

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Agriculture, Food Resiliency, and Forestry to which was
3 referred House Bill No. 128 entitled “An act relating to removing regulatory
4 barriers for working lands businesses” respectfully reports that it has
5 considered the same and recommends that the bill be amended by striking out
6 all after the enacting clause and inserting in lieu thereof the following:

7 * * * Working Lands Business * * *

8 Sec. 1. FINDINGS

9 The General Assembly finds:

10 (1) Private and public forestlands:

11 (A) constitute unique and irreplaceable resources, benefits, and
12 values of statewide importance;

13 (B) contribute to the protection and conservation of wildlife habitat,
14 air, water, and soil resources of the State;

15 (C) mitigate the effects of climate change; and

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

17 (2) The forest products industry:

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

1 Sec. 5. FINDINGS

2 The General Assembly finds:

3 (1) Vermont agriculture is critical to the State’s heritage, local food
4 supply, economy, rural communities, environment, tourism, and future.

5 (2) Food is essential, and Vermont either grows and produces its food
6 locally or imports it—at significant environmental cost. The COVID-19
7 pandemic further emphasized the importance of our local food supply.

8 (3) Vermont is rapidly losing dairy farms, productive farmland, and
9 experienced farmers.

10 (4) New opportunities to keep farmland active exist. Farms that sell
11 agricultural products directly to consumers, host farm-based events that draw
12 visitors and Vermonters to their farms and products, or provide authentic
13 agritourism experiences can diversify and prosper. These farm activities can
14 also help attract new Vermonters, retain younger Vermonters, entice new
15 farmers, and develop vibrant rural communities with viable economic
16 opportunities.

17 (5) To strengthen, promote, and protect Vermont agriculture, the State
18 should modernize regulatory requirements.

19 Sec. 6. 24 V.S.A. § 4412(11) is amended to read:

20 (11) Accessory on-farm businesses. No bylaw shall have the effect of
21 prohibiting an accessory on-farm business at the same location as a farm.

1 (A) Definitions. As used in this subdivision (11):

2 (i) “Accessory on-farm business” means activity ~~that is accessory~~
3 ~~to~~ on a farm, the revenues of which may exceed the revenues of the farming
4 operation, and comprises one or both of the following:

5 (I) The storage, preparation, processing, and sale of qualifying
6 products, provided that more than 50 percent of the total annual sales or total
7 annual number of sold products are from qualifying products that are produced
8 on the farm ~~at which~~ where the business is located or purchased from an
9 aggregator of farm products.

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

19 (ii) “Aggregator of farm products” means a person who buys or
20 collates qualifying products directly from the farms that grow or produce them

1 and sells or distributes those qualifying products to an accessory on-farm
2 business.

3 (iii) “Educational, recreational, or social events” may include
4 tours of the farm, farm stays, tastings and meals featuring qualifying products,
5 and classes or exhibits in the preparation, processing, or harvesting of
6 qualifying products.

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

15 ~~(iii)~~(v) “Farming” ~~shall have~~ has the same meaning as in
16 10 V.S.A. § 6001.

17 (vi) “Farm stay” means a paid, overnight guest accommodation on
18 a farm for the purpose of participating in educational, recreational, or social
19 activities on the farm. A farm stay includes the option for guests to participate
20 in those activities.

1 (vii) “To feature agricultural practices or qualifying products”
2 means a host farm’s agricultural practices or its qualifying products are a
3 substantial component of any educational, recreational, or social event the
4 accessory on-farm business hosts. For social or recreational events like
5 weddings or concerts that may have a purpose wholly independent of the host
6 farm’s activities, agricultural practices or qualifying products must be an
7 integral component of the event to satisfy the definition of an accessory on-
8 farm business. A farm that is exclusively serving as an event location is not
9 featuring agricultural practices or qualifying products.

10 ~~(iv)~~(viii) “Qualifying product” means a product that is wholly:

11 (I) an agricultural, horticultural, viticultural, or dairy
12 commodity, or maple syrup;

13 (II) livestock or cultured fish or a product thereof;

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

15 (IV) a commodity otherwise grown or raised on a farm; ~~or~~

16 (V) a product manufactured on one or more farms from
17 commodities wholly grown or raised on one or more farms; or

18 (VI) a product that names, describes, or promotes the farm or
19 accessory on-farm business, including merchandise or apparel that features the
20 farm or accessory on-farm business.

1 ~~(v)~~(ix) “RAP rules” means the rules on required agricultural
2 practices adopted pursuant to 6 V.S.A. chapter 215, subchapter 2.

3 (B) Eligibility. For an accessory on-farm business to be eligible for
4 the benefit of this subdivision (11), the business shall comply with each of the
5 following:

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

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

10 (C) Use of structures or land. An accessory on-farm business may
11 take place inside new or existing structures or on the land.

12 (D) Review; permit. Activities of an accessory on-farm business that
13 are not exempt under section 4413 of this title may be subject to site plan
14 review pursuant to section 4416 of this title. A bylaw may require that such
15 activities meet the same performance standards otherwise adopted in the bylaw
16 for similar commercial uses pursuant to subdivision 4414(5) of this title.

17 (E) Less restrictive. A municipality may adopt a bylaw concerning
18 accessory on-farm businesses that is less restrictive than the requirement of this
19 subdivision (11).

20 (F) Notification; training. The Secretary of Agriculture, Food and
21 Markets shall provide periodic written notification and training sessions to

1 farms subject to the RAP rules on the existence and requirements of this
2 subdivision (11) and the potential need for other permits for an accessory on-
3 farm business, including a potable water and wastewater system permit under
4 10 V.S.A. chapter 64.

5 Sec. 7. 10 V.S.A. § 6001 is amended to read:

6 § 6001. DEFINITIONS

7 As used in this chapter:

8 * * *

9 (45) “Agricultural products” means raw agricultural commodities or
10 processed or manufactured agricultural products.

11 (46) “Principally produced” means, for the purposes of subdivision
12 (22)(E) of this section, that more than 50 percent of a raw agricultural
13 commodity or other agricultural product is grown or produced on the farm.
14 The majority percentage shall be determined over a consistent and reasonably
15 defined time period. The percentage of a raw agricultural commodity grown or
16 produced on the farm shall be determined by measuring the commodity’s
17 volume or weight. The percentage of an agricultural product grown or
18 produced on the farm shall be determined by measuring the volume or weight
19 of the product ingredients or materials, excluding water.

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

2 § 6081. PERMITS REQUIRED; EXEMPTIONS

3 * * *

4 **(t) No permit or permit amendment is required for the construction of**
5 **improvements for an accessory on-farm business as defined in 24 V.S.A.**
6 **§ 4412(11)(A) located in a municipality with permanent zoning and**
7 **subdivision bylaws.**

8 * * *

9 * * * Effective Date * * *

10 Sec. 9. EFFECTIVE DATE

11 This act shall take effect on July 1, 2024.

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16 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE