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H.751

Introduced by Representative Campion of Bennington

Referred to Committee on

Date:

Subject: Commerce and trade; economic development; government operations;

Statement of purpose of bill as introduced: This bill proposes to create a new

Agency of Economic Development.

An act relating to creating an Agency of Economic Development

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

Sec. 1. 3 V.S.A. § 2402 is amended to read:

§ 2402. CREATION OF AGENCY

(a) An agency of commerce and community development is created

consisting of the following:

(1) ~~The department of economic development~~ [Repealed.]

(2) ~~The department of housing and community affairs~~ Department of

Housing and Community Affairs.

(3) ~~The division for historic preservation~~ Division for Historic

Preservation.

(4) Vermont Life magazine.

1 (2) focus on internal growth, and other relevant areas, that strengthen
2 existing businesses;

3 (3) support emerging technologies from academia to keep those
4 technologies and businesses in Vermont;

5 (4) develop programs to reach out to feasible external business
6 opportunities and bring them to Vermont;

7 (5) develop a rolling five-year plan backed by a metric system that
8 illustrates true results;

9 (6) issue quarterly and yearly reports to Vermonters to reassure progress
10 and highlight success or failures;

11 (7) encourage the University of Vermont to support the activities of the
12 Manager of Technology and to create a program to bring industry and
13 academia together to support both;

14 (8) consolidate overlapping economic development functions and
15 recommend the elimination of redundant positions within Vermont's current
16 organizational structure; and

17 (9) exercise his or her authority under 10 V.S.A. chapter 76 to:

18 (A) require that all regional development authorities be staffed by
19 individuals with relevant economic development experience; and

20 (B) terminate any regional development agency head or staff member
21 who lacks the relevant experience required.

1 § 2602. ORGANIZATION; DEPARTMENTS; DUTIES AND AUTHORITY

2 The Agency shall include:

3 (1) A Department of Finance, which shall operate under the
4 management and authority of a Manager of Finance appointed by the
5 Secretary. The Manager of Finance shall have the duty and authority to:

6 (A) review all financial aid programs, including grants, loans, and tax
7 incentives, and align them with business support programs, including the
8 Vermont Economic Development Authority, to manage progress better in
9 meeting committed goals;

10 (B) serve as a liaison with banks and other financial intuitions;

11 (C) implement the consolidation of all financial functions;

12 (D) review the current financial support system and develop a plan to
13 reach a sufficient fund pool to support business growth; and

14 (E) review all financial reports.

15 (2) A Department of Administration, which shall operate under the
16 management and authority of a Manager of Administration appointed by the
17 Secretary. The Manager of Administration shall have the duty and
18 authority to:

19 (A) market analytical support;

20 (B) manage business development support programs; and

21 (C) oversee job training programs.

1 (3) Two Statewide Coordinators, who shall have the authority and
2 duty to:

3 (A) manage internal and external economic development
4 opportunities at assigned regional development authorities;

5 (B) interface with State agencies issuing required permits;

6 (C) oversee assigned county authorities who are responsible for
7 day-to-day needs and local opportunities;

8 (D) provide interagency liaison support;

9 (E) absorb the activities of all business development centers; and

10 (F) support existing businesses.

11 (4) A Manager of Technology, who shall have the duty and authority to:

12 (A) serve independently of regional programs;

13 (B) focus on emerging technology and providing support from
14 research through commercialization;

15 (C) work with State and outside companies to use Vermont academic
16 research and development to bring industry to Vermont; and

17 (D) develop and maintain a comprehensive list of all research
18 programs at Vermont State Colleges and the University of Vermont.

19 § 2603. NOMINATING COMMITTEE

20 (a) An Economic Development Nominating Committee is created. The
21 Committee shall consist of five members appointed as follows:

- 1 (1) two members appointed by the Vermont Business Roundtable;
2 (2) one member appointed by the Governor;
3 (3) one member appointed by the Chair of the Senate Committee on
4 Economic Development, Housing and General Affairs; and
5 (4) one member appointed by the Chair of the House Committee on
6 Commerce and Economic Development.

7 (b) Each member shall serve until his or her replacement is named by the
8 appointing authority pursuant to this section.

9 (c) The Nominating Committee shall meet within two weeks of a request
10 for nominees issued by the Governor. Three members shall be physically
11 present to constitute a quorum, and action may be taken by a majority vote of
12 the members at a meeting when a quorum is present.

13 (d) Within one week of its meeting, the Nominating Committee shall
14 submit to the Governor a list of three qualified nominees for Secretary who
15 have relevant experience and demonstrated professional expertise in one or
16 more of the areas of economic development, business, and finance.

17 § 2604. THE VERMONT BUSINESS REGISTRY

18 (a) The Agency of Economic Development shall develop and maintain a
19 Vermont business registry. The Registry shall develop a comprehensive
20 database of information on Vermont businesses, including information on
21 industrial classification, size (including employment size and annual revenues),

1 ownership characteristics (including type of business entity, gender, race,
2 nationality, incidence of low- and moderate-income ownership, and percent of
3 the ownership with such characteristics), location, and export data. In
4 developing the Registry, the Agency shall affirmatively conduct outreach and
5 request, but not require, information from all Vermont businesses.

6 (b) The Agency shall design the Registry so that it is easily accessible to
7 persons seeking information about Vermont businesses and to instrumentalities
8 involved in Vermont's economic development efforts, including the Vermont
9 Economic Development Authority, Job Start, Vermont's financial institutions,
10 the regional development corporations, and the small business development
11 centers. Such instrumentalities may use the Registry to ensure that they are
12 providing a fair share of technical and financial assistance to the Vermont
13 businesses that comprise their target market. Such instrumentalities may use
14 the Registry's demographic information to evaluate the appropriate types and
15 distribution of public and private economic development services to Vermont
16 businesses.

17 § 2605. GOVERNMENT MARKETING ASSISTANCE CENTER

18 (a) The Agency of Economic Development shall create and administer a
19 Government Marketing Assistance Center. The purpose of this Center shall be
20 to provide information on federal, State, and municipal government contract
21 opportunities and assistance on how to bid competitively for government

1 contracts and to develop and maintain a database of federal, State, and
2 municipal contracts.

3 (b) The Agency may charge an annual fee of up to \$50.00 from each person
4 who accesses the Center's database of federal, State, and local contracts.

5 (c) Fees collected under this section shall be credited to a special fund and
6 shall be available to the Agency for the purposes of maintaining databases that
7 provide information to Vermont businesses and providing services associated
8 with those databases.

9 § 2606. OFFICE OF CREATIVE ECONOMY; VERMONT FILM

10 COMMISSION

11 (a) The Office of Creative Economy is created within the Agency of
12 Economic Development in order to build upon the years of work and energy
13 around creative economy initiatives in Vermont, including the work of the
14 Vermont Film Commission. The Office shall provide business, networking,
15 and technical support to establish, grow, and attract enterprises involved with
16 the creative economy, primarily focused on such areas as film, new and
17 emerging media, software development, and innovative commercial goods.
18 The Office shall work in collaboration with Vermont's private and public
19 sectors, including educational institutions, to raise the profile and economic
20 productivity of these activities.

1 (b) The Office shall be administered by a Director appointed by the
2 Secretary of Economic Development.

3 § 2607. VERMONT FILM AND NEW MEDIA ADVISORY BOARD

4 The Secretary of Economic Development shall appoint a Film and New
5 Media Advisory Board to make recommendations to the Secretary on
6 promoting Vermont as a location for commercial film and television
7 production and facilitating the participation of local individuals and companies
8 in such productions. The primary function of the Advisory Board is to
9 recommend to the Secretary strategies to link Vermonters employed in the film
10 and new media, video, or other creative arts to economic opportunities in their
11 trades in Vermont.

12 Sec. 4. 24 V.S.A. chapter 76 is amended to read:

13 CHAPTER 76. ECONOMIC DEVELOPMENT PERFORMANCE

14 CONTRACTS

15 § 2781. DEFINITIONS

16 ~~For the purposes of~~ As used in this chapter:

17 (1) “Regional development corporation” means a nonprofit corporation
18 organized in this ~~state~~ State whose principal purpose is to promote, organize,
19 or accomplish economic development, including providing planning and
20 resource development services to local communities, supporting existing
21 industry, assisting the growth and development of new and existing small

1 businesses, and attracting industry or commerce to a particular economic
2 region of the ~~state~~; State.

3 (2) "Regional planning commission" means a regional planning
4 commission operating under subchapters 3 and 4 of chapter 117 of this title;.

5 (3) "Secretary" means the ~~secretary of the agency of commerce and~~
6 ~~community development~~ Secretary of Economic Development.

7 * * *

8 Sec. 5. 10 V.S.A. § 663 is amended to read:

9 § 663. ADMINISTRATION

10 (a) The ~~department of economic development, through the Vermont~~
11 ~~department of tourism and marketing,~~ Department of Tourism and Marketing
12 shall administer the travel promotion matching funds program with such
13 flexibility so as to bring about the most effective and economical travel
14 promotion program possible. The ~~department will promulgate~~ Department
15 shall adopt rules and procedures necessary and appropriate to the proper
16 operation of the matching funds program. These rules shall also establish
17 which travel promotion organizations are eligible to apply for matching funds.

18 (b) The ~~department will~~ Department shall make available complete
19 instructions as to the applicant's duties and responsibilities and establish
20 forms necessary to carry out the purposes of this chapter.

1 Sec. 6. 10 V.S.A. § 690a is amended to read:

2 § 690a. NONPROFIT REVOLVING LOAN FUNDS

3 (a) Any revolving loan fund lender not required to be licensed pursuant to
4 8 V.S.A. § 2201(d)(9) shall register and maintain its registration with the
5 ~~commissioner of economic development~~ Commissioner of Housing and
6 Community Development, on forms and by policy and methods prescribed by
7 the ~~commissioner~~ Commissioner. The ~~commissioner~~ Commissioner shall
8 require such lenders to pay an annual fee of not more than \$50.00 to maintain
9 their registration.

10 (b) Fees collected under this section shall be credited to a special fund
11 established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5 of
12 ~~chapter 7 of Title 32~~, and shall be available to the ~~department of economic~~
13 ~~development~~ Department of Housing and Community Development to offset
14 the costs of providing those services.

15 Sec. 7. 15 V.S.A. § 653 is amended to read:

16 § 653. DEFINITIONS

17 As used in this subchapter:

18 * * *

19 (5) "Gross income" means actual gross income of a parent.

20 (A) Gross income shall include:

1 (i) income from any source, including, but not limited to, income
2 from salaries, wages, commissions, royalties, bonuses, dividends, severance
3 pay, pensions, interest, trust income, annuities, capital gains, Social Security
4 benefits, workers' compensation benefits, unemployment insurance benefits,
5 disability insurance benefits, gifts, prizes, and spousal support actually
6 received. Income at the current rate for long-term ~~United States~~ U.S. Treasury
7 Bills shall be imputed to nonincome producing assets with an aggregate fair
8 market value of \$10,000.00 or more, other than a primary residence and not
9 more than \$15,000.00 of the value of a motor vehicle;

10 (ii) expense reimbursements or in-kind payments received by a
11 parent in the course of employment or self-employment or operation of a
12 business if they reduce personal living expenses;

13 (iii) the potential income of a parent who is voluntarily
14 unemployed or underemployed, unless:

15 (I) the parent is physically or mentally incapacitated; or

16 (II) the parent is attending a vocational or technical education
17 program related to current employment, or a job training program sponsored
18 by the Department of Labor, the ~~Department~~ Agency of Economic
19 Development, or the Agency of Human Services; or

20 (III) the unemployment or underemployment of the parent is in
21 the best interest of the child;

1 the tax incentive it has claimed and is reasonably necessary for the Joint Fiscal
2 Office or its agent to perform the duties authorized by the Joint Fiscal
3 Committee or a standing committee of the General Assembly under subsection
4 5930a(h); to the Auditor of Accounts for the performance of duties under
5 section 163 of this title; to the ~~Department of Economic Development~~ Agency
6 of Economic Development for the purposes of subsection 5922(f) of this title;
7 and to the Vermont Economic Progress Council, provided that the disclosure
8 relates to a successful business applicant under sections 5930a and 5930b of
9 this title and the tax incentive it has claimed and is reasonably necessary for
10 the ~~council~~ Council to perform its duties under sections 5930a and 5930b;
11 Sec. 11. 32 V.S.A. § 5922(f) is amended to read:

12 (f) A qualified person who claims and is awarded tax credits under this
13 section shall report, on a form approved by the Commissioner of Taxes, such
14 person's qualified payroll expenses as of July 1, 1996. No credits shall be
15 available for taxable years beginning on or after January 1, 2007, unless the
16 General Assembly specifically authorizes the allowance of credits under this
17 section for taxable years 2007 and after. The ~~Department~~ Agency of Economic
18 Development shall evaluate the effectiveness of the financial services
19 development tax credit.

1 Sec. 12. 32 V.S.A. § 5930a(a) is amended to read:

2 (a) There is created a Vermont Economic Progress Council which shall be
3 attached to the ~~Department~~ Agency of Economic Development for
4 administrative support, including an Executive Director who shall be appointed
5 by the Governor with the advice and consent of the Senate, who shall be
6 knowledgeable in subject areas of the ~~council's~~ Council's jurisdiction, and
7 hold the status of an exempt ~~state~~ State employee, and administrative staff
8 employed in the State classified service. The ~~council~~ Council shall consist of
9 11 members, nine of whom shall be residents of the State appointed by the
10 Governor with the advice and consent of the Senate. The Governor shall
11 appoint residents to the Council who are knowledgeable and experienced in the
12 subjects of community development and planning, education funding
13 requirements, economic development, State fiscal affairs, property taxation, or
14 entrepreneurial ventures, and shall make appointments to the Council insofar
15 as possible as to provide representation to the various geographical areas of the
16 ~~state~~ State and municipalities of various sizes. Members of the Council
17 appointed by the Governor shall serve initial staggered terms with five
18 members serving four-year terms, and four members serving two-year terms.
19 All Council members' terms shall be four-year terms upon the expiration of
20 their initial terms and Council members may be reappointed to serve
21 successive terms. All terms shall commence on April 1 of each odd-numbered

1 year. The Governor shall select a Chair from among the Council's members.
2 In addition, the Council shall include one member selected by the Speaker of
3 the House, who shall be a member of the House; and one member selected by
4 the Committee on Committees of the Senate, who shall be a member of the
5 Senate. Legislative members shall be voting members. There shall also be
6 two regional members from each region of the State; one shall be designated
7 by the regional development corporation of the region and one shall be
8 designated by the regional planning commission of the region. Regional
9 members shall be nonvoting members and shall serve during consideration by
10 the Council of applications from their respective regions. For attendance at
11 meetings and for other official duties, appointed members shall be entitled to
12 compensation for services and reimbursement of expenses as provided in
13 section 1010 of this title, except that members who are members of the
14 Legislature shall be entitled to compensation for services and reimbursement
15 for expenses as provided in 2 V.S.A. § 406. A regional member who does not
16 otherwise receive compensation and reimbursement for expenses from his or
17 her regional development or planning organization shall also be entitled to
18 compensation and reimbursement of expenses for attendance at meetings and
19 for other official duties as provided in section 1010 of this title.

1 Sec. 13. 32 V.S.A. § 5930e(b) is amended to read:

2 (b) Qualified training, education, and workforce development expenditures
3 under this section shall mean:

4 (1) expenditures eligible for financial assistance under the Vermont
5 training programs administered by the ~~department of economic development~~
6 Agency of Economic Development;

7 (2) expenditures defined in 26 U.S.C. § 127(c)(1) concerning the
8 employee educational assistance initiative; or

9 (3) expenditures for employer-provided child care and transportation
10 subsidies that allow for training and educational activities.

11 Sec. 14. EFFECTIVE DATE

12 This act shall take effect on July 1, 2014.