

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was  
3 referred House Bill No. 736 entitled “An act relating to creating targeted  
4 economic development initiatives” respectfully reports that it has considered  
5 the same and recommends that the bill be amended by striking all after the  
6 enacting clause and inserting in lieu thereof the following:

7 \* \* \* One-Stop Business Support Services \* \* \*

8 Sec. 1. ONE-STOP SHOP WEB PORTAL

9 (a) Purpose. The State of Vermont seeks to simplify and expedite the  
10 process for business creation and growth by providing:

11 (1) a clear guide to resources and technical assistance for all phases of  
12 growth business development;

13 (2) a directory of financial assistance, including grants, funding capital,  
14 tax credits, and incentives;

15 (3) a directory of workforce development assistance, including  
16 recruiting, job postings, and training;

17 (4) a link to centralized business services available from the Secretary of  
18 State, the Department of Labor, the Department of Taxes, and others; and

19 (5) agency contacts and links for available services and resources.

20 (b) Administration. On or before June 30, 2015, the Secretary of State,  
21 Department of Taxes, Department of Labor, the Vermont Attorney General,

1 the Agency of Commerce and Community Development, and the Agency of  
2 Administration shall coordinate with other relevant agencies and departments  
3 within State government and outside partners, including regional development  
4 corporations, regional planning commissions, and small business development  
5 centers, to provide comprehensive business services, regional coaching teams,  
6 print materials, other outreach, and a “One-Stop Shop” website, consistent with  
7 the following timeline:

8 (1) Phase 1. Complete necessary partner outreach and collaboration and  
9 an inventory of existing websites, determine the appropriate content to be  
10 included on the One-Stop website, and update current websites to include links  
11 to State agencies and departments with regulatory oversight and authority over  
12 Vermont businesses.

13 (2) Phase 2. Edit and organize the content to be included on the One-  
14 Stop website.

15 (3) Phase 3. Complete the design and mapping of the One-Stop website.

16 (4) Phase 4. Complete a communications and outreach plan with a final  
17 funding proposal for the project.

1                   \* \* \* Vermont Entrepreneurial Lending Program;

2                   Vermont Entrepreneurial Investment Tax Credit \* \* \*

3           Sec. 2. 10 V.S.A. chapter 12 is amended to read:

4                   CHAPTER 12. VERMONT ECONOMIC DEVELOPMENT

5                                   AUTHORITY

6   \* \* \*

7                   Subchapter 12. ~~Technology Loan~~ Vermont Entrepreneurial Lending  
8   Program

9           § 280aa. FINDINGS AND PURPOSE

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

15           (2) Because the primary assets of ~~technology-based companies~~  
16           ~~sometimes~~ Vermont-based businesses in seed, start-up, and growth-stages  
17           often consist almost entirely of intellectual property or insufficient tangible  
18           assets to support conventional lending, such these companies frequently ~~do~~  
19           may not have access to conventional means of raising capital, such as asset-  
20           based bank financing.

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

7 § 280bb. TECHNOLOGY LOAN VERMONT ENTREPRENEURIAL  
8 LENDING PROGRAM

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

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

19 (2) loans from \$250,000.00 through \$1,000,000.00 in growth-stage  
20 companies who do not meet the underwriting criteria of other public and  
21 private entrepreneurial financing sources; and

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

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

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

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

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

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

4           (4) The business will create jobs that pay a livable wage and significant  
5 benefits to Vermont employees [CfC language (?):Vermont achieves a  
6 sustainable annual increase in nonpublic sector employment and in median  
7 household income?]

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

14                               \* \* \*

15           Sec. 3. VERMONT ENTREPRENEURIAL LENDING PROGRAM; LOAN  
16                           LOSS RESERVE FUNDS; CAPITALIZATION; PRIVATE  
17                           CAPITAL; APPROPRIATION

18           (a) The Vermont Economic Development Authority shall capitalize loan  
19 loss reserves for the Vermont Entrepreneurial Lending Program created in  
20 10 V.S.A. § 280bb with the following funding from the following sources:

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

3           (2) the amount of \$1,000,000.00 appropriated in fiscal year 2015 from  
4           the General Fund to the Authority for the purposes of this section.

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

8                           \* \* \* Connecting Capital Providers and Entrepreneurs \* \* \*

9           Sec. 4. NETWORKING INITIATIVES; APPROPRIATION

10           (a) There is appropriated from the General Fund to the The Agency of  
11           Commerce and Community Development in fiscal year 2015 the amount of  
12           \$10,000.00, which the Agency shall make available to shall support  
13           networking events offered by one or more regional economic development  
14           providers to award grants of up to \$2,000.00 per event to an applicant who  
15           sponsors a networking event designed to connect capital providers with one  
16           another or with Vermont entrepreneurs, or both, and shall take steps to  
17           facilitate outreach and matchmaking opportunities between investors and  
18           entrepreneurs.

19           (b) On or before January 15, 2015, the Agency shall report to the House  
20           Committee on Commerce and Economic Development and to the Senate  
21           Committee on Economic Development, Housing and General Affairs the steps

1 it has taken under subsection (a) of this section, the outcomes of these  
2 activities, and recommendations for further action.

3 \* \* \* Downtown Tax Credits \* \* \*

4 Sec. 5. 32 V.S.A. chapter 151, subchapter 11J is amended to read:

5 Subchapter 11J. Vermont Downtown and

6 Village Center Tax Credit Program

7 § 5930aa. DEFINITIONS

8 As used in this subchapter:

9 \* \* \*

10 (3) “Qualified code or technology improvement project” means a  
11 project:

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

19 (ii) to install or improve data or network wiring, or heating,  
20 ventilating, or cooling systems in a qualified building, provided that a



1 professional engineer licensed under 26 V.S.A. chapter 20 certifies as to the  
2 fact and cost of the installation or improvement;

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

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

8 (4) “Qualified expenditures” means construction-related expenses of the  
9 taxpayer directly related to the project for which the tax credit is sought but  
10 excluding any expenses related to a private residence.

11 (5) “Qualified façade improvement project” means the rehabilitation of  
12 the façade of a qualified building that contributes to the integrity of the  
13 designated downtown or designated village center. Façade improvements to  
14 qualified buildings listed, or eligible for listing, in the State or National  
15 Register of Historic Places must be consistent with Secretary of the Interior  
16 Standards, as determined by the Vermont Division for Historic Preservation.

17 (6) “Qualified historic rehabilitation project” means an historic  
18 rehabilitation project that has received federal certification for the  
19 rehabilitation project.

20 (7) “Qualified project” means a qualified code or technology  
21 improvement, qualified façade improvement, qualified technology

1 infrastructure project, or qualified historic rehabilitation project as defined by  
2 this subchapter.

3 (8) “State Board” means the Vermont Downtown Development Board  
4 established pursuant to 24 V.S.A. chapter 76A.

5 § 5930bb. ELIGIBILITY AND ADMINISTRATION

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

10 (b) To qualify for any of the tax credits under this subchapter, expenditures  
11 for the qualified project must exceed \$5,000.00.

12 (c) Application shall be made in accordance with the guidelines set by the  
13 State Board.

14 (d) Notwithstanding any other provision of this subchapter, qualified  
15 applicants may apply to the State Board at any time prior to June 30, 2013 to  
16 obtain a tax credit not otherwise available under subsections 5930cc(a)-(c) of  
17 this title of 10 percent of qualified expenditures resulting from damage caused  
18 by a federally declared disaster in Vermont in 2011. The credit shall only be  
19 claimed against the taxpayer’s State individual income tax under section 5822  
20 of this title. To the extent that any allocated tax credit exceeds the taxpayer’s  
21 tax liability for the first tax year in which the qualified project is completed,

1 the taxpayer shall receive a refund equal to the unused portion of the tax credit.  
2 If within two years after the date of the credit allocation no claim for a tax  
3 credit or refund has been filed, the tax credit allocation shall be rescinded and  
4 recaptured pursuant to subdivision 5930ee(6) of this title. The total amount of  
5 tax credits available under this subsection shall not be more than \$500,000.00  
6 and shall not be subject to the limitations contained in subdivision 5930ee(2)  
7 of this subchapter.

8 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX

9 CREDITS

10 (a) Historic rehabilitation tax credit. The qualified applicant of a qualified  
11 historic rehabilitation project shall be entitled, upon the approval of the State  
12 Board, to claim against the taxpayer's ~~state~~ State individual income tax,  
13 corporate income tax, or bank franchise or insurance premiums tax liability a  
14 credit of 10 percent of qualified rehabilitation expenditures as defined in the  
15 Internal Revenue Code, 26 U.S.C. § 47(c), properly chargeable to the federally  
16 certified rehabilitation.

17 (b) Façade improvement tax credit. The qualified applicant of a qualified  
18 façade improvement project shall be entitled, upon the approval of the State  
19 Board, to claim against the taxpayer's State individual income tax, ~~state~~ State  
20 corporate income tax, or bank franchise or insurance premiums tax liability a

1 credit of 25 percent of qualified expenditures up to a maximum tax credit of  
2 \$25,000.00.

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

15 \* \* \*

16 \* \* \* Electricity Rates for Businesses \* \* \*

17 Sec. 6. 30 V.S.A. § 218e is added to read:

18 § 218e. BUSINESS ELECTRICITY RATES; POLICY; INVESTIGATION

19 (a) Policy and intent. It is the policy of the State of Vermont to consider  
20 and prioritize retention and recruitment of manufacturing and other high-value  
21 businesses in the determination of orders, rules, and other decisions affecting

1 the cost and reliability of electricity and other fuels. The intent of this  
2 policy is:

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

6 (2) to seek appropriate balance between this policy and other policy  
7 goals and criteria established in this title.

8 (b) The Commissioner of Public Service and the Secretary of Commerce  
9 and Community Development, in consultation with the Public Service Board,  
10 Associated Industries of Vermont, a cooperative electric company, a  
11 shareholder-owned utility, VPPSA, and VELCO, shall conduct an  
12 investigation of how best to advance the public good through consideration of  
13 the competitiveness of Vermont's industrial or manufacturing businesses with  
14 regard to electricity costs. As used in this section, "industrial or manufacturing  
15 business" means a business engaged in one or more of the activities classified  
16 under North American Industry Classification System (NAICS) Sector 31-33.

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

19 (1) how best to incorporate into rate design proceedings the impact of  
20 electricity costs on business competitiveness and the identification of the costs  
21 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 relate to business competitiveness, that have been undertaken in  
9           Vermont and in other jurisdictions;

10           (5) any other programs or policies the Board deems relevant; and

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

17           (d) In conducting the investigation required by this section, the  
18           Commissioner and Secretary shall provide the following persons and entities  
19           an opportunity for written and oral comments:

20           (1) consumer and business advocacy groups;

21           (2) regional development corporations; and

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

3           (e) On or before December 15, 2014, the Commissioner and Secretary shall  
4 provide a status report to the General Assembly of its findings and  
5 recommendations regarding regulatory or statutory changes that would reduce  
6 energy costs for Vermont businesses and promote the public good. On or  
7 before December 15, 2015, the Commissioner and Secretary shall provide a  
8 final report to the General Assembly of such findings and recommendations.

9   \* \* \* Domestic Export Program \* \* \*

10           Sec. 7. DOMESTIC MARKET ACCESS PROGRAM FOR VERMONT  
11   AGRICULTURE AND FOREST PRODUCTS

12           (a) The Secretary of Agriculture, Food and Markets, in collaboration with  
13 the Agency of Commerce and Community Development and the Chief  
14 Marketing Officer, shall create a Domestic Export Program Pilot Project within  
15 the “Made in Vermont” designation program, the purpose of which shall be to:

16   (1) connect Vermont producers with brokers, buyers, and distributors in  
17 other U.S. state and regional markets,

18   (2) provide technical and marketing assistance to Vermont producers to  
19 convert these connections into increased sales and sustainable commercial  
20 relationships; and

1           (3) provide one-time matching grants of up to \$2,000.00 per business  
2 per year to attend trade shows and similar events to expand producers' market  
3 presence in other U.S. states.

4           (b) There is appropriated in Fiscal Year 2015 from the General Fund to the  
5 Agency of Agriculture, Food and Markets the amount of \$75,000.00 to  
6 implement the provisions of this section.

7           (c) The Secretary shall collect data on the activities and outcomes of the  
8 pilot project authorized under this section and shall report his or her findings  
9 and recommendations for further action on or before January 15, 2015, to the  
10 House Committees on Agriculture and on Commerce and Economic  
11 Development and to the Senate Committees on Agriculture and on Economic  
12 Development, Housing and General Affairs.

13                                   \* \* \* Cloud Tax; Services \* \* \*

14           Sec. 8. SALES AND USE TAX DOES NOT APPLY TO SERVICES THAT  
15                                   ARE REMOTELY ACCESSED OVER THE INTERNET

16           (a) The imposition of sales and use tax in this State shall not apply to  
17 charges for services that are remotely accessed over the Internet after  
18 December 31, 2006.

19           (b) Enforcement of the sales and use tax imposed on the purchase of  
20 specified digital products pursuant to 32 V.S.A. § 9771(8) is not affected by  
21 this section.





1 or intentionally and without lawful authority, destroy any computer system,  
2 computer network, computer software, computer program, or data contained in  
3 such computer, computer system, computer program, or computer network.

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

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

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

12 (2) if the damage or loss does not exceed \$500.00 for a second or  
13 subsequent offense, imprisoned not more than two years or fined not more than  
14 ~~\$1,000.00~~ \$10,000.00, or both; or

15 (3) if the damage or loss exceeds \$500.00, imprisoned not more than  
16 10 years or fined not more than ~~\$10,000.00~~ \$25,000.00, or both.

17 § 4106. CIVIL LIABILITY

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

21 \* \* \*

1                                   \* \* \* Statute of Limitations to Commence Action  
2                                   for Misappropriation of Trade Secrets \* \* \*

3       Sec. 10. 12 V.S.A. § 523 is amended to read:

4       § 523. TRADE SECRETS

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

10                                   \* \* \* Protection of Trade Secrets \* \* \*

11       Sec. 11. 9 V.S.A. chapter 143 is amended to read:

12                                   CHAPTER 143. TRADE SECRETS

13       § 4601. DEFINITIONS

14           As used in this chapter:

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

18           (2) “Misappropriation” means:

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

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

3 (i) used improper means to acquire knowledge of the trade  
4 secret; or

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

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

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

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

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

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

18 (A) derives independent economic value, actual or potential, from  
19 not being generally known to, and not being readily ascertainable by proper  
20 means by, other persons who can obtain economic value from its disclosure or  
21 use; and

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

3           § 4602. INJUNCTIVE RELIEF

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

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

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

18          § 4603. DAMAGES

19          (a)(1) Except to the extent that a material and prejudicial change of position  
20          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 successful complainant his or her costs and  
11 fees, including reasonable attorney's fees, arising from a misappropriation of  
12 the complainant's trade secret.

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  
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. 12. 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

1 to grant permission to the contractor to use the intellectual property created  
2 under the contract for the contractor’s commercial purposes.

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

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

11 \* \* \* **Department of Financial Regulation** \* \* \*

12 Sec. 13. SMALL BUSINESS ACCESS TO CAPITAL

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

19 (b) Small business issuer education and outreach. On or before January 15,  
20 2015, the Department of Financial Regulation shall conduct at least two  
21 educational events to inform the legal, small business, and investor



1 communities and other interested parties, of opportunities for small businesses  
2 to access capital in Vermont, including, the Vermont Small Business Offering  
3 Exemption regulation and other securities registration exemptions.

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

13 Sec. 14. STUDY; DEPARTMENT OF FINANCIAL REGULATION;  
14 LICENSED LENDER REQUIREMENTS; COMMERCIAL  
15 LENDERS

16 On or before January 15, 2015, the Department of Financial Regulation  
17 shall solicit public comment on, evaluate, and report to the House Committee  
18 on Commerce and Economic Development and to the Senate Committees on  
19 Finance and on Economic Development, Housing and General Affairs any  
20 statutory and regulatory changes to the State's licensed lender requirements

1 that are necessary to open private capital markets and remove unnecessary  
2 barriers to business investment in Vermont.

3 \* \* \* Miscellaneous finance provisions \* \* \*

4 Sec. 15. 2013 Acts and Resolves No. 87, Sec. 8 is amended to read:

5 Sec. 8. INVESTMENT OF STATE MONIES

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

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

10 CHAPTER 16A. VERMONT AGRICULTURAL CREDIT PROGRAM

11 § 374a. CREATION OF THE VERMONT AGRICULTURAL CREDIT  
12 PROGRAM

13 \* \* \*

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

18 § 374b. DEFINITIONS

19 As used in this chapter:

20 (1) “Agricultural facility” means land and rights in land, buildings,  
21 structures, machinery, and equipment which is used for, or will be used for

1 producing, processing, preparing, packaging, storing, distributing, marketing,  
2 or transporting agricultural products which have been primarily produced in  
3 this ~~state~~ State, and working capital reasonably required to operate an  
4 agricultural facility.

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

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

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

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

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

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

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

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

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

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

16 \* \* \*

17 \* \* \* Analysis of economic impact of bills and tax expenditures \* \* \*

18 Sec. 17. 2 V.S.A. § 23 is added to read:

19 § 23. BILLS AFFECTING EXPENDITURES OR REVENUES; FISCAL

20 NOTES

1       (a) Upon request of a majority of the members of the committee to which it  
2 was referred, a bill voted out of a standing committee of the General Assembly  
3 that would affect the expenditures or revenues of the State or of one or more  
4 municipalities shall be accompanied by a fiscal note. The Joint Fiscal Office  
5 shall prepare the fiscal note. The fiscal note shall be filed with the Clerk of the  
6 House or the Secretary of the Senate, as appropriate, together with the bill to  
7 be reported. A fiscal note shall accompany, rather than be a part of, the bill  
8 and shall be presented by the reporter of the bill when the bill is taken up for  
9 deliberation by the body.

10       (b) A fiscal note prepared under this section shall contain an estimate of the  
11 positive and negative effects of the bill upon the expenditures or revenues of  
12 the State or of municipalities for the fiscal year in which the bill would become  
13 effective if enacted and for the next five succeeding years. A fiscal note shall  
14 also contain an estimate of the positive and negative impacts of the bill on jobs  
15 and employment in the State. If the effect of the bill is not expected to be  
16 totally evidenced within that period of time, the estimate shall be projected  
17 beyond that period to include an estimate for the first year in which the bill is  
18 expected to affect fully expenditures or revenues.

19       (c) Fiscal notes prepared under this section are for the sole purpose of  
20 assisting the General Assembly and the public in conducting informed  
21 deliberations on legislative proposals. An inaccuracy in a fiscal note or the

1 failure to issue a fiscal note shall not affect the validity of a legislative  
2 enactment nor be the basis of an action against the State.

3 [Alternative A:] (d)(1) Upon request of a majority of the members of the  
4 committee to which a bill that contains a tax expenditure was referred, the  
5 Joint Fiscal Office shall conduct an economic cost-benefit analysis for each  
6 such tax expenditure that estimates the monetary value behind and actual cost  
7 to the taxpayer for every exemption, exclusion, deduction, or credit applicable  
8 to the tax.

9 (2) For the purpose of this subsection, the Joint Fiscal Office shall have  
10 the assistance of the Department of Taxes and the Office of Legislative  
11 Council.

12 [Alternative B:] Sec. 17A. TAX EXPENDITURE REPORT

13 The [Joint Fiscal Committee?] shall conduct a cost/benefit analysis for each  
14 tax expenditure in the report required by 32 V.S.A. § 312 that estimates the  
15 monetary value behind and actual cost to the taxpayer for every exemption,  
16 exclusion, deduction, or credit applicable to the tax. For the purpose of this  
17 report, the Committee shall have the assistance of the Department of Taxes, the  
18 Joint Fiscal Office, and the Office of Legislative Council. The committee shall  
19 report its findings and recommendations to the House Committee on  
20 Commerce and Economic Development by January 15, 2015. The report of  
21 the Committee shall consist of a written catalogue for Vermont's tax

1 expenditures providing a cost/benefit analysis of each tax expenditure. Upon  
2 receipt of the report under this section, the House Committee on Commerce  
3 and Economic Development shall introduce a bill to adopt [language  
4 summarizing the cost/benefit outcome for each tax expenditure?] during the  
5 2015 legislative session.

6  
7 Sec. 18. 2 V.S.A. § 503 is amended to read:

8 § 503. FUNCTIONS

9 (a) The ~~joint fiscal committee~~ Joint Fiscal Committee shall direct,  
10 supervise, and coordinate the work of its staff and secretaries.

11 (b) The ~~joint fiscal committee~~ Joint Fiscal Committee shall:

12 (1) ~~Furnish~~ furnish research services and secretarial services of a fiscal  
13 nature to the ~~committees on appropriations~~ Committees on Appropriations, the  
14 ~~senate committee on finance~~ Senate Committee on Finance, the ~~house~~  
15 ~~committee on ways and means~~ House Committee on Ways and Means, the  
16 ~~committees on transportation~~ Committees on Transportation, and the ~~joint~~  
17 ~~fiscal committee~~ Joint Fiscal Committee;

18 (2) ~~Carry~~ carry on a continuing review of the fiscal operations of the  
19 ~~state~~ State, including ~~but not limited to~~ revenues, budgeting, and expenditures;

1           (3) ~~Accept~~ accept grants, gifts, loans, or any other thing of value,  
2 approved by the ~~governor~~, Governor under the provisions of 32 V.S.A. § 5,  
3 when the ~~general assembly~~ General Assembly is not in session-;

4           (4) ~~Keep~~ keep minutes of its meetings and maintain a file thereof; and

5           (5) prepare fiscal notes pursuant to section 23 of this title.

6       Sec. 19. EFFECTIVE DATE

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

8

9

10

11           (Committee vote: \_\_\_\_\_)

12

\_\_\_\_\_

13

Representative [surname]

14

FOR THE COMMITTEE

15