1, 2010;

8 (3) Sec. 23 (estate tax) shall apply to estates of decedents with a date of
9 death after December 31, 2010.