



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

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H.398 – An act relating to the Vermont Economic Development Authority

As recommended by the House Committee on Commerce and Economic Development, Draft 1.2¹

Bill Summary

This bill, as recommended, makes numerous changes and technical updates to laws pertaining to the Vermont Economic Development Authority (VEDA). The bill also establishes the Vermont Disaster Recovery Loan Fund to enable VEDA to provide loans and other forms of financial assistance to businesses and agricultural enterprises after disasters.

This bill appropriates \$2,000,000 in fiscal year 2025 to establish and fund the Vermont Disaster Recovery Loan Fund.

Fiscal Impact

The Vermont Disaster Recovery Loan Fund would provide financial assistance through a revolving loan program, at a limited interest rate necessary to cover the costs of administering the Fund. Any excess revenue would be deposited in the Fund.

Section 3 would amend Act 113 of 2024, the fiscal year 2025 appropriations act, to appropriate \$2,000,000 from the General Fund to the Department of Economic Development (DEC) for a grant to VEDA to initially capitalize the Fund.

Background and Details

The following provisions of the bill have a fiscal impact:

Vermont Disaster Recovery Loan Fund

Section 1 would establish within VEDA the Vermont Disaster Recovery Loan Fund. This Fund would enable VEDA to provide loans through a revolving loan program and other forms of financial assistance to businesses and agricultural enterprises after disasters. Any excess revenue would be deposited in the Fund.

¹ The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.

VEDA would be required to consult with the Secretary of Commerce and Community Development and the Secretary of Agriculture in determining whether funds should be made available following a disaster event impacting areas of the state if no disaster declaration is issued by the Governor or President.

VEDA would be required to establish policies, procedures, and financing programs necessary to ensure timely delivery of financial assistance after a disaster for the Fund. VEDA would be required to limit the interest rates charged for loans provided from the Fund to the level necessary to cover the costs of administering the Fund.

Appropriation

Section 3 amends Act 113, Sec. B.1100(h) to appropriate \$2,000,000 General Fund in fiscal year 2025 to DEC for a grant to VEDA to initially capitalize the Fund.

It is possible that future program costs could necessitate further appropriations beyond this initial \$2,000,000 appropriation.

ⁱ The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.