Introduced by Representatives Kimbell of Woodstock, Birong of Vergennes,
Brady of Williston, Burrows of West Windsor, Coffey of
Guilford, Conlon of Cornwall, Feltus of Lyndon, Goldman of
Rockingham, Gregoire of Fairfield, Harrison of Chittenden,
Jerome of Brandon, Lefebvre of Newark, Nicoll of Ludlow,
Norris of Shoreham, Noyes of Wolcott, Pajala of Londonderry,
Pearl of Danville, Rogers of Waterville, Rosenquist of Georgia,
Seymour of Sutton, Sibilia of Dover, Sims of Craftsbury,
Stebbins of Burlington, Surprenant of Barnard, White of Bethel,
Wood of Waterbury, Yacovone of Morristown, and Yantachka
of Charlotte

Referred to Committee on

Date:

Subject: Conservation and development; economic development; forestry; land
use; Act 250; forest-based enterprises; transportation; primary
agricultural soils; municipal buildings; recreational trails; accessory
on-farm businesses

Statement of purpose of bill as introduced: This bill proposes to make multiple
changes to support economic development in the rural areas of the State,
including: establishing the Forest Future Program; reducing the requirement to
mitigate the reduction of primary agricultural soils for forest-based enterprises and community wastewater systems that will serve a housing development within a designated center; establishing hours of operations conditions in Act 250 permits for forest-based enterprises; clarifying Act 250’s jurisdiction over recreational trails; creating an Act 250 master plan permit for municipalities without a designated center; clarifying the definition of an “accessory on-farm business” and how one is regulated; amending the Act 250 jurisdictional trigger for affordable housing in designated centers; increasing the allowable weight for large trucks; requiring the Department of Motor Vehicles centralized online permitting system to be operational by January 1, 2023; supporting municipal buildings to convert thermal fuel systems by establishing the Municipal Fuel Switching Grant Program.

An act relating to rural economic development

It is hereby enacted by the General Assembly of the State of Vermont:

*** Forest Economy Investment ***

Sec. 1. FINDINGS

The General Assembly finds that:

(1) Private and public forestlands:

(A) constitute unique and irreplaceable resources, benefits, and values of statewide importance:
(B) contribute to the protection and conservation of wildlife habitat, air, water, and soil resources of the State;

(C) mitigate the effects of climate change; and

(D) benefit the general health and welfare of the persons of the State.

(2) The forest products industry, including maple sap collection:

(A) is a major contributor to and is valuable to the State’s economy by providing nearly 14,000 jobs for Vermonters, generating $2.1 billion in annual sales, and supporting $30.8 million in additional economic activity from trail uses and seasonal tourism;

(B) is essential to the manufacture of forest products that are used and enjoyed by the persons of the State; and

(C) benefits the general welfare of the persons of the State.

(3) Private and public forestlands are critical for and contribute significantly to the State’s outdoor recreation and tourism economies.

(4) Private and public forestlands and forestry operations are adversely affected by the encroachment of urban, commercial, and residential land uses throughout the State that result in forest fragmentation and conversion and erode the health and sustainability of remaining forests.

(5) As a result of encroachment on forests, conflicts have arisen between traditional forestry land uses, and urban, commercial, and residential land uses
that convert forestland permanently to other uses, resulting in an adverse
impact to the economy and natural environment of the State.

(6) The encouragement, development, improvement, and preservation of
forestry operations will result in extant, intact, and functioning forests that will
provide a general benefit to the health and welfare of the persons of the State
and the State’s economy.

(7) To strengthen, promote, and protect the Vermont forest products
industry, the State should establish the Vermont Forest Future Program.

Sec. 2. 10 V.S.A. chapter 82 is added to read:

CHAPTER 82. VERMONT FOREST FUTURE PROGRAM

§ 2531. VERMONT FOREST FUTURE PROGRAM; ACTION PLAN

(a) Creation. The Vermont Sustainable Jobs Fund Program, in consultation
and collaboration with the Commissioner of Forests, Parks and Recreation,
shall establish the Forest Future Program to strengthen, modernize, promote,
and protect the forest products industry in Vermont.

(b) Intended outcomes. The intended outcomes of the Vermont Forest
Future Program are to:

(1) increase sustainable economic development in Vermont’s forest
economy;

(2) encourage the use of sustainable and responsible forest management
practices in the management of the forest resources of the State; and
(3) develop and prepare a workforce to support the Vermont forest economy into the future.

(c) Action Plan requirements. The Vermont Sustainable Jobs Fund Program, in consultation and collaboration with the Commissioner of Forests, Parks and Recreation, shall create the strategic Vermont Forest Future Action Plan for implementation of the Vermont Forest Future Program. The Action Plan shall be designed to strengthen, modernize, promote, and protect the forests products industry in Vermont. The Vermont Sustainable Jobs Fund, in consultation with the Commissioner of Forests, Parks and Recreation, shall review the Action Plan periodically and shall update the Action Plan at least every 10 years.

(d) Action Plan content. The Vermont Forest Future Action Plan shall:

(1) identify infrastructure investment and funding to support and promote Vermont forest products enterprises, including existing and potential funding sources that forest products enterprises can access to obtain necessary capital to sustain and modernize equipment and forestry practices;

(2) propose policy or regulatory recommendations to support and strengthen the Vermont forest economy;

(3) identify recommendations to support education and development of the workforce of Vermont forest enterprises;
(4) propose alternatives for the modernization of transportation and regulation of Vermont forest enterprises, including permit modernization;

(5) identify methods or programs that Vermont forest enterprises can utilize to access business assistance services;

(6) recommend how to maintain access by Vermont forest products enterprises to forestland while maintaining the stewardship and conservation of Vermont forests as a whole;

(7) propose methods to enhance market development and manufacturing by Vermont forest enterprises, including value chain coordination and regional partnerships; and

(8) recommend consumer education and marketing initiatives.

(e) Development of Action Plan. The Vermont Sustainable Jobs Fund Program shall develop the Action Plan and all subsequent revisions through the use of a public stakeholder process that includes and invites participation by interested parties representing all users of Vermont’s forests, including representatives of forest enterprises, State agencies, investors, forestland owners, recreational interests, wood products manufacturers, higher education representatives, and environmental organizations. In the development of the Action Plan and any revision, the Vermont Sustainable Jobs Fund Program shall consult and collaborate with the Commissioner of Forests, Parks and
Recreation as the State entity with authority over management of State forests and promotion of the forest economy.

(f) Use of Action Plan. As an ongoing task, the Vermont Forest Future Program shall use the information gathered for the Action Plan and updates to the Action Plan to identify methods and the funding necessary to strengthen the links among landowners, forest professionals, producers, processors, partners, markets, and supporting agencies and organizations, including:

(1) collaborating with the Department of Forests, Parks and Recreation to support and grow the Vermont forest economy;

(2) supporting the work of the Working Lands Enterprise Board to strategically invest in forest enterprises and service providers;

(3) collaborating with the Department of Buildings and General Services to increase State procurement of Vermont forest-based products;

(4) identifying opportunities for all State agencies to engage with and enhance the Vermont forest economy, including:

(A) economic development and business assistance from the Agency of Commerce and Community Development;

(B) workforce training and technical education programs from the Agency of Education;

(C) motor vehicle and roadway weight limits enforced by the Agency of Transportation;
(D) advanced wood heat development opportunities supported by the Department of Public Service;

(E) workforce development and support offered by the Department of Labor;

(F) environmental permitting reform and permitting assistance from the Agency of Natural Resources and the Natural Resources Board; and

(G) other appropriate opportunities identified by the Vermont Sustainable Jobs Fund Program;

(5) supporting initiatives that improve the marketing of forest products from Vermont to consumers within the State and outside the State;

(6) supporting education and workforce development initiatives that address skill and labor needs of forest enterprises; and

(7) informing forestry investors of the information collected in order to facilitate the availability of forest sector financing.

(g) Administration. To accomplish the requirements of this section and achieve the goals of the Program, the Vermont Forest Future Program may:

(1) create an advisory panel with representatives from forest enterprises, forestland owners, related businesses, recreational interests, State agencies, and conservation organizations;

(2) hire or assign staff;

(3) seek and accept funds from private and public entities;
(4) serve as the administrative support for the Vermont Forest Industry

(5) utilize technical assistance, loans, grants, or other means of support.

Sec. 3. IMPLEMENTATION

(a) The Vermont Sustainable Jobs Fund Program, after consultation and

collaboration with the Department of Forests, Parks and Recreation, shall

submit to the General Assembly:

(1) draft recommendations for the Vermont Forest Future Action Plan

on or before July 1, 2023; and

(2) a final report and recommendations for the Vermont Forest Future

Action Plan on or before January 1, 2024.

(b) Any recommendation submitted under this section shall include

recommended appropriations sufficient to implement the recommendation or

the Action Plan as a whole.

Sec. 4. APPROPRIATIONS

In addition to any other funds appropriated to the Vermont Sustainable Jobs

Fund Program in fiscal year 2023, there is appropriated from the General Fund

to the Program $250,000.00 in fiscal year 2023 for the purpose of the

implementation of the Vermont Forest Future Program and issuance of the

Vermont Forest Future Action Plan required by 10 V.S.A. § 2531.
Sec. 5. 10 V.S.A. § 6001(43) and (44) are added to read:

(43) “Forest-based enterprise” means an enterprise that aggregates forest products from forestry operations and adds value through processing or marketing in the forest products supply chain or directly to consumers through retail sales. “Forest-based enterprise” includes sawmills; veneer mills; pulp mills; pellet mills; producers of firewood, woodchips, mulch, and fuel wood; and log and pulp concentration yards. “Forest-based enterprise” does not include facilities that purchase, market, and resell finished goods, such as wood furniture, wood pellets, and milled lumber, without first receiving forest products from forestry operations.

(44) “Forest product” means logs, pulpwood, veneer wood, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel wood, maple sap, and bark.

Sec. 6. 10 V.S.A. § 6086(c) is amended to read:

(c) Permit conditions.

(1) A permit may contain such requirements and conditions as are allowable proper exercise of the police power and which are appropriate within the respect to subdivisions (a)(1) through (10) of this section, including those set forth in 24 V.S.A. §§ 4414(4), 4424(a)(2), 4414(1)(D)(i), 4463(b), and 4464 the dedication of lands for public use and the filing of bonds to
ensure compliance. The requirements and conditions incorporated from Title 24 may be applied whether or not a local plan has been adopted. General requirements and conditions may be established by rule of the Natural Resources Board.

(2) Permit conditions on a forest-based enterprise.

(A) A permit condition that sets hours of operation for a forest-based enterprise shall only be imposed to mitigate an impact under subdivision (a)(1), (5), or (8) of this section.

(B) Unless an impact under subdivision (a)(1), (5), or (8) of this section would result, a permit issued to a forest-based enterprise shall allow the enterprise to ship and receive forest products outside regular hours of operation. These permits shall allow for deliveries of forest products from forestry operations to the enterprise outside permitted hours of operation, including nights, weekends, and holidays, for a minimum of 60 days per year.

(C) In making a determination under this subdivision (2) as to whether an impact exists, the District Commission shall consider the enterprise’s role in sustaining forestland use and the impact of the permit condition on the forest-based enterprise. Conditions shall impose the minimum restriction necessary to address the undue adverse impact.

(3) Permit conditions on the delivery of wood heat fuels. A permit issued to a forest-based enterprise that produces wood chips, pellets, cord
wood, or other fuel wood used for heat shall allow shipment of that fuel wood
from the enterprise to the end user outside permitted hours of operation,
including nights, weekends, and holidays, from October 1 through April 30 of
each year.

Sec. 7. 10 V.S.A. § 6093 is amended to read:

§ 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS

(a) Mitigation for loss of primary agricultural soils. Suitable mitigation for
the conversion of primary agricultural soils necessary to satisfy subdivision
6086(a)(9)(B)(iv) of this title shall depend on where the project tract is located.

* * *

(5) Forest-based enterprises. Notwithstanding any provision of this
chapter to the contrary, a conversion of primary agricultural soils by a forest-
based enterprise shall be allowed to pay a mitigation fee computed according
to the provisions of subdivision (1) of this subsection, except that it shall be
entitled to a ratio of 1:1 protected acres to acres of affected primary
agricultural soil.

Sec. 8. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *
(y) No permit or permit amendment shall be required for either:

1. a sawmill that produces three and one-half million board feet or less annually; or
2. an operation that involves the primary processing of forest products of commercial value and that annually produces:
   1. 3,500 cords or less of firewood or cordwood; or
   2. 10,000 tons or less of bole wood, whole tree chips, or wood pellets.

Sec. 9. REPEAL

10 V.S.A. § 6084(g) is repealed.

* * * Recreational Trails * * *

Sec. 10. FINDINGS

The General Assembly finds that:

1. Organizations that build and maintain recreational trails are required to receive multiple permits, including for impacts to wetlands, stream crossings, soil erosion, threatened and endangered species, and sensitive wildlife habitats.
2. These organizations that build and maintain recreational trails are important to the Vermont economy and should not be required to undergo overly burdensome permit processes.
Sec. 11. 10 V.S.A. § 442 is amended to read:

§ 442. DEFINITIONS

* * *

(3) “Trails” means land used for hiking, walking, bicycling, cross-country skiing, snowmobiling, all-terrain vehicle riding, horseback riding, and other similar activities. “Trails” includes all infrastructure incidental to the operation of the trail, including restrooms, parking areas, shelters, picnic areas, kiosks, and interpretive and directional signage. “Trails” does not include any trail accessed primarily by a mechanical lift. Trails may be used for recreation, transportation, and other compatible purposes, but the primary purpose shall not be the operation of a motor vehicle. As used in this subdivision (3), “motor vehicle” does not include all-terrain vehicles or snowmobiles.

* * *

Sec. 12. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

* * *

(45) “Recreational trail” or “trail” has the same meaning as “trails” in subdivision 442(3) of this title.

(46) “Vermont Trail System trail” means a recreational trail recognized by the Agency of Natural Resources pursuant to section 443 of this title. The
construction, operation, and maintenance of a Vermont Trail System trail shall be for a municipal or State purpose under this chapter.

Sec. 13. 10 V.S.A. § 6094 is added to read:

§ 6094. JURISDICTION OVER RECREATIONAL TRAILS

(a) Vermont Trail System trails.

(1) Jurisdiction over recreational trails that have been accepted into the Vermont Trail System pursuant to chapter 20 of this title shall be determined using subdivision 6001(3)(A)(iv) of this title.

(2) For purposes of this subsection, “involved land” means those portions of any tract or tracts of land to be physically altered and upon which construction of improvements for a Vermont Trail System trail will occur, including land that is incidental to the use. “Land that is incidental to the use” includes lawns, parking lots, driveways, leach fields, restrooms, parking areas, shelters, picnic areas, kiosks, interpretive and directional signage, and accessory buildings, bearing some relationship to the land that is actually used in the construction of improvements, such that there is a demonstrable likelihood that the impact on the values sought to be protected by Act 250 will be substantially affected by reason of that relationship.

(b) Other trails.

(1) Jurisdiction over recreational trails that have not been accepted into the Vermont Trail System pursuant to chapter 20 of this title shall be
determined using subdivision 6001(3)(A)(i), (ii), or (iii) of this title, as applicable.

(2) For purposes of this subsection, “involved land” means the entire tract or tracts of land, within a radius of five miles, upon which the construction of improvements for the trail will occur, and any other tract, within a radius of five miles, to be used as part of the project or where there is a relationship to the tract or tracts upon which the construction of improvements will occur such that there is a demonstrable likelihood that the impact on the values sought to be protected by Act 250 will be substantially affected by reason of that relationship.

(c) Jurisdiction over a recreational trail shall extend only to the recreational trail and infrastructure that is necessary for the operation of the trail. Jurisdiction shall not extend to the rest of a parcel or parcels where a recreational trail is located.

(d) No permit amendment shall be required for recreational trails that connect to existing trails unless the new trail would trigger jurisdiction on its own pursuant to either subsection (a) or (b) of this section.

(e) In the event the trail is to be completed in stages according to a plan, or is part of a larger undertaking, only the size of individual segments shall be included for the purpose of determining jurisdiction.
(f) When jurisdiction over a trail has been established pursuant to either subsection (a) or (b) of this section, jurisdiction shall extend only to the trail corridor and to any area directly or indirectly impacted by the construction, operation, or maintenance of the trail corridor. The width of the corridor shall be determined by the District Commission.

(g) An application for construction of a recreational trail shall be made by the person responsible for the construction. A landowner with a trail on their property shall not be responsible for the trail unless the landowner is the permit holder for the trail.

(h) No permit or permit amendment shall be required for the construction of improvements on a tract of land that would provide access across a recreational trail, provided that the access is not related to the use of the permitted recreational trail and would not establish jurisdiction under this chapter on its own.

(i) No jurisdictional opinion may be requested pursuant to section 6007 of this title for an existing recreational trail that is part of the Vermont Trail System.

***Duration of Act 250 Permits***

Sec. 14. 10 V.S.A. § 6090 is amended to read:

§ 6090. RECORDING; DURATION AND REVOCATION OF PERMITS

***
Any permit granted under this chapter for extraction of mineral resources, operation of solid waste disposal facilities, or logging above 2,500 feet shall be for a specified period determined by the Board in accordance with the rules adopted under this chapter as a reasonable projection of the time during which the land will remain suitable for use if developed or subdivided as contemplated in the application and with due regard for the economic considerations attending the proposed development or subdivision. Other permits issued under this chapter shall be for an indefinite term, as long as there is compliance with the conditions of the permit.

Expiration dates contained in permits issued before July 1, 1994 (involving developments that are not for extraction of mineral resources, operation of solid waste disposal facilities, or logging above 2,500 feet) are extended for an indefinite term, as long as there is compliance with the conditions of the permits shall be for a specified time period determined by the Board in accordance with the rules adopted under this chapter. Upon expiration of a permit, unless the permit is renewed, the development or subdivisions shall not be subject to the jurisdiction of this chapter unless there is new construction of improvements for a development or subdivision.

* * * Act 250 Master Plan Permits * * *
A municipality that does not have a center designated pursuant to 24 V.S.A. chapter 76A may apply to the District Commission for a master plan permit for any portion of the municipality pursuant to the rules of the Board.

Municipalities making an application under this section are not required to exercise ownership of or control over the affected property. In approving a master plan permit, the District Commission may include specific conditions that an applicant for an individual project permit in that designated area shall be required to meet. The municipality may receive assistance from the regional planning commission or private consultants while preparing the application.

* * * Accessory On-farm Businesses * * *

Sec. 16. 10 V.S.A. § 6001(3)(D) is amended to read:

(D) The word “development” does not include:

* * *

(ix) The construction of improvements for an accessory on-farm business located on a tract of land primarily devoted to farming, provided that:

(I) the proposed improvements are for an accessory on-farm business as defined by 24 V.S.A. § 4412(11);

(II) the farming operation is subject to the Required Agricultural Practices; and
(III) the total area of improvements associated with the accessory on-farm business does not exceed one acre.

* * *

Sec. 17. 24 V.S.A. § 4428 is added to read:

§ 4428. ACCESSORY ON-FARM BUSINESSES

(a) Prohibition. No regional plan, municipal plan, or municipal bylaw shall have the effect of prohibiting an accessory on-farm business at the same location as a farm.

(b) Definitions. As used in this section:

(1) “Accessory on-farm business” means activity that:

(A) is located on a farm and is connected to the farming operation;

and

(B) comprises one or both of the following:

(i) The storage, preparation, processing, and sale of qualifying products, provided that more than 50 percent of the total annual sales are from qualifying products that are produced on the farm at which the business is located.

(ii) Educational, recreational, or social events that feature agricultural practices or qualifying products, or both. Such events may include tours of the farm, farm stays, tastings and meals featuring qualifying products, and classes or exhibits in the preparation, processing, or harvesting of
qualifying products. As used in this subdivision (B), “farm stay” means a paid
overnight guest accommodation on a farm for the purpose of participating in
educational, recreational, or social activities on the farm that feature
agricultural practices or qualifying products, or both. A farm stay includes the
option for guests to participate in such activities.

(2) “Farm” means a parcel or parcels owned, leased, or managed by a
person, devoted primarily to farming, and subject to the RAP rules. For leased
lands to be part of a farm, the lessee must exercise control over the lands to the
extent they would be considered as part of the lessee’s own farm. Indicators of
such control include whether the lessee makes day-to-day decisions concerning
the cultivation or other farming-related use of the leased lands and whether the
lessee manages the land for farming during the lease period.

(3) “Farming” has the same meaning as in 10 V.S.A. § 6001, except that
when calculating whether an agricultural product was principally produced on
the farm, water shall not be included in the calculation as an ingredient.

(4) “Qualifying product” means a product that is wholly:

(A) an agricultural, horticultural, viticultural, or dairy commodity or
maple syrup;

(B) livestock or cultured fish or a product thereof;

(C) a product of poultry, bees, an orchard, or fiber crops;

(D) a commodity otherwise grown or raised on a farm; or
(E) a product manufactured on one or more farms from commodities wholly grown or raised on one or more farms.


(c) Eligibility. For an accessory on-farm business to be eligible for the benefit of this section, the business shall comply with each of the following:

(1) The business is operated by the farm owner, one or more persons residing on the farm parcel, or the lessee of a portion of the farm.

(2) The farm meets the threshold criteria for the applicability of the RAP rules as set forth in those rules.

(3) Gross sales by the business may exceed those of the farm but shall not exceed $200,000.00 annually.

(d) Use of structures or land. An accessory on-farm business may take place inside existing structures, on the land, or inside a new structure that shall not exceed 4,000 square feet.

(e) Review; permit. Activities of an accessory on-farm business that are not exempt under section 4413 of this title may be subject to site plan review pursuant to section 4416 of this title. A bylaw may require that such activities meet the same performance standards otherwise adopted in the bylaw for similar commercial uses pursuant to subdivision 4414(5) of this title.
(f) Less restrictive. A municipality may adopt a bylaw concerning accessory on-farm businesses that is less restrictive than the requirement of this section.

(g) Notification; training. The Secretary of Agriculture, Food and Markets shall provide periodic written notification and training sessions to farms subject to the RAP rules on the existence and requirements of this section and the potential need for other permits for an accessory on-farm business, including a potable water and wastewater system permit under 10 V.S.A. chapter 64.

*** Affordable Housing in Centers ***

Sec. 18. 10 V.S.A. § 6001 (3)(A)(iv) is amended to read:

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) [Repealed.]

(bb) [Repealed.]
(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000.

(dd) 50 or more, in a municipality with a population of 3,000 or more but less than 6,000.

(ee) 25 or more, in a municipality with a population of less than 3,000.

(ff) Notwithstanding subdivisions (cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision (ff) if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.

(II) The determination of jurisdiction over a priority housing project shall count only the housing units included in that discrete project.

(III) Housing units in a priority housing project shall not count toward determining jurisdiction over any other project.
(IV) For the construction of affordable housing such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks located entirely within a designated downtown, village center, or neighborhood development area designated pursuant to 24 V.S.A. chapter 76A, development means 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person.

*** Primary Agricultural Soil Mitigation ***

Sec. 19. 10 V.S.A. § 6093 is amended to read:

§ 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS

(a) Mitigation for loss of primary agricultural soils. Suitable mitigation for the conversion of primary agricultural soils necessary to satisfy subdivision 6086(a)(9)(B)(iv) of this title shall depend on where the project tract is located.

***

(iii) For an alternative or community wastewater system that will serve a housing development within a designated center, no mitigation shall be required.

***

*** Transportation of Forest Products ***
Sec. 20. 23 V.S.A. § 1392 is amended to read:

§ 1392. GROSS WEIGHT LIMITS ON HIGHWAYS

   Except as provided in section 1400 of this title, a person or corporation shall not operate or cause to be operated a motor vehicle in excess of the total weight, including vehicle, object, or contrivance and load, of:

   * * *

   (12) Notwithstanding the gross vehicle weight provisions of subdivision (4) of this section, a truck trailer combination or truck tractor, semi-trailer combination transporting cargo of legal dimensions that can be separated into units of legal weight without affecting the physical integrity of the load shall be allowed to bear a maximum of 107,000 pounds on six axles or 117,000 pounds on seven axles by special annual permit, which shall expire with the vehicle's registration, except for vehicles not registered in Vermont in which case the permit shall become void on January 1 following the date of issue, for operating on State and class 1 town highways, subject to the following:

   (A) The combination of vehicles must have, as a minimum, a distance of 51 feet between extreme axles.

   (B) The axle weight provisions of section 1391 of this title and the axle weight provisions of subdivisions (6)(A)–(D) of this section shall also apply to vehicles permitted under this subdivision (12).
(C) When determining the fine for a gross overweight violation of this subdivision (12), the fine for any portion of the first 10,000 pounds over the permitted weight shall be the same as provided in section 1391a of this title, and for overweight violations 10,001 pounds or more over the permitted weight, the fine schedule provided in section 1391a shall be doubled.

(D) The weight permitted by this subdivision (12) shall be allowed for foreign trucks that are registered or permitted for 107,000 or 117,000 pounds in a state or province that recognizes Vermont vehicles for weights consistent with this subdivision (12).

(E) Unless authorized by federal law, the provisions of this subdivision (12) shall not apply to operation on the Dwight D. Eisenhower National System of Interstate and Defense Highways.

(F) The fee for the annual permit as provided in subdivision (12) of this section shall be $465.00 for vehicles bearing up to 107,000 pounds and $610.00 for vehicles bearing up to 117,000 pounds.

(G) The truck trailer combination or truck tractor, semi-trailer combination shall obtain an annual safety inspection by the Vermont Department of Motor Vehicles prior to receiving or renewing the special annual permit.
(H) Operators found to be in violation of the terms of the special annual permit three times in one year shall have the permit revoked and shall not be granted a new special annual permit for one year.

* * *

(17) Notwithstanding the gross vehicle weight provisions of subdivision (4) of this section, a truck trailer combination or truck tractor, semi-trailer combination with six or more load-bearing axles shall be allowed to bear a maximum of 99,000 pounds by special annual permit, which shall expire with the vehicle’s registration, except for vehicles not registered in Vermont in which case the permit shall become void on January 1 following the date of issue, for operating on designated routes on State and town highways, subject to the following:

(A) The combination of vehicles must have, as a minimum, a distance of 51 feet between extreme axles.

(B) The axle weight provisions of section 1391 of this title and subdivision the axle weight provisions of subdivisions 1392(6)(A)–(D) of this section shall also apply to vehicles permitted under this subdivision (17).

(C) When determining the fine for a gross overweight violation of this subdivision (17), the fine for any portion of the first 10,000 pounds over the permitted weight shall be the same as provided in section 1391a of this
title, and for overweight violations 10,001 pounds or more over the permitted weight, the fine schedule provided in section 1391a shall be doubled.

(D) The weight permitted by this subdivision (17) shall be allowed for foreign trucks that are registered or permitted for 99,000 pounds in a state or province that recognizes Vermont vehicles for weights consistent with this subdivision (17).

(E) Unless authorized by federal law, the provisions of this subdivision (17) shall not apply to operation on the Dwight D. Eisenhower National System of Interstate and Defense Highways.

(F) The fee for the annual permit as provided in this subdivision (17) shall be $415.00 for vehicles bearing up to 90,000 pounds and $560.00 for vehicles bearing up to 99,000 pounds.

* * *

(19)(A) A person issued a permit under the provisions of subdivision (12), (13), (14), (16), or (17) of this section, and upon payment of a $10.00 administrative fee for each additional permit, may obtain additional permits for the same vehicle, provided the additional permit is for a lesser weight and provided the vehicle or combination of vehicles meets the minimum requirements for the permit sought as set forth in this section.

* * *
Sec. 21. OUTREACH BY THE DEPARTMENT OF FORESTS, PARKS AND RECREATION

On or before January 1, 2023, the Commissioner of Forests, Parks and Recreation, in consultation with the Commissioner of Motor Vehicles, shall provide extensive outreach to purchasers of forest products in the region to communicate to suppliers that vehicles found in violation of the special annual permit authorized under 23 V.S.A. § 1392(12), as added by Sec. 20 of this act, shall not be allowed to operate on State highways and class I town highways to ensure that vehicles are not loaded beyond 107,000 pounds and 117,000 pounds, respectively. Follow-up outreach by the Commissioner of Forests, Parks and Recreation shall continue on an ongoing basis.

Sec. 22. DEPARTMENT OF MOTOR VEHICLES PERMIT PORTAL

The centralized online permitting system that the Commissioner of Motor Vehicles was authorized to initiate the design and development of pursuant to 2021 Acts and Resolves No. 149, Sec. 26(a) shall be operational, including providing access to municipally issued weight and length permits, not later than January 1, 2023.

*** Municipal Fuel Switching Program ***

Sec. 23. MUNICIPAL FUEL SWITCHING GRANT PROGRAM

(a) Program established. In fiscal year 2023, there is established the Municipal Fuel Switching Grant Program to award grants for renewable and
efficient heating systems in municipalities. Municipal Fuel Switching grants
shall be used to make necessary improvements to conduct an audit and replace
heating systems in covered municipal buildings with renewable energy

(b) Definition. As used in this section, “covered municipality” means a
city, town, fire district or incorporated village, and all other governmental
incorporated units.

(c) Administration; implementation.

(1) Efficiency Vermont, in coordination with the Department of
Buildings and General Services through the State Energy Management
Program, shall administer the Program, which shall:

(A) coordinate and provide consulting services to regional planning
commissions, which shall solicit and develop plans for each covered
municipality; and

(B) award grants for the following:

   (i) not more than $50,000.00 to each covered municipality to
conduct municipal thermal energy audits to determine the most cost-effective
renewable energy system replacement or primary heating source;

   (ii) not more than $200,000.00 to each covered municipality for
approved projects to replace fossil fuel heating systems with more efficient
renewable energy heating systems in covered municipalities; and
(iii) not more than $4,000.00 to each covered municipality to facilitate community meetings and communication about municipal resilience and fuel switching.

(2) Grant program design. Efficiency Vermont, in consultation with the Department of Buildings and General Services; the Vermont League of Cities and Towns; regional planning commissions; and experts in the field of thermal enclosure, energy efficiency, and renewable building space systems, shall design the Program. The Program design shall establish:

(A) an outreach and education plan, including specific tactics to reach and support each covered municipality;

(B) an equitable system for distributing grants statewide, with priority to municipalities in the highest energy burden communities;

(C) guidelines for renewable and energy efficiency buildings systems resilience, durability, health, and efficiency measures and costs that will be eligible for grant funding; and

(D) eligibility criteria for covered municipalities, including written commitment by the municipality to conduct community workshops and a self-assessment.

(d) Costs and fees.

(1) Efficiency Vermont is authorized to use up to $150,000.00 of any amounts appropriated to the Program for direct labor costs.
(2) As the entity appointed to serve as Efficiency Vermont, the Vermont Energy Investment Corp. (VEIC) is also authorized to collect their federal approved indirect rate of 9.3 percent on the funds expended in this section.

(3) Nothing shall prohibit Efficiency Vermont from supplementing total project costs completed under this section with a portion of its Public Utility Commission-approved budget for the purpose of achieving higher levels of efficiency and claiming efficiency savings toward the completion of performance targets pursuant to 30 V.S.A. § 209(d).

(e) Coordination. Efficiency Vermont shall coordinate with any other State entities and agencies working with covered municipalities to provide grants for the Program.

(f) Funding. The Program shall be funded by general funds and shall have use of the credit facility extended to the State Resource Management Revolving Fund established in 29 V.S.A. § 168(b).

Sec. 24. MUNICIPAL FUEL SWITCHING PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $48,000,000.00 in general funds shall be appropriated to the Municipal Fuel Switching Program for use as follows:

(1) the amount of $2,000,000.00 shall be appropriated to the Agency of Commerce and Community Development for regional planning commissions to provide programming and technical assistance to covered municipalities.
(2) the amount of $46,000,000.00 shall be appropriated to the
Department of Buildings and General Services to be used as follows:

(A) $5,000,000.00 for conducting municipal thermal energy audits;
(B) $1,000,000.00 for grants to covered municipalities to facilitate
community meetings and communication about municipal resilience and fuel
switching; and

(C) $40,000,000.00 for grants to covered municipalities to replace
heating systems with more efficient renewable energy heating systems.

* * * State Energy Management Program * * *

Sec. 25. 29 V.S.A. § 168 is amended to read:

§ 168. STATE ENERGY MANAGEMENT PROGRAM; REVOLVING
Funds

(a) State Energy Management Program.

* * *

(c) Energy Revolving Fund.

(1) There is established in the Energy Revolving Fund to finance energy
efficiency improvements and the use of renewable resources in State and
municipal buildings and facilities anticipated to generate a cost-savings to the
State. State and municipal agencies and departments shall have access to the
Energy Revolving Fund on a priority basis established by the Commissioner
and the State Treasurer.
(2) The Fund shall consist of:

(A) monies appropriated to the Fund or which are paid to it under authorization of the Emergency Board;

(B) monies saved by the implementation of energy efficiency improvements and the use of renewable resources;

(C) any funds available through a credit facility maintained by the State Treasurer in accordance with subsection (d) of this section; and

(D) fees for administrative costs paid by departments and agencies, which shall be fixed by the Commissioner subject to the approval of the Secretary of Administration.

(3) Monies from the Fund shall be expended by the Commissioner for measures anticipated to generate a cost-savings to the State and to a municipality and costs involved with the administration of the State agency energy plan as determined by the Commissioner.

(4) The Commissioner and the State Treasurer shall establish criteria to determine eligibility for funding of energy efficiency improvements and the use of renewable resources, including returns of investment on terms acceptable to the State Treasurer.

(5) Agencies and departments, and municipalities receiving funding shall repay the Fund through their regular operating budget according to a
schedule established by the Commissioner. Repayment shall include charges of fees for administrative costs over the term of the repayment.

(6) The Commissioner of Finance and Management may anticipate receipts to this Fund and issue warrants based thereon.

(7) The Commissioner of Buildings and General Services shall maintain accurate and complete records of all receipts by and expenditures from the Fund.

(8) All balances remaining at the end of a fiscal year shall be carried over to the following year; provided, however, that any amounts received in repayment of the credit facility established under subsection (d) of this section may be reinvested by the State Treasurer.

(d) Notwithstanding any other provision of law to the contrary, the State Treasurer, working in collaboration with the Department of Buildings and General Services, shall have the authority to establish a credit facility of up to $8,000,000.00, on terms acceptable to the State Treasurer. The credit facility shall be used for the purpose of financing energy efficiency improvements and the use of renewable resources anticipated to generate a cost-savings to the State.

(e) As used in this section:

(1) “Energy efficiency improvement” means a set of measures aimed at reducing the energy used by specific end-use devices and systems to provide
light, heat, cooling, or other services without affecting the level of service provided. An energy efficiency project may also include energy conservation measures; that is, a reduction in energy consumption that corresponds with a reduction in service demand.

(2) “Renewables” has the same meaning as under 30 V.S.A. § 8002.

(3) “Resource conservation measures” means a set of measures, including a study, product, process, or technology, aimed at reducing overall use or consumption of energy resources in State buildings or facilities. “Resource conservation measures” includes energy efficiency improvements.

(f) Beginning on or before January 15, 2015 and annually thereafter, the Department of Buildings and General Services shall report to the House Committee on Corrections and Institutions on the expenditure of funds from the State Resource Management Revolving Fund for resource conservation measures and the Energy Revolving Fund for energy efficiency improvements and the use of renewable resources. For each fiscal year, the report shall include a summary of each project receiving funding and the State’s expected savings and the expected savings by a municipality. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.
Sec. 26. DEPARTMENT OF BUILDINGS AND GENERAL SERVICES;
STATE ENERGY RESOURCE FUND; REGIONAL PLANNING
COMMISSIONS; POSITIONS

(a) Department of Buildings and General Services. Two full-time,
temporary positions are created in the Department of Buildings and General
Services in fiscal years 2023 and 2024 to determine project eligibility;
coordinate with regional planning commissions to recruit and coordinate
auditors, engineers, and contractors, and to provide financing technical
assistance for municipalities implementing projects using the State Resource
Management Revolving Fund pursuant to 29 V.S.A. § 168(b). These positions
shall be funded by Efficiency Vermont. No additional budget appropriation or
State funds shall be used for these positions.

(b) Regional planning commissions. The amount of $2,000,000.00 in
general funds shall be appropriated to the Agency of Commerce and
Community Development’s Community Development Program to create one
position at each regional planning commission in fiscal years 2023 and 2024 to
solicit, coordinate, and develop projects for covered municipalities through the
Municipal Fuel Switching Program.

* * * Effective Dates * * *

Sec. 27. EFFECTIVE DATES

(a) This section and Secs. 5–19 and 21–22 shall take effect on passage.
(b) Secs. 1–4 (Forest Economy Investment) and 23–26 (Municipal Fuel Switching Program) shall take effect on July 1, 2022.

(c) Sec. 20 (23 V.S.A. § 1392) shall take effect on January 1, 2023.