

Vermont Seed Fund Revised Language

Sec. 5. ENTREPRENEURS' SEED CAPITAL FUND; GRANTS

(a) Entrepreneurs' Seed Capital Fund. The Entrepreneurs' Seed Capital Fund, created by the Vermont Economic Development Authority pursuant to 10 V.S.A. § 291, is a capital fund in operation since 2010 serving Vermont's entrepreneurs and early stage technology enabled companies that is professionally managed by the Vermont Center for Emerging Technologies (VCET).

(b) Appropriation. The amount of \$5,000,000 is appropriated from the Coronavirus Relief Fund to the Entrepreneurs' Seed Capital Fund to provide grants to Vermont businesses that have suffered economic harm due to the COVID-19 public health emergency.

(c) Fast Capital Investment Program; categories. Notwithstanding any provision 10 V.S.A. § 290 to the contrary, the Fund shall award grants to business as follows:

(1) The Fund shall award grants to seed and early growth stage employers that have a viable plan for recovery and growth.

(2) The minimum amount of a grant is \$50,000 and the maximum amount is \$500,000 per company.

(3) The Fund may use funds for administrative expenses, provided that the expenses represent an increase over previously budgeted amounts and are limited to what is necessary and may earn reasonable fees for its costs of administration and providing business and technical support to grant recipients, including through the use of warrants or similar mechanisms.

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

(d) Eligibility. For-profit Vermont businesses are eligible under the Fast Capital Investment Program except where other significant State appropriated Coronavirus Relief Fund program resources have been directed. These excluded sectors include:

(A) traditional in-person retail operations;

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

(C) restaurants and food service operations.

