TO THE HONORABLE SENATE:

The Committee on Economic Development, Housing and General Affairs to which was referred Senate Bill No. 327 entitled "An act relating to economic development" respectfully reports that it has considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. PURPOSE

This act proposes to strengthen and support Vermont's businesses and promote long-term economic growth by investing in the economic development and vitality of its downtowns and village centers, providing key financial support, technical assistance, and incentives for Vermont businesses of all sizes and at all stages of development. This act also requires the Commissioner of Economic Development to research and create an inventory of the resources available to businesses to assist with growth and development, the Office of Workforce Strategy and Development to study the feasibility of establishing a new culinary institute in the State, and the Vermont Association of Planning and Development Agencies to study the short- and long-term solutions to better connect the economies of New York and Vermont.

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

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

* * *

§ 5930ee. LIMITATIONS

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

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~$3,000,000.00~~ $4,000,000.00;

(2) a total annual allocation of ~~no~~ not more than 30 percent of these tax credits in combination with sales tax reallocation may be awarded in connection with all of the projects in a single municipality;

(3) façade tax credits shall not be available for projects that qualify for the federal rehabilitation tax credit;

(4) no credit shall be allowed under this subchapter for the cost of acquiring any building or interest in a building;

(5) credit under any one subsection of 5930cc of this subchapter may not be allocated more often than once every two years with respect to the same building; and

(6) credit awarded under section 5930cc of this subchapter that is rescinded or recaptured by the State Board shall be available for the State Board to award to applicants in any subsequent year, in addition to the total amount of tax credits authorized under this section.

* * *

Sec. 3. EXPANDING SERVICES FOR SMALL BUSINESSES

(a) Expanding legal services. Of monies appropriated to the Department of Economic Development in fiscal year 2027, $100,000.00 shall be allocated for the purpose of supporting the Vermont Law and Graduate School's public education offerings and free legal support to small businesses through its Vermont Small Business Law Center, which include:

(1) individual and group educational trainings and consultations;

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

(3) an attorney referral program.

(b) Business advising. Of monies appropriated to the Department of Economic Development in fiscal year 2027, $539,000.00 shall be allocated for a grant to the Vermont Small Business Development Center for the purpose of supporting the continuation of its work in helping Vermonters start, acquire, and grow businesses. The funds shall also be used to increase business advising and educational workshops to meet increasing demands of entrepreneurs and small business owners post pandemic. This increase of $150,000.00 from the Governor's suggested budget will allow the Center to serve an additional 200 Vermont entrepreneurs and business owners through no-fee, one-to-one advising to help them start businesses, add and retain jobs, increase sales, export products, and prepare their ownership succession plan to transfer ownership for the business to continue to operate in Vermont.

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

(d) The Vermont Professionals of Color Network. Of monies appropriated to the Department of Economic Development in fiscal year 2027, $200,000.00 shall be allocated for a grant to the Vermont Professionals of Color Network in its support of critical workforce and business development services it provides to BIPOC business communities and to support its business technical assistance services, which includes education on basic business practices, resource navigation, and networking support to BIPOC small business owners.

Sec. 4. VERMONT OUTDOOR RECREATION ECONOMIC COLLABORATIVE

Of monies appropriated to the Department of Forests, Parks and Recreation in fiscal year 2027, $200,000.00 is allocated to the Vermont Outdoor Recreation Economic Collaborative to conduct a comprehensive outdoor recreation economic impact study that will provide the State with information on how it can better support and benefit from the $2.1 billion dollar outdoor recreation industry.

Sec. 5. INTERNATIONAL BUSINESS OFFICE; APPROPRIATION

Of monies appropriated to the Department of Economic Development in fiscal year 2027, $150,000.00 shall be allocated to the International Business Office for the purpose of continuing to support the Office's initiatives and to determine what additional supports are needed, if any, to further develop the economic relationship between Vermont and Taiwan.

Sec. 6. BROWNFIELDS ALLOCATION

Of monies appropriated to the Department of Economic Development in fiscal year 2027, $3,000,000.00 shall be allocated for brownfields remediation and redevelopment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * *

(b) Membership. The Task Force shall be composed of the following members:

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Commissioner of the Department of Economic Development or designee;

(4) the President of the Vermont Chamber of Commerce or designee;

(5) the Chief Executive Officer of the Lake Champlain Chamber of Commerce or designee;

(6) the President of the Vermont Regional Development Corporations or designee; ~~and~~

(7) the Chair of the Vermont Association of Planning and Development Agencies or designee; and

(8) the President of the University of Vermont or designee.

* * *

(f) Meetings.

* * *

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

(g) Reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than ~~six~~ 14 meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Other members of the Task Force shall be entitled to reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than ~~six~~ 14 meetings. These payments shall be made from monies appropriated to the Agency of Commerce and Community Development.

* * *

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

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

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

Sec. 10. CULINARY INSTITUTE; STUDY; REPORT

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

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

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

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

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

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

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

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

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

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

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

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

(1) in regard to Vermont Route 22A:

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

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

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

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

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

(b) Stakeholders. The Vermont Association of Planning and Development Agencies shall consult and convene with stakeholders to assist in its work pursuant to subsection (a) of this section, including representation from the Agency of Transportation, Agency of Natural Resources, Land Use Review

Board, Vermont Chamber of Commerce, and Regional Development Corporations.

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

Sec. 12. EFFECTIVE DATES

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

(Committee vote: ___________)

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Senator ________________

FOR THE COMMITTEE