

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. [Deleted.]**

9 Sec. 2. [Deleted.]

10 Sec. 3. [Deleted.]

11 Sec. 4. [Deleted.]

12 Sec. 5. [Deleted.]

13 Sec. 6. [Deleted.]

14 * * * Business Resources and Growth Study * * *

15 Sec. 7. BUSINESS RESOURCES AND GROWTH; INVENTORY; STUDY;

16 REPORT

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

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

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

6 (3) create an inventory of resources, pursuant to subdivision (2) of this
7 subsection, that are poised to serve businesses for each stage of development;

8 (4) determine how best to communicate the inventory of resources
9 created pursuant to subdivision (3) of this subsection to Vermonters and the
10 business community;

11 (5) determine how to better communicate succession planning options
12 for businesses;

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

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

15 (A) investment environment in Vermont and the New England
16 region;

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

18 (C) requirements to maintain Vermont's Tech Hub designation; and

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

1 meetings. These payments shall be made from monies appropriated to the
2 Agency of Commerce and Community Development.

3 * * *

4 * * * Repeal of VEGI Prospective Repeal * * *

5 Sec. 9. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022
6 Acts and Resolves No. 164, Sec. 5, 2023 Acts and Resolves No. 72, Sec. 39,
7 and 2024 Acts and Resolves No. 176, Sec. 1, is further amended to read:

8 Sec. H.12. ~~VEGI; REPEAL OF AUTHORITY TO AWARD~~

9 ~~INCENTIVES~~

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

14 * * * Culinary Institute Study * * *

15 Sec. 10. CULINARY INSTITUTE; STUDY; REPORT

16 (a) Purpose and findings. The State of Vermont lost a significant
17 contributor to its culinary workforce pipeline development when the New
18 England Culinary Institute closed during the COVID-19 pandemic. The
19 General Assembly finds that the establishment of a new culinary institute is

1 critical for long-term workforce needs in the food, tourism, and hospitality
2 sectors, sectors that are significant for the economic health of the State.

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

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

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

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

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

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

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

18 (c) Stakeholders. The Office shall consult and convene with stakeholders
19 to assist in its work pursuant to subsection (b) of this section that have relevant
20 experience in the food and hospitality sectors, including representation from
21 the State Workforce Development Board, Department of Labor, Department of

1 Corrections, State Refugee Office, Vermont Association of Career and
2 Technical Directors, Vermont Chamber of Commerce, Vermont Independent
3 Restaurants, University of Vermont, Vermont State Colleges System, Vermont
4 Sustainable Jobs Fund, and Vermont Employee Ownership Center.

5 (d) Report. On or before December 1, 2026, the Office shall submit a
6 written report to the House Committee on Commerce and Economic
7 Development and the Senate Committee on Economic Development, Housing
8 and General Affairs with its findings and information gathered pursuant to
9 subsection (b) of this section along with any recommendations concerning the
10 establishment of a culinary institute in Vermont. The report shall also list the
11 stakeholders consulted pursuant to subsection (c) of this section.

12 * * * Culinary Apprenticeship Pilot Program * * *

13 **Sec. 10a. HOSPITALITY AND CULINARY APPRENTICESHIP PILOT**

14 (a) Creation and purpose; coordination.

15 (1) The Department of Labor, through the Vermont Registered
16 Apprenticeship Program, shall establish and maintain a two-year hospitality
17 and culinary apprenticeship pilot that develops and evaluates a new registered
18 apprenticeship training program specific to accommodation and food services.
19 The pilot shall be structured as a regional, multi-employer model, with the goal
20 of the program to strengthen workforce pathways and improve job quality in

1 the hospitality and culinary services, which have been identified as priority
2 sectors by the State Workforce Development Board.

3 (2) The Department shall coordinate its work on the pilot with the
4 Department of Tourism and Marketing, Department of Economic
5 Development, Office of Workforce Strategy and Development, and Vermont
6 Chamber of Commerce.

7 (b) Pilot details.

8 (1) The Department shall:

9 (A) implement the pilot in a tourism-based regional economy and
10 include multiple employers, including at least one large employer, located
11 within the same regional economy;

12 (B) incorporate an intermediary or coordinating entity;

13 (C) include structured work-based learning across more than one
14 employer;

15 (D) align with education and training providers, including secondary
16 and adult career technical education programs;

17 (E) be structured to rely on existing resources, including the physical
18 assets of schools, technical centers and restaurants;

19 (F) be built around not more than two apprenticeable occupations, as
20 that term is defined in 21 V.S.A. § 1111(4); and

1 (G) establish specific numeric targets and track outcomes including
2 completion, retention, and wage progression.

3 (2) The pilot shall be designed to achieve, at minimum:

4 (A) participation of multiple employers;

5 (B) enrollment of at least one apprentice cohort; and

6 (C) measurable completion outcomes.

7 (d) Funding. The Department shall implement the pilot using existing State
8 and federal funds to the extent practicable and may seek additional grants or
9 funding as such funds become available.

10 (e) Report. The Department shall, based on its work on the hospitality and
11 culinary apprenticeship pilot set forth in this section, submit to the House
12 Committee on Commerce and Economic Development and the Senate
13 Committee on Economic Development, Housing and General Affairs:

14 (1) on or before December 15, 2026, an interim written report on the
15 progress on the pilot program that includes the design, participation, and
16 preliminary results of the pilot; and

17 (2) on or before December 15, 2028, a final written report on the pilot
18 program, including outcomes, evaluation of effectiveness, and
19 recommendations for future legislative action.

20 **Sec. 11. [Deleted.]**

1 * * * Rural Industry Development Grant Program * * *

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

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

4 ~~(a) Creation; purpose.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 ~~(f) Awards; amount.~~

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

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

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

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

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

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

8 § 6. RURAL INDUSTRY DEVELOPMENT GRANT PROGRAM

9 (a) Creation; purpose.

10 (1) The Rural Industry Development Grant Program is created within
11 the Agency of Commerce and Community Development to provide grant
12 funding through local development corporations for the purpose of business
13 relocation and expansion activities set forth in subsection (d) of this section.

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

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

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

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

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

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

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

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

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

13 (c) Eligible applicants; priority.

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

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

20 (d) Eligible activities. A grant recipient shall use any funding provided
21 through this section only for the following:

1 (1) to purchase real property for potential industrial, commercial, or, in
2 the case of a federally impacted property, residential use;

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

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

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

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

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

14 (e) Application; market assessment.

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

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

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

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

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

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

6 (f) Awards; amount.

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

10 (B) An award may exceed \$1,000,000.00 but shall not exceed
11 \$2,000,000.00 if the property is classified as a federally impacted property and
12 the Secretary certifies that the project is located in:

13 (i) a designated downtown development district; and

14 (ii) a rural economic area partnership program (REAP Zone); or

15 (iii) a federally declared natural disaster area, provided the
16 declaration was made not more than five years from the application date.

17 (2) A recipient may combine grant funds with funding from other
18 sources.

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

