

1 Introduced by Committee on Commerce and Economic Development

2 Date:

3 Subject: Commerce and trade; economic development

4 Statement of purpose of bill as introduced: This bill proposes to provide

5 additional CARES Act relief to Vermont businesses that have suffered

6 economic harm due to the COVID-19 public health emergency.

7 An act relating to providing additional COVID-19 relief

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

9 Sec. 1. 2020 Acts and Resolves No. 137, Sec. 6 is amended to read:

10 Sec. 6. COVID-19; ECONOMIC SUPPORT FOR BUSINESSES

11 AND INDIVIDUALS

12 (a) Appropriations; grants. The following amounts are appropriated from

13 the Coronavirus Relief Fund to the named recipients to provide grants to

14 businesses that have suffered economic harm due to the COVID-19 public

15 health emergency and economic crisis.

16 (1) ~~\$82,000,000.00 for additional emergency economic recovery grants~~

17 ~~pursuant to 2020 Acts and Resolves No. 115 (S.350), Secs. 2-3~~

18 \$155,000,000.00 for grants to businesses that meet the eligibility criteria in

19 subsection (c) of this section as follows:

1 ~~the award is not~~ for the same purpose covered under other assistance from the
2 Fund.

3 * * *

4 (g) Emergency economic recovery grant funds; transfer. If any funds
5 appropriated to Agency of Commerce and Community Development and the
6 Department of Taxes in 2020 Acts and Resolves No. 115 (S.350) remain both
7 unencumbered and unspent as of August 1, 2020, the Agency and Department
8 shall combine and administer those funds with the amounts made available to
9 them in this section, subject to the standards and criteria established in this
10 section.

11 Sec. 2. RECREATION SAFETY GRANTS; APPROPRIATION

12 The amount of \$5,000,000.00 is appropriated from the Coronavirus Relief
13 Fund to the Agency of Commerce and Community Development for grants to
14 Vermont ski area businesses to make necessary physical improvements to their
15 facilities in order to mitigate public health and safety risks to the public due to
16 the COVID-19 public health emergency.

17 Sec. 3. BUY LOCAL CONSUMER STIMULUS; MARKETING

18 (a) The amount of \$60,000,000.00 is appropriated from the Coronavirus
19 Relief Fund to the Department of Tourism and Marketing for the Restart
20 Vermont Marketing Program to encourage visitation, relocation, and consumer

1 spending in Vermont to support businesses that have suffered economic harm
2 due to the COVID-19 public health emergency.

3 (b) Eligible uses for the funds appropriated in this section include:

4 (1) \$50,000,000.00 for a statewide consumer stimulus program with
5 direct incentives to maximize the consumer spending power of Vermonters, to
6 support restaurants, retail stores, lodging establishments, tourism and cultural
7 attractions, and other businesses suffering economic harm due to continued
8 capacity and travel restrictions imposed in response to COVID-19.

9 (2) \$10,000,000.00 for marketing activities that promote:

10 (A) travel to and within Vermont to increase consumer spending at
11 tourism, hospitality, retail, and related businesses;

12 (B) purchase of locally made products to support Vermont producers;
13 and

14 (C) Vermont as an ideal place to relocate in the wake of the COVID-
15 19 pandemic to bring new residents and businesses to the State to provide
16 additional economic activity in Vermont communities to support businesses
17 impacted by the COVID-19 public health emergency.

18 Sec. 4. 2020 Acts and Resolves No. 137, Sec. 1(a) is amended to read:

19 (a) The purpose of this act is to appropriate ~~\$213,200,000.00~~ monies from
20 the Coronavirus Relief Fund to cover necessary broadband connectivity,

1 information technology, housing, and economic relief expenses incurred due
2 to, or as a result of, the COVID-19 public health emergency.

3 **Sec. 5. ENTREPRENEURS' SEED CAPITAL FUND**

4 **RECAPITALIZATION**

5 (a) Entrepreneurs' Seed Capital Fund. The Entrepreneurs' Seed Capital
6 Fund, created by the Vermont Economic Development Authority pursuant to
7 10 V.S.A. § 291, is a \$5.1 million revolving "evergreen" capital fund in
8 operation since 2010 serving Vermont's entrepreneurs and early stage
9 technology enabled companies for job growth, income potential and wealth
10 creation. Since inception, the Fund's portfolio companies have now raised in
11 excess of \$182 million. The Fund is professionally managed by the Vermont
12 Center for Emerging Technologies (VCET).

13 (b) Appropriation. The amount of \$5,000,000 is appropriated from the
14 Coronavirus Relief Fund to the Entrepreneurs' Seed Capital Fund to provide
15 risk stage seed capital to Vermont businesses that have experienced economic

1 disruption either through reduced business or through an unmanageable
2 increase in new business due to the COVID-19 crisis.

3 (c) Investment categories. Notwithstanding any provision 10 V.S.A. § 290
4 to the contrary, the Fund shall initially invest the amounts appropriated
5 consistent with the following:

6 (1) Fast Capital Investment Program

7 (A) The Fund shall invest \$10,000,000 into rapid seed and early
8 growth stage investments to employers that have a viable plan for recovery and
9 growth.

10 (B) The minimum amount of a Fast Capital Investment Program is
11 \$50,000 and the maximum amount is \$500,000 per company.

12 (C) The Fund shall make expedited investments using simplified
13 investment terms and instruments, including stock, convertible notes,
14 forgivable loans, royalty financing or grants with equity warrants.

15 (D) In continuing to serve the Vermont innovation ecosystem and
16 notwithstanding the expedited program timeline, the Fund shall pursue co-
17 investment participation from local and regional investors, including Vermont
18 venture funds, family offices, community foundations, accredited individual
19 “angel” investors, lending institutions and other relevant sources.

20 (2) For-profit Vermont businesses are eligible under the Fast Capital
21 Investment Program except where other significant state appropriated

1 Coronavirus Relief Fund program resources have been directed. These

2 excluded sectors include:

3 (A) traditional in-person retail operations;

4 (B) lodging, hospitality and real estate operations; and

5 (C) restaurants and food service operations

6 Sec. 6. EFFECTIVE DATE

7 This act shall take effect on passage.