

Summary of H. 496

Working Lands Enterprise Investment Bill

Findings: The bill has an extensive Findings section, which outlines the need for the fund and board created by the bill. The House Agriculture Committee (along with the House Commerce, Senate Agriculture, and Senate Economic Development committees) held a public hearing on January 18, 2012, and also took testimony in committee hearings from dozens of people from the agriculture and forest products sectors. The findings section reflects the testimony that they heard. A few examples:



- Vermont is in the midst of an agricultural Renaissance and is at the forefront of the local foods movement. The success has been due to the efforts of skilled and dedicated farmers, creative entrepreneurs, and the strategic investment of private and public funds.
- The agriculture and forest product sectors provide renewable and harvestable products that form the basis of Vermont's land-based economy. The conversion of these raw commodities into value-added products within our borders represents further economic and employment opportunities.
- The Vermont forest products sector contains approximately 7000 jobs, and approximately 57,000 jobs are in Vermont's food system.

Legislative Intent: The bill creates the Working Lands Enterprise Fund and the Working Lands Enterprise Board, which will oversee the Fund. The intent is to stimulate a concerted economic development effort on behalf of Vermont's agriculture and forest products sectors by systematically advancing entrepreneurship, business development, and job creation.

Vermont Working Lands Enterprise Fund: The 2012 appropriation of \$1,175,000 demonstrates the *state's investment in the working lands enterprise economy*. The fund will be administered by the Working Lands Enterprise Board (see below), and will focus on three key areas:

1. enterprise grants and loans to land-based and value-added businesses that are new or want to grow
2. wrap-around services to working lands enterprise including technical assistance, business planning, financial packaging, and other services required by companies ready to transition to the next stage of growth, and
3. needed infrastructure for creative diversification projects, value-added manufacturing, processing, storage, distribution, and collaborative ventures.

The board is instructed to design application criteria that encourage applications from enterprises that have not previously benefited from a state program, and to give priority to applications from these enterprises.

Vermont Agricultural and Forest Products Development Board: The bill adds four (4) positions to the board that was created in 2008 (for a total of 16 members) to include forestry and forest products in the purpose and membership of the board. The board is charged with optimizing the agricultural and forestry use of Vermont lands. Its duties include evaluating and making recommendations to the appropriate policy makers (and the WLEB) regarding market opportunities and regulatory issues for working lands enterprises. This board will also report to the legislature on the activities of the new Working Lands Enterprise board in 2013.

Vermont Working Lands Enterprise Board: The bill would create a new board to oversee and administer the Working Lands Enterprise Fund and coordinate all economic development efforts related to working lands enterprises. The new board will be called the Vermont Working Lands Enterprise Board (WLEB), and will be administratively attached to the Vermont Agency of Agriculture, Food, and Markets. The WLEB will have six key assignments:

1. to establish an application process and eligibility criteria for awarding grants, loans, incentives, and other investments in agricultural and forestry enterprises and in food and forest systems;
2. to award grants and other investments, which may include loans underwritten and administered through the Vermont economic development authority;

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3. to enter into performance contracts with one or more persons in order to provide investment and services to agricultural and forestry enterprises, including:
 - (A) technical assistance and product research services;
 - (B) marketing assistance, market development, and business and financial planning;
 - (C) organizational, regulatory, and development assistance; and
 - (D) feasibility studies of facilities or capital investments to optimize construction and other cost efficiencies;
4. to identify workforce needs and programs in order to develop training and incentive opportunities for the agriculture and forest product sectors after consulting with the department of labor;
5. to identify strategic statewide infrastructure and investment priorities considering:
 - (A) leveraging opportunities;
 - (B) economic clusters;
 - (C) return-on-investment analysis;
 - (D) other considerations the board determines appropriate; and
6. to pursue and accept grants or other funding from any public or private source and to administer such grants or funding consistent with their terms.

The WLEB would have 15 members, 3 of which would be ex-officio, non-voting members, as follows:

- The Secretary of Agriculture, Food and Markets or his designee
- The Secretary of Commerce and Community Development or his designee
- The Commissioner of Forest, Parks and Recreation or his designee
- Three non-voting members: The manager of the Vermont Economic Development Authority (VEDA) or his designee; the executive director of the Vermont Sustainable Jobs Fund (VSJF) or his designee; and the executive director of the Vermont Housing and Conservation Board (VHCB) or his designee.
- Two members appointed by the Speaker of the House: one member who is a representative of the Vermont forest industry who is also a forester and one member who is actively engaged in commodity maple production
- Two members appointed by the Senate Committee on Committees: one member who is actively engaged in wood products manufacturing and one member who is a representative of one of the two largest membership-based agricultural organizations in Vermont who is not a dairy farmer
- Two members appointed by the Governor: one member who is a representative of Vermont's dairy industry who is also a dairy farmer and one member who is a representative of a membership-based forestland owner organization
- Three members appointed by the Vermont Agricultural and Forest Products Development Board: one member who is actively engaged in value-added agricultural products manufacturing and two members actively engaged in providing marketing assistance, market development, or business and financial planning

Vermont Housing and Conservation Board: The bill clarifies that forestland conservation is part of the mission of the VHCB.

Repeal of Unnecessary Boards: The bill repeals 3 boards that are no longer necessary, upon the recommendation of the Secretary of Agriculture. The Agricultural Innovation Center board has expended the funds allocated to it and will be finishing all contracts before its repeal. The Vermont Seal of Quality board will be repealed because the program was redesigned a few years ago. Another board that never met will also be repealed.

Effective Date: The act shall take effect upon passage, except for the repeal of the AIC, which will take effect on March 31, 2013, so that the final closing of contracts can be accomplished.

For updates on what is happening with the Working Lands Enterprise Investment bill, visit www.vtworkinglands.org and sign up for our email alerts, or LIKE our Facebook page at www.facebook.com/VtWLP. You can also follow us on Twitter: @VtWLP.