

1 H.737

2 Introduced by Representatives Botzow of Pownal and Marcotte of Coventry

3 Referred to Committee on

4 Date:

5 Subject: Interim study committee; capital availability

6 Statement of purpose of bill as introduced: This bill proposes to create an
7 interim committee to study existing gaps in capital availability throughout
8 Vermont's economy and suggest strategies to make capital more accessible.

9 An act relating to creating an interim committee to study gaps in capital
10 availability and to suggest strategies to make capital more accessible

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

12 Sec. 1. CAPITAL GAP STUDY COMMITTEE; REPORT

13 (a) Creation. There is created a Capital Gap Study Committee to identify
14 areas of Vermont's economy that have an inadequate access to capital,
15 determine what barriers are preventing access to capital, and recommend
16 strategies to make capital more available.

17 (b) Membership. The Committee shall be composed of the following seven
18 members:

19 (1) the State Treasurer or designee, who shall serve as Chair of the
20 Committee;

1 (2) the Deputy Commissioner of the Banking Division within the
2 Department of Financial Regulation or designee;

3 (3) the Secretary of Commerce and Community Development or
4 designee;

5 (4) a senior officer of a Vermont bank, who shall be appointed by the
6 Governor;

7 (5) a member of the public, who shall be appointed by the Speaker of
8 the House;

9 (6) a member of the public, who shall be appointed by the President Pro
10 Tempore of the Senate; and

11 (7) the executive director of a Vermont nonprofit organization which, as
12 part of its mission, directly lends or services loans or other similar obligations,
13 who shall be appointed by the Governor.

14 (c) Powers and duties.

15 (1) The Committee shall identify and study:

16 (A) The areas of Vermont's economy that are currently underserved
17 by traditional private and public capital sources. Such areas may include:

18 (i) equity and debt financing for start-ups and small businesses;

19 (ii) mortgage financing for low-income families, first-time
20 homebuyers, and nonprofit developers;

1 (iii) underwriting and risk capital for multifamily housing and
2 community facilities;

3 (iv) low-interest financing for sustainable agriculture, energy
4 efficiency, and renewable energy ventures; and

5 (v) affordable financing for higher education.

6 (B) Public and quasi-public entities that provide capital and the
7 extent to which capital needs are being met, including how entities fulfill their
8 statutory missions, provide capital, and measure effectiveness. These entities
9 may include:

10 (i) the Vermont Economic Development Authority;

11 (ii) the Vermont Housing Finance Agency;

12 (iii) the Vermont Student Assistance Corporation;

13 (iv) the Vermont Municipal Bond Bank;

14 (v) the Vermont Community Loan Fund; and

15 (vi) the State Treasurer's banking and investment services.

16 (C) Banking and private sector organizations that work with or
17 provide services in the areas listed in subdivision (1)(A) of this subsection (c).

18 (D) The barriers that inhibit access to capital, including risk aversion,
19 transactional limits, and regulations.

20 (E) The extent to which capital to meet the needs identified in
21 subdivision (1)(A) of this subsection (c) comes from Vermont sources.

1 (2) After identifying and studying the issues listed in subdivision (1) of
2 this subsection, the Committee shall recommend how to:

3 (A) create efficiencies within existing public, quasi-public, and
4 private financing channels with the goal of increasing new capital investment;

5 (B) enhance the ability of existing public and quasi-public entities,
6 the Office of the Treasurer, financial institutions, and nonprofit organizations
7 to fill capital gaps;

8 (C) enhance collaboration and create efficiencies among
9 State-sponsored financial institutions;

10 (D) increase in-state capital resources, investment opportunities, and
11 local financing activities; and

12 (E) foster partnerships with banking institutions doing business in the
13 State to address unmet needs.

14 (d) Assistance. The Committee shall have the administrative and technical
15 assistance of the Office of the Treasurer. The Treasurer's Office may consult
16 with any person, agency, department, or other entity as necessary to assist the
17 Committee.

18 (e) Report. On or before January 15, 2015, the Committee shall report its
19 findings and recommendations to the Senate Committees on Economic
20 Development, Housing and General Affairs and on Finance, and to the House

1 Committees on Commerce and Economic Development and on Ways
2 and Means.

3 (f) Meetings.

4 (1) The State Treasurer or designee shall call the first meeting of the
5 Committee to occur on or before June 15, 2014.

6 (2)(A) A majority of the members of the Committee shall be physically
7 present at the same location to constitute a quorum.

8 (B) A member may vote only if physically present at the meeting
9 location.

10 (C) Action shall be taken only if there is both a quorum and a
11 majority vote of the members physically present and voting.

12 (3) The Committee shall cease to exist on January 16, 2015.

13 (g) Reimbursement.

14 (1) For attendance at meetings during adjournment of the General
15 Assembly, legislative members of the Committee shall be entitled to per diem
16 compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for
17 no more than six meetings.

18 (2) Other members of the Committee who are not employees of the State
19 of Vermont and who are not otherwise compensated or reimbursed for their
20 attendance shall be entitled to per diem compensation and reimbursement of
21 expenses pursuant to 32 V.S.A. § 1010 for no more than six meetings.

1 (h) Appropriation. The sum of \$5,000.00 is appropriated from the General
2 Fund in fiscal year 2015 for per diem compensation and reimbursement of
3 expenses for members of the Committee.

4 Sec. 2. EFFECTIVE DATE

5 This act shall take effect on July 1, 2014.