

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 increase the
5 maximum size and expand eligibility for certain loans offered by the Vermont
6 Economic Development Authority.

7 An act relating to the Vermont Economic Development Authority

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

9 Sec. 1. 10 V.S.A. chapter 12 is amended to read:

10 CHAPTER 12. VERMONT ECONOMIC DEVELOPMENT AUTHORITY

11 Subchapter 1. General Provisions

12 * * *

13 § 212. DEFINITIONS

14 As used in this chapter:

15 * * *

16 (6) “Eligible facility” or “eligible project” means any industrial,
17 commercial, or agricultural enterprise or endeavor approved by the Authority
18 that meets the criteria established in the Vermont Sustainable Jobs Strategy
19 adopted by the Governor under section 280b of this title, including land and

1 rights in land, air, or water; buildings; structures; machinery; and equipment
2 of such eligible facilities or eligible projects, except that an eligible facility or
3 project shall not include the portion of an enterprise or endeavor relating to the
4 sale of goods at retail where such goods are manufactured primarily out of
5 ~~state~~ State, and except further that an eligible facility or project shall not
6 include the portion of an enterprise or endeavor relating to housing unless
7 otherwise authorized in this chapter. Such enterprises or endeavors may
8 include:

9 (A) Quarrying; mining; manufacturing; processing; including the
10 further processing of agricultural products; assembling; or warehousing of
11 goods or materials for sale or distribution or the maintenance of safety
12 standards in connection therewith, and including Vermont-based
13 manufacturers that are adversely impacted by the State’s regulation or ban of
14 products as they transition from the manufacture of the regulated or banned
15 products to the design and manufacture of environmentally sound substitutes.

16 (B) The conduct of research and development activities, including
17 research and development of computer software and telecommunications
18 equipment.

19 (C) Use as the national or regional headquarters for a multistate
20 business enterprise or ~~for purposes of subchapter 4 of this chapter only~~, use as
21 the national headquarters of a nonprofit organization whose purpose is the

1 promotion of business, industry, or agriculture, including the registry of animal
2 breeds.

3 (D) Collecting or processing any kind of waste material for reuse or
4 disposal.

5 (E) Reducing, mitigating, or eliminating pollution of land, air, or
6 water by substances, heat, or sound.

7 (F) For the purposes of subchapter 4 of this chapter only, in addition
8 to the foregoing, the conduct of any trade or business that is eligible for tax-
9 exempt financing under the U.S. Internal Revenue Code.

10 (G) For purposes of subchapter 4 of this chapter only, transporting of
11 goods, materials, or agricultural products for sale or distribution or the
12 maintenance of safety standards in connection therewith, including railroad
13 terminals, trucking terminals, and airport facilities.

14 (H) Use as a small business incubator facility.

15 (I) Processing or converting post-consumer materials into industrial
16 feed stocks, or manufacturing products from these feed stocks, or both,
17 excluding the converting of recyclable materials into a fuel or fuel product. As
18 used in this subdivision, “post-consumer materials” means only those products
19 generated by a business or a consumer that have served their intended end
20 uses, and that have been separated or diverted from solid waste.

1 (J) Travel and tourism projects and enterprises, and related
2 recreational activities, provided that the project or enterprise will maintain a
3 reasonable level of full-time employment throughout the year consistent with
4 the size and nature of the business and general business custom in the industry.

5 (K) The business of information technology, or the collection,
6 processing, or management of data, documents, or records.

7 (L) A captive or commercial insurance underwriter; a mortgage;
8 commercial, or consumer credit provider; or an entity engaged in underwriting
9 or brokering services.

10 (M) A renewable energy plant, as defined in 30 V.S.A. § 8002, if the
11 construction of the plant requires a certificate of public good under 30 V.S.A.
12 § 248 and all or part of the electricity generated by the plant will be under
13 contract to a Vermont electric distribution utility.

14 (N) Industrial park planning, development, or improvement.

15 (O) For purposes of subchapter 5 of this chapter, a
16 telecommunications plant, as defined in 24 V.S.A. § 1911(2), owned by a
17 municipality individually or in concert with one or more other municipalities
18 as a communications union district established under 30 V.S.A. chapter 82.

19 (P) Any combination of the ~~foregoing~~ activities, uses, or purposes
20 specified in this subdivision (6). An eligible facility may include structures,
21 appurtenances incidental to ~~the foregoing~~ an eligible project, such as utility

1 lines, storage accommodations, offices, dependent care facilities, or
2 transportation facilities.

3 (Q) Service-related businesses, including information technology,
4 education, events and entertainment, health and safety, and medicine.

5 (R) Mixed-use properties, provided that not less than 50 percent of
6 the total square footage is dedicated for commercial use.

7 (S) Independent-living and assisted-living facilities.

8 * * *

9 (18) “Project” or “eligible facility” means the creation, establishment,
10 acquisition, construction, expansion, improvement, reclamation, or renovation
11 of an eligible facility.

12 (19) “Project costs” means any costs or expenses reasonably incidental
13 to a project and may without limitation include the costs of:

14 (A) issuing bonds under subchapter 4 of this chapter to finance a
15 project;

16 (B) acquiring land, buildings, structures, and facilities, whether by
17 lease, purchase, construction, or otherwise;

18 (C) acquiring rights in or over land, air, or water;

19 (D) improving land and improving buildings, structures, and facilities
20 by remodeling, reconstruction, replacement, or enlargement;

21 (E) acquiring and installing machinery and equipment;

1 (F) obtaining professional or advisory services;

2 (G) interest prior to and during construction and until one year after
3 the completion of a project;

4 (H) creating reserves in connection with the issue of bonds under
5 subchapter 4 of this chapter; and

6 (I) acquiring or committing to acquire any federally guaranteed
7 security and pledging the proceeds thereof to secure the payment of bonds.

8 * * *

9 (28) “Loan,” for the purposes of subchapters 5, 7, and 10 of this chapter,
10 means a loan, or a financing lease, provided that such lease transfers the
11 ownership of the leased property to the lessee following the payment of all
12 required lease payments as specified in the lease agreement.

13 * * *

14 Subchapter 5. Direct Mortgage Loans

15 § 261. ADDITIONAL POWERS

16 In addition to powers enumerated elsewhere in this chapter, the Authority
17 may:

18 (1) Make loans secured by mortgages, which may be subordinate to one
19 or more prior mortgages, upon application by the proposed mortgagor, who
20 may be a private corporation, nonprofit organization, partnership, person, or
21 municipality financing an eligible project described in subdivision 212(6) of

1 this title, upon such terms as the Authority may prescribe, for the purpose of
2 financing the establishment or expansion of eligible facilities. Such loans shall
3 be made from the Vermont Jobs Fund established under subchapter 3 of this
4 chapter. The Authority may provide for the repayment and redeposit of such
5 loans ~~in the manner provided hereinafter~~ as provided in this subchapter.

6 * * *

7 Sec. 2. EFFECTIVE DATE

8 This act shall take effect on July 1, 2022.