

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was  
3 referred Senate Bill No. 327 entitled “An act relating to economic  
4 development” respectfully reports that it has considered the same and  
5 recommends that the House propose to the Senate that the bill be amended by  
6 striking out all after the enacting clause and inserting in lieu thereof the  
7 following:

8 Sec. 1. PURPOSE

9 This act proposes to strengthen and support Vermont’s businesses and  
10 promote long-term economic growth by investing in the economic  
11 development and vitality of its downtowns and village centers, providing key  
12 financial support, technical assistance, and incentives for Vermont businesses  
13 of all sizes and at all stages of development. This act also requires the  
14 Commissioner of Economic Development to research and create an inventory  
15 of the resources available to businesses to assist with growth and development,  
16 the Office of Workforce Strategy and Development to study the feasibility of  
17 establishing a new culinary institute in the State, and the Vermont Association

1 of Planning and Development Agencies to study the short- and long-term  
2 solutions to better connect the economies of New York and Vermont.

3 Sec. 2. [Deleted.]

4 Sec. 3. [Deleted.]

5 Sec. 4. [Deleted.]

6 Sec. 5. [Deleted.]

7 Sec. 6. [Deleted.]

8 Sec. 7. BUSINESS RESOURCES AND GROWTH; INVENTORY; STUDY;  
9 REPORT

10 (a) Business growth and development study. The Commissioner of  
11 Economic Development, in consultation with stakeholders, for the purpose of  
12 determining how the State can better enable and support the growth of  
13 Vermont businesses, shall:

14 (1) clearly define each stage of business development in order to provide  
15 business leaders, investors, and the General Assembly with an understanding  
16 of the resources businesses need at each stage of development;

17 (2) identify the public and private resources available to businesses and  
18 determine how the resources are currently communicated to businesses;

19 (3) create an inventory of resources, pursuant to subdivision (2) of this  
20 subsection, that would serve businesses for each stage of development;

1           (4) determine how best to market and communicate the inventory of  
2           resources created pursuant to subdivision (3) of this subsection to Vermonters  
3           and the business community;

4           (5) determine how to improve succession planning for mature  
5           businesses;

6           (6) identify what resources are available to businesses to access capital;

7           (7) determine the state of capital access opportunities, including the:

8           (A) investment environment in Vermont and the New England  
9           region;

10           (B) availability of tax credits to leverage private capital; and

11           (C) requirements to maintain Vermont’s Tech Hub designation; and

12           (8) identify investor education opportunities for high net worth  
13           individuals interested in investing in Vermont businesses.

14           (b) Report. On or before December 15, 2026, the Commissioner shall  
15           submit a written report to the House Committee on Commerce and Economic  
16           Development and the Senate Committee on Economic Development, Housing  
17           and General Affairs with the Commissioner’s findings pursuant to the business  
18           resources and growth study set forth in this section along with any  
19           recommendations for legislative action.

20           Sec. 8. [Deleted.]

21           Sec. 9. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022

1 Acts and Resolves No. 164, Sec. 5, 2023 Acts and Resolves No. 72, Sec. 39,  
2 and 2024 Acts and Resolves No. 176, Sec. 1, is further amended to read:

3 Sec. H.12. ~~VEGI; REPEAL OF AUTHORITY TO AWARD~~  
4 ~~INCENTIVES~~

5 ~~Notwithstanding any provision of law to the contrary, the Vermont~~  
6 ~~Economic Progress Council shall not accept or approve an application for a~~  
7 ~~Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,~~  
8 ~~subchapter 2 on or after January 1, 2027. [Repealed.]~~

9 Sec. 10. CULINARY INSTITUTE; STUDY; REPORT

10 (a) Purpose and findings. The State of Vermont lost a significant  
11 contributor to its culinary workforce pipeline development when the New  
12 England Culinary Institute closed during the COVID-19 pandemic. The  
13 General Assembly finds that the establishment of a new culinary institute is  
14 critical for long-term workforce needs in the food, tourism, and hospitality  
15 sectors, sectors that are significant for the economic health of the State.

16 (b) Task. The Office of Workforce Strategy and Development shall engage  
17 with the stakeholders set forth in subsection (c) of this section to determine  
18 how best to establish a new culinary institute in Vermont by doing the  
19 following:

20 (1) research suitable options for the location of a culinary institute;

1           (2) determine which college or organization should stand up and  
2           administer the culinary institute;

3           (3) determine to what extent the General Assembly is needed to help  
4           fund and establish the culinary institute;

5           (4) begin establishing relationships with restaurants in Vermont that  
6           have or will have workforce needs;

7           (5) gauge the interest from private investors to determine whether there  
8           is interest in private funding for a culinary institute; and

9           (6) conduct any additional research or outreach that would promote the  
10          establishment of a culinary institute.

11          (c) Stakeholders. The Office shall consult and convene with stakeholders  
12          to assist in its work pursuant to subsection (b) of this section that have relevant  
13          experience in the food and hospitality sectors, including representation from  
14          the State Workforce Development Board, Department of Labor, Department of  
15          Corrections, State Refugee Office, Vermont Association of Career and  
16          Technical Directors, Vermont Chamber of Commerce, Vermont Independent  
17          Restaurants, University of Vermont, Vermont State Colleges System, Vermont  
18          Sustainable Jobs Fund, and Vermont Employee Ownership Center.

19          (d) Report. On or before December 1, 2026, the Office shall submit a  
20          written report to the House Committee on Commerce and Economic  
21          Development and the Senate Committee on Economic Development, Housing

1 and General Affairs with its findings and information gathered pursuant to  
2 subsection (b) of this section along with any recommendations concerning the  
3 establishment of a culinary institute in Vermont. The report shall also list the  
4 stakeholders consulted pursuant to subsection (c) of this section.

5 Sec. 11. CONNECTING VERMONT TO NEW YORK; STUDY; REPORT

6 (a) Task. The Vermont Association of Planning and Development  
7 Agencies, in consultation with the stakeholders set forth in subsection (c) of  
8 this section, shall consider the following in a study of the short- and long-term  
9 solutions to better connect the persons and economies of Vermont and New  
10 York:

11 (1) in regard to Vermont Route 22A:

12 (A) the current and projected usage and condition of the road;

13 (B) the rate and severity of accidents on the road; and

14 (C) options available to improve the integrity of the road and the flow  
15 of traffic and safety on the road;

16 (2) a potential route for a new limited access highway to connect  
17 Burlington to Interstate 87 in New York and estimated costs associated with  
18 constructing such a route; and

19 (3) the feasibility of a rail system better connecting the two states upon  
20 review of the latest versions of the Vermont Rail Plan and the Vermont Freight  
21 Plan.

1        (b) Stakeholders. The Vermont Association of Planning and Development  
2        Agencies shall consult and convene with stakeholders to assist in its work  
3        pursuant to subsection (a) of this section, including representation from the  
4        Agency of Transportation, Agency of Natural Resources, Land Use Review  
5        Board, Vermont Chamber of Commerce, and Regional Development  
6        Corporations.

7        (c) Report. On or before January 15, 2027, the Vermont Association of  
8        Planning and Development Agencies shall submit a written report to the  
9        General Assembly with its findings and any recommendations for legislative  
10       action.

11       **Sec. 12. 2023 Acts and Resolves No. 78, Sec. F.8 is amended to read:**

12       ~~Sec. F.8 RURAL INDUSTRY DEVELOPMENT GRANT PROGRAM~~

13       ~~(a) Creation; purpose.~~

14           ~~(1) A Rural Industry Development Grant Program is created within the~~  
15       ~~Agency of Commerce and Community Development to provide grant funding~~  
16       ~~through local development corporations for business relocation and expansion~~  
17       ~~efforts, including the purchase, demolition, and renovation of property for~~  
18       ~~industrial use.~~

19           ~~(2)(A) To the extent funding is appropriated, the Agency shall make~~  
20       ~~grants through the Program to assist local development corporations with~~  
21       ~~business relocation and expansion efforts throughout Vermont.~~

1           ~~(B) The Agency shall ensure an accounting of the respective State~~  
2           ~~and Grantee shares of investment in any property be maintained to refund to~~  
3           ~~the State an appropriate share of any net proceeds resulting from future sale or~~  
4           ~~transfer of such property acquired or improved through a grant awarded under~~  
5           ~~this program.~~

6           ~~(b) Grant considerations. In making grant awards, the Agency shall~~  
7           ~~consider:~~

8           ~~(1) the real estate needs of growing and relocating businesses, including~~  
9           ~~nonprofit organizations, in the applicant's region;~~

10           ~~(2) the ability of the proposed project to meet the site specific needs of~~  
11           ~~businesses considering whether to expand or locate in this State;~~

12           ~~(3) the funding that the applicant has identified, or secured, to leverage a~~  
13           ~~grant award; and~~

14           ~~(4) the readiness of an applicant to move a project forward.~~

15           ~~(c) Eligible applicants; priority.~~

16           ~~(1) To be eligible for a grant, an applicant must be a local development~~  
17           ~~corporation, as defined in subdivision 212(10) of this title, located within this~~  
18           ~~State.~~

19           ~~(2) The Secretary of Commerce and Community Development may~~  
20           ~~designate projects and agreements as first priority based on rural communities~~  
21           ~~that continue to experience insufficient economic and grand list growth.~~

1           ~~(d) Eligible activities. A grant recipient may use funding for the following:~~

2                   ~~(1) to purchase land for potential industrial use;~~

3                   ~~(2) for the costs of site development, permitting, or providing~~  
4 ~~infrastructure for property the recipient owns;~~

5                   ~~(3) for the equity investment required for a loan transaction through the~~  
6 ~~Vermont Economic Development Authority under 10 V.S.A. chapter 12,~~  
7 ~~subchapter 3; or~~

8                   ~~(4) for the matching requirement of another State or federal grant~~  
9 ~~consistent with this section.~~

10           ~~(e) Application; market assessment.~~

11                   ~~(1) An applicant shall include in its application a local and regional~~  
12 ~~market assessment that demonstrates reasonable need for the proposed~~  
13 ~~development and identifies imminent, potential, or existing business growth~~  
14 ~~opportunities.~~

15                   ~~(2) An applicant shall submit the following to demonstrate a readiness to~~  
16 ~~begin and complete the proposed project:~~

17                           ~~(A) community and regional support for the project;~~

18                           ~~(B) that grant funding is needed to complete the proposed project;~~

19                           ~~(C) an ability to manage the project, with requisite experience and a~~  
20 ~~plan for fiscal viability; and~~

1           ~~(D) a description of the permitting required to proceed with the~~  
2 ~~project and a plan for obtaining the permits.~~

3           ~~(f) Awards; amount.~~

4           ~~(1) An award shall not exceed the lesser of \$1,000,000 or 20 percent of~~  
5 ~~the total project cost.~~

6           ~~(2) A recipient may combine grant funds with funding from other~~  
7 ~~sources.~~

8           ~~(3) The Agency shall release grant funds upon determining that the~~  
9 ~~applicant has met all application conditions and requirements.~~

10           ~~(4) A grant recipient may apply for additional grant funds if future~~  
11 ~~amounts are appropriated for the Program and the funds are for a separate but~~  
12 ~~eligible use.~~

13           ~~(g) Deed restrictions; property sales. The Agency shall include deed~~  
14 ~~restrictions that require the return of the principal amount to the state and may~~  
15 ~~require the payment of a percentage of the sales profit. [Repealed.]~~

16 **Sec. 13. 10 V.S.A. § 6 is added to read:**

17 **§ 6. RURAL INDUSTRY DEVELOPMENT GRANT PROGRAM**

18           (a) Creation; purpose.

19           (1) A Rural Industry Development Grant Program is created within the  
20 Agency of Commerce and Community Development to provide grant funding  
21 through local development corporations for business relocation and expansion

1 efforts, including the purchase, demolition, and renovation of property for  
2 industrial, commercial, or, in the case of a federally impacted property,  
3 residential use.

4 (2) To the extent funding is appropriated, the Agency shall make grants  
5 through the Program to assist local development corporations with business  
6 relocation and expansion efforts throughout Vermont.

7 (3) As used in this section, “federally impacted property” means real  
8 property that is:

9 (A) owned by the United States or by any federal agency or an  
10 instrumentality thereof; or

11 (B) under the custody or control of a federally appointed receiver,  
12 trustee, or conservator, and includes property subject to federal court  
13 jurisdiction.

14 (b) Grant considerations. In making grant awards, the Agency shall  
15 consider:

16 (1) the real estate needs of growing and relocating businesses, including  
17 nonprofit organizations, in the applicant’s region;

18 (2) the ability of the proposed project to meet the site-specific needs of  
19 businesses considering whether to expand or locate in this State;

20 (3) the funding that the applicant has identified, or secured, to leverage a  
21 grant award; and

1           (4) the readiness of an applicant to move a project forward.

2           (c) Eligible applicants; priority.

3           (1) To be eligible for a grant, an applicant must be a local development  
4           corporation, as defined in subdivision 212(10) of this title, located within this  
5           State.

6           (2) The Secretary of Commerce and Community Development may  
7           designate projects and agreements as first priority based on rural communities  
8           that continue to experience insufficient economic and grand list growth.

9           (d) Eligible activities. A grant recipient may use funding for the following:

10           (1) to purchase real property for potential industrial use or commercial  
11           development, or for residential use as set forth in subsection (f) of this section;

12           (2) for the costs of site development, permitting, or providing  
13           infrastructure for property the recipient owns;

14           (3) for a project that supports future commercial or industrial  
15           development as outlined in a development agreement;

16           (4) for the equity investment required for a loan transaction through the  
17           Vermont Economic Development Authority under 10 V.S.A. chapter 12,  
18           subchapter 3;

19           (5) for the matching requirement of another State or federal grant  
20           consistent with this section; or

1           (6) for the purchasing, holding, and renovation of property for the  
2           repurposing or redevelopment of a federally impacted property.

3           (e) Application; market assessment.

4           (1) An applicant shall include in its application a local and regional  
5           market assessment that demonstrates reasonable need for the proposed  
6           development and identifies imminent, potential, or existing business growth  
7           opportunities.

8           (2) An applicant shall submit the following to demonstrate a readiness to  
9           begin and complete the proposed project:

10           (A) community and regional support for the project;

11           (B) that grant funding is needed to complete the proposed project;

12           (C) an ability to manage the project, with requisite experience and a  
13           plan for fiscal viability; and

14           (D) a description of the permitting required to proceed with the  
15           project and a plan for obtaining the permits.

16           (f) Awards; amount.

17           (1)(A) An award shall not exceed the lesser of \$1,000,000.00 or 50  
18           percent of the total project cost, subject to the exception in subdivision (B) of  
19           this subdivision (1).

20           (B) An award shall be 100% of the total project cost, but shall not  
21           exceed \$2,000,000.00, if the property is classified as a federally impacted

1 property and the Secretary certifies that the project is located within at least  
2 two of the following:

- 3 (i) a designated downtown development district;
- 4 (ii) a rural economic area partnership program (REAP Zone); and
- 5 (iii) a federally declared natural disaster area provided the  
6 declaration was made not more than two years from the application date.

7 (2) A recipient may combine grant funds with funding from other  
8 sources.

9 (3) The Agency shall release grant funds upon determining that the  
10 applicant has met all application conditions and requirements.

11 (4) A grant recipient may apply for additional grant funds if future  
12 amounts are appropriated for the Program and the funds are for a separate but  
13 eligible use.

14 Sec. 14. EFFECTIVE DATE

15 This act shall take effect on July 1, 2026.

17 (Committee vote: \_\_\_\_\_)

18 \_\_\_\_\_

19 Representative \_\_\_\_\_

20 FOR THE COMMITTEE