

BILL AS INTRODUCED
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Introduced by Committee on Commerce

Date:

Subject: Development; Vermont economic development authority; Vermont jobs fund

Statement of purpose: This bill proposes to revitalize and recapitalize the Vermont economic development authority by linking financing assistance to sustainable economic development criteria, by authorizing the authority to develop innovative and effective economic development financing programs, by eliminating unnecessary fiscal barriers in the authority's program funds, by authorizing funds to recapitalize the authority's programs, and by directing a study of how to improve Vermont's economic development performance.

AN ACT RELATING TO THE VERMONT JOBS FUND

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

~~Sec. 1. FINDINGS AND PURPOSE~~

~~(a) The General Assembly finds that:~~

~~(1) Vermont's economy is a private market economy, but government has an essential role to play in providing public financing to encourage firms to start up, expand or locate in Vermont, to assist critical economic sectors and businesses, and to help viable~~

** * * Vermont Economic Development Authority * * **

Sec. 1. FINDINGS AND PURPOSE

(a) The General Assembly finds that:

(1) Vermont's economy is a private market economy, but government has an essential role to play in providing public financing to encourage firms to start up, expand or locate in Vermont, to assist critical economic sectors and businesses, and to help viable businesses facing temporary economic difficulties.

(2) Vermont's public financing programs have served the state well, but are based on outdated models of economic development: Vermont needs state-of-the-art public financing in order to be competitive, nationally and globally, in its economic development activities.

(b) Accordingly, it is the purpose of Sec. 1 through Sec. 20 of this act to:

(1) Direct VEDA's public financing towards businesses that will produce sustainable jobs in today's and tomorrow's economic environment, by replacing the narrow statutory list of eligible businesses with a requirement that an economic development project seeking public financing meet economic development criteria designed to maintain and increase sustainable jobs.

(2) Expand program capacity by authorizing VEDA to create and implement new public financing strategies designed to achieve Vermont's economic development goals, in addition to the existing mortgage insurance, direct loan, revenue bond, agricultural financing, and other existing VEDA programs.

(3) Maximize fiscal capacity by allowing VEDA to transfer financing capacity between its programs, other than the Job Start and agricultural finance programs.

(4) Recapitalize VEDA's programs over the short term, and develop a long-term

recapitalization strategy for VEDA.

(5) Direct the economic progress council to make recommendations on how to improve Vermont's economic development performance, including recommendations on how to achieve greater efficiencies in Vermont's financing programs.

(c) It is the further purpose of Sec. 1 through Sec. 20 of this act to:

(1) Permit VEDA to enter into lease transactions as part of its financial assistance programs.

(2) Permit VEDA to delegate certain lending decisions to VEDA's loan officers.

(3) Increase VEDA's financial capacity under the mortgage insurance program.

(4) Authorize VEDA to implement an export finance program.

Sec. 2. 10 V.S.A. § 212(6) is amended to read:

(6) "Eligible facility" or "eligible project" means ~~land and rights in land, air, or water, buildings, structures, machinery and equipment which is suitable for:~~ any industrial, commercial, or agricultural enterprise or endeavor approved by the authority that meets the criteria established in the Vermont sustainable jobs strategy adopted by the governor under section 280b of this title, including land and rights in land, air, or water, buildings, structures, machinery and equipment of such eligible facilities or eligible projects, except that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to the sale of goods at retail where such goods are manufactured primarily out of state, and except further that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to housing. Such enterprises or endeavors may include:

(A) quarrying, mining, manufacturing, processing, including the further processing of agricultural products, assembling, or warehousing of goods or materials for sale or distribution or the maintenance of safety standards in connection therewith;

(B) the conduct of research and development activities, including research and development of computer software and telecommunications equipment;

(C) use as the national or regional headquarters for a multistate business

enterprise or for purposes of subchapter 4 of this chapter only, use as the national headquarters of a nonprofit organization whose purpose is the promotion of business, industry or agriculture including the registry of animal breeds;

(D) collecting or processing any kind of waste material for reuse or disposal;

(E) reducing, mitigating or eliminating pollution of land, air or water by substances, heat or sound; or

(F) for the purposes of subchapter 4 only, in addition to the foregoing, the conduct of any trade or business which is eligible for tax-exempt financing under the United States Internal Revenue Code;

(G) for purposes of subchapter 4 only, transporting of goods, materials or agricultural products for sale or distribution or the maintenance of safety standards in connection therewith, including but not limited to railroad terminals, trucking terminals, and airport facilities;

(H) use as a small business incubator facility;

(I) processing or converting post consumer materials into industrial feed stocks, or manufacturing products from these feed stocks, or both, excluding the converting of recyclable materials into a fuel or fuel product. For purposes of this subdivision, "post-consumer materials" means only those products generated by a business or a consumer that have served their intended end uses, and that have been separated or diverted from solid waste; or

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

(K) the business of information technology, or the collection, processing, or management of data, documents, or records;

(L) a captive or commercial insurance underwriter, a mortgage,

commercial, or consumer credit provider, or an entity engaged in underwriting or brokering services; or

(M) any combination of the foregoing activities, uses or purposes. An eligible facility may include structures, appurtenances incidental to the foregoing such as utility lines, storage accommodations, offices, dependent care facilities or transportation facilities.

Sec. 3. 10 V.S.A. § 212(28) is added to read:

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

Sec. 4. 10 V.S.A. § 216(5) is amended to read:

(5) To maintain its principal office ~~at Montpelier~~ in Washington county and other offices at such place or places as it may designate;

Sec. 5. 10 V.S.A. § 216(15) is added to read:

(15) To delegate to loan officers the power to review, approve and make loans under this chapter, subject to the approval of the manager, and to disburse funds on such loans, subject to the approval of the manager, provided that such loans do not exceed \$150,000.00 in aggregate amount for any industrial loan for any three-year period for any particular individual, partnership, corporation or other entity or related entity, or do not exceed \$120,000.00 in aggregate amount for any agricultural loan for any three-year period for any particular individual, partnership, corporation or other entity or related entity. No funds may be disbursed for any loan approved under this provision until three working days after the members of the authority are notified by facsimile or overnight delivery, mailed or sent on the day of approval, of the intention to approve such loan. If any member objects within that three-day period, the approval will be held for reconsideration by the members of the authority at its next duly scheduled meeting.

Sec. 6. 10 V.S.A. § 221(a) is amended to read:

(a) Upon application of the proposed mortgagee, the authority may insure mortgage payments required to repay loans made by the mortgagee for the purpose of financing the costs of a project, upon such terms and conditions as the authority may prescribe, provided, however, that the total principal obligations of all mortgages insured under this subsection and under subsection (c) of this section outstanding at any one time shall not exceed ~~\$10,000,000.00~~ \$15,000,000.00. Before insuring any mortgage payments hereunder, the authority shall determine and incorporate each of the findings established by this subsection in its minutes. Such findings when adopted by the authority shall be conclusive: ;

* * *

Sec. 7. 10 V.S.A. § 232 is amended to read:

§ 232. ISSUANCE OF LOANS FOR SPECULATIVE BUILDINGS AND SMALL BUSINESS INCUBATOR FACILITIES

Before issuing any loan under this subchapter for construction of a speculative building or small business incubator facilities and the purchase of land in connection therewith, the authority, or the authority's loan officer pursuant to the provisions of section 216(15) of this title, shall determine and incorporate the following findings in its minutes. Such findings when adopted by the authority shall be conclusive:

* * *

Sec. 8. 10 V.S.A. § 234 is amended to read:

§ 234. ~~ECONOMIC DEVELOPMENT~~ THE VERMONT JOBS FUND

(a) There is hereby created the ~~economic development~~ Vermont jobs fund, hereinafter called the fund, which shall be used by the authority as a nonlapsing fund for the purposes of subchapters ~~3 and 5~~ 3, 5, 9 and 10 of this chapter. To it shall be charged all operating expenses of the authority not otherwise provided for and all payments of interest and principal required to be made by the authority under this subchapter. To it shall be credited any appropriations made by the general assembly for the purposes of subchapters ~~3 and 5~~ 3, 5, 9, and 10 of this chapter and all payments

required to be made to the authority under subchapters ~~3 and 5~~ 3, 5, 9 and 10 of this chapter, it being the intent of this section that the fund shall operate as a revolving fund whereby all appropriations and payments made thereto, unless required to repay notes under the following section, may be applied and reapplied for the purposes of subchapters ~~3 and 5~~ 3, 5, 9, and 10 of this chapter. Monies in the fund may be loaned at interest rates to be set by the authority for the following:

(1) Loans to local development corporations under this subchapter, provided that if the funds for any such loan are derived from the issue of notes to the state treasurer under section 235 of this chapter, the loan shall bear interest at a rate not less than the rate on the notes.

(2) Direct mortgage loans as described in subchapter 5 of this chapter.

(3) ~~Loans for the family farm assistance program under subchapter 6 of this chapter.~~ Loans for the financing of export activities under subchapter 9 of this chapter.

(4) Other loans as the authority may prescribe under subchapter 10 of this chapter.

(b) In order to provide monies in the industrial development fund for loans ~~to local development corporations under this subchapter~~ chapter, the authority may issue notes for purchase by the state treasurer as provided in section 235 of this chapter.

Sec. 9. 10 V.S.A. § 235 is amended to read:

§ 235. ISSUANCE OF NOTES AND PURCHASE BY THE STATE TREASURER

(a) ~~(+)~~ The authority may issue its notes to the state treasurer in an amount outstanding at any one time not exceeding ~~\$12,500,000.00~~ \$19,000,000.00 to enable the authority to make loans ~~to local development corporations under this subchapter~~ under subchapters 3, 5, 9 and 10 of this chapter. The authority's notes shall bear interest at a rate equivalent to the lowest rate the state is obligated to pay on any bond issued during the current or preceding four fiscal years. The state treasurer shall purchase notes of the authority issued hereunder and may borrow money by the issue of bonds or notes and pledge the full faith and credit of the state, or use any available funds over which the state has exclusive control for this purpose. Bonds and notes authorized in the preceding sentence shall be issued pursuant to the provisions of chapter 13 of Title 32 and shall not exceed an

aggregate of \$5,000,000.00 at any one time outstanding.

~~——— (2) The authority may issue its notes to the state treasurer, in an amount outstanding at any one time not exceeding \$6,500,000.00, to enable the authority to make loans under subchapter 5 of this chapter. The state treasurer shall purchase such notes with the proceeds of any bonds issued for these purposes. The authority's notes shall bear interest at a rate set annually by the state treasurer which is equivalent to the lowest rate the state is obligated to pay on any bond issued during the current or preceding four fiscal years.~~

(b) Notes issued to the state treasurer hereunder shall mature not later than 20 years from the date issued. Such notes shall contain terms for repayment as the treasurer determines are required by the applicable bonds.

~~(c) Notes given by the authority to the state treasurer under subdivision (a)(1) of this section shall be secured by assignment of a first mortgage given by the local development corporation to the authority. Notes issued to the state treasurer under subdivision (a)(2) of this section shall be secured as the authority and the state treasurer shall agree; provided that, without limiting the generality of the foregoing, such notes may be secured by a pledge or assignment of the moneys held in the funds established under section 234 of this title, any loans made or loan agreements entered into pursuant to subchapter 5 of this chapter, or any rights to the proceeds thereof. Notes given to the state treasurer under subsection (a) of this section shall be secured as the authority and the state treasurer shall agree.~~

(d) The authority is authorized to defer repayment of notes issued to the state treasurer under this section up to a maximum aggregate amount of \$825,000.00 by the issuance of notes in lieu of said repayments at the interest rate prescribed in subsection (a) above and for terms prescribed in subsection (b) above. Notwithstanding the provisions of subsection (c) above, the notes issued under this subsection shall be secured as the authority and the state treasurer shall agree. The authority is authorized to use the funds made available to it by this subsection to make loans pursuant to subchapter 5 of this title.

Sec. 10. 10 V.S.A. § 261(4) and (5) are added to read:

(4) purchase and own personal property for the purpose of leasing such personal property under financing leases, which leases transfer the ownership of leased personal property to each lessee following the payment of all required lease payments as specified in each lease agreement.

(5) execute lease agreements pursuant to subdivision (4) of this section.

Sec. 11. 10 V.S.A. § 262 is amended to read:

§ 262. FINDINGS

Before making any loan, the authority shall receive from an applicant a loan application in such form as the authority may by regulation prescribe, and the authority, or the authority's loan officer pursuant to the provisions of section 216(15) of this title, shall determine and incorporate findings in its minutes that:

* * *

Sec. 12. 10 V.S.A. § 278(d) is added to read:

(d) For purposes of this section, "loan" means a loan, or a financing lease, provided that such lease transfers the ownership of the leased property to the lessee following the payment of all required lease payments as specified in the lease agreement.

Sec. 13. 10 V.S.A. chapter 12, subchapter 9 is added to read:

Subchapter 9. Vermont Export Finance Program

§ 279c. VERMONT EXPORT FINANCE PROGRAM

(a) The authority may, directly or indirectly, extend export finance to Vermont businesses, or to non-Vermont businesses where a substantial beneficiary of the export finance would be a Vermont business. The authority may only directly extend export finance where the transaction will be guaranteed or insured against non-payment by the Export-Import Bank of the United States, the United States Small Business Administration, or a comparable source of risk mitigation. Such export finance may include extending working capital loans to finance the pre-export costs of manufacturing, preparing, or accumulating products destined for export by overseas importers, the post-export costs of holding export receivables, as well as purchasing export receivables which are payable by overseas importers.

(b) The authority may use any cash on hand in the Vermont jobs fund established under subchapter 3 of this chapter, any appropriations made by the general assembly for this purpose, loans from banks, export finance specialty lenders, the treasurer or other sources in order to provide funds for lending under this subchapter. The authority may pledge its assets as security for such loans.

(c) The authority may sell any loans or participations in loans made under this subchapter to financial institutions.

(d) The authority may extend export finance on such terms and conditions as it deems appropriate. Export finance directly extended by the authority shall conform to the terms and conditions of the applicable risk mitigation offered by the Export-Import Bank of the United States, the United States Small Business Administration, or a comparable source of risk mitigation.

(e) Any excess of revenues over expenses derived from this program shall be deposited in the development fund.

Sec. 14 10 V.S.A. chapter 12, subchapter 10 is added to read:

Subchapter 10. Vermont Jobs Fund

§ 280. PUBLIC FINANCING POLICY

(a) It is policy of the state to engage in publicly supported financing activities that carry out the economic development policies of the state, including the following policies:

(1) Vermont should encourage enterprises that maximize job opportunities for Vermonters, produce a diversity of goods and services, and support sustainable development in the Vermont economy.

(2) Vermont should encourage entrepreneurial investments by the private sector in businesses that promote a sustainable economy, and that are compatible with Vermont's economic, social, and environmental values.

(3) Vermont should help its citizens start, maintain and expand enterprises that:

(A) make use of the traditional skills of Vermont's people while developing new

capabilities necessary to compete in a changing economic environment; and

(B) produce value-added products or services, thereby maximizing reinvestment within Vermont.

(b) As used in this chapter, the term "sustainable development" means meeting the needs of the present without compromising the ability of future generations to meet their own needs.

§ 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

(a) The authority may develop, modify, and implement any existing or new financing program, provided that any specific project that benefits from such program shall meet the criteria contained in the Vermont sustainable jobs strategy adopted under section 280b of this title, and provided further that the program shall meet the criteria contained in the Vermont sustainable jobs strategy adopted under section 280b of this title. Such programs may include:

(1) the mortgage insurance program, administered under subchapter 2 of chapter 12 of this title;

(2) the loans to local development corporations program, administered under subchapter 3 of chapter 12 of this title;

(3) the industrial revenue bond program, administered under subchapter 4 of chapter 12 of this title;

(4) the direct loan program, administered under subchapter 5 of chapter 12 of this title;

(5) the Vermont financial access program, administered under subchapter 8 of chapter 12 of this title;

(6) the SBA 504 Certified Development Company and Rural Economic Activity Loan programs of the authority's Vermont 503 Corporation, administered by the authority under section 216(13) of this title;

(7) the Small Business Development Corporation program, administered by the authority under section 216(14) of this title;

(8) one or more programs targeting economically distressed regions of the state;

(9) an export finance program, administered by the authority under subchapter 9 of

chapter 12 of this title:

(10) any other program implemented after the adoption of the sustainable jobs strategy pursuant to section 280b of this title designed to meet Vermont's need for sustainable economic development.

(b) This section shall not apply to the job start program authorized by subchapter 7 of chapter 12 of this title, and the agricultural finance programs authorized by chapter 16 of this title.

§ 280b. THE VERMONT SUSTAINABLE JOBS STRATEGY

(a) The governor, with the advice of the secretary of development and community affairs and the authority, shall adopt a Vermont sustainable jobs strategy for the state, in accordance with the provisions of this section.

(b)(1) The Vermont sustainable jobs strategy shall contain the criteria upon which the authority shall develop, modify, and implement its public financing programs, and the criteria for determining whether investments should be made in an eligible project. Such criteria shall include a requirement that before making any investment or other financial commitment, the authority shall determine that the proposed project is of public use and benefit, and is without unreasonable risk of loss to the authority.

(2) In adopting the Vermont sustainable jobs strategy, the governor shall consider:

(A) the policies established in section 280 of this title; and

(B) the economic policy and economic development plan of the state, as developed by the economic progress council under subchapter 3 of chapter 29 of this title.

(c)(1) Before adopting the Vermont sustainable jobs strategy, the governor shall direct the authority and the secretary of development and community affairs to solicit information and recommendations from the people and businesses of the state.

(2) After soliciting information and recommendations, the authority and the secretary shall jointly develop a proposed Vermont sustainable jobs strategy. In developing a proposed strategy, the authority and the secretary shall consider how best to integrate Vermont's

economic, social, and environmental values into a Vermont sustainable jobs strategy. The authority and the secretary shall jointly present their proposed strategy to the house committee on commerce and the senate committee on general affairs and housing meeting in joint hearing.

(3) After legislative presentation, the authority and the secretary may amend the proposed strategy, and shall present the proposed strategy as amended to the governor. The governor may adopt the proposed strategy, or may return the proposed strategy to the authority and the secretary for further development and legislative presentation. After adoption of the Vermont sustainable jobs strategy, any amendments to the strategy may be adopted by the governor in accordance with the process established by this section.

Sec. 15. 10 V.S.A. chapter 15A is added to read:

CHAPTER 15A. THE SUSTAINABLE JOBS FUND PROGRAM

§ 326. FINDINGS, POLICIES AND GOALS

(a) The general assembly finds that Vermont's economic prosperity depends on the establishment and achievement of the following policies and goals:

(1) The dual goals of creating quality jobs and conserving and protecting Vermont's social and natural environments are of primary importance to economic vitality and the quality of life of Vermont.

(2) The idea of combining the dual goals of economic vitality and environmental quality is known as sustainable economic development.

(3) Sustainable economic development is a growing national and international public policy trend for the investment of private and governmental funds.

(4) Vermont's unique environmental image as a function of state policy and of the policies of our existing educational institutions provides an opportunity to position the state as a primary sustainable economic development educational center.

(5) The goal of quality job creation as part of the state's economic development policy is dependent on providing support for the start-up and expansion of small businesses and micro-business sectors of our economy.

(6) The goal of creating quality jobs or family wage jobs is in part dependent upon nurturing businesses in growing sectors of the national and international economy, including companies involved with:

(A) environmental technologies;

(B) environmental equipment and services;

(C) energy efficiency;

(D) renewable energy;

(E) pollution abatement;

(F) specialty foods;

(G) water and wastewater systems;

(H) solid waste and recycling technologies;

(I) wood products and other natural resource based or "value added" industries;

(J) sustainable agriculture; and

(K) existing businesses, including larger manufacturing firms, striving to minimize their impact and waste through environmentally sound products and processes.

(7) The goal of creating quality jobs by nurturing the businesses listed in subdivision (6) of this subsection is consistent with the goal of protecting our natural and social environments, and with the goal of positioning the state as a primary sustainable economic development educational center.

(8) Support for sustainable economic development includes the need to provide:

(A) Increased financial resources to fund existing programs for the start-up and expansion of small businesses, including revolving loan programs, peer lending programs, technical assistance programs and marketing programs.

(B) Capital access to those businesses too large or too small to obtain funds from existing programs.

(C) An organization designed to coordinate the leveraging of federal, state, local and private resources and to stimulate the development of public-private partnerships.

(D) An increased array of economic development tools, including flexible manufacturing networks, sectoral development and product development funds.

(E) Funding for eligible activities as recommended in the Vermont economic progress council 10-year plan.

(F) Professional evaluation and accountability of funded economic development activities.

(G) Coordination between the state's economic development and environmental protection policies.

(b) It is the purpose of this act to create the sustainable jobs fund program, to be administered by the nonprofit corporation formed under section 328 of this title, to further the policies and goals established in subsection (a) of this section.

§ 327. DEFINITIONS

As used in this chapter:

(1) "Sustainable jobs" is defined as jobs created from business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting and sustaining the human and natural resources that will be needed in the future.

(2) "Eligible activity" means any activity which will carry out the dual purposes of creating quality jobs, as defined by the ten year economic development plan adopted by the agency of development and community affairs, and conserving and preserving Vermont's social and natural environment, including activities which will encourage or assist, but are not limited to:

(A) the start-up or expansion of the small business and micro-business sector; and

(B) existing businesses striving to minimize their impact and waste through environmentally sound products and processes.

(3) "Eligible applicant" means any for profit or nonprofit business entity that fulfills the purposes of this chapter.

§ 328. CREATION OF THE SUSTAINABLE JOBS FUND PROGRAM

(a) There is created a sustainable jobs fund program to create quality jobs that are compatible with Vermont's natural and social environment.

(b) The Vermont economic development authority shall incorporate a nonprofit corporation pursuant to the provisions of section 216(14) of this title to administer the sustainable jobs fund program, and to fulfill the purposes of this chapter by means of loans or grants to eligible applicants for eligible activities, provided that any funds contributed to the program by the authority under subsection (c) of this section shall be used for lending purposes only.

(c) Notwithstanding the provisions of section 216(14) of this title, the authority may contribute not more than \$1,000,000.00 to the capital of the corporation formed under this section, and the board of directors of the corporation formed under this section shall consist of three members of the authority designated by the authority, the secretary of development and community affairs, and seven members who are not officials or employees of a governmental agency appointed by the governor, with the advice and consent of the senate, for terms of five years, except that the governor shall stagger initial appointments so that the terms of no more than two members expire during a calendar year.

(d) The Vermont economic development authority may hire or assign a program director to administer, manage, and direct the affairs and business of the board, subject to the policies, control, and direction of the corporation formed under this section.

§ 329. ANNUAL REPORT

Prior to January 31 of each year, the corporation formed under section 328 of this title shall submit a report concerning its activities to the governor and the legislative committees on commerce, general affairs, natural resources, ways and means, finance, institutions and appropriations. The report shall include the following information:

(1) A list and description of activities funded by the sustainable jobs fund program during the preceding year.

(2) A list of contributions received by the board, whatever their form or nature, and the source thereof, unless anonymity is a condition of a particular contribution.

(3) A full financial report of the activities of the sustainable jobs fund program, including a special accounting of all activities from July 1 through December 31 of the year preceding the legislative session during which the report is submitted.

(4) if more than 70 percent of the funds allocated by the sustainable jobs fund program during the previous year were allocated to either one of the dual goals of this chapter in such a manner that the other goal was not achieved as established in section 326 of this title, and subsections 326(a)(5) and (6) of this title in particular, the program shall set forth its reasons for the manner of allocation.

Sec. 16. 10 V.S.A. § 331(17) is added to read:

(17) "Loan" means a loan, or a financing lease, provided that such lease transfers the ownership of the leased property to each lessee following the payment of all required lease payments as specified in each lease agreement.

Sec. 17. 10 V.S.A. § 334(20) is added to read:

(20) execute lease agreements for the purpose of leasing personal property under financing leases, which leases transfer the ownership of the leased personal party to each lessee following the payment of all required lease payments as specified in each lease agreement.

Sec. 18. 10 V.S.A. § 362(b) is amended to read:

(b) The authority may issue family farm debt stabilization certificates, from July 1, 1988 through ~~June 30, 1991~~ June 30, 1996, to participating banks in consideration for payment to the fund of the principal amount of the certificates so issued. Debt stabilization certificates issued under this section shall not be included in determining limitations on issuance of general obligation bonds under 32 V.S.A. § 959. The full faith and credit of the state of Vermont is pledged to secure repayment of the certificates as scheduled. The certificates ~~shall have a~~ maturity not to exceed seven years from the date of issue; shall be repaid in quarterly installments of principal and accrued interest, and shall bear interest at the one-year constant maturity rate for treasury notes upon the date of issuance, or as the authority and the banks shall agree. The principal repayment on certificates issued after April 11, 1995 shall be 90 percent

guaranteed by an entity of the federal government. The interest rate to be paid upon the certificates shall be adjusted annually on the anniversary of the issuance of the certificates to the one-year constant maturity rate for treasury notes upon that date, or to a rate indexed as the authority and the banks shall agree. The authority shall be permitted to prepay them, in whole or in part, at any time, without penalty or premium. The maximum principal amount of all certificates issued under this section on and after April 1, 1995, including balances outstanding on such date, shall not exceed \$20,000,000.00 \$10,000,000.00.

Sec. 19. *STUDY OF VERMONT'S ECONOMIC DEVELOPMENT PERFORMANCE*

The Vermont economic progress council shall report to the house commerce committee and the senate general affairs and housing committee on or before December 15, 1995 with recommendations for improving Vermont's economic development performance. The council shall designate working groups of members of the council, and affected government agencies and private sector enterprises to conduct the studies needed and to propose recommendations. The council's report shall review information available from other states, and shall include recommendations concerning long-term capitalization of the Vermont economic development authority. The council shall designate as members of the VEDA capitalization working group, and request the participation of, the state treasurer, and business associations with an interest in the long-term viability of VEDA, including the Associated Industries of Vermont, the Vermont Chamber of Commerce, the Vermont Businesses for Social Responsibility, the regional economic development corporations, and representatives of large and small businesses. The VEDA capitalization working group shall recommend a sustainable revenue source to be allocated to support the long-term capitalization of VEDA.

Sec. 20. *VEDA RECAPITALIZATION; APPROPRIATION*

It is the intent of the general assembly to recapitalize the Vermont economic development authority over the short term (the next two and one-half years) through an interest buy down program with participating financial institutions. Beginning in fiscal year 1996, the authority shall borrow not more than \$10,000,000.00 from financial institutions for a ten-year period.

The authority may secure such loans by pledging or assigning to participating financial institutions any notes and mortgages held by the authority, and may repay such loans from monies in the Vermont jobs fund, 10 V.S.A. § 234. It is the intent of the general assembly to appropriate funds in fiscal years 1996 through 2006 to enable the authority to loan such borrowed funds to eligible projects at a below market rate. The sum of \$69,000.00 is appropriated in fiscal year 1996 from the general fund to the Vermont jobs fund, 10 V.S.A. § 234, in order to pay interest buy down program costs in fiscal year 1996.

Sec. 21. VEDA GRANT PROPOSALS

During fiscal year 1996, the Vermont economic development authority shall contract with one or more individuals or firms to seek grants from public and private sources, in order to increase the fiscal capacity of the authority's programs.

Sec. 22. EFFECTIVE DATE OF SEC. 1 THROUGH SEC. 21

Sections 1 through 22 of this act shall take effect on passage, except that Sec. 2, amending 10 V.S.A. § 212(6), and the provisions of Sec. 14 adding 10 V.S.A. § 280a shall take effect on July 1, 1996, in order to permit the development and adoption of the sustainable jobs strategy authorized by 10 V.S.A. § 280b. Notwithstanding the foregoing sentence, if the governor determines that a regional economic development program under subchapter 10 of chapter 12 of Title 10 is needed immediately for one or more economically distressed regions of the state the provisions of 10 V.S.A. §§ 212(6) and 280a shall take effect as to such programs on the date of the governor's determination.

* * * Agency Reorganization * * *

Sec. 23. 1 V.S.A. § 317(b)(21) is added to read:

(21) lists of names compiled or obtained by Vermont Life magazine for the purpose of developing and maintaining a subscription list, which list may be sold or rented in the sole discretion of Vermont Life magazine, provided that such discretion is exercised in furtherance of that magazine's continued financial viability, and is exercised pursuant to specific guidelines adopted by the editor of the magazine.

Sec. 24. 3 V.S.A. § 2402 is amended to read:

(b) The agency shall contain ~~the following divisions:~~

~~— (1) An administrative support division.~~

~~— (2) A planning division.~~ an administrative support division.

Sec. 25. 3 V.S.A. § 2472 is amended to read:

§ 2472. DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

(a) The department of housing and community affairs is created within the agency of development and community affairs. The department shall:

* * *

(4) in partnership with the division for historic preservation, direct, supervise, and administer the Vermont downtown program, and any other program designed to preserve the continued economic vitality of the state's traditional commercial districts.

Sec. 26. 3 V.S.A. § 2473a(b) is amended to read:

(b) A revolving fund for the operation of Vermont Life magazine is created, which shall consist of all revenues derived from the sale of Vermont Life magazine, advertising in Vermont Life magazine, the sale of other products under the Vermont Life label, any interest earned by Vermont Life magazine, and all sums which are from time to time appropriated for the support of Vermont Life magazine and its operations.

Sec. 27. 10 V.S.A. § 321(a)(4) is added to read:

(a) The board shall have all the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including without limitation those general powers provided to a business corporation by section 1852 of Title 11 and including, without limiting the generality of the foregoing, the power to:

* * *

(4) transfer funds to the department of housing and community affairs to carry out the purposes of this chapter.

Sec. 28. 10 V.S.A. § 699b(e)(1) is amended to read:

(e)(1) *The council shall report to the governor and the general assembly on or before December ~~1~~ 15 of each year its recommendations for implementing the state's long-term economic development planning agenda. Such recommendations shall contain goals, anticipated budgets, evaluation mechanisms, and proposals for legislation where necessary. The agency of development and community affairs shall provide administrative and clerical support to the council.*

Sec. 29. REPEAL

3 V.S.A. § 2475 (creation of a planning division within the agency of development and community affairs) is repealed.

** * * Regional Development Corporations * * **

Sec. 30. 24 V.S.A. § 2783(a)(10) and (11) are added to read:

(a) Upon receipt of an application for a grant the secretary shall within 60 days determine whether or not the applicant is eligible for a subsidy under this chapter. An applicant shall be eligible for a subsidy if the secretary finds:

** * **

(10) the applicant demonstrates a willingness to coordinate its activities with the planning functions of any regional planning commission located in the same geographic area as the applicant;

(11) the applicant has hired or contracted the services of a small business development specialist and a manufacturing extension service specialist or, in the alternative has demonstrated a commitment to use the services of small business development specialists and manufacturing extension service specialists who are located in other regions of the state.

Sec. 31. 24 V.S.A. § 2784(a)(3) is added to read:

(a) The amount of the grant may only be used by an applicant to:

** * **

(3) employ or contract for the services of a small business development specialist, or a manufacturing extension service specialist.

Sec. 32. 24 V.S.A. § 2786 is amended to read:

§ 2786. PUBLIC INTERVENTION APPLICABILITY OF STATE LAWS

~~—Any development corporation that receives public funds shall be subject to the provisions of subchapters 2 and 3 of chapter 5 of Title 1. However, when a development corporation is considering a lease, option or sale of real estate for the benefit of an industrial client, and final contractual rights concerning the lease, sale or option have not been created, the corporation may discuss the identity of the client and real estate in executive session under section 313 of Title 1, and records concerning either are exempt from subchapter 3 of chapter 5 of Title 1.~~

(a) A regional development corporation approved by the commissioner under this chapter shall be subject to subchapter 2 (open meetings), and subchapter 3 (public records) of chapter 5 of Title 1, except that in addition to any limitation provided in subchapter 2 or subchapter 3:

(1) no person shall disclose any information relating to a proposed transaction or agreement between the corporation and another person, in furtherance of the corporation's public purposes under the law, prior to final execution of such transaction or agreement; and

(2) meetings of the corporation's board to consider such proposed transactions or agreements may be held in executive session under section 313 of Title 1.

(b) Nothing in this section shall be construed to limit the exchange of information between regional development corporations and one or more regional planning commissions located in the same region concerning any activity of the corporations and the commissions, provided that such information shall be subject to the provisions of subsection (a) of this section.

(c) The provisions of chapter 11 of Title 2 (lobbyist disclosure) shall apply to regional development corporations.

* * * Employment Training Program * * *

Sec. 33. 10 V.S.A. § 531(h) is added to read:

(h) The secretary may designate the commissioner of economic development to carry out his or her powers and duties under this chapter.

Sec. 34. EMPLOYMENT TRAINING GRANTS, FORWARD COMMITMENTS

In any contract for training in fiscal year 1996 the secretary may obligate funds in excess of the appropriation for the training program, provided that:

- (1) the excess is no more than \$300,000.00;
- (2) the funds shall not be paid in the current fiscal year; and
- (3) the obligation is conditional upon future appropriations.

Sec. 34a. STUDY OF VERMONT'S WORKFORCE EDUCATION AND TRAINING
SYSTEM

The Vermont economic progress council and the Vermont human resources investment council, working together in partnership, shall ensure that the Vermont economic progress council's report under Sec. 19 of this act shall include recommendations on Vermont's work force education and training system, including consideration of whether Vermont's limited resources for these purposes are being used in an efficient and effective manner, and including consideration of whether privatization of Vermont's work force education and training system may achieve better results for workers and employers, and make better use of limited public and private resources. The Vermont economic progress council and the Vermont human resources investment council, working together in partnership, shall include as part of their report an examination of federal employment training waivers, and areas of need for employers and employees, and shall report on the results of such examination no later than July, 1995.

* * * International Trade * * *

Sec. 35. 10 V.S.A. chapter 4 is added to read:

CHAPTER 4. WORLD TRADE OFFICE

§ 25. FINDINGS AND PURPOSE

The general assembly finds that:

- (1) Good jobs for Vermonters are an essential social and economic need for the state.
- (2) Trade of Vermont goods and services increasingly depends on the ability to market

worldwide.

(3) By providing technical assistance to Vermont businesses, marketing Vermont services and products, arranging trade partnerships, and providing information regarding foreign business and trade opportunities, a private sector world trade office, receiving assistance from the public sector, will greatly enhance the ability of Vermonters to market their goods and services worldwide.

(4) The establishment of one world trade office will ensure a strong and stable Vermont economy.

§ 26. DEFINITIONS

For the purposes of this chapter:

(1) "World trade office" means a nonprofit corporation, organized in this state, whose principal purpose is to promote, organize or accomplish the enhancement of foreign trade by Vermont businesses, by means including the provision of technical services to Vermont businesses, the marketing of Vermont services and products, the arranging of trade partnerships or agreements with Vermont businesses, and the provision of information regarding foreign business and trade opportunities.

(2) "Commissioner" means the commissioner of economic development.

(3) "Secretary" means the secretary of the agency of development and community affairs.

(4) "Agency" means the agency of development and community affairs.

§ 27. APPLICATIONS FOR WORLD TRADE OFFICE GRANTS

A qualified world trade office may apply to the secretary, on a form provided by the agency,

for a grant under this chapter. The applicant may be required to submit, with the application or subsequent to the filing of an application, whatever supportive data or information the secretary considers necessary to make a decision or to assess the effectiveness of the grant.

§ 28. DETERMINATION OF ELIGIBILITY FOR GRANT

The secretary shall determine within 60 days of filing the application whether the applicant is eligible for a grant under this chapter. An applicant may be eligible for a grant if the secretary determines, in his or her sole discretion, that:

(1) the applicant will primarily serve businesses located in this state, or markets for the products and services produced in this state;

(2) the applicant demonstrates an ability and willingness to provide planning, technical assistance, information services, resource development services, and marketing services to Vermont businesses in furtherance of world trade;

(3) the applicant demonstrates an ability to gather information useful in evaluating the performance of the applicant in achieving the purposes of this chapter;

(4) the applicant has letters of support from a significant number of businesses which are active in foreign trade, or are interested and able to pursue foreign trade in the near future;

(5) the applicant demonstrates a capability and willingness to assist existing and future business and industry, encourage the development and growth of foreign trade, and attract foreign markets for Vermont goods and services;

(6) the applicant appears to be the best qualified applicant to carry out the purposes of this chapter;

(7) the grant is needed for the reasonable and necessary expenses of the world trade office, including the employment of professional staff, as demonstrated in the proposed operating budget of the office;

(8) the applicant has adequate federal and private funds available to match the requested grant;

(9) the applicant's bylaws require that at least three-quarters of the applicant's board of directors be persons actively engaged in commercial enterprises, and that the secretary shall be a member of the board;

(10) the applicant demonstrates that Vermont educational institutions are active participants in the operations of the applicant.

§ 29. WORLD TRADE OFFICE EXPENDITURES; REAPPLICATION

(a) The world trade office shall use grant funds only for such purposes described in the application and approved by the secretary under section 28 of this title. Disbursement of grant funds shall be made at such times as are specified by the secretary. On request of the secretary the commissioner of finance and management shall issue his or her warrant and the state treasurer shall pay the funds requested.

(b) The grant shall be approved under such terms and conditions as the secretary may prescribe, for a period no longer than one year. The applicant may reapply in accordance with section 28 of this title.

§ 30. CONSISTENT EFFORTS

The approved world trade office shall conduct its activities in a manner that is consistent with

the foreign trade efforts of the department of economic development.

§ 31. RULES

The secretary may adopt such rules as are necessary to carry out the purposes of this chapter.

§ 32. APPLICABILITY OF STATE LAWS

(a) The world trade office approved by the secretary under this chapter shall not be subject to the provisions of subchapter 2 (open meetings), or subchapter 3 (public records) of chapter 5 of Title 1.

(b) The provisions of chapter 11 of Title 2 (lobbyist disclosure) shall apply to the world trade office.

§ 33. DELEGATION OF AUTHORITY

The secretary may designate any officer or employee of the agency to carry out his or her powers and duties under this chapter.

Sec. 36. POSITION AUTHORIZED; INTERNATIONAL TRADE DIRECTOR

(a) The general assembly finds that, with the passage of the North American Trade Agreement as well as other trade agreement initiatives, issues concerning international trade have become central to the policy-making functions of both national and state governments. International trade positions are no longer purely marketing positions and are now positions that involve policy drafting and implementation for the administration. It is therefore essential that the International Trade Director be directly responsible to the policies of the administration

(b) One new permanent exempt position -International Trade Director -shall be authorized in the department of economic development in fiscal year 1996, which shall be transferred and

converted from the existing classified position, International Trade Coordinator, which presently exists in the department.

** * * Travel and Tourism * * **

Sec. 37. 10 V.S.A. § 652(e) is added to read:

(e) Members of the council shall receive compensation and reimbursement for expenses in accordance with section 1010 of Title 32.

Sec. 38. 10 V.S.A. chapter 27, subchapter 3 is added to read:

Subchapter 3. Regional Travel and Tourism Marketing Program

§ 669. REGIONAL TRAVEL AND TOURISM MARKETING GRANTS

The general assembly finds that:

(1) Effective marketing of travel and tourism destinations is best performed on a regional level.

(2) The tourism business is the second largest business in the state and is predicted to grow in the future.

(3) Private sector regional travel and tourism marketing associations, with the assistance of the public sector, will encourage the growth of Vermont as a travel destination.

(4) A regional travel and tourism marketing association is best suited to identify the regions' strengths as well as the sectors that need greater marketing assistance. Small business will be better served by a more direct contact with a local, regional travel and tourism marketing association.

§ 670. DEFINITIONS

For the purposes of this subchapter:

(1) "Agency" means the agency of development and community affairs.

(2) "Commissioner" means the commissioner of travel.

(3) "Regional travel and tourism marketing association" means a nonprofit corporation, cooperative, or other nonprofit organization formed under the laws of this state whose principal purpose is to promote, organize or accomplish the enhancement of travel and tourism for a particular region of this state, including marketing and promotional activities, technical assistance to regional travel and tourism business to enhance their marketing and promotional efforts, arrangement of conventions, trade shows and promotional activities in order to attract the traveling public to the region, and the provision of information to the traveling public with regard to regional attractions.

§ 671. APPLICATIONS FOR REGIONAL TRAVEL AND TOURISM MARKETING ASSOCIATION GRANTS

A qualified regional travel and tourism marketing association may apply to the secretary, on a form provided by the secretary, for a grant under this chapter. The applicant may be required to submit with the application, or at any time during the grant period, any information that the secretary determines is necessary or desirable to consider the application, assess the effectiveness of the grant, or to carry out the purposes of this chapter.

§ 672. DETERMINATION OF ELIGIBILITY FOR GRANT

The secretary shall determine within 60 days of filing the application whether the applicant is eligible for a grant under this chapter. An applicant may be eligible for a grant if the secretary

determines, in his or her sole discretion, that:

- (1) the applicant will only serve businesses located in the applicant's region;
- (2) the applicant demonstrates an ability and willingness to provide marketing, technical assistance, promotional activity and information services in furtherance of the purposes of this subchapter;
- (3) the applicant demonstrates an ability to gather information useful in evaluating the performance of the applicant in achieving the purposes of this subchapter;
- (4) the applicant has letters of support from a significant number of travel and tourism businesses located in the applicant's region;
- (5) the applicant demonstrates a capability and willingness to assist each and every travel and tourism business located within the applicant's region;
- (6) the applicant appears to be the best qualified applicant to carry out the purposes of this subchapter in the applicant's region;
- (7) the grant is needed for the reasonable and necessary expenses of the association, including the employment of professional staff, as demonstrated in the proposed operating budget of the association;
- (8) the applicant has adequate federal and private funds resources, as demonstrated in the proposed operating budget of the association, which together with the grant will enable the applicant to fulfill the purposes of this subchapter;
- (9) the applicant presents a memorandum of understanding signed by the applicant and any regional development corporation operating in the same region demonstrating that the

association and the corporation will cooperate with each other and coordinate each other's common or related activities.

§ 673. MARKETING ASSOCIATION EXPENDITURES; REAPPLICATION

(a) A regional travel and tourism marketing association shall use grant funds only for such purposes described in the application and approved by the secretary under section 672 of this title. Disbursement of grant funds shall be made at such times as are specified by the secretary. On request of the secretary the commissioner of finance and management shall issue his or her warrant and the state treasurer shall pay the funds requested.

(b) The grant shall be approved under such terms and conditions as the secretary may prescribe, for a period no longer than one year. The applicant may reapply in accordance with section 672 of this title.

(c) The secretary, in his or her sole discretion, shall allocate funds appropriated for regional travel and tourism marketing associations. The secretary shall determine the amount allocated to each regional travel and tourism marketing association after considering an association's budgetary needs, and the strength of its program as measured against the goals established in section 671 of this title.

§ 674. COOPERATIVE EFFORTS

An association approved for a grant under this subchapter shall act in a manner that is consistent with the efforts of the Vermont department of travel and tourism. A recipient association shall not deliberately and adversely affect the travel and tourism marketing efforts of another recipient association.

§ 675. RULES

The secretary may adopt such rules as are necessary to carry out the purposes of this chapter.

§ 676. APPLICABILITY OF STATE LAWS

(a) A regional travel and tourism marketing association approved by the secretary under this chapter shall not be subject to the provisions of subchapter 2 (open meetings) and subchapter 3 (public records) of chapter 5 of Title 1.

(b) The provisions of chapter 11 of Title 2 (lobbyist disclosure) shall apply to a regional travel and tourism marketing association.

§ 677. DELEGATION OF AUTHORITY

The secretary may designate any officer or employee of the agency to carry out his or her powers and duties under this chapter.

Sec. 39. GRANTS; FORWARD COMMITMENTS

In awarding any regional travel and tourism marketing association grant during fiscal year 1996, the secretary may obligate funds in excess of appropriations for travel and tourism marketing, provided that:

- (1) the excess is no more than \$225,000.00;
- (2) the funds shall not be paid in the current fiscal year; and
- (3) the obligation is conditional upon future appropriations.

Sec. 40. REPEAL

10 V.S.A. § 490 (as amended by No. Act 121 of the Acts of 1994) and 10 V.S.A. § 490 (as amended by No. 172) are repealed.

Sec. 41. 10 V.S.A. § 490a is added to read:

§ 490a. TYPES AND ARRANGEMENT OF SIGNS

(a) The travel information council shall regulate the size, shape, color, lighting, manner of display and lettering of official business directional signs. Distinctive symbols shall be established to the extent considered practicable by the council for each type of service or facility, different from those for other types; and appropriate signs shall be provided for each eligible applicant within a given category. When appropriate because of the number of signs at one location, the signs shall be replaced or substituted with an information plaza on which applicants may purchase advertising plaques.

(b) Subject to traffic safety regulations specifically adopted by the agency of transportation for the purposes of this chapter, locations of official business directional signs shall conform to the following:

(1) Official business directional signs shall be located in the same town as the applicant business unless one or more of the following conditions are present:

(A) The location of the sign must be in a town other than that of the applicant business in order to satisfy the traffic safety regulations. In such case, the sign shall be located as close to the turnoff for the business as possible;

(B) The business is located on an unnumbered highway, the turnoff from the numbered highway is in another town and this turnoff is the only access point for the business from the nearest numbered highway;

(C) The absence of highway destination signs directing travelers to the town in which

the business is located; and

(D) The absence of an official business directional sign creates a safety hazard for the traveling public.

(2) Official business directional signs shall be located in those vicinities where the traveler must change direction from one highway to another highway to reach the business or point of interest, provided the sign is not on the same highway as the business or its on-premise sign unless the sign is needed to alleviate a safety hazard or to eliminate an unsafe situation as described in this section; and provided a travel information directional sign is not located at that point and travel to that information source will cause neither undue inconvenience to the traveler nor traffic congestion. Signs may be approved on the same highway as the business, or its legal on-premise signing only when, in the opinion of the travel information council or its district committees, the traveling public is placed in an unsafe situation without one or more official business directional signs. For the purposes of this chapter, an unsafe situation shall exist when there is insufficient visibility of a business' on-premise signing which cannot be improved by the applicant business. Adequate visibility shall be determined by the travel information council in consultation with the agency of transportation.

(c) When the signs at one location are too numerous, or when highway safety requires for other reasons, as determined by the travel information council, the signs may be removed and the applicant business given the option to purchase advertising plaques on information plazas, located and designed so that drivers of motor vehicles may leave the main traffic lanes and inspect them. Information plazas may contain maps and other information, depending on space

availability, and may have telephone and other information facilities attached to them. Sign plazas shall include the international symbol to indicate that handicapped gasoline service is available. The agency of development and community affairs shall be responsible for the costs of installing new information plazas and for the installation of advertising plaques on state-owned information plazas, provided that the secretary of development and community affairs, or his or her designee, gives prior approval for such costs and installation. If it is not practical to install information plazas or individual official business directional signs at any given location, because of the number of signs or because of traffic conditions, the travel information council may in its discretion adopt some alternative method for providing information conveniently for travelers, including directions to zones or other geographic areas, and locally operated information booths and offices, or multi-facility official business directional signs, or both.

(d) If an official business directional sign cannot be sited in conformity with the traffic safety rules adopted by the agency of transportation, a person who believes that he or she is eligible under section 489 of this title for such a sign may request the secretary of transportation to grant a variance from the rules, setting forth in the request the physical circumstances or conditions that make it impossible to locate an official business directional sign in strict conformity with the traffic safety rules. The request shall show that variance, if authorized, will not be detrimental to the public welfare or safety and will represent the minimum variance that will afford relief and will represent the least deviation possible from the traffic safety rules. The secretary's denial of a variance request under this subsection may be appealed to the transportation board within 30 days of the denial. The board's determination of such an appeal shall be final.

* * * Historic Preservation * * *

Sec. 42. 22 V.S.A. § 722 is amended to read:

§ 722. STATE HISTORIC PRESERVATION OFFICER AND DIVISION DIRECTOR

~~—The secretary shall appoint a director through the classified service and the governor shall designate a state historic preservation officer with the advice and consent of the senate and he shall act in that capacity for the conduct of relations with the federal government and the states concerning matters of historic preservation. The director may employ such professional and secretarial staff as is necessary to carry out the duties of the division. The director shall employ a state archeologist who shall coordinate the preservation and protection of the archeological resources of the state.~~

(a) The secretary shall nominate, and the governor shall appoint a state historic preservation officer, with the advice and consent of the senate, who shall fulfill the obligations and requirements of a state historic preservation officer as required under federal law, and shall have demonstrated interest, knowledge, and experience in applying the principles of historic preservation to his or her professional work. The state historic preservation officer shall supervise and direct the division of historic preservation, subject to the general supervision and direction of the secretary.

(b) The secretary shall appoint a director of historic preservation through the classified service. The director shall administer the operations of the division, subject to the supervision and direction of the state historic preservation officer. The director shall serve as the deputy state historic preservation officer, and shall discharge the duties and responsibilities of the state

historic preservation officer in the state historic preservation officer's absence. The director, with the approval of the historic preservation officer, may employ such staff as are necessary to carry out the purposes of this chapter.

Sec. 43. REDESIGNATION

22 V.S.A. § 723 is redesignated to read:

§ 723. DUTIES AND POWERS OF DIVISION AND STATE HISTORIC PRESERVATION OFFICER

Sec. 44. 22 V.S.A. § 723(a) is amended to read:

(a) The ~~division~~ state historic preservation officer shall, through the administration of the division by the director, and where required by section 742 of this title, with the approval of the advisory council on historic preservation:

* * *

Sec. 45. 22 V.S.A. § 761(a) is amended to read:

(a) The state historic preservation officer shall employ a state archeologist through the classified service who shall conduct and maintain a survey of sites of archeological and anthropological specimens located within the state. The state archaeologist shall make the survey available to agencies of the state government that, in his or her opinion, may conduct activities which may affect these archaeological or anthropological sites.

Sec. 46. 22 V.S.A. § 763 is amended to read:

§ 763. DESIGNATION OF ARCHEOLOGICAL SITES

The state archeologist, with the approval of the state historic preservation officer, may

publicly designate an archeological site of significance to the scientific study or public representation of the state's historical, prehistorical or aboriginal past as a "state archeological landmark." All state agencies administering state-owned lands containing state archeological landmarks shall cooperate to insure the protection of these landmarks. State archeological landmarks located on privately-owned land shall not be designated without the written consent of the owner. Upon designation of an archeological site the private owner or affected state agency shall be given written notice of the designation by the state archeologist. Once so designated, no person may conduct field activities without first securing a permit from the ~~director~~ state historic preservation officer and complying with the provisions of section 762 of this title.

Sec. 47. 22 V.S.A. § 765 is amended to read:

§ 765. TRANSFER OF STATE PROPERTY

When transferring real property under its jurisdiction that contains significant archeological, aboriginal or other anthropological resources, the state, may, upon the recommendation of the state historic preservation officer, with the advice of the state archeologist, condition the transfer upon such covenants, deed restrictions or other contractual arrangements as will limit the future use of the property in such a way as will protect those resources.

Sec. 48. 22 V.S.A. § 766 is amended to read:

§ 766. RESERVATION OF LANDS TO BE SOLD

Upon written notice to the head of a state agency administering state lands, given by the

state historic preservation officer, with the advice of the state archeologist, the agency head shall reserve from sale any state lands, including lands forfeited to the state for nonpayment of taxes, on which sites or artifacts are located or may be found, as designated by the state archeologist under section 763 of this title, provided, however, that the reservation of the lands from sale may be confined to the actual location of the site or artifacts. When the sites or artifacts have been explored, excavated or otherwise examined to the extent desired by the state archeologist, he or she shall then file with the agency head a statement releasing the lands and permitting their sale.

Sec. 49. POSITION AUTHORIZED; STATE HISTORIC PRESERVATION OFFICER

(a) The general assembly finds that the addition of a state historic preservation officer position is necessary to fulfill the provisions of Secs. 18 through 24 of this act.

(b) One new permanent exempt position -State Historic Preservation Officer -is authorized in the division for historic preservation in fiscal year 1996, which shall be transferred and converted from existing positions in the executive branch of state government by the secretary of administration.

Sec. 50. PUBLIC/PRIVATE COOPERATION TO BUILD HISTORIC EXHIBITS

(a) The general assembly finds that:

(1) The development of exhibits at Vermont's historic sites will enhance the public's appreciation of the rich historic heritage of this state.

(2) Throughout the country, historic exhibits have been built through a combined private/public partnership which multiplies the resources available to create exhibits and fosters a sense of participation in the preservation of our historic heritage.

(3) The division for historic preservation is authorized to accept gifts for public/private partnerships for historic site purposes, but it is not otherwise exempt from legal requirement for the approval of the legislature or the joint fiscal office.

(b) In order to make the historic exhibition program more efficient, amendments to the legal requirements for approval of grants and gifts are necessary.

Sec. 51. 22 V.S.A. § 725 is added to read:

§ 725. ACCEPTANCE OF FUNDS OR GIFTS FOR HISTORIC SITES

With the approval of the secretary of administration, the state historic preservation officer or the director of the division for historic preservation may accept grants, gifts, donations, loans, or other things of value on behalf of the division for historic preservation for use by the division for historic preservation in establishing and maintaining displays and exhibits at any historic site, or restoring any historic site maintained and developed under section 723 of this chapter.

Sec. 52. 32 V.S.A. § 5(3) is added to read:

(3) This section shall not apply to the acceptance of grants, gifts, donations, loans, or other thing of value by the division for historic preservation for use in establishing and maintaining displays and exhibits at any historic site or restoring any historic site maintained and developed under section 723 of Title 22.

*** Economic Progress Act ***

Sec. 53. 32 V.S.A. § 5929(a)(4) is amended to read:

(4) "Qualified new job" means a permanent full-time job in this state created between July 1, 1993 and June 30, 1995 and occupied for at least 12 consecutive months at a base salary of at

least \$20,000.00 annually, except that in the case of an application for credit under this section filed on or before July 1, 1995 such a job shall be created between July 1, 1993 and June 30, 1996. The term shall not apply to a job for which a credit is available under section 5928 of this title, a job transferred from an existing business activity in this state, or a job replacing another job which became vacant or was terminated by the same employer after December 31, 1992. The commissioner may by rule adopt further criteria defining the term "qualified new job" as are necessary to carry out the purposes of this subchapter.

Sec. 54. 32 V.S.A. § 5929(f) is added to read:

(f) Disclosure of tax return and other information.

(1) Notwithstanding the provisions of section 3102 of this title, the commissioner shall disclose to the secretary the amounts of credits claimed under this section by a qualified employer on such employer's Vermont income tax returns, and such information shall be available to the public from the secretary.

(2) The secretary also shall make available to the public, for each qualified employer that has been certified for credits under this section, an analysis of the job impact of the credits certified under this section, including information on the number of jobs created or retained, changes in wage and benefit levels of employees, and impact on tax revenues. The analysis shall be conducted and the information disclosed at the time the credits are certified, and at annual intervals thereafter.

Sec. 55. 32 V.S.A. § 5930(a)(3) is amended to read:

(3) "Qualified capital expenditures" mean expenditures properly chargeable to capital account by a manufacturer between July 1, 1993 and June 30, 1995, totaling at least \$4 million for

plant, equipment and machinery to be located and used in Vermont for creating, producing, or processing tangible personal property for sale, except that in the case of an application for credit under this section filed on or before July 1, 1995 such expenditures shall be properly chargeable to capital account between July 1, 1993 and June 30, 1996.

Sec. 56. 32 V.S.A. § 5930(g) is added to read:

(g) Disclosure of tax return and other information.

(1) Notwithstanding the provisions of section 3102 of this title, the commissioner shall disclose to the secretary the amounts of credits claimed under this section by a qualified manufacturer on such manufacturer's Vermont income tax returns, and such information shall be available to the public from the secretary.

(2) The secretary also shall make available to the public, for each qualified manufacturer that has been certified for credits under this section, an analysis of the job impact of the credits certified under this section, including information on the number of jobs created or retained, changes in wage and benefit levels of employees, and impact on tax revenues. The analysis shall be conducted and the information disclosed at the time the credits are certified, and at annual intervals thereafter.

Sec. 57. EFFECTIVE DATE OF SEC. 54 AND SEC 56

Sec. 54 and Sec. 56 of this act shall take effect on passage and shall apply to credits claimed on tax returns filed on and after July 1, 1993.

Sec. 58. 1 V.S.A. § 317(b)(22) is added to read:

(22) any documents filed, received, or maintained by the agency of development and community affairs with regard to administration of 32 V.S.A. chapter 151, subchapters 11C and 11D

(new jobs tax credit; manufacturer's tax credit), except that all such documents shall become public records under this section subchapter when a tax credit certification has been granted by the secretary of administration, and provided that the disclosure of such documents does not otherwise violate any provision of Title 32.

* * * Home Businesses * * *

Sec. 59. HOME BUSINESS TASK FORCE

(a) The general assembly has been presented a report by the home business task force, as authorized by the Economic Progress Act of 1994. The task force recommended changes to laws and regulations with regard to labor and industry, zoning and planning and environmental regulation. These recommendations were raised by those who wish to see home businesses survive and grow in Vermont and those recommendations deserve serious consideration.

(b) The agency of natural resources, the department of labor and industry and the department of housing and community affairs, on or before November 15, 1995, shall:

(1) review the report of the home business task force;

(2) recommend such statutory changes as are necessary and desirable to carry out the recommendations of the task force; and

(3) report to the legislature and the economic progress council with any explanation of why any recommendation of the home business task force should not be implemented.

* * * Granite Industry Study * * *

Sec. 60. GRANITE INDUSTRY STUDY

(a) A Special Joint Committee on the Granite Industry is created, to be composed of six

members of the General Assembly; three from the Senate appointed by the Senate Committee on Committees and three from the House appointed by the Speaker. The Joint Committee may meet during adjournment of the General Assembly for no more than four meetings, and for attendance at meetings members shall be entitled to compensation for services and reimbursement for expenses as provided under 2 V.S.A. § 406. The Joint Committee shall have the assistance of the staff of the Legislative Council and the Joint Fiscal Office.

(b) The Joint Committee shall examine the condition of the granite industry in the state, and study factors which may impede or promote its development including the effects on the industry of governmental regulation relating to air and water quality, zoning and planning requirements, and other environmental controls and standards; shipping and transportation regulations and requirements; policies and impact of state and local taxation; state and local promotional policies and efforts, and other factors affecting the vitality of the industry. The Committee shall consider and report to the General Assembly no later than January 15, 1996 any recommendations for legislation or state policies to improve the condition of and promote job development within the granite industry consistent with state regulation for the public welfare.

W. Dean 4/20/95
GOVERNOR Date

Michael J. O'Rourke
SPEAKER OF THE HOUSE OF REPRESENTATIVES
Barbara W. Snelling
PRESIDENT OF THE SENATE

ATTESTED TO:

Donald G. Milne
Donald G. Milne
Clerk, House of Representatives

LEG:31075

1 businesses facing temporary economic difficulties.

2 (2) Vermont's public financing programs have served the state well, but are based
3 on outdated models of economic development: Vermont needs state-of-the-art public
4 financing in order to be competitive, nationally and globally, in its economic
5 development activities.

6 (b) Accordingly, it is the purpose of this act to:

7 (1) Direct VEDA's public financing towards businesses that will produce
8 sustainable jobs in today's and tomorrow's economic environment, by replacing the
9 narrow statutory list of eligible businesses with a requirement that an economic
10 development project seeking public financing meet economic development criteria
11 designed to maintain and increase sustainable jobs.

12 (2) Expand program capacity by authorizing VEDA to create and implement new
13 public financing strategies designed to achieve Vermont's economic development goals,
14 in addition to the existing mortgage insurance, direct loan, revenue bond, agricultural
15 financing, and other existing VEDA programs.

16 (3) Maximize fiscal capacity by allowing VEDA to transfer financing capacity
17 between its programs, other than the Job Start and agricultural finance programs.

18 (4) Recapitalize VEDA's programs over the short term, and develop a long-term
19 recapitalization strategy for VEDA.

20 (5) Direct the economic progress council to make recommendations on how to

1 improve Vermont's economic development performance, including recommendations on
2 how to achieve greater efficiencies in Vermont's financing programs.

3 Sec. 2. 10 V.S.A. chapter 12, subchapter 10 is added to read:

4 Subchapter 10. Vermont Jobs Fund

5 § 280. PUBLIC FINANCING POLICY

6 (a) It is policy of the state to engage in publicly supported financing activities that
7 carry out the economic development policies of the state, including the following
8 policies:

9 (1) Vermont should encourage enterprises that maximize job opportunities for
10 Vermonters, produce a diversity of goods and services, and support ^{sustainable development} ~~sustained growth~~ in
11 the Vermont economy.

12 (2) Vermont should encourage entrepreneurial investments by the private sector in
13 businesses that promote a sustainable economy, and that are compatible with Vermont's
14 economic, social, and environmental values.

15 (3) Vermont should help its citizens start, maintain and expand enterprises that:

16 (A) make use of the traditional skills of Vermont's people while developing new
17 capabilities necessary to compete in a changing economic environment; and

18 (B) produce value-added products or services, thereby maximizing reinvestment
19 within Vermont.

20 (b) As used in this chapter, the term "sustainable development" means meeting the

1 needs of the present without compromising the ability of future generations to meet their
2 own needs.

3 § 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

4 (a) The authority may develop, modify, and implement any existing or new financing
5 program, provided that any specific project that benefits from such program shall meet
6 the criteria contained in the Vermont sustainable jobs strategy adopted under section 280b
7 of this title, and provided further that the program shall meet the criteria contained in the
8 Vermont sustainable jobs strategy adopted under section 280b of this title. Such
9 programs may include:

10 (1) the mortgage insurance program, administered under subchapter 2 of chapter
11 12 of this title;

12 (2) the loans to local development corporations program, administered under
13 subchapter 3 of chapter 12 of this title;

14 (3) the industrial revenue bond program, administered under subchapter 4 of
15 chapter 12 of this title;

16 (4) the direct loan program, administered under subchapter 5 of chapter 12 of this
17 title;

18 (5) the Vermont financial access program, administered under subchapter 8 of
19 chapter 12 of this title;

20 (6) the SBA 504 Certified Development Company and Rural Economic Activity

1 Loan programs of the authority's Vermont 503 Corporation, administered by the authority
2 under section 216(13) of this title;

3 (7) the Small Business Development Corporation program, administered by the
4 authority under section 216(14) of this title;

5 (8) a sustainable jobs program, organized as a nonprofit corporation under section
6 216(14) of this title, designed to leverage federal and private funds for businesses and
7 nonprofit associations making positive economic contributions to Vermont's
8 environmental quality and social structure;

9 (9) one or more programs targeting economically distressed regions of the state;

10 (10) an export finance program, designed to extend public financing to Vermont
11 business engaged in international trade;

12 (11) any other program implemented after the adoption of the sustainable jobs
13 strategy pursuant to section 280b of this title designed to meet Vermont's need for
14 sustainable economic development.

15 (b) This section shall not apply to the job start program authorized by subchapter 7 of
16 chapter 12 of this title, and the agricultural finance programs authorized by chapter 16 of
17 this title.

18 § 280b. THE VERMONT SUSTAINABLE JOBS STRATEGY

19 (a) The governor, with the advice of the secretary of development and community
20 affairs and the authority, shall adopt a Vermont sustainable jobs strategy for the state, in

1 ~~accordance with the provisions of this section.~~

2 (b)(1) The Vermont sustainable jobs strategy shall contain the criteria upon which the
3 authority shall develop, modify, and implement its public financing programs, and the
4 criteria for determining whether investments should be made in an eligible project.

5 (2) In adopting the Vermont sustainable jobs strategy, the governor shall consider:

6 (A) the policies established in section 280 of this title; and

7 (B) the economic policy and economic development plan of the state, as
8 developed by the economic progress council under subchapter 3 of chapter 29 of this title.

9 (c)(1) Before adopting the Vermont sustainable jobs strategy, the governor shall direct
10 the authority and the secretary of development and community affairs to solicit
11 information and recommendations from the people and businesses of the state.

12 (2) After soliciting information and recommendations, the authority and the
13 secretary shall jointly develop a proposed Vermont sustainable jobs strategy. In
14 developing a proposed strategy, the authority and the secretary shall consider how best to
15 integrate Vermont's economic, social, and environmental values into a Vermont
16 sustainable jobs strategy. The authority and the secretary shall jointly present their
17 proposed strategy to the house committee on commerce and the senate committee on
18 general affairs and housing meeting in joint hearing.

19 (3) After legislative presentation, the authority and the secretary may amend the
20 proposed strategy, and shall present the proposed strategy as amended to the governor.

1 The governor may adopt the proposed strategy, or may return the proposed strategy to the
2 authority and the secretary for further development and legislative presentation. After
3 adoption of the Vermont sustainable jobs strategy, any amendments to the strategy may
4 be adopted by the governor in accordance with the process established by this section.

5 Sec. 3. 10 V.S.A. § 212(6) is amended to read:

6 (6) "Eligible facility" or "eligible project" means ~~land and rights in land, air, or~~
7 ~~water, buildings, structures, machinery and equipment which is suitable for: any~~
8 industrial, commercial, or agricultural enterprise or endeavor approved by the authority
9 that meets the criteria established in the Vermont sustainable jobs strategy adopted by the
10 governor under section 280b of this title, including land and rights in land, air, or water,
11 buildings, structures, machinery and equipment of such eligible facilities or eligible
12 projects, except that an eligible facility or project shall not include the portion of an
13 enterprise or endeavor relating to the sale of goods at retail where such goods are
14 manufactured primarily out of state, and except further that an eligible facility or project
15 shall not include the portion of an enterprise or endeavor relating to housing. Such
16 enterprises or endeavors may include:

17 (A) quarrying, mining, manufacturing, processing, including the further
18 processing of agricultural products, assembling, or warehousing of goods or materials for
19 sale or distribution or the maintenance of safety standards in connection therewith;

20 (B) the conduct of research and development activities, including research and

1 development of computer software and telecommunications equipment;

2 (C) use as the national or regional headquarters for a multistate business
3 enterprise or for purposes of subchapter 4 of this chapter only, use as the national
4 headquarters of a nonprofit organization whose purpose is the promotion of business,
5 industry or agriculture including the registry of animal breeds;

6 (D) collecting or processing any kind of waste material for reuse or disposal;

7 (E) reducing, mitigating or eliminating pollution of land, air or water by
8 substances, heat or sound; or

9 (F) for the purposes of subchapter 4 only, in addition to the foregoing, the
10 conduct of any trade or business which is eligible for tax-exempt financing under the
11 United States Internal Revenue Code;

12 (G) for purposes of subchapter 4 only, transporting of goods, materials or
13 agricultural products for sale or distribution or the maintenance of safety standards in
14 connection therewith, including but not limited to railroad terminals, trucking terminals,
15 and airport facilities;

16 (H) use as a small business incubator facility;

17 (I) processing or converting post consumer materials into industrial feed stocks,
18 or manufacturing products from these feed stocks, or both, excluding the converting of
19 recyclable materials into a fuel or fuel product. For purposes of this subdivision,
20 "post-consumer materials" means only those products generated by a business or a

1 consumer that have served their intended end uses, and that have been separated or
2 diverted from solid waste; or

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

7 (K) the business of information technology, or the collection, processing, or
8 management of data, documents, or records;

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

11 (M) any combination of the foregoing activities, uses or purposes. An eligible
12 facility may include structures, appurtenances incidental to the foregoing such as utility
13 lines, storage accommodations, offices, dependent care facilities or transportation
14 facilities.

15 Sec. 4. 10 V.S.A. § 234 is amended to read:

16 § 234. ~~ECONOMIC DEVELOPMENT~~ THE VERMONT JOBS FUND

17 (a) There is hereby created the ~~economic development~~ Vermont jobs fund, hereinafter
18 called the fund, which shall be used by the authority as a nonlapsing fund for the
19 purposes of subchapters ~~3 and 5~~ 3, 5, and 10 of this chapter. To it shall be charged all
20 operating expenses of the authority not otherwise provided for and all payments of

1 interest and principal required to be made by the authority under this subchapter. To it
2 shall be credited any appropriations made by the general assembly for the purposes of
3 ~~subchapters 3 and 5~~ this chapter and all payments required to be made to the authority
4 under subchapters ~~3 and 5~~ 3, 5, and 10, it being the intent of this section that the fund
5 shall operate as a revolving fund whereby all appropriations and payments made thereto,
6 unless required to repay notes under the following section, may be applied and reapplied
7 for the purposes of ~~subchapters 3 and 5~~ this chapter. Monies in the fund may be loaned at
8 interest rates to be set by the authority for the following:

9 (1) Loans to local development corporations under this subchapter, provided that if
10 the funds for any such loan are derived from the issue of notes to the state treasurer under
11 section 235 of this chapter, the loan shall bear interest at a rate not less than the rate on
12 the notes.

13 (2) Direct mortgage loans as described in subchapter 5 of this chapter.

14 (3) ~~Loans for the family farm assistance program under subchapter 6 of this~~
15 ~~chapter.~~ Other loans as the authority may prescribe under subchapter 10 of this chapter.

16 (b) In order to provide monies in the industrial development fund for loans ~~to local~~
17 ~~development corporations~~ under this ~~subchapter~~ chapter, the authority may issue notes for
18 purchase by the state treasurer as provided in section 235 of this chapter.

1 Sec. 5. 10 V.S.A. § 235 is amended to read:

2 § 235. ISSUANCE OF NOTES AND PURCHASE BY THE STATE TREASURER

3 (a)(1) The authority may issue its notes to the state treasurer in an amount
4 outstanding at any one time not exceeding ~~\$12,500,000.00~~ \$19,000,000.00 to enable the
5 authority to make loans to local development corporations under this subchapter under
6 subchapters 3, 5, and 10 of this chapter. The authority's notes shall bear interest at a rate
7 equivalent to the lowest rate the state is obligated to pay on any bond issued during the
8 current or preceding four fiscal years. The state treasurer shall purchase notes of the
9 authority issued hereunder and may borrow money by the issue of bonds or notes and
10 pledge the full faith and credit of the state, or use any available funds over which the state
11 has exclusive control for this purpose. Bonds and notes authorized in the preceding
12 sentence shall be issued pursuant to the provisions of chapter 13 of Title 32 and shall not
13 exceed an aggregate of \$5,000,000.00 at any one time outstanding.

14 (2) ~~The authority may issue its notes to the state treasurer, in an amount~~
15 ~~outstanding at any one time not exceeding \$6,500,000.00, to enable the authority to make~~
16 ~~loans under subchapter 5 of this chapter. The state treasurer shall purchase such notes~~
17 ~~with the proceeds of any bonds issued for these purposes. The authority's notes shall bear~~
18 ~~interest at a rate set annually by the state treasurer which is equivalent to the lowest rate~~
19 ~~the state is obligated to pay on any bond issued during the current or preceding four fiscal~~
20 ~~years.~~

1 (b) Notes issued to the state treasurer hereunder shall mature not later than 20 years
2 from the date issued. Such notes shall contain terms for repayment as the treasurer
3 determines are required by the applicable bonds.

4 (c) ~~Notes given by the authority to the state treasurer under subdivision (a)(1) of this~~
5 ~~section shall be secured by assignment of a first mortgage given by the local development~~
6 ~~corporation to the authority. Notes issued to the state treasurer under subdivision (a)(2)~~
7 ~~of this section shall be secured as the authority and the state treasurer shall agree;~~
8 ~~provided that, without limiting the generality of the foregoing, such notes may be secured~~
9 ~~by a pledge or assignment of the moneys held in the funds established under section 234~~
10 ~~of this title, any loans made or loan agreements entered into pursuant to subchapter 5 of~~
11 ~~this chapter, or any rights to the proceeds thereof. Notes given to the state treasurer under~~
12 subsection (a) of this section shall be secured as the authority and the state treasurer shall
13 agree.

14 (d) The authority is authorized to defer repayment of notes issued to the state
15 treasurer under this section up to a maximum aggregate amount of \$825,000.00 by the
16 issuance of notes in lieu of said repayments at the interest rate prescribed in subsection
17 (a) above and for terms prescribed in subsection (b) above. Notwithstanding the
18 provisions of subsection (c) above, the notes issued under this subsection shall be secured
19 as the authority and the state treasurer shall agree. The authority is authorized to use the
20 funds made available to it by this subsection to make loans pursuant to subchapter 5 of

1 this title.

2 Sec. 6. STUDY OF VERMONT'S ECONOMIC DEVELOPMENT PERFORMANCE

3 The Vermont economic progress council shall report to the house commerce
4 committee and the senate general affairs and housing committee on or before December
5 ~~1~~¹⁵, 1995 with recommendations for improving Vermont's economic development
6 performance. The council shall designate working groups of members of the council, and
7 affected government agencies and private sector enterprises to conduct the studies needed
8 and to propose recommendations. The council's report shall review information available
9 from other states, and shall include recommendations concerning:

10 (1) Long-term capitalization of the Vermont economic development authority.

11 The council shall designate as members of the VEDA capitalization working group, and
12 request the participation of ~~the state treasurer, and~~ business associations with an interest in the long-term
13 viability of VEDA, including the Associated Industries of Vermont, the Vermont
14 Chamber of Commerce, the Vermont Businesses for Social Responsibility, the regional
15 economic development corporations, and representatives of large and small businesses.

16 The working group shall recommend a sustainable revenue source to be allocated to
17 support the long-term capitalization of VEDA.

18 ~~(2) Vermont's state, regional, and local tax systems. The council's report on~~
19 ~~Vermont's tax systems shall be based on a study conducted by an independent~~
20 ~~organization chosen by the council. The study shall use resources such as those available~~

1 from the National Conference of State Legislatures, shall review the information and
2 recommendations contained in the last comprehensive Vermont tax study conducted in
3 and around 1965, and shall include consideration of issues of tax equity, tax capacity and
4 sustainable revenue, economic competitiveness, tax sharing between state, regional, and
5 local government, and the federal tax piggyback.

6 ² (3) Vermont's work force education and training system, including consideration
7 of whether Vermont's limited resources for these purposes are being used in an efficient
8 and effective manner. The work force education and training system work group shall
9 examine federal employment training waivers available and applied for, and identify
10 areas of need for employers and employees. The council shall designate members of the
11 human resources investment council to be included in the working group developing
12 recommendations concerning this issue.

13 ² (4) Reorganization of Vermont's government agencies that affect economic
14 development, including the agency of development and community affairs, the
15 department of labor and industry, the department of employment and training, the
16 department of public service, the department of banking, insurance, and securities, and
17 the department of agriculture, food and markets.

18 ⁴ (5) The administrative structure and organization of public financing in Vermont.
19 The work group designated by the council shall review Vermont's existing public
20 financing agencies and programs, including the Vermont Economic Development

1 ~~Authority, the Vermont Home Mortgage Guarantee Program, the Vermont Housing and~~
2 ~~Conservation Trust Fund, the Vermont Housing Finance Agency, and consider whether~~
3 ~~administrative reorganization or consolidation of similar functions may increase the~~
4 ~~overall efficiency and effectiveness of the operations of all agencies and programs. The~~
5 ~~council shall include as designated members of the public financing work group the heads~~
6 ~~of each public financing agency considered by the study. The agency of development and~~
7 ~~community affairs shall provide administrative support to the work group. The staff of~~
8 ~~the public financing agencies considered by the study shall provide administrative~~
9 ~~support and professional assistance to the working group.~~

10 Sec. 7 . VEDA RECAPITALIZATION; APPROPRIATIONS

11 ~~(a)~~ It is the intent of the general assembly to recapitalize the Vermont economic
12 development authority over the short term (the next two and one-half years) through an
13 interest buy down program with participating financial institutions. Beginning in fiscal
14 year 1996, the authority shall borrow not more than \$10,000,000.00 from financial
15 institutions for a ten-year period. The authority may secure such loans by pledging or
16 assigning to participating financial institutions any notes and mortgages held by the
17 authority, and may repay such loans from monies in the Vermont jobs fund, 10 V.S.A.
18 § 234. It is the intent of the general assembly to appropriate funds in fiscal years 1996
19 through 2006 to enable the authority to loan such borrowed funds to eligible projects at a
20 below market rate. The sum of \$69,000.00 is appropriated in fiscal year 1996 from the

1 general fund to the Vermont jobs fund, 10 V.S.A. § 234, in order to pay interest buy
2 down program costs in fiscal year 1996.

3 ~~(b) The Vermont economic progress council may spend in fiscal year 1996 no more~~
4 ~~than \$100,000.00 to pay for the costs of the tax study authorized by Sec. 6(a)(2) of this~~
5 ~~act, provided that expenditures from state funds are matched dollar for dollar with private~~
6 ~~donations. Upon request of the Vermont economic progress council and the approval of~~
7 ~~the secretary of administration, the secretary shall transfer for use by the council for its~~
8 ~~tax study amounts not to exceed an aggregate of \$50,000.00 from grants appropriated to~~
9 ~~the department of economic development, the department of housing and community~~
10 ~~affairs, the economic development authority, and the department of travel and tourism.~~

11 Sec. 8. VEDA GRANT PROPOSALS

12 During fiscal year 1996, the Vermont economic development authority shall contract
13 with one or more individuals or firms to seek grants from public and private sources, in
14 order to increase the fiscal capacity of the authority's programs.

15 Sec. 9. EFFECTIVE DATE

16 This act shall take effect on passage, except that 10 V.S.A. §§ 212(6) and 280a shall
17 take effect on July 1, 1996, in order to permit the development and adoption of the
18 sustainable jobs strategy authorized by 10 V.S.A. § 280b. Notwithstanding the foregoing
19 sentence, if the governor determines that a regional economic development program is
20 needed immediately for one or more economically distressed regions of the state, or that a

1 sustainable jobs fund program is needed immediately to take advantage of current federal
2 and private grant opportunities, the provisions of 10 V.S.A. §§ 212(6) and 280a shall take
3 effect as to such programs on the date of the governor's determination.

4/13/95

HOUSE OF REPRESENTATIVES

Pending entry of the bill on the calendar for notice, the rules were suspended, on motion of Mr. *Cillo* of *Hedwicks* and the bill was taken up for immediate consideration.

SENATE CHAMBER

4/13/95
ON MOTION OF SEN. *Webster*
THE RULES WERE SUSPENDED AND
THE BILL WAS TAKEN UP FOR IM-
MEDIATE CONSIDERATION.
Marshall
ASSISTANT - SECRETARY

SENATE CHAMBER

4/13/95
Taken up and the pending question
"Shall the Senate accept and adopt
the report of the Committee of
Conference?" was decided in the
affirmative.
Marshall
Assistant Secretary

SENATE CHAMBER

4/13/95
UPON MOTION OF SEN. *Webster*
OF
THE RULES WERE SUSPENDED AND
THE BILL WAS ORDERED MESSAGED
TO THE HOUSE FORTHWITH.
Marshall
ASSISTANT - SECRETARY

HOUSE OF REPRESENTATIVES

4/13/95
REPORT OF C. OF CONF. CON-
SIDERED & APTD. ON PART
OF HOUSE.
[Signature]
FIRST ASST. CLERK

House of Representatives

4/13/95
UPON MOTION OF *St. Albans*
OF *cleaner*
THE RULES WERE SUSPENDED AND THE
BILL WAS ORDERED MESSAGED TO THE SENATE
FOR CONSIDERATION.
[Signature]
FIRST ASSISTANT CLERK

ORIGINAL
FINANCE
H.508

AN ACT RELATING TO THE VERMONT
JOBS FUND.

HOUSE OF REPRESENTATIVES

March 7, 1995

Introduced by Committee on Commerce.

Read the first time and, under the rule, placed
on the Calendar for notice tomorrow.

Clerk

HOUSE OF REPRESENTATIVES,
March 21, 1995
ENTERED ON THE CALENDAR FOR NOTICE.
WILLIAM SPURLOCK
FIRST ASST CLERK

House of Representatives,
3/24, 1995
THE BILL APPEARING ON THE CALENDAR FOR
NOTICE, CARRYING AN AMENDMENT, UNDER
THE RULE WAS REFERRED TO THE COMMITTEE
ON APPROPRIATIONS.
DONALD M. M...
FIRST ASST CLERK

HOUSE OF REPRESENTATIVES,
3/24, 1995
ENTERED ON THE CALENDAR FOR NOTICE.
James J. Conner
FIRST ASST CLERK

HOUSE OF REPRESENTATIVES
3/27/95
REP. FAV. WITH RECOM. OF
AMEND. BY C. ON APPROP
REP. FAV. WITH RECOM. OF
AMEND. BY C. ON
RD 2nd T., RECOM. OF
AMEND. BY C. ON
AGREED TO RECOM. OF C. ON
AGREED TO AND 3rd RDS. ORDERED.
FIRST ASST CLERK

Pending the Committee
shall the Bill be

Read the 3rd time? Rep. Bowditch and
Conner Moved to Amend the Bill, which was
agreed to
Thereupon the Bill was ordered to be
Read the 3rd Time.
WILLIAM SPURLOCK

3/28/95

Taken up and on motion
of Rep. Kaanen moved
further action be postponed
until next legislative
day.

3/29/95
Taken up and pending third reading of
the bill, Mr. Bowditch + Conner
of Bowditch moved
that the bill be amended which was
agreed to, on a div. Yes, No,
Thereupon, the bill was read the third
time and passed

House of Representatives,
3/29, 1995
UPON MOTION OF MR. SPURLOCK
OF SPURLOCK
THE RULES WERE SUSPENDED AND THE
BILL WAS ORDERED MESSAGED TO THE SENATE
FORTHWITH.
FIRST ASSISTANT CLERK

SENATE CHAMBER
3/29, 1995
READ AND REFERRED TO
SENATE COMMITTEE
ON FINANCE
ASSISTANT - SECRETARY

SENATE CHAMBER
4/11, 1995
ON CALENDAR FOR NOTICE.
ASSISTANT - SECRETARY

SENATE CHAMBER
3/29, 1995
ON MOTION OF SEN. ...
THE RULES WERE SUSPENDED AND
THE BILL WAS TAKEN UP FOR IM-
MEDIATE CONSIDERATION.
ASSISTANT - SECRETARY

SENATE CHAMBER

4/11 1995

The Bill being on the calendar for notice and carrying an appropriation, under the Rule, was referred to the Committee on Appropriations.

Assistant - Secretary

SENATE CHAMBER

4/12 1995

ENTERED ON CALENDAR FOR NOTICE.

Assistant - Secretary

SENATE CHAMBER

4/12 1995

ON MOTION OF SEN. Webster THE RULES WERE SUSPENDED AND THE BILL WAS TAKEN UP FOR IMMEDIATE CONSIDERATION.

Assistant - Secretary

SENATE CHAMBER

4/12 1995

reported favorably with Recommendation(s) Proposal(s) of Amendment, read the second time, and thereupon the Recommendation(s) Proposal(s) of Amendment was/were agreed to and Third Reading ordered. divided

Assistant - Secretary

the 1st prop. of amend of Approp. was agreed to; the 2nd prop of amend of Approp. was not agreed to on a roll call, Year 3 May 23; Thereupon Sen Krauss moved to

amend the prop of amend of Finance, which was agreed to; Thereupon, Sen Reedy moved to amend the prop. of amend. of Finance, which was not agreed to; Thereupon the prop. of amend of Finance, as amended, was agreed to; Thereupon 3rd reading was ordered.

SENATE CHAMBER

4/12 1995

On Motion of Sen. Webster the Rules were suspended and the Bill was ordered placed on all remaining stages of its passage in concurrence with Proposals of Amendment forthwith.

Assistant - Secretary

SENATE CHAMBER

4/12 1995

READ THIRD TIME AND PASSED IN CONCURRENCE WITH PROPOSALS OF AMENDMENT. on a roll call, Year 25 May 2

Assistant - Secretary

SENATE CHAMBER

4/12 1995

UPON MOTION OF SEN. Webster THE RULES WERE SUSPENDED AND THE BILL WAS ORDERED MESSAGED TO THE HOUSE FORTHWITH.

Assistant - Secretary

HOUSE OF REPRESENTATIVES

the bill on the calendar rules were suspended, on of as taken up for immediate consideration.

HOUSE OF REPRESENTATIVES

Pending entry of the bill on the calendar for notice, the rules were suspended, on motion of Mr. Allo of Hardwick and the bill was taken up for immediate consideration.

HOUSE OF REPRESENTATIVES

4/12 1995

SEN. PROP. OF BILLS CONSIDERED & PASSED BY THE H. CONCUR INSERVING OF THE SENATE - Keenan of St Albans City MOVED TO RESOLVE TO CONSIDER A BILL FOR C. OF COM. IN CONJUNCTION WITH THE SENATE, AS MEMBERS OF C. OF COM. ON PART OF H:

Keenan of St. Albans City
M. Key of Bathelburo
Wazor of St. Albans City

First Asst. Clerk

House of Representatives

4/12 1995

UPON MOTION OF Keenan OF St. Albans City THE RULES WERE SUSPENDED AND THE BILL WAS ORDERED MESSAGED TO THE SENATE FORTHWITH.

First Assistant Clerk

SENATE CHAMBER

4/12 1995

ON MOTION OF SEN. Webster THE RULES WERE SUSPENDED AND THE BILL WAS TAKEN UP FOR IMMEDIATE CONSIDERATION.

Assistant - Secretary

SENATE CHAMBER

4/12 1995

Pursuant to the request of the House, the President appointed as members of the Committee of Conference on the part of the Senate:

Senator Gear
Rivers
Krauss

Marshall

Assistant - Secretary