

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 (4) the President of the Vermont Chamber of Commerce or designee;
- 2 (5) the Chief Executive Officer of the Lake Champlain Chamber of
- 3 Commerce or designee;
- 4 (6) the President of the Vermont Regional Development Corporations or
- 5 designee; ~~and~~
- 6 (7) the Chair of the Vermont Association of Planning and Development
- 7 Agencies or designee; and
- 8 (8) the President of the University of Vermont or designee.

9 \* \* \*

10 (e) Reports. On or before November 1, 2025 2026, the Task Force shall

11 submit an updated interim report to the House Committee on Commerce and

12 Economic Development and the Senate Committee on Economic

13 Development, Housing and General Affairs with an update on its work

14 pursuant to subsection (c) of this section. On or before ~~November 1, 2026~~ July

15 1, 2027, the Task Force shall submit a final written report to the House

16 Committee on Commerce and Economic Development and the Senate

17 Committee on Economic Development, Housing and General Affairs with its

18 findings and any recommendations for legislative action.

19 (f) Meetings.

20 \* \* \*

21 (4) The Task Force shall cease to exist on December 1, 2026 2027.



1 ~~Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,~~  
2 ~~subchapter 2 on or after January 1, 2027. [Repealed.]~~

3 \* \* \* Study of Culinary and Hospitality Education \* \* \*

4 Sec. 10a. CULINARY **AND HOSPITALITY EDUCATION**; STUDY;  
5 REPORT

6 (a) Purpose and findings. The State of Vermont lost a significant  
7 contributor to its culinary and hospitality workforce pipeline when the New  
8 England Culinary Institute closed during the COVID-19 pandemic. The  
9 General Assembly finds that the establishment of postsecondary educational  
10 programs in the fields of culinary arts and hospitality is critical for the long-  
11 term workforce needs in those sectors and for the economic health of the State.

12 (b) Task. The Department of Labor, in collaboration with the Vermont  
13 Chamber of Commerce, shall engage with the stakeholders set forth in  
14 subsection (c) of this section to determine how best to develop postsecondary  
15 educational programs in the fields of culinary arts and hospitality by:

16 (1) investigating suitable locations that could host the programs;

17 (2) researching and identifying possible educational and business  
18 models;

19 (3) identifying organizations that could stand up, administer, **or operate**  
20 the programs;

1           (4) gauging the interest from private investors to determine whether  
2           there is interest in private funding for the programs;

3           (5) establishing relationships with culinary and hospitality businesses in  
4           Vermont that have or will have workforce needs;

5           (6) cataloging opportunities currently available for culinary and  
6           hospitality training and certification;

7           (7) determining whether there are gaps in the availability of culinary and  
8           hospitality training and certification programs; and

9           (8) conducting any additional research or outreach that would promote  
10          the development of the programs.

11          (c) Stakeholders. The Department shall consult and convene with  
12          stakeholders to assist in its work pursuant to subsection (b) of this section that  
13          have relevant experience in the food and hospitality sectors, including  
14          representation from the State Workforce Development Board, Office of  
15          Workforce Strategy and Development, Vermont Association of Career and  
16          Technical Directors, Vermont Professionals of Color, Vermont Independent  
17          Restaurants, Vermont Specialty Foods Association, Vermont Lodging  
18          Association, University of Vermont, Vermont State Colleges System, Vermont

1 Sustainable Jobs Fund, Vermont Employee Ownership Center, and an  
2 institutional food and beverage provider.

3 (d) Report. On or before December 1, 2026, the Department shall submit a  
4 written report to the House Committee on Commerce and Economic  
5 Development and the Senate Committee on Economic Development, Housing  
6 and General Affairs with its findings and information gathered pursuant to  
7 subsection (b) of this section along with any recommendations concerning the  
8 development of postsecondary educational programs for culinary arts and  
9 hospitality. The report shall also list the stakeholders consulted pursuant to  
10 subsection (c) of this section.

11 \* \* \* Culinary Apprenticeship Pilot Program \* \* \*

12 Sec. 10b. HOSPITALITY AND CULINARY APPRENTICESHIP PILOT;  
13 REPORT

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 being to strengthen workforce pathways and improve job

1 quality in the hospitality and culinary services, which have been identified as  
2 priority 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 **hospitality**-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           (c) 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          (d) 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 of 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. 12a. 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. 12b. 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:

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

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

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

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

7           (f) Awards; amount.

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

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

14           (i) a designated downtown development district; and

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

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

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

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



1     § 2. NICKEL ROUNDING; AUTHORIZED

2         (a) Definitions. As used in this section:

3             (1) “Cash” means coins or paper currency of the United States offered in  
4     physical form.

5             (2) “Cash transaction” means a sale of goods or services where payment  
6     is made entirely or partially in cash.

7             (3) “Rounding” means adjusting the final total amount due, after taxes  
8     and fees, to the nearest five-cent increment.

9         (b) Rounding authorization.

10            (1) A person or business engaged in a cash transaction may round the  
11     final amount due to the nearest \$0.05 as follows:

12                (A) If the final digit of the amount due is \$0.01, \$0.02, \$0.06, or  
13     \$0.07, rounded down to the nearest amount divisible by five.

14                (B) If the final digit of the amount due is \$0.03, \$0.04, \$0.08, or  
15     \$0.09, rounded up to the nearest amount divisible by five.

16             (2) If a person or business rounds a cash transaction under this section,  
17     any cash refund of the amount paid shall be issued to the purchaser in the exact  
18     amount initially paid for the goods or service.

19         (c) Exclusions. This section shall not apply to:

20             (1) electronic and other noncash payments;

21             (2) payment of wages as that term is defined in 21 V.S.A. § 341;

1           (3) rebates or cash disbursements; and

2           (4) transactions governed by federal law that prohibits rounding.

3           (d) Application. Notwithstanding any law to the contrary, rounding under  
4 this section shall not constitute an unlawful price increase, surcharge, unfair or  
5 deceptive act or practice in commerce, or discrimination.

6           (e) Required notice.

7           (1) A person or business rounding transactions under this section shall  
8 post the following written disclosure in a clear and conspicuous manner at the  
9 point of sale or at the entrance to the business:

10           “Vermont Law Authorizes the Rounding of Cash Transactions. A  
11 person or business engaged in a cash transaction may round the final amount  
12 due to the nearest \$0.05. If the final digit of the amount due is \$0.01, \$0.02,  
13 \$0.06, or \$0.07, the final amount due may be rounded down. If the final digit  
14 of the amount due is \$0.03, \$0.04, \$0.08, or \$0.09, the final amount due may  
15 be rounded up. This does not impact electronic or other noncash payments.  
16 For information or complaints, you may contact the Vermont Consumer  
17 Assistance Program.”

18           (2) The Secretary of Agriculture, Food and Markets may issue a penalty  
19 for the failure to provide the notice required under this subsection in  
20 accordance with 6 V.S.A. § 687.



1       (c) As used in this subchapter:

2           (1) “Commercial or industrial building” means any building other than a  
3 residential dwelling with fewer than five units.

4           (2) “District” means a commercial property-assessed clean energy  
5 district which includes the entire municipality.

6           (3) “Resilience” means the ability of interconnected ecological, social,  
7 physical, and economic systems to anticipate, adapt, withstand, respond, and  
8 thrive in the face of current and future conditions and disasters.

9           (4) “Resiliency improvement” means improvements that increase the  
10 resilience of a property, including air quality and stormwater infrastructure  
11 improvements, snow and flood mitigation, energy storage and microgrids,  
12 alternative vehicle charging infrastructure, and fire and wind resistance.

13           (5) “Water conservation improvement” means measures, equipment, or  
14 devices that decrease the consumption of or demand for water, address safe  
15 drinking water, or eliminate lead from water used for drinking or cooking.

16       § 3276. WRITTEN AGREEMENTS; CONSENT OF PROPERTY

17           OWNERS; ENERGY SAVINGS ANALYSIS; LENDER CONSENT

18           (a) Upon an affirmative vote made pursuant to section 3275 of this title and  
19 the performance of an analysis pursuant to subsection (b) of this section, an  
20 owner of a commercial or industrial building, within the boundaries of a  
21 district, may enter into a written agreement with the municipality that shall

1 constitute the owner’s consent to be subject to a special assessment, as set forth  
2 in section 3255 of this title. Entry into such an agreement may occur only after  
3 January 1, 2027.

4 (b) Prior to entering into a written agreement, a property owner shall have  
5 an analysis performed that includes the following components:

6 (1) where energy or water usage improvements are proposed, an energy  
7 analysis by a licensed professional engineer or engineering firm stating that the  
8 proposed qualified improvements will result in either more efficient use or  
9 conservation of energy or water, the reduction of greenhouse gas emissions, or  
10 the addition of renewable sources of energy or water;

11 (2) where renewable energy is proposed, an engineering study showing  
12 that the improvements are feasible;

13 (3) where resiliency improvements are proposed, certification by a  
14 licensed professional engineer stating that the qualified improvements will  
15 result in improved resilience; or

16 (4) for new construction, certification by a licensed professional  
17 engineer or engineering firm stating that the proposed qualified improvements  
18 will enable the project to meet or exceed the energy efficiency or water  
19 efficiency or renewable energy or water usage requirements of the current  
20 building code and the Commercial Building Energy Standards established  
21 under 30 V.S.A. § 53.

1           (c) A written agreement shall provide that:

2                   (1) The length of time allowed for the property owner to repay the  
3                   assessment shall not exceed the life expectancy of the improvement. In  
4                   instances where multiple improvements have been installed, the length of time  
5                   shall not exceed the average lifetime of all improvements, weighted by cost.

6                   (2) Notwithstanding any other provision of law:

7                           (A) A lien under this section:

8                                   (i) is a first and prior lien on the property, subordinate only to a  
9                   lien for property taxes, from the date on which the notice of special assessment  
10                   is recorded until the assessment, interest, or penalty is paid; and

11                                   (ii) runs with the land, and that portion of the assessment under the  
12                   assessment contract that is not yet due shall not be accelerated or extinguished  
13                   by foreclosure of a property tax lien or any other foreclosure.

14                           (B) In the event of a foreclosure action, all payments on an  
15                   assessment under this subchapter that are due and unpaid as of the date the  
16                   action is filed, and all payments on the assessment that become due after that  
17                   date and that accrue up to and including the date title to the property is  
18                   transferred to the mortgage holder, the lienholder, or a third party in the  
19                   foreclosure action shall be paid in order for title to transfer.

20                   (3) A capital provider shall disclose to participating property owners  
21                   each of the following:

1           (A) the risks associated with participating in the program, including  
2           risks related to the failure of participating property owners to make payments  
3           and the risk of foreclosure; and

4           (B) the provisions of subsection (h) of this section that pertain to  
5           prepayment of the assessment.

6           (d) The notice of an agreement shall include at least each of the following:

7           (1) the name of the property owner as grantor;

8           (2) the name of the municipality as grantee;

9           (3) the date of the agreement;

10           (4) a legal description of the real property against which the assessment  
11           is made pursuant to the agreement;

12           (5) the amount of the assessment and the period during which the  
13           assessment will be made on the property;

14           (6) a statement that the assessment will remain a lien on the property  
15           until paid in full or released; and

16           (7) the location at which the original agreement may be examined.

17           (e) Prior to entering into the written assessment contract, the property  
18           owner shall obtain and furnish to the municipality a written statement,  
19           executed by each holder of a mortgage or deed of trust on the property  
20           securing indebtedness, in their sole and absolute discretion, that consents to the

1 assessment and indicates that the assessment does not constitute an event of  
2 default under the mortgage or deed of trust.

3 (f) The combined amount of the assessment plus any outstanding mortgage  
4 obligations for the property shall not exceed 90 percent of the appraised real  
5 property value of that property, as stabilized or as complete.

6 (g) With respect to an agreement under this section:

7 (1) the assessments to be repaid under the agreement, when calculated  
8 as if they were the repayment of a loan, shall not violate 9 V.S.A. §§ 41a, 43,  
9 44, and 46–50; and

10 (2) the maximum length of time for the owner to repay the assessment  
11 shall not exceed 30 years.

12 (h) For projects under subchapter 2 of this chapter, there shall be no penalty  
13 or premium for prepayment of the outstanding balance of an assessment under  
14 this subchapter if the balance is prepaid in full. Projects under this subchapter  
15 3 are not subject to these provisions, but shall be subject to the private  
16 agreement for the financing of improvements.

17 (i) Property may be eligible for financing if otherwise qualified  
18 improvements were completed and operational not more than 36 months prior  
19 to submission of the application to the Program. Waivers to the 36-month  
20 requirement may be granted in the sole discretion of the program  
21 administrator.

1     § 3277. PROGRAM ADMINISTRATORS

2     (a) An entity that administers the commercial property-assessed clean  
3     energy program or C-PACE Program under this subchapter shall be referred to  
4     as a program administrator. A municipality, a public agency, or a private  
5     entity may serve as a program administrator.

6     (b) A municipality that has adopted a C-PACE district may:

7         (1) enter into a contract with an entity to serve as the program  
8     administrator and to administer the functions of the C-PACE Program for the  
9     municipality; or

10         (2) serve as the program administrator itself, to administer the functions  
11     of a C-PACE Program, including entering into C-PACE agreements with  
12     commercial property owners in its jurisdiction and collecting C-PACE  
13     assessments.

14     (c) An entity may:

15         (1) enter into a contract with a C-PACE municipality where the entity  
16     shall serve as the program administrator in the municipality; and

17         (2) collect fees necessary to administer the C-PACE Program.

18     (d) Other than the fulfillment of its obligations specified in a C-PACE  
19     agreement, neither the program administrator nor a municipality has any  
20     liability to a commercial property owner for or related to energy savings or  
21     resiliency improvements financed under a C-PACE Program.

1 **Sec. 14b. 24 V.S.A. § 3263 is amended to read:**

2 § 3263. COSTS OF OPERATION OF DISTRICT

3 The owners of real property who have entered into written agreements with  
4 the municipality under section 3262 of this title shall be obligated to cover the  
5 costs of operating the district. A municipality may use other available funds to  
6 operate the district. A municipality may charge fees to cover the operation of  
7 the C-PACE Program under subchapter 3 of this chapter.

8 **Sec. 14c. 24 V.S.A. § 3264 is amended to read:**

9 § 3264. RIGHTS OF PROPERTY OWNERS

10 A property owner who has entered into a written agreement with the  
11 municipality under section 3262 or section 3276 of this title may enter into a  
12 private agreement for the installation or construction of a project relating to  
13 renewable energy, as defined in 30 V.S.A. § 8002(17), relating to resiliency  
14 improvements as defined in section 3275 of this title, or relating to energy  
15 efficiency as defined in section 3267 of this title.

16 **Sec. 14d. 24 V.S.A. § 3265 is amended to read:**

17 § 3265. LIABILITY OF MUNICIPALITY

18 (a) A municipality that incurs indebtedness for or otherwise finances  
19 projects under this subchapter shall not be liable for the failure of performance  
20 of a project.

1 (b) A municipality that incurs indebtedness for bonding under this  
2 subchapter shall pledge the full faith and credit of the municipality.

3 (c) A municipality that enters into a written agreement with a property  
4 owner under subchapter 3 of this chapter shall not incur any indebtedness or  
5 otherwise finance projects under this chapter, nor shall be liable for the failure  
6 of the performance of a project, nor shall pledge the full faith and credit of the  
7 municipality.

8 **Sec. 14e. 24 V.S.A. § 3268 is amended to read:**

9 § 3268. RELEASE OF LIEN

10 (a) A municipality shall release a participating property owner of the lien  
11 on the property against which the assessment under this subchapter or  
12 subchapter 3 of this chapter is made upon full payment of the value of the  
13 assessment.

14 (b) Notice of a release of a lien for an assessment under this subchapter or  
15 subchapter 3 of this chapter shall be filed with the clerk of the applicable  
16 municipality for recording in the land records of that municipality.

17 **Sec. 14f. 24 V.S.A. § 3255 is amended to read:**

18 § 3255. COLLECTION OF ASSESSMENTS; LIENS

19 (a) Special assessments under this chapter shall constitute a lien on the  
20 property against which the assessment is made in the same manner and to the  
21 same extent as taxes assessed on the grand list of a municipality, and all

1 procedures and remedies for the collection of taxes shall apply to special  
2 assessments.

3 (b) Notwithstanding subsection (a) of this section, a lien for an assessment  
4 under subchapter 2 of this chapter shall be subordinate to all liens on the  
5 property in existence at the time the lien for the assessment is filed ~~on~~ in the  
6 land records, shall be subordinate to a first mortgage on the property recorded  
7 after such filing, and shall be superior to any other lien on the property  
8 recorded after such filing. In no way shall this subsection affect the status or  
9 priority of any municipal lien other than a lien for an assessment under  
10 subchapter 2 of this chapter. A lien for an assessment under subchapter 3 of  
11 this chapter shall be exempt from the provisions of this section and, upon  
12 receipt of consent from lenders, pursuant to subsection 3276(e) of this title,  
13 shall not be subordinate to all liens on the property in existence at the time the  
14 lien for the assessment is filed in the land records.

15 **Sec. 14g. 9 V.S.A. § 46 is amended to read:**

16 § 46. EXCEPTIONS

17 Section 43 of this title, relating to deposit requirements, and section 45 of  
18 this title, relating to prepayment penalties, shall not apply and the parties may  
19 contract for a rate of interest in excess of the rate provided in section 41a of  
20 this title in the case of:

1 (1) obligations of corporations, including municipal and nonprofit  
2 corporations; ~~or~~

3 (2) obligations incurred by any person, partnership, association, or other  
4 entity to finance in whole or in part income-producing business or activity, but  
5 not including obligations incurred to finance family dwellings of four units or  
6 fewer when used as a residence by the borrower or to finance real estate that is  
7 devoted to agricultural purposes as part of an operating farming unit when used  
8 as a residence by the borrower; ~~or~~

9 (3) obligations to finance the purchase, construction, or improvement of  
10 property for seasonal or part-time occupancy and not as a place of legal  
11 residence; ~~or~~

12 (4) obligations guaranteed or insured by the United States of America or  
13 any agency thereof; or

14 (5) obligations incurred for commercial property-assessed clean energy  
15 projects pursuant to 24 V.S.A. chapter 87, subchapter 3.

16 \* \* \* Effective Dates \* \* \*

17 **Sec. 15. EFFECTIVE DATES**

18 (a) This section (effective dates), Sec. 8 (convention center task force), and  
19 Secs. 13a and 13b (nickel rounding) shall take effect on passage.

20 (b) Sec. 7 (business resources study); Sec. 9 (repeal of VEGI prospective  
21 repeal); Sec. 10a (culinary education); Sec. 10b (culinary apprenticeship);

1 Secs. 12a and 12b (RIDP); and Secs. 14a, 14b, 14c, 14d, 14e, 14f, and 14g  
2 (CPACE program) shall take effect on July 1, 2026.

3

4 (Committee vote: \_\_\_\_\_)

5

\_\_\_\_\_

6

Representative \_\_\_\_\_

7

FOR THE COMMITTEE