

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2014

Bill Number: S. 220 **Name of Bill:** An Act Related to Furthering Economic Development

Agency/Dept.: ACCD **Author of Bill Review:** Kiersten Bourgeois

Date of Bill Review: 5-16-2014

Status of Bill (check one):

☐ Upon Introduction ☐ As passed by 1st body ☒ As passed by both bodies ☐ Fiscal

Recommended Position:

☒ Support ☐ Oppose ☐ Remain Neutral ☐ Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

Section 1: One-Stop Web Portal: will create centralized resources for individuals seeking assistance for all phases of business development. Coordination required with SBDC, RDCs, etc. Report due January 15 to inform several committees on the project status. Intent is to create delivery system that doesn't require a user to seek info from multiple places.

Section 4: VEL Program created for seed/start-up and growth stages to be housed at VEDA. This will fill a definite gap in the capital continuum.

Section 5: Capitalizes loan loss reserves for activity in Section 4 with \$1 million from VEDA funds or eligible federal funds administered by VEDA and funds appropriated in FY14 and/or FY15.

Section 6: Defines VACC borrowing limits further

Section 7: Requires ACCD to support networking events sponsored by RDCs, et. al to facilitate communication between investors and VT companies. No \$ attached to this. This basically codifies something that is already done.

Sections 8-11: adds technology improvement as eligible expenditure for earning downtown tax credit.

Section 12: Important policy discussion around connection between electricity costs and manufacturers. Encourages balance of the two.

Section 13: Study to be conducted by Public Service in consultation w/ others to look at how to advance public good through consideration of the competitiveness of Vermont's industrial or mfg businesses w/ regard to electricity costs. This work is very important to our mfg community.

Section 14: Domestic Market Access Program - Department of Ag with Agency of Commerce to create a pilot project to link VT producers w/ brokers, buyers, et. al.

Section 15-17: Computer Crimes/Penalties - best addressed by AG?

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Section 18: IP and state contracting: Best addressed by AoA

Section 19: Crowdfunding study to be conducted by DFR, as well as offering of 2 educational events to inform parties of small biz capital availability. Creates the VT Small Biz Offering Exemption - to be done through rulemaking.

Section 20: DFR study on needed regulatory and statutory changes for licensed lender requirements that are needed to remove unnecessary barriers to investment.

Section 21: adds exemption for "person that makes no more than 3 mortgage loans in any consecutive three year period" after 7-1-11 from lender license; mortgage broker license or sales fin co license.

Sections 22-23: Gives Treasurer the authority to invest up to \$10 million in state \$ into new credit facility at VEDA.

Section 24: Local Investment Advisory Report

Section 26: Excludes "interbank clearinghouses" from licensed lender law

Sec 27: RE 248a - adds language that will require the Dept. of Public service to participate in meetings if requested by municipality.

Sec 28: "Good cause" vs "substantial deference" - PSB required to define

Section 29: 248a report - to be done by Public Service

Section 33: Extends 248a through July 1, 2017

Section 34: JFO study - Demographics of NEK

Section 35: Tourism Funding - Pilot - PBF recommendations

Section 36: Includes industrial parks as eligibal lending activity for VEDA. CHECK WITH JO

Section 37: defines industrial parks

Section 38: requires the NRB to review master plan policy and include provisions for permitting industrial parks

Section 39: Clarification of industrial parks/District Commssion responsibilities

Section 41: Creates Workforce Development Leader position and lists responsibilties. Also updates WIB language. Adds apprenticeships to "fundable" activity under WET Fund. DOL Comm makes decisions on WETF w/ input from WIB.

Section 42: VTP language: adds WIB consultation to training program structure development/design; pre-employment eligibility; adds additional items to study that is already required. Chnages eligibility requirements. NOTE: Change to VTP here conflicts with chnages made in Minimum wage Bill.

Section 44: WETF/VTP study - suggested changes/improvements

Section 45: Internship report

Section 46: Vermont Strong Scholars and Internship Initiative - VSS will reduce loan debt for qualified grads in eligible sectors. ACCD responsible for identifying sectors that will be critical to the future of the Vermont economy; develop org details for the program and enter into MOU with VSAC for management of loan program. VSIP will be jointly designed and implemented by ACCD and DOL.

Section 48: Interim Report for VSS and VSIP due November 1, 2014.

Section 49: Vermont Products Program Study

Section 50-51: adds language which requires VDOL to evaluate avg burial/funeral expenses for workers' comp

Section 52: Opioid Usage Deterrents: VDOL to adopt rules consistent with best practices governing prescription of opioid as it relates workers' comp claims.

Section 53: Voc Rehab: VDOL to adopt rules promoting return to work programs

Section 54: Discontinuance of benefits - current practice repealed in 2018. VDOL should weigh in on this one

Section 55: Posting of Safety Records - required so employees can review the workplace safety data

Section 56: VDOL required to promulgate rules re: cancellation of insurance/contracts

Section 57: VDOL Commissioner must receive notice of employers' workers' comp termination 45 days prior

Section 58: CJ and Fire Service Training Service Study -

Section 59: Workplace Safety Ranking Study (VDOL and DFR)

Section 60: Adds VDOL Commissioner to Unified Pain Management System Council, as well as 2 clinicians and a consumer rep

Section 61: Requires any communication re workers comp to include language about contacting VDOL - Workers' Comp.

Section 62: defines radius within which an injured employee can travel to a medical provider

Section 63: Fraud - all claims will require action by VDOL Commissioner

Section 64: Fraud Study

Section 65: VDOL should weigh in here, too

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Section 66: VDOL - re costs assessed by commissioner for workers' comp cases before Superior/Supreme courts

Section 67: Security Breaches - gives VT law enforcement authority to notify a biz if it is believed that a security breach has occurred.

Section 68: DFR rulemaking re: notice methods.

2. Is there a need for this bill? *Please explain why or why not.* Yes, this bill helps move economic development initiatives in Vermont forward and creates some new programs as well.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

While the fiscal costs are relatively minor (between \$750,000 to \$1.4 million for Downtown Tax Credits and Vt Strong Scholars Program), the programmatic implications of this bill are significant. The number of studies and reports that are required will take a great deal of staff time that will require focus being taken away from other duties.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it? Assume that VDOL - and possibly DFR - have same opinion.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? *(for example: public, municipalities, organizations, business, regulated entities, etc.)*
N/A

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why? Vermont Departments of Labor, Public Service and Financial Regulation, as well as the Treasurer.

6.2 Who else is likely to oppose the proposal and why? n/a

7. Rationale for recommendation: *Justify recommendation stated above.* Each component - even the studies - can help Vermont advance its economy through workforce development, economic development and energy improvements.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

Resolve conflict between Sec 2 of H.552 (Minimum Wage Bill) and Sec 42 of this bill in re Vt Training Program.

Commissioner has reviewed this document: _____ **Date:** _____

Secretary has reviewed this document: _____ **Date:** _____

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