

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was 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 bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. PURPOSE

8 This act proposes to strengthen and support Vermont’s businesses and
9 promote long-term economic growth by investing in the economic
10 development and vitality of its downtowns and village centers, providing key
11 financial support, technical assistance, and incentives for Vermont businesses
12 of all sizes and at all stages of development.

13 Sec. 2. 32 V.S.A. chapter 151, subchapter 11J is amended to read:

14 Subchapter 11J. Vermont Downtown and Village Center Tax Credit Program

15 * * *

16 § 5930ee. LIMITATIONS

17 Beginning in fiscal year 2010 and thereafter, the State Board may award tax
18 credits to all qualified applicants under this subchapter, provided that:

19 (1) the total amount of tax credits awarded annually, together with sales
20 tax reallocated under section 9819 of this title, does not exceed ~~\$3,000,000.00~~
21 \$5,000,000.00;

1 education offerings and free legal support to small businesses through its

2 Vermont Small Business Law Center, which include:

3 (1) individual and group educational trainings and consultations;

4 (2) an ongoing webinar series on legal basics for startups; and

5 (3) an attorney referral program.

6 (b) Business advising. Of monies appropriated to the Department of
7 Economic Development in fiscal year 2027, \$689,000.00 shall be allocated for
8 a grant to the Vermont Small Business Development Center for the purpose of
9 supporting the continuation of its work in helping Vermonters start, acquire,
10 and grow businesses. The funds shall also be used to increase business
11 advising and educational workshops to meet increasing demands of
12 entrepreneurs and small business owners post pandemic. This increase of
13 \$300,000.00 from the Governor’s suggested budget will allow the Center to
14 serve an additional 200 Vermont entrepreneurs and business owners through
15 no-fee, one-to-one advising to help them start businesses, add and retain jobs,
16 increase sales, export products, and prepare their ownership succession plan to
17 transfer ownership for the business to continue to operate in Vermont.

18 (c) Microbusiness support. Of monies appropriated to the Department for
19 Children and Families in fiscal year 2027, \$594,000.00 shall be allocated to the
20 Office of Economic Opportunity for the purpose of supporting the Vermont
21 Community Action Partnership’s microbusiness development program.

1 (1) continuing to support the Office’s initiatives; and

2 (2) creating a new office dedicated to the expansion of the mutually

3 beneficial economic relationship between Vermont and Taiwan.

4 Sec. 6. BROWNFIELDS ALLOCATION

5 Of monies appropriated to the Department of Economic Development in

6 fiscal year 2027, \$3,000,000.00 shall be allocated for brownfields remediation

7 and redevelopment.

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 in-state and out-of-state resources available to businesses

18 and 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.

1 Sec. 8. 2025 Acts and Resolves No. 65, Sec. 3 is amended to read:

2 Sec. 3. TASK FORCE TO EXPLORE DEVELOPMENT OF
3 CONVENTION CENTER AND PERFORMANCE VENUE

4 * * *

5 (f) Meetings.

6 * * *

7 (5) The Task Force shall meet not more than ~~six~~ 14 times.

8 * * *

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

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

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

18 Sec. 10. 32 V.S.A. chapter 105, subchapter 2 is amended to read:

19 Subchapter 2. Vermont Employment Growth Incentive Program
20 § 3330. PURPOSE; FORM OF INCENTIVES; ENHANCED INCENTIVES;
21 ELIGIBLE APPLICANT

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(b) Form of incentives; enhanced incentives.

(1) The Vermont Economic Progress Council may approve an incentive under this subchapter in the form of a direct cash payment in annual installments.

(2) The Council may approve the following enhanced incentives:

(A) an enhanced incentive for a business in a labor market area with higher than average unemployment or lower than average wages pursuant to section 3334 of this title; ~~and~~

(B) an enhanced incentive for an environmental technology business pursuant to section 3335 of this title; and

(C) [Repealed.]

(D) an enhanced incentive for an employee-owned business pursuant to section 3335a of this title.

* * *

§ 3331. DEFINITIONS

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(9) “Qualifying job” means a new, permanent position in Vermont that meets each of the following criteria:

1 (A) The position is filled by:

2 (i) a non-owner employee who regularly works at least 35 hours
3 each week; or

4 (ii) an employee of an employee-owned business, pursuant to
5 section 3335a of this title, who regularly works at least 35 hours each week.

6 * * *

7 § 3333. CALCULATING THE VALUE OF AN INCENTIVE

8 Except as otherwise provided for an enhanced incentive for a business in a
9 qualifying labor market area ~~under~~ pursuant to section 3334 of this title ~~or~~, an
10 enhanced incentive for an environmental technology business ~~under~~ pursuant
11 to section 3335 of this title, or an enhanced incentive for an employee-owned
12 business pursuant to section 3335a of this title, the Council shall calculate the
13 value of an incentive for an award year as follows:

14 (1) Calculate new revenue growth. To calculate new revenue growth,
15 the Council shall use the cost-benefit model created pursuant to section 3326
16 of this title to determine the amount by which the new revenue generated by
17 the proposed economic activity to the State exceeds the costs of the activity to
18 the State.

19 (2) Calculate the business's potential share of new revenue growth.

20 Except as otherwise provided for an environmental technology business ~~in~~
21 pursuant to section 3335 of this title or an employee-owned business pursuant

1 to section 3335a of this title, to calculate the business’s potential share of new
2 revenue growth, the Council shall multiply the new revenue growth determined
3 under subdivision (1) of this subsection by 80 percent.

4 * * *

5 § 3335. ENHANCED INCENTIVE FOR ENVIRONMENTAL
6 TECHNOLOGY BUSINESS

7 * * *

8 § 3335a. ENHANCED INCENTIVE FOR EMPLOYEE-OWNED
9 BUSINESSES

10 (a) As used in this section, “employee-owned business” means the
11 following:

12 (1) an “employee stock ownership plan,” which means an employee
13 stock ownership plan as defined in 26 U.S.C. § 4975(e)(7), as may be
14 amended; or

15 (2) a “worker cooperative,” which means:

16 (A) an eligible worker-owned cooperative as defined in 26 U.S.C.
17 § 1042(c), as may be amended;

18 (B) a worker cooperative organized under 11 V.S.A. chapter 8; or

19 (C) an organization that meets the following criteria:

20 (i) employees of the organization constitute a majority of
21 its membership;

1 (ii) members of the organization hold a majority of the
2 voting power;

3 (iii) members of the organization have the authority to elect a
4 majority of the board of directors on the basis of one person, one vote; and

5 (iv) the organization allocates a majority of its allocated earnings
6 and losses to members on the basis of:

7 (I) patronage;

8 (II) capital contributions; or

9 (III) a combination of subdivisions (I) and (II) of this
10 subdivision (2)(C)(iv); and

11 (3) the business seeks an incentive for economic activity in Vermont
12 pursuant to this subchapter.

13 (b) The Council shall consider and administer an application from an
14 employee-owned business pursuant to the provisions of this subchapter, except
15 that:

16 (1) the business's potential share of new revenue growth shall be 90
17 percent; and

18 (2) to calculate qualifying payroll, the Council shall:

19 (A) determine the background growth rate in payroll for the
20 applicable business sector in the award year;

- 1 (1) research suitable options for the location of a culinary institute;
- 2 (2) determine which college or organization should stand up and
- 3 administer the culinary institute;
- 4 (3) determine to what extent the General Assembly is needed to help
- 5 fund and establish the culinary institute;
- 6 (4) begin establishing relationships with restaurants in Vermont that
- 7 have or will have workforce needs;
- 8 (5) gauge the interest from private investors to determine whether there
- 9 is interest in private funding for a culinary institute; and
- 10 (6) conduct any additional research or outreach that would promote the
- 11 establishment of a culinary institute.
- 12 (c) Stakeholders. The Office shall consult and convene with stakeholders
- 13 to assist in its work pursuant to subsection (b) of this section that have relevant
- 14 experience in the food and hospitality sectors, including representation from
- 15 the State Workforce Development Board, Vermont Association of Career and
- 16 Technical Directors, Vermont Chamber of Commerce, Vermont Independent
- 17 Restaurants, University of Vermont, Vermont State Colleges System, and
- 18 Vermont Sustainable Jobs Fund.
- 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. 12. EFFECTIVE DATES

6 This act shall take effect on July 1, 2026, except that this section (effective
7 dates) and Sec. 8 (convention center task force) shall take effect on passage.

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18 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE