

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) Businesses providing intangible products and services, excluding
4 the following:

5 (i) Businesses engaged in pyramid sale distribution plans, where a
6 participant's primary incentive is based on the sales made by an ever-
7 increasing number of participants.

8 (ii) Businesses deriving more than one-third of gross annual
9 revenue from legal gambling activities.

10 (iii) Private clubs and businesses that limit the number of
11 memberships for reasons other than capacity.

12 (iv) Businesses principally engaged in teaching, instructing,
13 counseling, or indoctrinating religion or religious beliefs, whether in a
14 religious or secular setting.

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

17 (S) Licensed assisted living developments, with or without associated
18 independent living, provided that the Authority shall consult with and defer to
19 the Vermont Housing Finance Agency on applications that are eligible for
20 financing from both the Authority and the Agency.

21 * * *

1 Before making any loan, the Authority shall receive from an applicant a
2 loan application in such form as the Authority may by regulation prescribe, and
3 the Authority, or the Authority’s loan officer pursuant to the provisions of
4 subdivision 216(15) of this title, shall determine and incorporate findings in its
5 minutes that:

6 (1) The project is within the scope of this chapter and will increase or
7 maintain employment and expand the economy of the State.

8 (2) The project plans comply with all applicable environmental, zoning,
9 planning, and sanitary laws and regulations of the municipality where it is to
10 be located and of the State of Vermont.

11 (3) The making of the loan will be of public use and benefit.

12 (4) The proposed loan will be adequately secured by a mortgage on real
13 property or equipment, or both.

14 (5) The principal obligation of the Authority’s mortgage does not exceed
15 ~~\$1,500,000.00~~ \$5,000,000.00, which may be secured by land and buildings or
16 by machinery and equipment, or both; unless:

17 (A) an integral element of the project consists of the generation of
18 heat or electricity employing biomass, geothermal, methane, solar, or wind
19 energy resources to be primarily consumed at the project, in which case the
20 principal obligation of the Authority’s mortgage does not exceed
21 ~~\$2,000,000.00~~ \$6,000,000.00, which may be secured by land and by buildings,

1 or machinery and equipment, or both; such principal obligation does not
2 exceed 40 percent of the cost of the project; and the mortgagor is able to obtain
3 financing for the balance of the cost of the project from other sources as
4 provided in the following section; or

5 (B) a single loan for which the principal amount of the Authority's
6 mortgage does not exceed \$3,000,000.00 for an eligible facility consisting of a
7 municipal telecommunications plant, as defined in 24 V.S.A. § 1911(2).

8 (6) The mortgagor is responsible and able to manage its responsibilities
9 as mortgagor and owner of the project.

10 (7) The mortgage has a satisfactory maturity date, in no case later than
11 20 years from the date of the mortgage.

12 (8) The mortgagor is unable to finance the project upon reasonable terms
13 without the assistance of the requested loan from the Authority, or in the
14 alternative, the granting of the loan will serve as a substantial inducement for
15 the establishment or expansion of an eligible project within the State.

16 (9) The mortgagor has made adequate provision for insurance protection
17 of the project while the loan is outstanding.

18 (10) The loan will be without unreasonable risk of loss to the Authority.
19 Such findings when adopted by the Authority shall be conclusive.

20 * * *

21 Sec. 2. EFFECTIVE DATE

1 This act shall take effect on passage.