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FIRST PROPOSAL OF THE COMMITTEE

ON THE PART OF THE SENATE

Report of Committee of Conference

S.220

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

The Committee of Conference, to which were referred the disagreeing votes of the two Houses upon Senate Bill, entitled:

An act relating to furthering economic development.

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * One-Stop Shop Business Portal * * *

Sec. 1. ONE-STOP SHOP WEB PORTAL

(a) In order to simplify the process for business creation and growth, the Office of the Secretary of State, Department of Taxes, Department of Labor, the Vermont Attorney General, the Agency of Commerce and Community Development, and the Agency of Administration have formed a Business Portal Committee to create an online “one-stop shop” for business registration, business entity creation, and registration compliance.

1 (b) On or before January 15, 2015, the Business Portal Committee shall
2 report to the Senate Committee on Economic Development, Housing and
3 General Affairs and the House Committee on Commerce and Economic
4 Development to inform the committees of the status of the project and a
5 timeline for its completion.

6 Secs. 2–3. RESERVED.

7 * * * Vermont Economic Development Authority * * *

8 Sec. 4. 10 V.S.A. chapter 12 is amended to read:

9 CHAPTER 12. VERMONT ECONOMIC DEVELOPMENT

10 AUTHORITY

11 * * *

12 Subchapter 12. ~~Technology Loan~~ Vermont Entrepreneurial Lending

13 Program

14 § 280aa. FINDINGS AND PURPOSE

15 (a)(1) ~~Technology-based companies~~ Vermont-based businesses in seed,
16 start-up, and growth-stages are a vital source of innovation, employment, and
17 economic growth in Vermont. The continued development and success of ~~this~~
18 ~~increasingly important sector of Vermont's economy~~ these businesses is
19 dependent upon the availability of flexible, risk-based capital.

20 (2) Because the primary assets of ~~technology-based companies~~
21 ~~sometimes~~ Vermont-based businesses in seed, start-up, and growth stages often
22 consist almost entirely of intellectual property or insufficient tangible assets to

1 support conventional lending, such these companies frequently ~~do~~ may not
2 have access to conventional means of raising capital, such as asset-based bank
3 financing.

4 (b) To support the growth of ~~technology-based companies~~ Vermont-based
5 businesses in seed, start-up, and growth stages and the resultant creation of
6 ~~high wage~~ higher wage employment in Vermont, a ~~technology loan program is~~
7 ~~established under this subchapter~~ the General Assembly hereby creates in this
8 subchapter the Vermont Entrepreneurial Lending Program.

9 § 280bb. ~~TECHNOLOGY LOAN~~ VERMONT ENTREPRENEURIAL
10 LENDING PROGRAM

11 (a) There is created a ~~technology (TECH) loan program~~ the Vermont
12 Entrepreneurial Lending Program to be administered by the Vermont ~~economic~~
13 ~~development authority~~ Economic Development Authority. The ~~program~~
14 Program shall seek to meet the working capital and capital-asset financing
15 needs of ~~technology-based companies~~ start-up, early stage, and growth-stage
16 businesses in Vermont. The Program shall specifically seek to fulfill capital
17 requirement needs that are unmet in Vermont, including:

18 (1) loans up to \$100,000.00 to manufacturing businesses and software
19 developers with innovative products that typically reflect long-term, organic
20 growth;

1 (2) loans up to \$1,000,000.00 in growth-stage companies who do not
2 meet the underwriting criteria of other public and private entrepreneurial
3 financing sources; and

4 (3) loans to businesses that are unable to access adequate capital
5 resources because the primary assets of these businesses are typically
6 intellectual property or similar nontangible assets.

7 ~~(b) The economic development authority Authority shall establish such~~
8 ~~adopt regulations, policies, and procedures for the program Program as are~~
9 ~~necessary to carry out the purposes of this subchapter. The authority's lending~~
10 ~~criteria shall include consideration of in-state competition and whether a~~
11 ~~company has made reasonable efforts to secure capital in the private sector~~
12 increase the amount of investment funds available to Vermont businesses
13 whose capital requirements are not being met by conventional lending sources.

14 (c) When considering entrepreneurial lending through the Program, the
15 Authority shall give additional consideration and weight to an application of a
16 business whose business model and practices will have a demonstrable effect
17 in achieving other public policy goals of the State, including:

18 (1) The business will create jobs in strategic sectors such as the
19 knowledge-based economy, renewable energy, advanced manufacturing, wood
20 products manufacturing, and value-added agricultural processing.

1 (2) The business is located in a designated downtown, village center,
2 growth center, industrial park, or other significant geographic location
3 recognized by the State.

4 (3) The business adopts energy and thermal efficiency practices in its
5 operations or otherwise operates in a way that reflects a commitment to green
6 energy principles.

7 (4) The business will create jobs that pay a livable wage and significant
8 benefits to Vermont employees.

9 (d) The Authority shall include provisions in the terms of a loan made
10 under the Program to ensure that a loan recipient shall maintain operations
11 within the State for a minimum of five years from the date on which the
12 recipient receives the loan funds from the Authority or shall otherwise be
13 required to repay the outstanding funds in full.

14 * * *

15 Sec. 5. VERMONT ENTREPRENEURIAL LENDING PROGRAM; LOAN
16 LOSS RESERVE FUNDS; CAPITALIZATION

17 (a) The Vermont Economic Development Authority shall capitalize loan
18 loss reserves for the Vermont Entrepreneurial Lending Program created in
19 10 V.S.A. § 280bb with the following funding from the following sources:

20 (1) up to \$1,000,000.00 from Authority funds or eligible federal funds
21 currently administered by the Authority; and

1 (2) Fiscal Year 2014 funds appropriated to the Program pursuant to
2 Sec. 1b of this act.

3 (b) The Authority shall use the funds in subsection (a) of this section solely
4 for the purpose of establishing and maintaining loan loss reserves to guarantee
5 loans made pursuant to 10 V.S.A. § 280bb.

6 Sec. 6. 10 V.S.A. chapter 16A is amended to read:

7 CHAPTER 16A. VERMONT AGRICULTURAL CREDIT PROGRAM

8 § 374a. CREATION OF THE VERMONT AGRICULTURAL CREDIT
9 PROGRAM

10 * * *

11 (b) No borrower shall be approved for a loan from the corporation that
12 would result in the aggregate principal balances outstanding of all loans to that
13 borrower exceeding the then-current maximum Farm Service Agency loan
14 guarantee limits, or \$2,000,000.00, whichever is greater.

15 § 374b. DEFINITIONS

16 As used in this chapter:

17 (1) “Agricultural facility” means land and rights in land, buildings,
18 structures, machinery, and equipment which is used for, or will be used for
19 producing, processing, preparing, packaging, storing, distributing, marketing,
20 or transporting agricultural products which have been primarily produced in
21 this ~~state~~ State, and working capital reasonably required to operate an
22 agricultural facility.

1 (2) “Agricultural land” means real estate capable of supporting
2 commercial farming or forestry, or both.

3 (3) “Agricultural products” mean crops, livestock, forest products, and
4 other farm or forest commodities produced as a result of farming or forestry
5 activities.

6 (4) “Farm ownership loan” means a loan to acquire or enlarge a farm or
7 agricultural facility, to make capital improvements including construction,
8 purchase, and improvement of farm and agricultural facility buildings that can
9 be made fixtures to the real estate, to promote soil and water conservation and
10 protection, and to refinance indebtedness incurred for farm ownership or
11 operating loan purposes, or both.

12 (5) “Authority” means the Vermont ~~economic development authority~~
13 Economic Development Authority.

14 (6) “Cash flow” means, on an annual basis, all income, receipts, and
15 revenues of the applicant or borrower from all sources and all expenses of the
16 applicant or borrower, including all debt service and other expenses.

17 (7) “Farmer” means an individual directly engaged in the management
18 or operation of an agricultural facility or farm operation for whom the
19 agricultural facility or farm operation constitutes two or more of the following:

20 (A) is or is expected to become a significant source of the farmer’s
21 income;

22 (B) the majority of the farmer’s assets; and

1 (C) an occupation in which the farmer is actively engaged ~~in~~, either
2 on a seasonal or year-round basis.

3 (8) “Farm operation” shall mean the cultivation of land or other uses of
4 land for the production of food, fiber, horticultural, silvicultural, orchard,
5 maple syrup, Christmas trees, forest products, or forest crops; the raising,
6 boarding, and training of equines, and the raising of livestock; or any
7 combination of the foregoing activities. Farm operation also includes the
8 storage, preparation, retail sale, and transportation of agricultural or forest
9 commodities accessory to the cultivation or use of such land.

10 * * *

11 * * * Downtown Tax Credits * * *

12 Sec. 7. 32 V.S.A. § 5930aa(3) is amended to read:

13 (3) “Qualified code or technology improvement project” means a
14 project:

15 (A)(i) ~~To~~ to install or improve platform lifts suitable for transporting
16 personal mobility devices, elevators, sprinkler systems, and capital
17 improvements in a qualified building, and the installations or improvements
18 are required to bring the building into compliance with the statutory
19 requirements and rules regarding fire prevention, life safety, and electrical,
20 plumbing, and accessibility codes as determined by the ~~department of public~~
21 ~~safety.~~ Department of Public Safety; or

1 (ii) to install or improve data or network wiring, or heating,
2 ventilating, or cooling systems reasonably related to data or network
3 installations or improvements, in a qualified building, provided that a
4 professional engineer licensed under 26 V.S.A. chapter 20 certifies as to the
5 fact and cost of the installation or improvement;

6 (B) ~~to~~ abate lead paint conditions or other substances hazardous to
7 human health or safety in a qualified building; or

8 (C) ~~to~~ redevelop a contaminated property in a designated
9 downtown or village center under a plan approved by the Secretary of Natural
10 Resources pursuant to 10 V.S.A. § 6615a.

11 Sec. 8. 32 V.S.A. § 5930aa(7) is amended to read:

12 (7) “Qualified project” means a qualified code or technology
13 improvement, qualified façade improvement, qualified technology
14 infrastructure project, or qualified historic rehabilitation project as defined by
15 this subchapter.

16 Sec. 9. 32 V.S.A. § 5930bb is amended to read:

17 § 5930bb. ELIGIBILITY AND ADMINISTRATION

18 (a) Qualified applicants may apply to the State Board to obtain the tax
19 credits provided by this subchapter for ~~qualified code improvement, façade~~
20 ~~improvement, or historic rehabilitation projects~~ a qualified project at any time
21 before one year after completion of the qualified project.

22 * * *

1 Sec. 10. 32 V.S.A. § 5930cc(c) is amended to read:

2 (c) Code or technology improvement tax credit. The qualified applicant of
3 a qualified code or technology improvement project shall be entitled, upon the
4 approval of the State Board, to claim against the taxpayer's State individual
5 income tax, State corporate income tax, or bank franchise or insurance
6 premiums tax liability a credit of 50 percent of qualified expenditures up to a
7 maximum tax credit of \$12,000.00 for installation or improvement of a
8 platform lift, a maximum tax credit of \$50,000.00 for installation or
9 improvement of an elevator, a maximum tax credit of \$50,000.00 for
10 installation or improvement of a sprinkler system, a maximum tax credit of
11 \$30,000.00 for the combined costs of installation or improvement of data or
12 network wiring or a heating, ventilating, or cooling system, and a maximum
13 tax credit of \$25,000.00 for the combined costs of all other qualified code
14 improvements.

15 * * * Electric Rates; Manufacturing; Study * * *

16 Sec. 11. 30 V.S.A. § 218e is added to read:

17 § 218e. IMPLEMENTING STATE ENERGY POLICY;

18 MANUFACTURING

19 To give effect to the policies of section 202a of this title to provide reliable
20 and affordable energy and assure the State's economic vitality, it is critical to
21 retain and recruit manufacturing and other businesses and to consider the
22 impact on manufacturing and other businesses when issuing orders, adopting

1 rules, and making other decisions affecting the cost and reliability of electricity
2 and other fuels. Implementation of the State’s energy policy should:

3 (1) encourage recruitment and retention of employers providing
4 high-quality jobs and related economic investment and support the State’s
5 economic welfare; and

6 (2) appropriately balance the objectives of this section with the other
7 policy goals and criteria established in this title.

8 Sec. 12. INVESTIGATION; ELECTRICITY COSTS; MANUFACTURING

9 (a) The Commissioner of Public Service and the Secretary of Commerce
10 and Community Development, in consultation with the Public Service Board, a
11 private organization that represents the interests of manufacturers, a
12 cooperative electric company, an efficiency utility, a shareholder-owned
13 utility, the Vermont Public Power Supply Authority (VPPSA), a municipal
14 utility that is not a member of VPPSA, and the Vermont Electric Power
15 Company (VELCO), shall conduct an investigation of how best to advance the
16 public good through consideration of the competitiveness of Vermont’s
17 industrial or manufacturing businesses with regard to electricity costs.

18 (b) In conducting the investigation required by this section, the
19 Commissioner and Secretary shall consider:

20 (1) how best to incorporate into rate design proceedings the impact of
21 electricity costs on business competitiveness and the identification of the costs
22 of service incurred by businesses;

1 (2) with regard to the energy efficiency programs established under
2 section 209 of this title, potential changes to their delivery, funding, financing,
3 and participation requirements;

4 (3) the history and outcome of any evaluations of the Energy Savings
5 Account or Customer Credit programs, as well as best practices for customer
6 self-directed energy efficiency programs;

7 (4) the history and outcome of any evaluations of retail choice programs
8 or policies, as related to business competitiveness, that have been undertaken
9 in Vermont and in other jurisdictions;

10 (5) any other programs or policies the Commissioner and the Secretary
11 deem relevant;

12 (6) whether and to what extent any programs or policies considered by
13 the Commissioner and the Secretary under this section would impose cost
14 shifts onto other customers, result in stranded costs (costs that cannot be
15 recovered by a regulated utility due to a change in regulatory structure or
16 policy), or conflict with renewable energy requirements in Vermont and, if so,
17 whether such programs or policies would nonetheless promote the public good;

18 (7) whether and to what extent costs have shifted to residential and
19 business ratepayers following the loss of large utility users, and potential
20 scenarios for additional cost shifts of this type; and

1 (8) the potential benefits and potential cost shift to residential and
2 business ratepayers if a large utility user undertakes efficiency measures and
3 thereby reduces its share of fixed utility costs.

4 (c) In conducting the investigation required by this section, the
5 Commissioner and Secretary shall provide the following persons and entities
6 an opportunity for written and oral comments:

7 (1) consumer and business advocacy groups;

8 (2) regional development corporations and regional planning
9 commissions; and

10 (3) any other person or entity as determined by the Commissioner and
11 Secretary.

12 (d) On or before December 15, 2014, the Commissioner and Secretary shall
13 provide a status report to the General Assembly of its findings and
14 recommendations regarding regulatory or statutory changes that would reduce
15 energy costs for Vermont businesses and promote the public good. On or
16 before December 15, 2015, the Commissioner and Secretary shall provide a
17 final report to the General Assembly of such findings and recommendations.

18 * * * Domestic Export Program * * *

19 Sec. 13. DOMESTIC MARKET ACCESS PROGRAM FOR VERMONT
20 AGRICULTURE AND FOREST PRODUCTS

21 The Secretary of Agriculture, Food and Markets, in collaboration with the
22 Agency of Commerce and Community Development and the Chief Marketing

1 Officer, may create a Domestic Export Program Pilot Project within the “Made
2 in Vermont” designation program, the purpose of which shall be to connect
3 Vermont producers with brokers, buyers, and distributors in other U.S. state
4 and regional markets, and to provide technical and marketing assistance to
5 Vermont producers to convert these connections into increased sales and
6 sustainable commercial relationships.

7 * * * Criminal Penalties for Computer Crimes * * *

8 Sec. 14. 13 V.S.A. chapter 87 is amended to read:

9 CHAPTER 87. COMPUTER CRIMES

10 * * *

11 § 4104. ALTERATION, DAMAGE, OR INTERFERENCE

12 (a) A person shall not intentionally and without lawful authority, alter,
13 damage, or interfere with the operation of any computer, computer system,
14 computer network, computer software, computer program, or data contained in
15 such computer, computer system, computer program, or computer network.

16 (b) Penalties. A person convicted of violating this section shall be:

17 (1) if the damage or loss does not exceed \$500.00 for a first offense,
18 imprisoned not more than one year or fined not more than ~~\$500.00~~ \$5,000.00,
19 or both;

20 (2) if the damage or loss does not exceed \$500.00 for a second or
21 subsequent offense, imprisoned not more than two years or fined not more than
22 ~~\$1,000.00~~ \$10,000.00, or both; or

1 (3) if the damage or loss exceeds \$500.00, imprisoned not more than
2 10 years or fined not more than ~~\$10,000.00~~ \$25,000.00, or both.

3 § 4105. THEFT OR DESTRUCTION

4 (a)(1) A person shall not intentionally and without claim of right deprive
5 the owner of possession, take, transfer, copy, conceal, or retain possession of,
6 or intentionally and without lawful authority, destroy any computer system,
7 computer network, computer software, computer program, or data contained in
8 such computer, computer system, computer program, or computer network.

9 (2) Copying a commercially available computer program or computer
10 software is not a crime under this section, provided that the computer program
11 and computer software has a retail value of \$500.00 or less and is not copied
12 for resale.

13 (b) Penalties. A person convicted of violating this section shall be:

14 (1) if the damage or loss does not exceed \$500.00 for a first offense,
15 imprisoned not more than one year or fined not more than ~~\$500.00~~ \$5,000.00,
16 or both;

17 (2) if the damage or loss does not exceed \$500.00 for a second or
18 subsequent offense, imprisoned not more than two years or fined not more than
19 ~~\$1,000.00~~ \$10,000.00, or both; or

20 (3) if the damage or loss exceeds \$500.00, imprisoned not more than
21 10 years or fined not more than ~~\$10,000.00~~ \$25,000.00, or both.

22 § 4106. CIVIL LIABILITY

1 A person damaged as a result of a violation of this chapter may bring a civil
2 action against the violator for damages, costs, and fees, including reasonable
3 attorney's fees, and such other relief as the court deems appropriate.

4 * * *

5 * * * Statute of Limitations to Commence Action
6 for Misappropriation of Trade Secrets * * *

7 Sec. 15. 12 V.S.A. § 523 is amended to read:

8 § 523. TRADE SECRETS

9 An action for misappropriation of trade secrets under 9 V.S.A. chapter 143
10 ~~of Title 9~~ shall be commenced within ~~three~~ six years after the cause of action
11 accrues, and not after. The cause of action shall be deemed to accrue as of the
12 date the misappropriation was discovered or reasonably should have been
13 discovered.

14 * * * Protection of Trade Secrets * * *

15 Sec. 16. 9 V.S.A. chapter 143 is amended to read:

16 CHAPTER 143. TRADE SECRETS

17 § 4601. DEFINITIONS

18 As used in this chapter:

19 (1) “Improper means” includes theft, bribery, misrepresentation, breach
20 or inducement of a breach of a duty to maintain secrecy, or espionage through
21 electronic or other means.

22 (2) “Misappropriation” means:

1 (A) acquisition of a trade secret of another by a person who knows or
2 has reason to know that the trade secret was acquired by improper means; or

3 (B) disclosure or use of a trade secret of another without express or
4 implied consent by a person who:

5 (i) used improper means to acquire knowledge of the trade
6 secret; or

7 (ii) at the time of disclosure or use, knew or had reason to know
8 that his or her knowledge of the trade secret was:

9 (I) derived from or through a person who had utilized improper
10 means to acquire it;

11 (II) acquired under circumstances giving rise to a duty to
12 maintain its secrecy or limit its use; or

13 (III) derived from or through a person who owed a duty to the
14 person seeking relief to maintain its secrecy or limit its use; or

15 (iii) before a material change of his or her position, knew or had
16 reason to know that it was a trade secret and that knowledge of it had been
17 acquired by accident or mistake.

18 (3) “Trade secret” means information, including a formula, pattern,
19 compilation, program, device, method, technique, or process, that:

20 (A) derives independent economic value, actual or potential, from
21 not being generally known to, and not being readily ascertainable by proper

1 means by, other persons who can obtain economic value from its disclosure or
2 use; and

3 (B) is the subject of efforts that are reasonable under the
4 circumstances to maintain its secrecy.

5 § 4602. INJUNCTIVE RELIEF

6 (a) ~~Actual~~ A court may enjoin actual or threatened misappropriation ~~may~~
7 ~~be enjoined~~ of a trade secret. Upon application to the court, an injunction shall
8 be terminated when the trade secret has ceased to exist, but the injunction may
9 be continued for an additional reasonable period of time in order to eliminate
10 commercial advantage that otherwise would be derived from the
11 misappropriation.

12 (b) In exceptional circumstances, an injunction may condition future use
13 upon payment of a reasonable royalty for no longer than the period of time for
14 which use could have been prohibited. Exceptional circumstances include, ~~but~~
15 ~~are not limited to~~, a material and prejudicial change of position prior to
16 acquiring knowledge or reason to know of misappropriation that renders a
17 prohibitive injunction inequitable.

18 (c) In appropriate circumstances, affirmative acts to protect a trade secret
19 may be compelled by court order.

20 § 4603. DAMAGES

21 (a)(1) Except to the extent that a material and prejudicial change of position
22 prior to acquiring knowledge or reason to know of misappropriation renders a

1 monetary recovery inequitable, a complainant is entitled to recover damages
2 for misappropriation.

3 (2) Damages can include both the actual loss caused by
4 misappropriation and the unjust enrichment caused by misappropriation that is
5 not taken into account in computing actual loss.

6 (3) In lieu of damages measured by any other methods, the damages
7 caused by misappropriation may be measured by imposition of liability for a
8 reasonable royalty for a misappropriator's unauthorized disclosure or use of a
9 trade secret.

10 (4) A court shall award a substantially prevailing party his or her costs
11 and fees, including reasonable attorney's fees, in an action brought pursuant to
12 this chapter.

13 (b) If malicious misappropriation exists, the court may award punitive
14 damages.

15 § 4605. PRESERVATION OF SECRECY

16 In an action under this chapter, a court shall preserve the secrecy of an
17 alleged trade secret by reasonable means, which may include granting
18 protective orders in connection with discovery proceedings, holding in-camera
19 hearings, sealing the records of the action, and ordering any person involved in
20 the litigation not to disclose an alleged trade secret without prior court
21 approval.

1 § 4607. EFFECT ON OTHER LAW

2 (a) Except as provided in subsection (b) of this section, this chapter
3 displaces conflicting tort, restitutionary, and any other law of this ~~state~~ State
4 providing civil remedies for misappropriation of a trade secret.

5 (b) This chapter does not affect:

6 (1) contractual remedies, whether or not based upon misappropriation of
7 a trade secret;

8 (2) other civil remedies that are not based upon misappropriation of a
9 trade secret; or

10 (3) criminal remedies, whether or not based upon misappropriation of a
11 trade secret.

12 * * *

13 * * * Intellectual Property; Businesses and Government Contracting * * *

14 Sec. 17. 3 V.S.A. § 346 is added to read:

15 § 346. STATE CONTRACTING; INTELLECTUAL PROPERTY,

16 SOFTWARE DESIGN, AND INFORMATION TECHNOLOGY

17 (a) The Secretary of Administration shall include in Administrative
18 Bulletin 3.5 a policy direction applicable to State procurement contracts that
19 include services for the development of software applications, computer
20 coding, or other intellectual property, which would allow the State of Vermont
21 to grant permission to the contractor to use or own the intellectual property
22 created under the contract for the contractor's commercial purposes.

1 (b) The Secretary may recommend contract provisions that authorize the
2 State to negotiate with a contractor to secure license terms and license fees,
3 royalty rights, or other payment mechanisms for the contractor’s commercial
4 use of intellectual property developed under a State contract.

5 (c) If the Secretary authorizes a contractor to own intellectual property
6 developed under a State contract, the Secretary shall recommend language to
7 ensure the State retains a perpetual, irrevocable, royalty-free, and fully paid
8 right to continue to use the intellectual property.

9 * * * Department of Financial Regulation * * *

10 Sec. 18. SMALL BUSINESS ACCESS TO CAPITAL

11 (a) Crowdfunding study. The Department of Financial Regulation shall
12 study the opportunities and limitations for crowdfunding to increase access to
13 capital for Vermont’s small businesses. On or before January 15, 2015, the
14 Department shall report its findings and recommendations to the House
15 Committee on Commerce and Economic Development and the Senate
16 Committee on Economic Development, Housing and General Affairs.

17 (b) Small business issuer education and outreach. On or before January 15,
18 2015, the Department of Financial Regulation shall conduct at least two
19 educational events to inform the legal, small business, and investor
20 communities and other interested parties, of opportunities for small businesses
21 to access capital in Vermont, including, the Vermont Small Business Offering
22 Exemption regulation and other securities registration exemptions.

1 (c) Vermont Small Business Offering Exemption. The Commissioner of
2 Financial Regulation shall exercise his or her rulemaking authority under
3 9 V.S.A. chapter 150 to review and revise the Vermont Small Business
4 Offering Exemption and any other state securities exemptions, specifically
5 including those designed to complement exemptions from federal registration
6 requirements available under Regulation D, in order to recognize and reflect
7 the evolution of capital markets and to ensure that Vermont remains current
8 and competitive in its securities regulations, particularly with respect to access
9 to capital for small businesses.

10 Sec. 19. STUDY; DEPARTMENT OF FINANCIAL REGULATION;
11 LICENSED LENDER REQUIREMENTS; COMMERCIAL
12 LENDERS

13 On or before January 15, 2015, the Department of Financial Regulation
14 shall solicit public comment on, evaluate, and report to the House Committee
15 on Commerce and Economic Development and to the Senate Committees on
16 Finance and on Economic Development, Housing and General Affairs any
17 statutory and regulatory changes to the State's licensed lender requirements
18 that are necessary to open private capital markets and remove unnecessary
19 barriers to business investment in Vermont.

1 * * * Licensed Lender Requirements; Exemption for De Minimis

2 Lending Activity * * *

3 Sec. 20. 8 V.S.A. § 2201 is amended to read:

4 2201. LICENSES REQUIRED

5 (a) No person shall without first obtaining a license under this chapter from
6 the ~~commissioner~~ Commissioner:

7 (1) engage in the business of making loans of money, credit, goods, or
8 things in action and charge, contract for, or receive on any such loan interest, a
9 finance charge, discount, or consideration ~~therefor~~ therefor;

10 (2) act as a mortgage broker;

11 (3) engage in the business of a mortgage loan originator; or

12 (4) act as a sales finance company.

13 (b) Each licensed mortgage loan originator must register with and maintain
14 a valid unique identifier with the Nationwide Mortgage Licensing System and
15 Registry and must be either:

16 (1) an employee actively employed at a licensed location of, and
17 supervised and sponsored by, only one licensed lender or licensed mortgage
18 broker operating in this ~~state~~ State;

19 (2) an individual sole proprietor who is also a licensed lender or licensed
20 mortgage broker; or

21 (3) an employee engaged in loan modifications employed at a licensed
22 location of, and supervised and sponsored by, only one third-party loan

1 servicer licensed to operate in this ~~state~~ State pursuant to chapter 85 of this
2 title. ~~For purposes of~~ As used in this subsection, “loan modification” means an
3 adjustment or compromise of an existing residential mortgage loan. The term
4 “loan modification” does not include a refinancing transaction.

5 (c) A person licensed pursuant to subdivision (a)(1) of this section may
6 engage in mortgage brokerage and sales finance if such person informs the
7 ~~commissioner~~ Commissioner in advance that he or she intends to engage in
8 sales finance and mortgage brokerage. Such person shall inform the
9 ~~commissioner~~ Commissioner of his or her intention on the original license
10 application under section 2202 of this title, any renewal application under
11 section 2209 of this title, or pursuant to section 2208 of this title, and shall pay
12 the applicable fees required by subsection 2202(b) of this title for a mortgage
13 broker license or sales finance company license.

14 (d) No lender license, mortgage broker license, or sales finance company
15 license shall be required of:

16 (1) ~~a state~~ State agency, political subdivision, or other public
17 instrumentality of the ~~state~~; State.

18 (2) ~~a~~ A federal agency or other public instrumentality of the United
19 States;

20 (3) ~~a~~ A gas or electric utility subject to the jurisdiction of the ~~public~~
21 ~~service board~~ Public Service Board engaging in energy conservation or safety
22 loans;

- 1 (4) ~~a~~ A depository institution or a financial institution as defined in
2 8 V.S.A. § 11101(32);
3 (5) ~~a~~ A pawnbroker;
4 (6) ~~an~~ An insurance company;
5 (7) ~~a~~ A seller of goods or services that finances the sale of such goods or
6 services, other than a residential mortgage loan;
7 (8) ~~any~~ Any individual who offers or negotiates the terms of a
8 residential mortgage loan secured by a dwelling that served as the individual's
9 residence, including a vacation home, or inherited property that served as the
10 deceased's dwelling, provided that the individual does not act as a mortgage
11 loan originator or provide financing for such sales so frequently and under
12 such circumstances that it constitutes a habitual activity and acting in a
13 commercial context;
14 (9) ~~lenders~~ Lenders that conduct their lending activities, other than
15 residential mortgage loan activities, through revolving loan funds, that are
16 nonprofit organizations exempt from taxation under Section 501(c) of the
17 Internal Revenue Code, 26 U.S.C. § 501(c), and that register with the
18 ~~commissioner of economic development~~ Commissioner of Economic
19 Development under 10 V.S.A. § 690a;
20 (10) ~~persons~~ Persons who lend, other than residential mortgage loans, an
21 aggregate of less than \$75,000.00 in any one year at rates of interest of no
22 more than 12 percent per annum;

1 (11) a A seller who, pursuant to 9 V.S.A. § 2355(f)(1)(D), includes the
2 amount paid or to be paid by the seller to discharge a security interest, lien
3 interest, or lease interest on the traded-in motor vehicle in a motor vehicle
4 retail installment sales contract, provided that the contract is purchased,
5 assigned, or otherwise acquired by a sales finance company licensed pursuant
6 to this title to purchase motor vehicle retail installment sales contracts or a
7 depository institution;

8 (12)(A) a A person making an unsecured commercial loan, which loan
9 is expressly subordinate to the prior payment of all senior indebtedness of the
10 commercial borrower regardless of whether such senior indebtedness exists at
11 the time of the loan or arises thereafter. The loan may or may not include the
12 right to convert all or a portion of the amount due on the loan to an equity
13 interest in the commercial borrower;

14 (B) ~~for purposes of~~ As used in this subdivision (12), “senior
15 indebtedness” means:

16 (i) all indebtedness of the commercial borrower for money
17 borrowed from depository institutions, trust companies, insurance companies,
18 and licensed lenders, and any guarantee thereof; and

19 (ii) any other indebtedness of the commercial borrower that the
20 lender and the commercial borrower agree shall constitute senior
21 indebtedness;

1 (13) ~~nonprofit~~ Nonprofit organizations established under testamentary
2 instruments, exempt from taxation under Section 501(c)(3) of the Internal
3 Revenue Code, 26 U.S.C. § 501(c)(3), and which make loans for
4 postsecondary educational costs to students and their parents, provided that the
5 organizations provide annual accountings to the Probate Division of the
6 Superior Court;

7 (14) ~~any~~ Any individual who offers or negotiates terms of a residential
8 mortgage loan with or on behalf of an immediate family member of the
9 individual;

10 (15) a A housing finance agency.

11 (16) A person who makes no more than three mortgage loans in any
12 consecutive three-year period beginning on or after July 1, 2011.

13 (e) No mortgage loan originator license shall be required of:

14 (1) Registered mortgage loan originators, when employed by and acting
15 for an entity described in subdivision 2200(22) of this chapter.

16 (2) Any individual who offers or negotiates terms of a residential
17 mortgage loan with or on behalf of an immediate family member of the
18 individual.

19 (3) Any individual who offers or negotiates terms of a residential
20 mortgage loan secured by a dwelling that served as the individual's residence,
21 including a vacation home, or inherited property that served as the deceased's
22 dwelling, provided that the individual does not act as a mortgage loan

1 originator or provide financing for such sales so frequently and under such
2 circumstances that it constitutes a habitual activity and acting in a commercial
3 context.

4 (4) An individual who is an employee of a federal, ~~state~~ State, or local
5 government agency, or an employee of a housing finance agency, who acts as a
6 mortgage loan originator only pursuant to his or her official duties as an
7 employee of the federal, ~~state~~ State, or local government agency or housing
8 finance agency.

9 (5) A licensed attorney who negotiates the terms of a residential
10 mortgage loan on behalf of a client as an ancillary matter to the attorney's
11 representation of the client, unless the attorney is compensated by a lender, a
12 mortgage broker, or other mortgage loan originator or by any agent of such
13 lender, mortgage broker, or other mortgage loan originator. To the extent an
14 attorney licensed in this State undertakes activities that are covered by the
15 definition of a mortgage loan originator, such activities do not constitute
16 engaging in the business of a mortgage loan originator, provided that:

17 (A) such activities are considered by the State governing body
18 responsible for regulating the practice of law to be part of the authorized
19 practice of law within this State;

20 (B) such activities are carried out within an attorney-client
21 relationship; and

1 (C) the attorney carries them out in compliance with all applicable
2 laws, rules, ethics, and standards.

3 (6) A person who makes no more than three mortgage loans in any
4 consecutive three-year period beginning on or after July 1, 2011.

5 (f) If a person who offers or negotiates the terms of a mortgage loan is
6 exempt from licensure pursuant to subdivision (d)(16) or (e)(6) of this section,
7 there is a rebuttable presumption that he or she is not engaged in the business
8 of making loans or being a mortgage loan originator.

9 (g) Independent contractor loan processors or underwriters. A loan
10 processor or underwriter who is an independent contractor may not engage in
11 the activities of a loan processor or underwriter unless such independent
12 contractor loan processor or underwriter obtains and maintains a mortgage loan
13 originator license. Each independent contractor loan processor or underwriter
14 licensed as a mortgage loan originator must have and maintain a valid unique
15 identifier issued by the Nationwide Mortgage Licensing System and Registry.

16 ~~(g)~~(h) This chapter shall not apply to commercial loans of \$1,000,000.00 or
17 more.

18 * * * Unlicensed Loan Transactions * * *

19 Sec. 21. 9 V.S.A. § 2481w is amended to read:

20 § 2481w. UNLICENSED LOAN TRANSACTIONS

21 (a) In this subchapter:

1 (1) “Financial account” means a checking, savings, share, stored value,
2 prepaid, payroll card, or other depository account.

3 (2) “Lender” means a person engaged in the business of making loans of
4 money, credit, goods, or things in action and charging, contracting for, or
5 receiving on any such loan interest, a finance charge, a discount, or
6 consideration.

7 (3) “Process” or “processing” includes printing a check, draft, or other
8 form of negotiable instrument drawn on or debited against a consumer’s
9 financial account, formatting or transferring data for use in connection with the
10 debiting of a consumer’s financial account by means of such an instrument or
11 an electronic funds transfer, or arranging for such services to be provided to a
12 lender.

13 (4) “Processor” means a person who engages in processing, as defined
14 in subdivision (3) of this subsection. In this section, “processor” does not
15 include an interbank clearinghouse.

16 (5) “Interbank clearinghouse” means a person that operates an exchange
17 of automated clearinghouse items, checks, or check images solely between
18 insured depository institutions.

19 (b) It is an unfair and deceptive act and practice in commerce for a lender
20 directly or through an agent to solicit or make a loan to a consumer by any
21 means unless the lender is in compliance with all provisions of 8 V.S.A.

1 chapter 73 or is otherwise exempt from the requirements of 8 V.S.A.

2 chapter 73.

3 (c) It is an unfair and deceptive act and practice in commerce for a
4 processor, other than a federally insured depository institution, to process a
5 check, draft, other form of negotiable instrument, or an electronic funds
6 transfer from a consumer's financial account in connection with a loan
7 solicited or made by any means to a consumer unless the lender is in
8 compliance with all provisions of 8 V.S.A. chapter 73 or is otherwise exempt
9 from the requirements of 8 V.S.A. chapter 73.

10 (d) It is an unfair and deceptive act and practice in commerce for any
11 person, including the lender's financial institution as defined in 8 V.S.A.
12 § 10202(5), but not including the consumer's financial institution as defined in
13 8 V.S.A. § 10202(5) or an interbank clearinghouse as defined in subsection (a)
14 of this section, to provide substantial assistance to a lender or processor when
15 the person or the person's authorized agent receives notice from a regulatory,
16 law enforcement, or similar governmental authority, or knows from its normal
17 monitoring and compliance systems, or consciously avoids knowing that the
18 lender or processor is in violation of subsection (b) or (c) of this section, or is
19 engaging in an unfair or deceptive act or practice in commerce.

20 * * * Telecommunications; Legislative Purpose; Intent * * *

21 Sec. 22. LEGISLATIVE PURPOSE; FINDINGS

1 It is the intent of the General Assembly to maintain a robust and modern
2 telecommunications network in Vermont by making strategic investments in
3 improved technology for all Vermonters. To achieve that goal, it is the
4 purpose of this act to upgrade the State’s telecommunications objectives and
5 reorganize government functions in a manner that results in more coordinated
6 and efficient State programs and policies, and, ultimately, produces operational
7 savings that may be invested in further deployment of broadband and mobile
8 telecommunications services for the benefit of all Vermonters. In addition, it
9 is the intent of the General Assembly to update and provide for a more
10 equitable application of the Universal Service Fund (USF) surcharge.
11 Together, these operational savings and additional USF monies will raise at
12 least \$1.45 million annually, as follows:

13 (1) \$650,000.00 from an increase in the USF charge to a flat two
14 percent;

15 (2) \$500,000.00 from application of the USF charge to prepaid wireless
16 telecommunications service providers; and

17 (3) \$300,000.00 in operational savings from the transfer and
18 consolidation of State telecommunications functions.

19 *** USF; Connectivity Fund; Prepaid Wireless; Rate of Charge ***

20 Sec. 23. 30 V.S.A. § 7511 is amended to read:

21 § 7511. DISTRIBUTION GENERALLY

1 (a) As directed by the ~~public service board~~, Public Service Board funds
2 collected by the fiscal agent, and interest accruing thereon, shall be distributed
3 as follows:

4 (1) ~~To~~ to pay costs payable to the fiscal agent under its contract with the
5 ~~public service board~~. Board;

6 (2) ~~To~~ to support the Vermont telecommunications relay service in the
7 manner provided by section 7512 of this title;

8 (3) ~~To~~ to support the Vermont ~~lifeline~~ Lifeline program in the manner
9 provided by section 7513 of this title;

10 (4) ~~To~~ to support ~~enhanced-911~~ Enhanced-911 services in the manner
11 provided by section 7514 of this title; and

12 (5) ~~To reduce the cost to customers of basic telecommunications service~~
13 ~~in high-cost areas, in the manner provided by section 7515 of this title~~ to
14 support the Connectivity Fund established in section 7516 of this chapter.

15 (b) If insufficient funds exist to support all of the purposes contained in
16 subsection (a) of this section, the ~~public service board~~ Board shall conduct an
17 expedited proceeding to allocate the available funds, giving priority in the
18 order listed in subsection (a).

19 Sec. 24. 30 V.S.A. § 7516 is added to read:

20 § 7516. CONNECTIVITY FUND

21 (a) There is created a Connectivity Fund for the purpose of providing
22 access to Internet service that is capable of speeds of at least 4 Mbps download

1 and 1 Mbps upload to every E-911 business and residential location in
2 Vermont, beginning with locations not served as of December 31, 2013
3 according to the minimum technical service characteristic objectives applicable
4 at that time. Within this category of unserved Vermonters, priority shall be
5 given to locations having access to only satellite or dial-up Internet service.
6 Any new services funded in whole or in part by monies in this Fund shall be
7 capable of being continuously upgraded to reflect the best available, most
8 economically feasible service capabilities.

9 (b) The fiscal agent shall determine annually, on or before September 1, the
10 amount of funds available to the Connectivity Fund. The Department of Public
11 Service shall publish annually a list of census blocks eligible for funding based
12 on the Department's most recent broadband mapping data. The Department
13 annually shall solicit proposals from service providers, the Vermont
14 Telecommunications Authority, and the Division for Connectivity to deploy
15 broadband to eligible census blocks. The Department shall give priority to
16 proposals that reflect the lowest cost of providing services to unserved
17 locations; however, the Department also shall consider:

18 (1) the proposed data transfer rates and other data transmission
19 characteristics of services that would be available to consumers;

20 (2) the price to consumers of services;

21 (3) the proposed cost to consumers of any new construction, equipment
22 installation service, or facility required to obtain service;

1 (4) whether the proposal would use the best available technology that is
2 economically feasible;

3 (5) the availability of service of comparable quality and speed; and

4 (6) the objectives of the State’s Telecommunications Plan.

5 Sec. 25. 30 V.S.A. § 7521 is amended to read:

6 § 7521. CHARGE IMPOSED; WHOLESAL EXEMPTION

7 (a) A universal service charge is imposed on all retail telecommunications
8 service provided to a Vermont address. Where the location of a service and the
9 location receiving the bill differ, the location of the service shall be used to
10 determine whether the charge applies. The charge is imposed on the person
11 purchasing the service, but shall be collected by the telecommunications
12 provider. Each telecommunications service provider shall include in its tariffs
13 filed at the ~~public service board~~ Public Service Board a description of its
14 billing procedures for the universal service fund charge.

15 (b) The universal service charge shall not apply to wholesale transactions
16 between telecommunications service providers where the service is a
17 component part of a service provided to an end user. This exemption includes,
18 ~~but is not limited to,~~ network access charges and interconnection charges paid
19 to a local exchange carrier.

20 (c) In the case of mobile telecommunications service, the universal service
21 charge is imposed when the customer’s place of primary use is in Vermont.

22 The terms “customer,” “place of primary use,” and “mobile

1 telecommunications service” have the meanings given in 4 U.S.C. § 124. All
2 provisions of 32 V.S.A. § 9782 shall apply to the imposition of the universal
3 service charge under this section.

4 (d)(1) Notwithstanding any other provision of law to the contrary, in the
5 case of prepaid wireless telecommunications services, the universal service
6 charge shall be imposed on the provider in the manner determined by the
7 Public Service Board pursuant to subdivision (3) of this subsection.

8 (2) As used in this subsection, “prepaid wireless telecommunications
9 service” means a telecommunications service as defined in section 203(5) of
10 this title that a consumer pays for in advance and that is sold in predetermined
11 units or dollars that decline with use.

12 (3) The Public Service Board shall establish a formula to ensure the
13 universal service charge imposed on prepaid wireless telecommunications
14 service providers reflects two percent of retail prepaid wireless
15 telecommunications service in Vermont beginning on September 1, 2014.

16 Sec. 26. 30 V.S.A. § 7523 is amended to read:

17 § 7523. ~~RATE ADJUSTED ANNUALLY~~ OF CHARGE

18 (a) ~~Annually, after considering the probable expenditures for programs~~
19 ~~funded pursuant to this chapter, the probable service revenues of the industry~~
20 ~~and seeking recommendations from the department, the public service board~~
21 ~~shall establish a rate of charge to apply during the 12 months beginning on the~~
22 ~~following September 1. However, the rate so established shall not at any time~~

1 ~~exceed two percent of retail telecommunications service. The board's decision~~
2 ~~shall be entered and announced each year before July 15. However, if the~~
3 ~~general assembly does not enact an authorization amount for E-911 before~~
4 ~~July 15, the board may defer decision until 30 days after the E-911~~
5 ~~authorization is established, and the existing charge rate shall remain in effect~~
6 ~~until the board establishes a new rate~~ Beginning on July 1, 2014, the annual
7 rate of charge shall be two percent of retail telecommunications service.

8 (b) Universal service charges imposed and collected by the fiscal agent
9 under this subchapter shall not be transferred to any other fund or used to
10 support the cost of any activity other than in the manner authorized by section
11 7511 of this title.

12 Sec. 27. 30 V.S.A. § 7524 is amended to read:

13 § 7524. PAYMENT TO FISCAL AGENT

14 (a) Telecommunications service providers shall pay to the fiscal agent all
15 universal service charge receipts collected from customers. A report in a form
16 approved by ~~the public service board~~ Public Service Board shall be included
17 with each payment.

18 (b) Payments shall be made monthly, by the 15th day of the month, and
19 shall be based upon amounts collected in the preceding month. If the amount
20 is small, the ~~board~~ Board may allow payment to be made less frequently, and
21 may permit payment on an accrual basis.

1 (c) Telecommunications service providers shall maintain records adequate
2 to demonstrate compliance with the requirements of this chapter. The ~~board~~
3 Board or the fiscal agent may examine those records in a reasonable manner.

4 (d) When a payment is due under this section by a telecommunications
5 service provider who has provided customer credits under the ~~lifeline~~ Lifeline
6 program, the amount due may be reduced by the amount of credit granted.

7 (e) The fiscal agent shall examine the records of telecommunications
8 service providers to determine whether their receipts reflect application of the
9 universal service charge on all assessable telecommunications services under
10 this chapter, including the federal subscriber line charge, directory assistance,
11 enhanced services unless they are billed as separate line items, and toll-related
12 services.

13 * * * State Telecommunications Plan; Division for Connectivity; VTA * * *

14 Sec. 28. 30 V.S.A. § 202c is amended to read:

15 § 202c. STATE TELECOMMUNICATIONS; POLICY AND PLANNING

16 (a) The General Assembly finds that advances in telecommunications
17 technology and changes in federal regulatory policy are rapidly reshaping
18 telecommunications services, thereby promising the people and businesses of
19 the State communication and access to information, while creating new
20 challenges for maintaining a robust, modern telecommunications network in
21 Vermont.

1 (b) Therefore, to direct the benefits of improved telecommunications
2 technology to all Vermonters, it is the purpose of this section and section 202d
3 of this title to:

4 (1) ~~Strengthen~~ strengthen the State's role in telecommunications
5 planning;

6 (2) ~~Support~~ support the universal availability of appropriate
7 infrastructure and affordable services for transmitting voice and high-speed
8 data;

9 (3) ~~Support~~ support the availability of modern mobile wireless
10 telecommunications services along the State's travel corridors and in the
11 State's communities;

12 (4) ~~Provide~~ provide for high-quality, reliable telecommunications
13 services for Vermont businesses and residents;

14 (5) ~~Provide~~ provide the benefits of future advances in
15 telecommunications technologies to Vermont residents and businesses;

16 (6) ~~Support~~ support competitive choice for consumers among
17 telecommunications service providers and promote open access among
18 competitive service providers on nondiscriminatory terms to networks over
19 which broadband and telecommunications services are delivered;

20 (7) ~~Support, to the extent practical and cost-effective,~~ support the
21 application of telecommunications technology to maintain and improve

1 governmental and public services, public safety, and the economic
2 development of the State-;

3 (8) ~~Support~~ support deployment of broadband infrastructure that:

4 (A) ~~Uses~~ uses the best commercially available technology-; and

5 (B) ~~Does~~ does not negatively affect the ability of Vermont to take
6 advantage of future improvements in broadband technology or result in
7 widespread installation of technology that becomes outmoded within a short
8 period after installation-; and

9 (9) ~~In~~ in the deployment of broadband infrastructure, encourage the use
10 of existing facilities, such as existing utility poles and corridors and other
11 structures, in preference to the construction of new facilities or the replacement
12 of existing structures with taller structures.

13 (10) support measures designed to ensure that by the end of the year
14 2024 every E-911 business and residential location in Vermont has
15 infrastructure capable of delivering Internet access with service that has a
16 minimum download speed of 100 Mbps and is symmetrical.

17 Sec. 29. 30 V.S.A. § 202d is amended to read:

18 § 202d. TELECOMMUNICATIONS PLAN

19 (a) The ~~department of public service~~ Department of Public Service shall
20 constitute the responsible planning agency of the ~~state~~ State for the purpose of
21 obtaining for all consumers in the ~~state~~ State stable and predictable rates and a
22 technologically advanced telecommunications network serving all service

1 areas in the ~~state~~ State. The ~~department of public service~~ Department shall be
2 responsible for the provision of plans for meeting emerging trends related to
3 telecommunications technology, markets, financing, and competition.

4 (b) The ~~department of public service~~ Department shall prepare a
5 ~~telecommunications plan~~ Telecommunications Plan for the ~~state~~ State. The
6 ~~department of innovation and information~~ Department of Innovation and
7 Information, the Division for Connectivity and the ~~agency of commerce and~~
8 ~~community development~~ Agency of Commerce and Community Development
9 shall assist the ~~department of public service~~ Department of Public Service in
10 preparing the ~~plan~~ Plan. The ~~plan~~ Plan shall be for a ~~seven-year~~ ten-year
11 period and shall serve as a basis for ~~state~~ State telecommunications policy.
12 Prior to preparing the ~~plan~~ Plan, the ~~department of public service~~ Department
13 shall prepare:

14 (1) an overview, looking ~~seven~~ ten years ahead, of future requirements
15 for telecommunications services, considering services needed for economic
16 development, technological advances, and other trends and factors which, as
17 determined by the ~~department of public service~~ Department of Public Service,
18 will significantly affect ~~state~~ State telecommunications policy and programs;

19 (2) a survey of Vermont residents and businesses, conducted in
20 cooperation with the ~~agency of commerce and community development~~
21 Agency of Commerce and Community Development and the Division for

1 Connectivity, to determine what telecommunications services are needed now
2 and in the succeeding ~~seven~~ ten years;

3 (3) an assessment of the current state of telecommunications
4 infrastructure;

5 (4) an assessment, conducted in cooperation with the ~~department of~~
6 ~~innovation and information~~ Department of Innovation and Information and the
7 Division for Connectivity, of the current ~~state~~ State telecommunications
8 system and evaluation of alternative proposals for upgrading the system to
9 provide the best available and affordable technology for use by
10 government; and

11 (5) an assessment of the state of telecommunications networks and
12 services in Vermont relative to other states, including price comparisons for
13 key services and comparisons of the state of technology deployment.

14 (c) In developing the ~~plan~~ Plan, the ~~department~~ Department shall take into
15 account the policies and goals of section 202c of this title.

16 (d) In establishing plans, public hearings shall be held and the ~~department~~
17 ~~of public service~~ Department shall consult with members of the public,
18 representatives of telecommunications utilities, other providers, and other
19 interested ~~state~~ State agencies, particularly the ~~agency of commerce and~~
20 ~~community development~~ Agency of Commerce and Community Development,
21 the Division for Connectivity, and the ~~department of innovation and~~
22 ~~information~~ Department of Innovation and Information, whose views shall be

1 considered in preparation of the ~~plan~~ Plan. To the extent necessary, the
2 ~~department of public service~~ Department shall include in the ~~plan~~ Plan surveys
3 to determine existing, needed, and desirable plant improvements and
4 extensions, access and coordination between telecommunications providers,
5 methods of operations, and any change that will produce better service or
6 reduce costs. To this end, the ~~department of public service~~ Department may
7 require the submission of data by each company subject to supervision by the
8 ~~public service board~~ Public Service Board.

9 (e) Before adopting a ~~plan~~ Plan, the ~~department~~ Department shall conduct
10 public hearings on a final draft and shall consider the testimony presented at
11 such hearings in preparing the final ~~plan~~ Plan. At least one hearing shall be
12 held jointly with ~~committees~~ Committees of the ~~general assembly~~ General
13 Assembly designated by the ~~general assembly~~ General Assembly for this
14 purpose. The ~~plan~~ Plan shall be adopted by ~~September 1, 2004~~ September 1,
15 2014.

16 (f) The ~~department~~ Department, from time to time, but in no event less than
17 every three years, institute proceedings to review a ~~plan~~ Plan and make
18 revisions, where necessary. The three-year major review shall be made
19 according to the procedures established in this section for initial adoption of
20 the ~~plan~~ Plan. For good cause or upon request by a ~~joint resolution~~ Joint
21 Resolution passed by the ~~general assembly~~ General Assembly, an interim
22 review and revision of any section of the ~~plan~~ Plan may be made after

1 conducting public hearings on the interim revision. At least one hearing shall
2 be held jointly with ~~committees~~ Committees of the ~~general assembly~~ General
3 Assembly designated by the ~~general assembly~~ General Assembly for this
4 purpose.

5 (g) The Department shall review and update the minimum technical service
6 characteristic objectives not less than every three years beginning in 2017. In
7 the event such review is conducted separately from an update of the Plan, the
8 Department shall issue revised minimum technical service characteristic
9 objectives as an amendment to the Plan.

10 Sec. 30. 3 V.S.A. § 2225 is added to read:

11 § 2225. DIVISION FOR CONNECTIVITY

12 (a) Creation. The Division for Connectivity is created within the Agency
13 of Administration as the successor in interest to and the continuation of the
14 Vermont Telecommunications Authority. A Director for Connectivity shall be
15 appointed by the Secretary of Administration. The Division shall receive
16 administrative support from the Agency.

17 (b) Purposes. The purposes of the Division are to promote:

18 (1) access to affordable broadband service to all residences and
19 businesses in all regions of the State, to be achieved in a manner that is
20 consistent with the State Telecommunications Plan;

1 (2) universal availability of mobile telecommunication services,
2 including voice and high-speed data along roadways, and near universal
3 availability statewide;

4 (3) investment in telecommunications infrastructure in the State that
5 creates or completes the network for service providers to create last-mile
6 connection to the home or business and supports the best available and
7 economically feasible service capabilities;

8 (4) the continuous upgrading of telecommunications and broadband
9 infrastructure in all areas of the State is to reflect the rapid evolution in the
10 capabilities of available mobile telecommunications and broadband
11 technologies, and in the capabilities of mobile telecommunications and
12 broadband services needed by persons, businesses, and institutions in the
13 State; and

14 (5) the most efficient use of both public and private resources through
15 State policies by encouraging the development of open access
16 telecommunications infrastructure that can be shared by multiple service
17 providers.

18 (c) Duties. To achieve its purposes, the Division shall:

19 (1) provide resources to local, regional, public, and private entities in the
20 form of grants, technical assistance, coordination, and other incentives;

1 (2) prioritize the use of existing buildings and structures, historic or
2 otherwise, as sites for visually-neutral placement of mobile
3 telecommunications and wireless broadband antenna facilities;

4 (3) inventory and assess the potential to use federal radio frequency
5 licenses held by instrumentalities of the State to enable broadband service in
6 unserved areas of the State; take steps to promote the use of those licensed
7 radio frequencies for that purpose; and recommend to the General Assembly
8 any further legislative measures with respect to ownership, management, and
9 use of these licenses as would promote the general good of the State.

10 (4) coordinate telecommunications initiatives among Executive Branch
11 agencies, departments, and offices.

12 (5) from information reasonably available after public notice to and
13 written requests made of mobile telecommunications and broadband service
14 providers, develop and maintain an inventory of locations at which mobile
15 telecommunications and broadband services are not available within the State,
16 develop and maintain an inventory of infrastructure that is available or
17 reasonably likely to be available to support the provision of services to
18 unserved areas, and develop and maintain an inventory of infrastructure
19 necessary for the provision of these services to the unserved areas;

20 (6) identify the types and locations of infrastructure and services needed
21 to carry out the purposes stated in subsection (b) of this section;

1 (7) formulate an action plan that conforms with the State
2 Telecommunications Plan and carries out the purposes stated in subsection (b)
3 of this section;

4 (8) coordinate the agencies of the State to make public resources
5 available to support the extension of mobile telecommunications and
6 broadband infrastructure and services to all unserved areas;

7 (9) support and facilitate initiatives to extend the availability of mobile
8 telecommunications and broadband services, and promote development of the
9 infrastructure that enables the provision of these services;

10 (10) through the Department of Innovation and Information, aggregate
11 and broker access at reduced prices to services and facilities required to
12 provide wireless telecommunications and broadband services; and waive or
13 reduce State fees for access to State-owned rights-of-way in exchange for
14 comparable value to the State, unless payment for use is otherwise required by
15 federal law; and

16 (11) receive all technical and administrative assistance as deemed
17 necessary by the Director for Connectivity.

18 (d)(1) Deployment. The Director may request voluntary disclosure of
19 information regarding deployment of broadband, telecommunications
20 facilities, or advanced metering infrastructure that is not publicly funded. Such
21 information may include data identifying projected coverage areas, projected
22 average speed of service, service type, and the anticipated date of completion

1 in addition to identifying the location and routes of proposed cables, wires, and
2 telecommunications facilities.

3 (2) The Director may enter into a nondisclosure agreement with respect
4 to any voluntary disclosures under this subsection and the information
5 disclosed pursuant thereto shall remain confidential. Alternatively, entities that
6 voluntarily provide information requested under this subsection may select a
7 third party to be the recipient of such information. The third party may
8 aggregate information provided by the entities, but shall not disclose the
9 information it has received to any person, including the Director. The third
10 party shall only disclose the aggregated information to the Director. The
11 Director may publicly disclose aggregated information based upon the
12 information provided under this subsection. The confidentiality requirements
13 of this subsection shall not affect whether information provided to any agency
14 of the State or a political subdivision of the State pursuant to other laws is or is
15 not subject to disclosure.

16 (e) Minimum technical service characteristics. The Division only shall
17 promote the expansion of broadband services that offer actual speeds that meet
18 or exceed the minimum technical service characteristic objectives contained in
19 the State's Telecommunications Plan.

20 (f) Annual Report. Notwithstanding 2 V.S.A. § 20(d), on or before
21 January 15 of each year, the Director shall submit a report of its activities for
22 the preceding fiscal year to the General Assembly. Each report shall include

1 an operating and financial statement covering the Division's operations during
2 the year, including a summary of all grant awards and contracts and
3 agreements entered into by the Division, as well as the action plan required
4 under subdivision (c)(7) of this section. In addition, the report shall include an
5 accurate map and narrative description of each of the following:

6 (1) the areas served and the areas not served by wireless
7 communications service, as identified by the Department of Public Service,
8 and cost estimates for providing such service to unserved areas;

9 (2) the areas served and the areas not served by broadband that has a
10 download speed of at least 0.768 Mbps and an upload speed of at least
11 0.2 Mbps, as identified by the Department of Public Service, and cost estimates
12 for providing such service to unserved areas;

13 (3) the areas served and the areas not served by broadband that has a
14 combined download and upload speed of at least 5 Mbps, as identified by the
15 Department of Public Service, and the costs for providing such service to
16 unserved areas; and

17 (4) the areas served and the areas not served by broadband that has a
18 download speed of at least 100 Mbps and is symmetrical, as identified by the
19 Department of Public Service, and the costs for providing such service to
20 unserved areas.

21 Sec. 31. REPEAL

1 3 V.S.A. § 2222b (Secretary of Administration responsible for coordination
2 and planning); 3 V.S.A. § 2222c (Secretary of Administration to prepare
3 deployment report); 30 V.S.A. § 8077 (minimum technical service
4 characteristics); and 30 V.S.A. § 8079 (broadband infrastructure investment)
5 are repealed.

6 Sec. 32. CREATION OF POSITIONS; TRANSFER OF VACANT
7 POSITIONS; REEMPLOYMENT RIGHTS

8 (a) The following exempt positions are created within the Division for
9 Connectivity: one full-time Director and up to six additional full-time
10 employees as deemed necessary by the Secretary of Administration.

11 (b) The positions created under subsection (a) of this section shall only be
12 filled to the extent there are existing vacant positions in the Executive Branch
13 available to be transferred and converted to the new positions in the Division
14 for Connectivity, as determined by the Secretary of Administration and the
15 Commissioner of Human Resources, so that the total number of authorized
16 positions in the State shall not be increased by this act.

17 (c) All full-time personnel of the Vermont Telecommunications Authority
18 employed by the Authority on the day immediately preceding the effective date
19 of this act, who do not obtain a position in the Division for Connectivity
20 pursuant to subsection (a) of this section, shall be entitled to the same
21 reemployment or recall rights available to nonmanagement State employees

1 under the existing collective bargaining agreement entered into between the
2 State and the Vermont State Employees' Association.

3 Sec. 33. TRANSITIONAL PROVISIONS

4 (a) Personnel. The Secretary of Administration shall determine where the
5 offices of the Division for Connectivity shall be housed.

6 (b) Assets and liabilities. The assets and liabilities of the Vermont
7 Telecommunications Authority (VTA) shall become the assets and liabilities of
8 the Agency of Administration.

9 (c) Legal and contractual obligations. The Executive Director of the VTA,
10 in consultation with the Secretary of Administration, shall identify all grants
11 and contracts of the VTA and create a plan to redesignate the Agency of
12 Administration as the responsible entity. The plan shall ensure that all existing
13 grantors, grantees, and contractors are notified of the redesignation.

14 * * * Extension of 248a; Automatic Party Status * * *

15 Sec. 34. 30 V.S.A. § 248a is amended to read:

16 § 248a. CERTIFICATE OF PUBLIC GOOD FOR COMMUNICATIONS

17 FACILITIES

18 (a) Certificate. Notwithstanding any other provision of law, if the applicant
19 seeks approval for the construction or installation of telecommunications
20 facilities that are to be interconnected with other telecommunications facilities
21 proposed or already in existence, the applicant may obtain a certificate of
22 public good issued by the Public Service Board under this section, which the

1 Board may grant if it finds that the facilities will promote the general good of
2 the State consistent with ~~subsection 202c(b) of this title~~ the State
3 Telecommunications Plan. A single application may seek approval of one or
4 more telecommunications facilities. An application under this section shall
5 include a copy of each other State and local permit, certificate, or approval that
6 has been issued for the facility under a statute, ordinance, or bylaw pertaining
7 to the environment or land use.

8 * * *

9 (i) Sunset of Board authority. Effective July 1, ~~2014~~ 2016, no new
10 applications for certificates of public good under this section may be
11 considered by the Board.

12 * * *

13 (m) Municipal bodies; participation. The legislative body and the planning
14 commission for the municipality in which a telecommunications facility is
15 located shall have the right to appear and participate on any application under
16 this section seeking a certificate of public good for the facility.

17 Sec. 35. 10 V.S.A. § 1264(j) is amended to read:

18 (j) Notwithstanding any other provision of law, if an application to
19 discharge stormwater runoff pertains to a telecommunications facility as
20 defined in 30 V.S.A. § 248a and is filed before July 1, ~~2014~~ 2016 and the
21 discharge will be to a water that is not principally impaired by stormwater
22 runoff:

1 (1) The Secretary shall issue a decision on the application within 40
2 days of the date the Secretary determines the application to be complete, if the
3 application seeks authorization under a general permit.

4 (2) The Secretary shall issue a decision on the application within 60
5 days of the date the Secretary determines the application to be complete, if the
6 application seeks or requires authorization under an individual permit.

7 Sec. 36. 10 V.S.A. § 8506 is amended to read:

8 § 8506. RENEWABLE ENERGY PLANT; TELECOMMUNICATIONS
9 FACILITY; APPEALS

10 (a) Within 30 days of the date of the act or decision, any person aggrieved
11 by an act or decision of the ~~secretary~~ Secretary, under the provisions of law
12 listed in section 8503 of this title, or any party by right may appeal to the
13 ~~public service board~~ Public Service Board if the act or decision concerns a
14 renewable energy plant for which a certificate of public good is required under
15 30 V.S.A. § 248 or a telecommunications facility for which the applicant has
16 applied or has served notice under 30 V.S.A. § 248a(e) that it will apply for
17 approval under 30 V.S.A. § 248a. This section shall not apply to a facility that
18 is subject to section 1004 (dams before the Federal Energy Regulatory
19 Commission) or 1006 (certification of hydroelectric projects) or chapter 43
20 (dams) of this title. This section shall not apply to an appeal of an act or
21 decision of the ~~secretary~~ Secretary regarding a telecommunications facility
22 made on or after July 1, ~~2014~~ 2016.

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Sec. 37. 2011 Acts and Resolves No. 53, Sec. 14d is amended to read:

Sec. 14d. PROSPECTIVE REPEALS; EXEMPTIONS FROM
MUNICIPAL BYLAWS AND ORDINANCES

Effective July 1, ~~2014~~ 2016:

(1) 24 V.S.A. § 4413(h) (limitations on municipal bylaws) shall be
repealed; and

(2) 24 V.S.A. § 2291(19) (municipal ordinances; wireless
telecommunications facilities) is amended to read:

* * *

Sec. 38. 3 V.S.A. § 2809 is amended to read:

§ 2809. REIMBURSEMENT OF AGENCY COSTS

(a)(1) The Secretary may require an applicant for a permit, license,
certification, or order issued under a program that the Secretary enforces under
10 V.S.A. § 8003(a) to pay for the cost of research, scientific, programmatic,
or engineering expertise provided by the Agency of Natural Resources,
provided:

(A) ~~the~~ The Secretary does not have such expertise or services and
such expertise is required for the processing of the application for the permit,
license, certification, or order; ~~or,~~

(B) ~~the~~ The Secretary does have such expertise but has made a
determination that it is beyond the ~~agency's~~ Agency's internal capacity to

1 effectively utilize that expertise to process the application for the permit,
2 license, certification, or order. In addition, the Secretary shall determine that
3 such expertise is required for the processing of the application for the permit,
4 license, certification, or order.

5 (2) The Secretary may require an applicant under 10 V.S.A. chapter 151
6 to pay for the time of Agency of Natural Resources personnel providing
7 research, scientific, or engineering services or for the cost of expert witnesses
8 when ~~agency~~ Agency personnel or expert witnesses are required for the
9 processing of the permit application.

10 (3) In addition to the authority set forth under 10 V.S.A. chapters 59 and
11 159 and § section 1283, the Secretary may require a person who caused the
12 ~~agency~~ Agency to incur expenditures or a person in violation of a permit,
13 license, certification, or order issued by the Secretary to pay for the time of
14 ~~agency~~ Agency personnel or the cost of other research, scientific, or
15 engineering services incurred by the ~~agency~~ Agency in response to a threat to
16 public health or the environment presented by an emergency or exigent
17 circumstance.

18 * * *

19 (g) Concerning an application for a permit to discharge stormwater runoff
20 from a telecommunications facility as defined in 30 V.S.A. § 248a that is filed
21 before July 1, ~~2014~~ 2016:

1 (1) Under subdivision (a)(1) of this section, the ~~agency~~ Agency shall not
2 require an applicant to pay more than \$10,000.00 with respect to a facility.

3 (2) The provisions of subsection (c) (mandatory meeting) of this section
4 shall not apply.

5 * * * Administration Report; E-911; Vermont USF Fiscal Agent; Vermont
6 Communications Board; FirstNet * * *

7 Sec. 39. ADMINISTRATION REPORT; TRANSFERS AND
8 CONSOLIDATION; VERMONT USF FISCAL AGENT

9 (a) On January 1, 2015, after receiving input from State and local agencies
10 potentially impacted, the Secretary of Administration shall submit a report to
11 the General Assembly proposing a plan for transferring the responsibilities and
12 powers of the Enhanced 911 Board, including necessary positions, to the
13 Division for Connectivity, the Department of Public Service, or the
14 Department of Public Safety, as he or she deems appropriate. The plan shall
15 include budgetary recommendations and shall strive to achieve annual
16 operational savings of at least \$300,000.00, as well as enhanced coordination
17 and efficiency, and reductions in operational redundancies. The report shall
18 include draft legislation implementing the Secretary’s plan. In addition, the
19 report shall include findings and recommendations on whether it would be cost
20 effective to select an existing State agency to serve as fiscal agent to the
21 Vermont Universal Service Fund.

1 (b) As part of the report required in subsection (a) of this section, the
2 Secretary shall also make findings and recommendations regarding the status
3 of the Vermont Communications Board, Department of Public Safety, and the
4 Vermont Public Safety Broadband Network Commission (Vermont FirstNet).
5 If not prohibited by federal law, the Secretary shall propose draft legislation
6 creating an advisory board within the Division for Connectivity or the
7 Department of Public Safety comprised of 15 members appointed by the
8 Governor to assume functions of the current Enhanced 911 Board, the
9 Vermont Communications Board, and Vermont FirstNet, as the Secretary
10 deems appropriate. Upon establishment of the new advisory board and not
11 later than July 1, 2015, the E-911 Board and the Vermont Communications
12 Board shall cease to exist.

13 * * * DPS Deployment Report * * *

14 Sec. 40. DEPARTMENT OF PUBLIC SERVICE; DEPLOYMENT REPORT

15 On July 15, 2015, the Commissioner of Public Service shall submit to the
16 General Assembly a report, including maps, indicating the service type and
17 average speed of service of mobile telecommunications and broadband
18 services available within the State by census block as of June 30, 2015.

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* * * VTA; Dormant Status * * *

Sec. 41. 30 V.S.A. § 8060a is added to read:

§ 8060a. PERIOD OF DORMANCY

On July 1, 2015, the Division for Connectivity established under 3 V.S.A.
§ 2225 shall become the successor in interest to and the continuation of the
Vermont Telecommunications Authority, and the Authority shall cease all
operations and shall not resume its duties as specified under this chapter or
under any other Vermont law unless directed to do so by enactment of the
General Assembly or, if the General Assembly is not in session, by order of the
Joint Fiscal Committee. The Joint Fiscal Committee shall issue such order
only upon finding that, due to an unforeseen change in circumstances,
implementation of the Authority’s capacity to issue revenue bonds would be
the most effective means of furthering the State’s telecommunications goals
and policies. Upon the effective date of such enactment or order, the duties of
the Executive Director and the Board of Directors of the Authority shall
resume in accordance with 30 V.S.A. chapter 91 and the Director for
Connectivity shall be the acting Executive Director of the Authority, until the
position is filled pursuant to 30 V.S.A. § 8061(e).

1 * * * Telecommunications; CPGs; Annual Renewals;

2 Retransmission Fees * * *

3 Sec. 42. 30 V.S.A. § 231 is amended to read:

4 § 231. CERTIFICATE OF PUBLIC GOOD; ABANDONMENT OF

5 SERVICE; HEARING

6 (a) A person, partnership, unincorporated association, or previously
7 incorporated association, which desires to own or operate a business over
8 which the ~~public service board~~ Public Service Board has jurisdiction under the
9 provisions of this chapter shall first petition the ~~board~~ Board to determine
10 whether the operation of such business will promote the general good of the
11 ~~state~~, State and conforms with the State Telecommunications Plan, if
12 applicable, and shall at that time file a copy of any such petition with the
13 ~~department~~ Department. The ~~department~~ Department, within 12 days, shall
14 review the petition and file a recommendation regarding the petition in the
15 same manner as is set forth in subsection 225(b) of this title. Such
16 recommendation shall set forth reasons why the petition shall be accepted
17 without hearing or shall request that a hearing on the petition be scheduled. If
18 the ~~department~~ Department requests a hearing on the petition, or, if the ~~board~~
19 Board deems a hearing necessary, it shall appoint a time and place in the
20 county where the proposed corporation is to have its principal office for
21 hearing the petition, and shall make an order for the publication of the
22 substance thereof and the time and place of hearing two weeks successively in

1 a newspaper of general circulation in the county to be served by the petitioner,
2 the last publication to be at least seven days before the day appointed for the
3 hearing. The ~~director for public advocacy~~ Director for Public Advocacy shall
4 represent the public at such hearing. If the ~~board~~ Board finds that the operation
5 of such business will promote the general good of the ~~state~~, State and will
6 conform with the State Telecommunications Plan, if applicable, it shall give
7 such person, partnership, unincorporated association or previously
8 incorporated association a certificate of public good specifying the business
9 and territory to be served by such petitioners. For good cause, after
10 opportunity for hearing, the ~~board~~ Board may amend or revoke any certificate
11 awarded under the provisions of this section. If any such certificate is revoked,
12 the person, partnership, unincorporated association, or previously incorporated
13 association shall no longer have authority to conduct any business which is
14 subject to the jurisdiction of the ~~board~~ Board whether or not regulation
15 thereunder has been reduced or suspended, under section 226a or 227a of
16 this title.

17 (b) A company subject to the general supervision of the ~~public service~~
18 ~~board~~ Public Service Board under section 203 of this title may not abandon or
19 curtail any service subject to the jurisdiction of the ~~board~~ Board or abandon all
20 or any part of its facilities if it would in doing so effect the abandonment,
21 curtailment or impairment of the service, without first obtaining approval of
22 the ~~public service board~~ Board, after notice and opportunity for hearing, and

1 upon finding by the ~~board~~ Board that the abandonment or curtailment is
2 consistent with the public interest and the State Telecommunications Plan, if
3 applicable; provided, however, this section shall not apply to disconnection of
4 service pursuant to valid tariffs or to rules adopted under ~~section~~ subsections
5 209(b) and (c) of this title.

6 Sec. 43. 30 V.S.A. § 504 is amended to read:

7 § 504. CERTIFICATES OF PUBLIC GOOD

8 (a) Certificates of public good granted under this chapter shall be for a
9 period of 11 years.

10 (b) Issuance of a certificate shall be after opportunity for hearing and
11 findings by the ~~board~~ Board that the applicant has complied or will comply
12 with requirements adopted by the ~~board~~ Board to ensure that the system
13 provides:

14 (1) designation of adequate channel capacity and appropriate facilities
15 for public, educational, or governmental use;

16 (2) adequate and technically sound facilities and equipment, and signal
17 quality;

18 (3) a reasonably broad range of public, educational, and governmental
19 programming;

20 (4) the prohibition of discrimination among customers of basic
21 service; ~~and~~

1 (5) basic service in a competitive market, and if a competitive market
2 does not exist, that the system provides basic service at reasonable rates
3 determined in accordance with section 218 of this title; and

4 (6) service that conforms with the relevant provisions of the State
5 Telecommunications Plan.

6 (c) In addition to the requirements set forth in subsection (b) of this section,
7 the ~~board~~ Board shall ~~insure~~ ensure that the system provides or utilizes:

8 (1) a reasonable quality of service for basic, premium or otherwise,
9 having regard to available technology, subscriber interest, and cost;

10 (2) construction, including installation, which conforms to all applicable
11 ~~state~~ State and federal laws and regulations and the National Electric Safety
12 Code;

13 (3) a competent staff sufficient to provide adequate and prompt service
14 and to respond quickly and comprehensively to customer and ~~department~~
15 Department complaints and problems;

16 (4) unless waived by the ~~board~~ Board, an office which shall be open
17 during usual business hours, have a listed toll-free telephone so that complaints
18 and requests for repairs or adjustments may be received; and

19 (5) reasonable rules and policies for line extensions, disconnections,
20 customer deposits, and billing practices.

21 (d) A certificate granted to a company shall represent nonexclusive
22 authority of that company to build and operate a cable television system to

1 serve customers only within specified geographical boundaries. Extension of
2 service beyond those boundaries may be made pursuant to the criteria in
3 ~~section 504 of this title~~ this section, and the procedures in section 231 of
4 this title.

5 (e) Subdivision (b)(6) of this section (regarding conformity with the State
6 Telecommunications Plan) shall apply only to certificates that expire or new
7 applications that are filed after the year 2014.

8 * * * Statutory Revision Authority * * *

9 Sec. 44. LEGISLATIVE COUNCIL STATUTORY REVISION

10 AUTHORITY; LEGISLATIVE INTENT

11 (a) The staff of the Office of the Legislative Council in its statutory
12 revision capacity is authorized and directed to amend the Vermont Statutes
13 Annotated as follows:

14 (1) deleting all references to “by the end of the year 2013” in 30 V.S.A.
15 chapter 91; and

16 (2) during the interim of the 2015 biennium of the General Assembly, in
17 30 V.S.A. § 227e, replacing every instance of the words “Secretary of
18 Administration” and “Secretary” with the words “Director for Connectivity”
19 and “Director,” respectively.

20 (b) Any duties and responsibilities that arise by reference to the Division
21 for Connectivity in the Vermont Statutes Annotated shall not be operative until
22 the Division is established pursuant to 3 V.S.A. § 2225.

1 * * * Tourism Funding; Study * * *

2 Sec. 45. TOURISM FUNDING; PILOT PROJECT STUDY

3 On or before January 15, 2015, the Secretary of Commerce and Community
4 Development shall submit to the House Committees on Appropriations and on
5 Commerce and Economic Development and the Senate Committees on
6 Appropriations and on Economic Development, Housing and General Affairs a
7 report that analyzes the results of the performance-based funding pilot project
8 for the Department of Tourism and Marketing and recommends appropriate
9 legislative or administrative changes to the funding mechanism for tourism and
10 marketing programs.

11 * * * Land Use; Housing; Industrial Development * * *

12 Sec. 46. 10 V.S.A. chapter 12 is amended to read:

13 CHAPTER 12. VERMONT ECONOMIC DEVELOPMENT AUTHORITY

14 * * *

15 § 212. DEFINITIONS

16 As used in this chapter:

17 * * *

18 (6) “Eligible facility” or “eligible project” means any industrial,
19 commercial, or agricultural enterprise or endeavor approved by the authority
20 that meets the criteria established in the Vermont Sustainable Jobs Strategy
21 adopted by the Governor under section 280b of this title, including land and
22 rights in land, air, or water, buildings, structures, machinery, and equipment of

1 such eligible facilities or eligible projects, except that an eligible facility or
2 project shall not include the portion of an enterprise or endeavor relating to the
3 sale of goods at retail where such goods are manufactured primarily out of
4 state, and except further that an eligible facility or project shall not include the
5 portion of an enterprise or endeavor relating to housing. Such enterprises or
6 endeavors may include:

7 * * *

8 (M) Sustainably Priced Energy Enterprise Development (SPEED)
9 resources, as defined in 30 V.S.A. § 8002; ~~or~~

10 (N) any combination of the foregoing activities, uses, or purposes.
11 An eligible facility may include structures, appurtenances incidental to the
12 foregoing such as utility lines, storage accommodations, offices, dependent
13 care facilities, or transportation facilities; or

14 (O) industrial park planning, development, or improvement.

15 * * *

16 § 261. ADDITIONAL POWERS

17 In addition to powers enumerated elsewhere in this chapter, the
18 authority may:

19 * * *

20 (6) provide loans and assistance under this subchapter for the planning,
21 development, or improvement of an industrial park or an eligible project within
22 an industrial park.

1 Sec. 47. 10 V.S.A. § 6001(35) is added to read:

2 (35) “Industrial park” means an area of land permitted under this chapter
3 that is planned, designed, and zoned as a location for one or more industrial
4 buildings, that includes adequate access roads, utilities, water, sewer, and other
5 services necessary for the uses of the industrial buildings, and includes no
6 retail use except that which is incidental to an industrial use, and no office use
7 except that which is incidental or secondary to an industrial use.

8 Sec. 48. REVIEW OF MASTER PLAN POLICY

9 On or before January 1, 2015, the Natural Resources Board shall review its
10 master plan policy and commence the policy’s adoption as a rule. The
11 proposed rule shall include provisions for efficient master plan permitting and
12 master plan permit amendments for industrial parks. The Board shall consult
13 with affected parties when developing the proposed rule.

14 * * * Primary Agricultural Soils; Industrial Parks * * *

15 Sec. 49. 10 V.S.A. § 6093(a)(4) is amended to read:

16 (4) Industrial parks.

17 (A) Notwithstanding any provision of this chapter to the contrary, a
18 conversion of primary agricultural soils located in an industrial park ~~as defined~~
19 ~~in subdivision 212(7) of this title and~~ permitted under this chapter and in
20 existence as of January 1, 2006, shall be allowed to pay a mitigation fee
21 computed according to the provisions of subdivision (1) of this subsection,
22 except that it shall be entitled to a ratio of 1:1, protected acres to acres of

1 affected primary agricultural soil. If an industrial park is developed to the
2 fullest extent before any expansion, this ratio shall apply to any contiguous
3 expansion of such an industrial park that totals no more than 25 percent of the
4 area of the park or no more than 10 acres, whichever is larger; provided any
5 expansion based on percentage does not exceed 50 acres. Any expansion
6 larger than that described in this subdivision shall be subject to the mitigation
7 provisions of this subsection at ratios that depend upon the location of the
8 expansion.

9 (B) In any application to a ~~district commission for expansion of~~
10 District Commission to amend a permit for an existing industrial park, compact
11 ~~development patterns shall be encouraged that assure the most efficient and~~ and
12 ~~full use of land and the realization of maximum economic development~~
13 ~~potential through appropriate densities~~ shall be allowed consistent with all
14 applicable criteria of subsection 6086(a) of this title. Industrial park
15 expansions and industrial park infill shall not be subject to requirements
16 established in subdivision 6086(a)(9)(B)(iii) of this title, nor to requirements
17 established in subdivision 6086(a)(9)(C)(iii).

18 * * * Workforce Education and Training * * *

19 Sec. 50. 10 V.S.A. § 545 is added to read:

20 § 545. WORKFORCE EDUCATION AND TRAINING LEADER

1 (a) The Commissioner of Labor shall have the authority to designate one
2 existing full-time position within the Department as “Workforce Education and
3 Training Leader.”

4 (b) The Workforce Leader shall have primary authority within State
5 government to conduct an inventory of the workforce education and training
6 activities throughout the State both within State government agencies and
7 departments that perform those activities and with State partners who perform
8 those activities with State funding, and to coordinate those activities to ensure
9 an integrated workforce education and training system throughout the State.

10 (c) In conducting the inventory pursuant to subsection (b) of this section,
11 the Workforce Leader shall design and implement a stakeholder engagement
12 process that brings together employers with potential employees, including
13 students, the unemployed, and incumbent employees seeking further training.

14 (d) Notwithstanding any provision of State law to the contrary, and to the
15 fullest extent allowed under federal law, the Leader shall ensure that in each
16 State and State-funded workforce education and training program, the program
17 administrator collects and reports individual data and outcomes at the
18 individual level by Social Security Number or equivalent.

19 **Sec. 51. INTERNSHIP OPPORTUNITIES FOR YOUNG PERSONS**

20 On or before January 15, 2015, the Commissioner of Labor shall submit to
21 the House Committee on Commerce and Economic Development and the
22 Senate Committee on Economic Development, Housing and General Affairs a

1 report that details the internship opportunities available to Vermonters between
2 15 and 18 years of age and recommends one or more means to expand these
3 opportunities through the Vermont Career Internship Program, 10 V.S.A.
4 § 544, or through other appropriate mechanisms.

5 Sec. 52. 10 V.S.A. § 531 is amended to read:

6 § 531. EMPLOYMENT TRAINING PROGRAM

7 (a) The Secretary of Commerce and Community Development may issue
8 performance-based grants to any employer, consortium of employers, or
9 providers of training, either individuals or organizations, as necessary, to
10 conduct training under the following circumstances:

11 (1) when issuing grants to an employer or consortium of employers, the
12 employer promises as a condition of the grant to increase employment or
13 provide training to enhance employment stability at an existing or expanded
14 eligible facility within the State where eligible facility is defined as in
15 subdivision 212(6) of this title relating to the Vermont Economic Development
16 Authority, or the employer or consortium of employers promises to open an
17 eligible facility within the State which will employ persons, provided that for
18 the purposes of this section, eligible facility may be broadly interpreted to
19 include employers in sectors other than manufacturing; and

20 (2) training is required for potential employees, new employees, or
21 long-standing employees in the methods, either singularly or in combination
22 relating to pre-employment training, on-the-job training, upgrade training, and

1 crossover training, or specialized instruction, either in-plant or through a
2 training provider.

3 (b) Eligibility for grant. The Secretary of Commerce and Community
4 Development may award a grant to an employer if:

5 (1) the employer's new or expanded initiative will enhance employment
6 opportunities for Vermont residents;

7 (2) the employer provides its employees with at least three of the
8 following:

9 (A) health care benefits with 50 percent or more of the premium paid
10 by the employer;

11 (B) dental assistance;

12 (C) paid vacation and holidays;

13 (D) child care;

14 (E) other extraordinary employee benefits;

15 (F) retirement benefits; and

16 (3) the training is directly related to the employment responsibilities of
17 the trainee.

18 (c) The employer promises as a condition of the grant to:

19 (1) employ new persons at a wage which, at the completion of the
20 training program, ~~is two times the prevailing state or federal minimum wage,~~
21 ~~whichever is greater, reduced by the value of any existing health benefit~~
22 ~~package up to a limit of 30 percent of the gross program wage, or for existing~~

1 ~~employees, to increase the wage to two times the prevailing state and federal~~
2 ~~minimum wage, whichever is greater, reduced by the value of any existing~~
3 ~~health benefit package up to a limit of 20 percent of the gross program wage,~~
4 ~~upon completion of training; provided, however, that in areas defined by the~~
5 ~~Secretary of Commerce and Community Development in which the Secretary~~
6 ~~finds that the rate of unemployment is 50 percent greater than the average for~~
7 ~~the State, the wage rate under this subsection may be set by the Secretary at a~~
8 ~~rate no less than one and one-half times the federal or state minimum wage,~~
9 ~~whichever is greater equals or exceeds the livable wage as defined in 2 V.S.A.~~
10 ~~§ 505;~~

11 (2) employ persons who have completed the training provided for them
12 and nominated as qualified for a reasonable period at the wages and
13 occupations described in the contract, unless the employer reasonably finds the
14 nominee is not qualified;

15 (3) provide its employees with at least three of the following:

16 (A) health care benefits with 50 percent or more of the premium paid
17 by the employer;

18 (B) dental assistance;

19 (C) paid vacation and holidays;

20 (D) child care;

21 (E) other extraordinary employee benefits; and

22 (F) retirement benefits.

1 (4) submit a customer satisfaction report to the Secretary of Commerce
2 and Community Development, on a form prepared by the Secretary for that
3 purpose, no more than 30 days from the last day of the training program.

4 * * *

5 * * * Vermont Strong Scholars and Internship Program * * *

6 Sec. 53. 16 V.S.A. chapter 90 is redesignated to read:

7 CHAPTER 90. FUNDING OF POSTSECONDARY ~~INSTITUTIONS~~

8 EDUCATION

9 Sec. 54. 16 V.S.A. § 2888 is added to read:

10 § 2888. VERMONT STRONG SCHOLARS AND INTERNSHIP

11 INITIATIVE

12 (a) Creation.

13 (1) There is created a postsecondary loan forgiveness and internship
14 initiative designed to forgive a portion of Vermont Student Assistance
15 Corporation loans of students employed in economic sectors identified as
16 important to Vermont's economy and to build internship opportunities for
17 students to gain work experience with Vermont employers.

18 (2) The initiative shall be known as the Vermont Strong Scholars and
19 Internship Initiative and is designed to:

20 (A) encourage students to:

21 (i) consider jobs in economic sectors that are critical to the
22 Vermont economy;

1 (ii) enroll and remain enrolled in a Vermont postsecondary
2 institution; and

3 (iii) live in Vermont upon graduation;

4 (B) reduce student loan debt for postsecondary education in targeted
5 fields;

6 (C) provide experiential learning through internship opportunities
7 with Vermont employers; and

8 (D) support a pipeline of qualified talent for employment with
9 Vermont's employers.

10 (b) Vermont Strong Loan Forgiveness Program.

11 (1) Economic sectors; projections.

12 (A) Annually, on or before November 15, the Secretary of Commerce
13 and Community Development and the Commissioner of Labor, in consultation
14 with the Vermont State Colleges, the University of Vermont, the Vermont
15 Student Assistance Corporation, the Secretary of Human Services, and the
16 Secretary of Education, shall identify economic sectors, projecting at least four
17 years into the future, that are or will be critical to the Vermont economy.

18 (B) Based upon the identified economic sectors and the number of
19 students anticipated to qualify for loan forgiveness under this section, the
20 Secretary of Commerce and Community Development shall annually provide
21 the General Assembly with the estimated cost of the Vermont Student
22 Assistance Corporation's loan forgiveness awards under the loan forgiveness

1 program during the then-current fiscal year and each of the four following
2 fiscal years.

3 (2) Eligibility. A graduate of a public or private Vermont postsecondary
4 institution shall be eligible for forgiveness of a portion of his or her Vermont
5 Student Assistance Corporation postsecondary education loans under this
6 section if he or she:

7 (A) was a Vermont resident, as defined in 16 V.S.A. § 2822(7), at the
8 time he or she was graduated;

9 (B) enrolled in a postsecondary institution on or after July 1, 2015
10 and completed an associate's degree within three years, or a bachelor's degree
11 within six years;

12 (C) becomes employed in Vermont within 12 months of graduation
13 in an economic sector identified by the Secretary and Commissioner under
14 subdivision (1) of this subsection;

15 (D) remains employed in Vermont throughout the period of loan
16 forgiveness in an economic sector identified by the Secretary and
17 Commissioner under subdivision (1) of this subsection; and

18 (E) remains a Vermont resident throughout the period of loan
19 forgiveness.

20 (3) Loan forgiveness. An eligible individual shall have a portion of his
21 or her Vermont Student Assistance Corporation loan forgiven as follows:

1 (A) for an individual awarded an associate’s degree, in an amount
2 equal to the comprehensive in-state tuition rate for 15 credits at the Vermont
3 State Colleges during the individual’s final semester of enrollment, to be
4 prorated over the three years following graduation; and

5 (B) for an individual awarded a bachelor’s degree, in an amount
6 equal to the comprehensive in-state tuition rate for 30 credits at the Vermont
7 State Colleges during the individual’s final year of enrollment, to be prorated
8 over the five years following graduation.

9 (C) Loan forgiveness may be awarded on a prorated basis to an
10 otherwise eligible Vermont resident who transfers to and is graduated from a
11 Vermont postsecondary institution.

12 (4) Management.

13 (A) The Secretary of Commerce and Community Development shall
14 develop all organizational details of the loan forgiveness program consistent
15 with the purposes and requirements of this section.

16 (B) The Secretary shall enter into a memorandum of understanding
17 with the Vermont Student Assistance Corporation for management of the loan
18 forgiveness program.

19 (C) The Secretary may adopt rules pursuant to 3 V.S.A. chapter 25
20 necessary to implement the Program.

21 (c) Vermont Strong Internship Program.

22 (1) Internship program management.

1 (A) The Commissioner of Labor and the Secretary of Commerce and
2 Community Development shall jointly develop and implement the
3 organizational details of the internship program consistent with the purposes
4 and requirements of this section and may adopt rules pursuant to 3 V.S.A.
5 chapter 25 necessary to implement the internship program.

6 (B) The Commissioner, in consultation with the Secretary, shall issue
7 a request for proposals for a person to serve as an Internship Program
8 Intermediary, who shall perform the duties and responsibilities pursuant to the
9 terms of a performance contract negotiated by the Commissioner and the
10 Intermediary.

11 (C) The Department of Labor, the Agency of Commerce and
12 Community Development, the regional development corporations, and the
13 Intermediary, shall have responsibility for building connections within the
14 business community to ensure broad private sector participation in the
15 internship program.

16 (D) The Program Intermediary shall:

17 (i) identify and foster postsecondary internships that are rigorous,
18 productive, well-managed, and mentored;

19 (ii) cultivate relationships with employers, employer-focused
20 organizations, and state and regional government bodies;

21 (iii) build relationships with Vermont postsecondary institutions
22 and facilitate recruitment of students to apply for available internships;

1 (iv) create and maintain a registry of participating employers and
2 associated internship opportunities;

3 (v) coordinate and provide support to the participating student, the
4 employer, and the student's postsecondary institution;

5 (vi) develop and oversee a participation contract between each
6 student and employer, including terms governing the expectations for the
7 internship, a work plan, mentoring and supervision of the student, reporting by
8 the employer and student, and compensation terms; and

9 (vii) carry out any additional activities and duties as directed by
10 the Commissioner.

11 (2) Qualifying internships.

12 (A) Criteria. To qualify for participation in the internship program an
13 internship shall at minimum:

14 (i) be with a Vermont employer as approved by the Intermediary
15 in consultation with the Commissioner and Secretary;

16 (ii) pay compensation to an intern of at least the prevailing
17 minimum wage; and

18 (iii) meet the quality standards and expectations as established by
19 the Intermediary.

20 (B) Employment of interns. Interns shall be employed by the
21 sponsoring employer except, with the approval of the Commissioner on a
22 case-by-case basis, interns may be employed by the Intermediary and assigned

1 to work with a participating Vermont employer, in which case the sponsoring
2 employer shall contribute funds as determined by the Commissioner.

3 (3) Student eligibility. To participate in the internship program an
4 individual shall be:

5 (A) a Vermont resident enrolled in a post-secondary institution in or
6 outside Vermont;

7 (B) a student who graduated from a postsecondary institution within
8 24 months of entering the program who was classified as a Vermont resident
9 during that schooling or who is a student who attended a post-secondary
10 institution in Vermont; or

11 (C) a student enrolled in a Vermont post-secondary institution.

12 (d) Funding.

13 (1) Loan forgiveness program.

14 (A) Loan forgiveness; State funding.

15 (i) There is created a special fund to be known as the Vermont
16 Strong Scholars Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, which
17 shall be used and administered by the Secretary of Commerce and Community
18 Development solely for the purposes of loan forgiveness pursuant to this
19 section.

20 (ii) The Fund shall consist of sums to be identified by the
21 Secretary from any source accepted for the benefit of the Fund and interest
22 earned from the investment of Fund balances.

1 (iii) Any interest earned and any remaining balance at the end of
2 the fiscal year shall be carried forward in the Fund.

3 (iv) The availability and payment of loan forgiveness awards
4 under this subdivision is subject to State funding available for the awards.

5 (B) Loan forgiveness; Vermont Student Assistance Corporation.
6 The Vermont Student Assistance Corporation shall have the authority to grant
7 loan forgiveness pursuant to this section by using the private loan forgiveness
8 capacity associated with bonds issued by the Corporation to raise funds for
9 private loans that are eligible for forgiveness under this section, if available.

10 (2) Internship program. Notwithstanding any provision of law to the
11 contrary, the Commissioner of Labor shall have the authority to use funds
12 allocated to the Workforce Education and Training Fund established in
13 10 V.S.A. § 543 to implement the internship program created in this section.

14 Sec. 55. VERMONT STRONG INTERIM REPORT

15 On or before November 1, 2014, the Secretary of Commerce and
16 Community Development shall report to the Joint Fiscal Committee on the
17 organizational and economic details of the Vermont Strong Scholars Initiative,
18 including:

19 (1) the economic sectors selected for loan forgiveness;

20 (2) the projected annual cost of the Initiative,

21 (3) the proposed funding sources;

1 (4) programmatic proposals and economic projections on the feasibility
2 and impacts of expanding eligibility for the loan forgiveness program to
3 include Vermont residents who attend postsecondary institutions outside of
4 Vermont and out-of-state residents who attend Vermont postsecondary
5 institutions; and

6 (5) the projected balance of the Vermont Strong Scholars Fund for each
7 fiscal year through fiscal year 2018.

8 * * * Vermont Products Program * * *

9 Sec. 56. VERMONT PRODUCTS PROGRAM; STUDY; REPORT

10 (a) On or before September 1, 2015, the Agency of Commerce and
11 Community Development, after consulting with appropriate stakeholders, shall
12 report to the Senate Committee on Economic Development, Housing and
13 General Affairs and the House Committee on Commerce and Economic
14 Development on creating a Vermont Products Program for the purpose of
15 providing Vermont businesses with a means of promoting and marketing
16 products and services that are manufactured, designed, engineered, or
17 formulated in Vermont and avoiding confusion by consumers when the
18 Vermont brand is used in marketing products or services.

19 (b) The report required by this section shall describe the method,
20 feasibility, and cost of creating a Vermont Products Program that includes the
21 following elements:

1 (1) The program shall include a licensing system that enables qualifying
2 persons to make marketing claims concerning significant business activities
3 occurring in Vermont, and to self-certify products and services that are
4 manufactured, designed, engineered, or formulated in Vermont. Under this
5 system, the Secretary shall identify and craft branding and marketing
6 guidelines that concern whether and how qualifying products or services
7 manufactured, designed, engineered, or formulated in Vermont can be properly
8 claimed so as to be licensed. The licensing system shall permit an applicant to
9 self-certify compliance with designated criteria and attest to the accuracy of
10 claims authorized by the Secretary in order to obtain a license to advertise and
11 promote a product or service using the licensed materials.

12 (2) The program may charge an annual fee for the issuance of the
13 license.

14 (3) The program shall include an on-line application process that
15 permits an applicant to obtain the license if he or she certifies compliance with
16 criteria designated by the Secretary, attests to the accuracy of statements
17 designated by the Secretary, and pays the required fee.

18 (4) Licenses issued under the program shall include a provision
19 requiring that disputes regarding the license be resolved by alternative dispute
20 resolution. A person who objects to the issuance of a license may file a
21 complaint with the Secretary, who shall refer it for alternative dispute
22 resolution as provided in the license.

1 (5) A special fund, comprising license fees and any monies appropriated
2 by the General Assembly, may be created for the administration and
3 advertising of the program.

4 (c) The report required by this section shall include a recommendation as to
5 whether the Vermont Products Program should replace the rules regarding
6 Vermont Origin adopted by the Attorney General.

7 * * * Vermont State Treasurer; Credit Facilities; 10 Percent for Vermont * * *
8 Sec. 57. 2013 Acts and Resolves No. 87, Sec. 8 is amended to read:

9 Sec. 8. INVESTMENT OF STATE MONIES

10 The Treasurer is hereby authorized to establish a ~~short-term~~ credit facility
11 for the benefit of the Vermont Economic Development Authority in an amount
12 of up to \$10,000,000.00.

13 Sec. 58. VERMONT STATE TREASURER; CREDIT FACILITY FOR
14 LOCAL INVESTMENTS

15 (a) Notwithstanding any other provision of law to the contrary, the
16 Vermont State Treasurer shall have the authority to establish a credit facility of
17 up to 10 percent of the State's average cash balance on terms acceptable to the
18 Treasurer consistent with the provisions of the Uniform Prudent Investor Act,
19 14A V.S.A. chapter 9.

20 (b) The amount authorized in subsection (a) of this section shall include all
21 credit facilities authorized by the General Assembly and established by the

1 Treasurer prior to or subsequent to the effective date of this section, and the
2 renewal or replacement of those credit facilities.

3 Sec. 59. TREASURER'S LOCAL INVESTMENT ADVISORY
4 COMMITTEE; REPORT

5 (a) Creation of committee. The Treasurer's Local Investment Advisory
6 Committee is established to advise the Treasurer on funding priorities and
7 address other mechanisms to increase local investment.

8 (b) Membership.

9 (1) The Advisory Committee shall be composed of six members as
10 follows:

11 (A) the State Treasurer or designee;

12 (B) the Chief Executive Officer of the Vermont Economic
13 Development Authority or designee;

14 (C) the Chief Executive Officer of the Vermont Student Assistance
15 Corporation or designee;

16 (D) the Executive Director of the Vermont Housing Finance Agency
17 or designee;

18 (E) the Director of the Municipal Bond Bank or designee; and

19 (F) the Director of Efficiency Vermont or designee.

20 (2) The State Treasurer shall be the Chair of the Advisory Committee
21 and shall appoint a vice chair and secretary. The appointed members of the

1 Advisory Committee shall be appointed for terms of six years and shall serve
2 until their successors are appointed and qualified.

3 (c) Powers and duties. The Advisory Committee shall:

4 (1) meet regularly to review and make recommendations to the State
5 Treasurer on funding priorities and using other mechanisms to increase local
6 investment in the State of Vermont;

7 (2) invite regularly State organizations and citizens groups to Advisory
8 Committee meetings to present information on needs for local investment,
9 capital gaps, and proposals for financing; and

10 (3) consult with constituents and review feedback on changes and needs
11 in the local and State investment and financing environments.

12 (d) Meetings. The Advisory Committee shall meet no more than six times
13 per calendar year. The meetings shall be convened by the State Treasurer.

14 (e) Report. On or before January 15, 2015, and annually thereafter, the
15 Advisory Committee shall submit a report to the Senate Committees on
16 Economic Development, Housing and General Affairs, on Finance, and on
17 Government Operations and the House Committees on Commerce and
18 Economic Development, on Ways and Means, and on Government Operations.

19 The report shall include the following:

20 (1) the amount of the subsidies associated with lending through each
21 credit facility authorized by the General Assembly and established by the
22 Treasurer;

- 1 (2) a description of the Advisory Committee’s activities; and
2 (3) any information gathered by the Advisory Committee on the State’s
3 unmet capital needs, and other opportunities for State support for local
4 investment and the community.

5 * * * Notice of Data Security Breach * * *

6 Sec. 60. 9 V.S.A. § 2435(b)(4) is amended to read:

7 (4)(A) The notice to a consumer required by this subsection shall be
8 delayed upon request of a law enforcement agency. A law enforcement agency
9 may request the delay if it believes that notification may impede a law
10 enforcement investigation, or a national or Homeland Security investigation or
11 jeopardize public safety or national or Homeland Security interests. In the
12 event law enforcement makes the request for a delay in a manner other than in
13 writing, the data collector shall document such request contemporaneously in
14 writing, including the name of the law enforcement officer making the request
15 and the officer’s law enforcement agency engaged in the investigation. A law
16 enforcement agency shall promptly notify the data collector in writing when
17 the law enforcement agency no longer believes that notification may impede a
18 law enforcement investigation, or a national or Homeland Security
19 investigation or jeopardize public safety or national or Homeland Security
20 interests. The data collector shall provide notice required by this section
21 without unreasonable delay upon receipt of a written communication, which

1 includes facsimile or electronic communication, from the law enforcement
2 agency withdrawing its request for delay.

3 (B) A Vermont law enforcement agency with a reasonable belief that
4 a security breach has or may have occurred at a specific business shall notify
5 the business in writing of its belief. The agency shall also notify the business
6 that additional information on the security breach may need to be furnished to
7 the Vermont Office of the Attorney General or the Vermont Department of
8 Financial Regulation and shall include the website and telephone number for
9 the Office and the Department in the notice required by this subdivision.
10 Nothing in this subdivision shall alter the responsibilities of a data collector
11 under this section or provide a cause of action against a law enforcement
12 agency that fails, without bad faith, to provide the notice required by this
13 subdivision.

14 * * * Insurance; Form of Notice * * *

15 Sec. 61. 8 V.S.A. § 3666 is added to read:

16 § 3666. RULES; METHODS OF NOTICE

17 Notwithstanding the requirements under sections 3883, 4226, and 4714 of
18 this title, the Commissioner of Financial Regulation shall adopt rules
19 specifying the methods by which a notice to a party required under section
20 3880, 3881, 4224, 4225, 4712, or 4713 of this title shall be given.

21 * * * Effective Dates * * *

22 Sec. 62. EFFECTIVE DATES

1 This act shall take effect on July 1, 2014, except that 16 V.S.A.
2 § 2888(b)(3) in Sec. 54 and Secs. 30, 31, and 32 (regarding the Division for
3 Connectivity) shall take effect on July 1, 2015.

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10 COMMITTEE ON THE PART OF
11 THE SENATE

COMMITTEE ON THE PART OF
THE HOUSE

12

13

14

SEN. MULLIN

REP. BOTZOW

15

16

17

SEN. BARUTH

REP. KITZMILLER

18

19

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SEN. BRAY

REP. MARCOTTE

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