

Journal of the Senate

WEDNESDAY, MARCH 25, 2026

The Senate was called to order by the President.

Devotional Exercises

Devotional exercises were conducted by the Rabbi Eliyahu Junik of Burlington.

Message from the House No. 35

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has passed House bills of the following titles:

H. 294. An act relating to telecommunications services and wages in correctional facilities.

H. 410. An act relating to the calculation of recidivism and other related criminology measures.

H. 537. An act relating to the right to grow vegetable gardens.

H. 583. An act relating to clinical decision making.

H. 642. An act relating to youthful offender proceedings.

H. 660. An act relating to fiscal year 2027 Opioid Abatement Special Fund appropriations.

H. 739. An act relating to prohibiting the use and sale of the herbicide paraquat.

H. 930. An act relating to addressing and preventing chronic absenteeism.

H. 940. An act relating to miscellaneous public utility subjects.

H. 942. An act relating to miscellaneous agricultural subjects.

In the passage of which the concurrence of the Senate is requested.

The Governor has informed the House that on March 5, 2026, he approved and signed a bill originating in the House of the following title:

H. 790. An act relating to fiscal year 2026 budget adjustments.

The Governor has informed the House that on March 16, 2026, he approved and signed a bill originating in the House of the following title:

H. 516. An act relating to approval of amendments to the charter of the Town of Essex.

The Governor has informed the House that on March 24, 2026, he approved and signed bills originating in the House of the following titles:

H. 545. An act relating to issuing immunization recommendations.

H. 649. An act relating to captive insurance companies.

Recess

On motion of Senator Baruth the Senate recessed until 1:25 p.m.

Called to Order

The Senate was called to order by the President.

Senate Resolution Referred

S.R. 24.

Senate resolution of the following title was offered, read the first time and is as follows:

Offered by All Members of the Senate,

S.R. 24. Senate resolution relating to reaffirming the abiding friendship between the State of Vermont and the Republic of China (Taiwan) on the 27th anniversary of the Vermont-Taiwan sister-state relationship and supporting enhanced Vermont-Taiwan bilateral relations and Taiwan's participation in international organizations.

Whereas, the United States and Taiwan share a vibrant and mutually beneficial bilateral relationship, based on their shared values of freedom, democracy, the rule of law, and a free market economy, and

Whereas, the U.S. government has encouraged economic, including trade, and cultural engagements and exchanges between the American and Taiwanese peoples, particularly at the state level, and

Whereas, in 2022, the United States and Taiwan launched the U.S.-Taiwan Initiative on 21st-Century Trade to strengthen the two nations' economic and trade relationship, and, in 2023, Congress enacted the United States-Taiwan Initiative on 21st-Century Trade First Agreement Implementation Act, Pub. L. No. 118-13, approving the first agreement under this initiative, and

Whereas, in 2025, Taiwan was America's fourth-largest trading partner, with U.S. exports valued at \$54.7 billion and imports from Taiwan worth roughly \$201.4 billion; and for the first time in over a quarter century, the United States was Taiwan's largest export market; and in the agriculture sector, U.S. exports to Taiwan totaled approximately \$2.3 billion, and

Whereas, 2026 marks the 250th anniversary of the United States' establishment as a republic based on democratic principles and the 30th anniversary of Taiwan's first direct presidential election, symbolizing this Asian nation's enduring commitment to democracy, and

Whereas, in 1999, the State of Vermont and Taiwan entered a sister-state relationship that has proven mutually beneficial in many ways, and

Whereas, the 2020 driver's license reciprocity agreement between the State of Vermont and Taiwan exemplifies the sister-state relationship in action, and

Whereas, in 2025, Vermont exports to Taiwan were worth approximately \$268 million, meaning Taiwan was Vermont's most valuable Asian export destination, and second worldwide, and Vermont imported an estimated \$76 million worth of goods from Taiwan, and

Whereas, establishing a Vermont trade office in Taiwan would further enhance this already successful and long-standing trade relationship, and

Whereas, the government of Taiwan has expressed interest in establishing memorandums of understanding with the State of Vermont, one pertaining to economic affairs to establish a clearer structural framework for the two jurisdictions' burgeoning business ties and a second related to education to expand educational exchanges and cooperation, particularly with respect to Mandarin language teaching, and

Whereas, United Nations General Assembly Resolution 2758, which the General Assembly of the United Nations adopted on October 25, 1971, replaced the government of Chiang Kai-shek with the government of the People's Republic of China as the exclusive Chinese representative at the United Nations and in all organizations associated with the United Nations, and

Whereas, the controlling factor for U.S. government advocacy of support of a public position is American law, and

Whereas, in 1979, Congress enacted the Taiwan Relations Act, Pub. L. No. 96-8, which broadly addresses the U.S.-Taiwan relationship, and one of its provisions “provides for the continued membership of the people on Taiwan in any international financial institution or any other international organization,” and

Whereas, Taiwan’s participation and contributions in international organizations such as the International Civil Aviation Organization, the World Health Organization, and the United Nations Framework Convention on Climate Change would greatly benefit the United States and the international community, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont reaffirms the abiding friendship between the State of Vermont and the Republic of China (Taiwan) on the 27th anniversary of the Vermont-Taiwan sister-state relationship and supports enhanced Vermont-Taiwan bilateral relations and Taiwan’s participation in international organizations, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to President Donald J. Trump; President Lai Ching-te of the Republic of China (Taiwan); Director-General Charles Liao of the Taipei Economic and Cultural Office in Boston; Governor Philip B. Scott; and the Vermont Congressional Delegation.

Thereupon, the President, in his discretion, treated the resolution as a bill and referred it to the Committee on Economic Development, Housing and General Affairs.

Bills Referred

House bills of the following titles were read the first time and referred:

H. 294.

An act relating to telecommunications services and wages in correctional facilities.

To the Committee on Institutions.

H. 410.

An act relating to the calculation of recidivism and other related criminology measures.

To the Committee on Judiciary.

H. 537.

An act relating to the right to grow vegetable gardens.

To the Committee on Economic Development, Housing and General Affairs.

H. 583.

An act relating to clinical decision making.

To the Committee on Health and Welfare.

H. 642.

An act relating to youthful offender proceedings.

To the Committee on Judiciary.

H. 660.

An act relating to fiscal year 2027 Opioid Abatement Special Fund appropriations.

To the Committee on Health and Welfare.

H. 739.

An act relating to prohibiting the use and sale of the herbicide paraquat.

To the Committee on Agriculture.

H. 930.

An act relating to addressing and preventing chronic absenteeism.

To the Committee on Education.

H. 940.

An act relating to miscellaneous public utility subjects.

To the Committee on Finance.

H. 942.

An act relating to miscellaneous agricultural subjects.

To the Committee on Agriculture.

Bills Passed

Senate bills of the following titles were read the third time and passed:

S. 197. An act relating to establishing a primary care payment reform program.

S. 232. An act relating to public libraries and the Department of Libraries.

Bill Amended; Bill Passed**S. 327.**

Senate bill entitled:

An act relating to economic development.

Was taken up.

Thereupon, pending third reading of the bill, Senator Harrison moved to amend the bill in Sec. 7, business resources and growth; inventory; study; report, in subsection (a), by striking out “stakeholders,” and inserting in lieu thereof “stakeholders, including representatives of employee-owned businesses,”

Which was agreed to.

Thereupon, the bill was read the third time and passed.

Bill Amended; Third Readings Ordered**S. 328.**

Senate committee bill entitled:

An act relating to housing and common interest communities.

Having appeared on the Calendar for notice for one day, was taken up.

Senator Clarkson, for the Committee on Economic Development, Housing and General Affairs moved to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Municipal Plans * * *

Sec. 1. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality shall be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:

* * *

(10) A housing element that shall include a recommended program for public and private actions to address housing needs and targets as identified by the regional planning commission pursuant to subdivision 4348a(a)(9) of this title. The housing element shall also include an analysis of any regulatory and physical constraints preventing the development, redevelopment, or rehabilitation of sufficient housing to meet the housing needs and targets, and a

description of what actions the municipality may take to accommodate the projected housing needs. The program shall use data on year-round and seasonal dwellings and include specific actions to address the housing needs of persons with low income and persons with moderate income and account for permitted residential development as described in section 4412 of this title. Progress toward the construction of the housing units identified as needed to meet projected housing targets shall be documented within the housing element and updated as appropriate when the plan is amended or readopted according to section 4385 or 4387 of this title, as the case may be.

* * *

* * * Tax Credits * * *

Sec. 2. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

* * *

(b) Eligible tax credit allocations.

* * *

(3)(A) The Vermont Housing Finance Agency shall have the authority to allocate affordable housing tax credits to finance down payment assistance loans that meet the following requirements:

(i) the loan is made in connection with a mortgage through an Agency program;

(ii) the borrower is a first-time home buyer of an owner-occupied primary residence; and

(iii) the borrower uses the loan for the borrower's down payment or closing costs, or both.

(B) The Agency shall require the borrower to repay the loan upon the transfer or refinance of the residence.

(C) The Agency shall use the proceeds of loans made under the Program for future down payment assistance.

(D) The Agency may reserve funding and adopt guidelines to provide grants to first-time homebuyers who are also first-generation homebuyers.

* * *

(h) Credit allocation; Down Payment Assistance Program.

(1) In fiscal year 2016 through fiscal year 2019, the allocating agency may award up to \$125,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(2) of this section.

(2) In fiscal year 2020 through fiscal year 2026, the allocating agency may award up to \$250,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(3) of this section.

(3) In fiscal year 2027 through fiscal year 2031, the allocating agency may award up to \$350,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(3) of this section.

* * * Vermont State Treasurer Credit Facility * * *

Sec. 3. 10 V.S.A. § 10 is amended to read:

§ 10. VERMONT STATE TREASURER; CREDIT FACILITY FOR LOCAL INVESTMENTS

(a) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, the Vermont State Treasurer shall have the authority to establish a credit facility of up to ~~40~~ 12.5 percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433~~(b)–(e)~~ (b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9.

* * *

(c) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, and in addition to the provisions of subsection (a) ~~on~~ of this section, the Vermont State Treasurer shall have the authority to establish a credit facility of up to two and one-half percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433~~(b)–(e)~~ (b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9. The Treasurer may use amounts available under this subsection only to provide financing for climate infrastructure and resilience projects and may modify the terms of such financing in the Treasurer's discretion as is necessary to protect the ~~interest~~ interests of the State.

(d)(1) Annually, on or before November 15, the Treasurer shall submit a report detailing the activities, financing, and accounting of any credit facilities created pursuant to subsection (c) of this section during the preceding calendar year to the Governor; the House Committees on Appropriations, on Commerce

and Economic Development, and on Ways and Means; and the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, and on Finance.

(2) 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.

* * * Common Interest Communities * * *

Sec. 4. COMMON INTEREST COMMUNITY REPORT

(a) On or before November 15, 2026, the Office of Legislative Counsel shall provide a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining any legal issues related to requiring common interest communities to:

(1) authorize leasing of residential units;

(2) authorize commercial purposes within a dwelling unit;

(3) permit the construction of accessory dwelling units on land reserved for the exclusive use of a unit owner; and

(4) allow the installation of electric vehicle supply equipment on land reserved for the exclusive use of a unit owner.

(b) In developing the report, the Office shall work with and identify external partners with knowledge and expertise in common interest communities across the State.

* * * Vermont Economic Development Authority * * *

Sec. 5. 10 V.S.A. § 212 is amended to read:

§ 212. DEFINITIONS

As used in this chapter:

* * *

(6) “Eligible facility” or “eligible project” means any industrial, commercial, or agricultural enterprise or endeavor approved by the Authority used in a trade or business whether or not such business is operated for profit, including land and rights in land, air, or water; buildings; structures; machinery; and equipment of such eligible facilities or eligible projects, except that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to the sale of goods at retail where such goods are manufactured primarily out of State, and except further that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to

housing unless otherwise authorized in this chapter. Such enterprises or endeavors may include:

* * *

(U) After consultation with, and with deference to, the Vermont Housing Finance Agency on applications that are eligible for financing from both the Authority and the Agency, multiunit housing developments of five or more units when requested by, and jointly financed with, a financing lender, except that the Authority shall not finance housing developments that utilize funding issued by the Agency.

* * *

* * * Service-Supported Housing * * *

Sec. 6. 3 V.S.A. § 3098 is added to read:

§ 3098. SERVICE-SUPPORTED HOUSING ADVISORY COUNCIL

(a) The Service-Supported Housing Advisory Council is created for the purpose of identifying opportunities for increased alignment between human services programs and policies serving individuals who receive Medicaid-funded Developmental Disability Services and housing capital and support services programs.

(b) The Advisory Council shall be overseen by the Department of Disabilities, Aging, and Independent Living and shall be composed of the following individuals:

(1) one member, appointed by the Vermont Housing and Conservation Board;

(2) the Secretary of Human Services or designee;

(3) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(4) the State Treasurer or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) two members, appointed by the Developmental Disabilities Housing Initiative;

(7) the Executive Director of the Vermont Developmental Disabilities Council or designee;

(8) two members, appointed by Green Mountain Self-Advocates; and

(9) one member, appointed by Vermont Care Partners.

(c)(1) The Advisory Council shall meet at least monthly.

(2) The Commissioner of Disabilities, Aging, and Independent Living shall convene the first meeting of the Advisory Council, during which the Advisory Council shall elect a chair from among its members.

(d) The Advisory Council shall report annually on or before November 15 to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare regarding:

(1) administrative and programmatic reforms carried out to better align support-services and housing development programs and policies, including examples of projects or progress enabled by those changes;

(2) a housing needs assessment for individuals served by the Developmental Disabilities Services System of Care, including a summary of the number of units and an overview of the types of housing needed to support this population;

(3) activities undertaken pursuant to this section; and

(4) recommendations for future legislative action, including actionable recommendations for changes in State laws or policies that are obstacles to the creation of housing needed by individuals with Medicaid-funded home- and community-based services.

(e) The Advisory Council shall have the administrative, technical, and legal assistance of the Department of Disabilities, Aging, and Independent Living.

(f) Members of the Advisory Council who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than 12 meetings per year.

* * * Municipal Zoning * * *

Sec. 7. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

Notwithstanding any existing bylaw, the following land development provisions shall apply in every municipality:

(1) Equal treatment of housing and required provisions for affordable housing.

* * *

(B) Except as provided in subdivisions 4414(1)(E) and (F) of this title, no bylaw shall have the effect of excluding mobile homes, modular housing, manufactured housing, or prefabricated housing from any district that allows year-round residential development in the municipality, except upon the same terms and conditions as conventional housing is excluded. A municipality may establish specific site standards in the bylaws to regulate individual sites within preexisting mobile home parks with regard to distances between structures and other standards as necessary to ensure public health, safety, and welfare, provided the standards do not have the effect of prohibiting the replacement of mobile homes on existing lots.

* * *

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. In any district that allows year-round residential development, duplexes shall be ~~an allowed~~ a permitted use with dimensional standards that are not more restrictive than is required for a single-unit dwelling, including no additional land or lot area than would be required for a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use on the same size lot as a single-unit dwelling, ~~unless that district specifically requires multiunit structures to have more than four dwelling units.~~

* * *

Sec. 8. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context otherwise requires:

* * *

(42)(A) An area “served by municipal sewer and water infrastructure” means:

(i) an area where residential connections and expansions are available to a parcel or a portion of a parcel within 2,000 feet of municipal water and direct and indirect discharge wastewater systems and not prohibited by:

- (I) State regulations or permits;
- (II) identified capacity constraints; or

- (III) municipally adopted service and capacity agreements; or
- (ii) an area established by the municipality by ordinance or bylaw where residential connections and expansions are available to municipal water and direct and indirect discharge wastewater systems and which may exclude:
- (I) flood hazard or inundation areas as established by statute, river corridors or fluvial erosion areas as established by statute, shorelands, areas within a zoning district or overlay district the purpose of which is natural resource protection, and wherever year-round residential development is not allowed;
- (II) areas with identified service limits established by State regulations or permits, identified capacity constraints, or municipally adopted service and capacity agreements;
- (III) areas served by sewer and water to address an identified community-scale public health hazard or environmental hazard;
- (IV) areas serving a mobile home park that is not within an area planned for year-round residential growth;
- (V) areas serving an industrial site or park;
- (VI) areas where service lines are located to serve the areas described in subdivisions (III)–(V) of this subdivision (ii), but no connections or expansions are permitted; or
- (VII) areas that, through an approved Planned Unit Development under section 4417 of this title or Transfer of Development Rights under section 4423 of this title, prohibit year-round residential development.

(B) Municipally adopted areas served by municipal sewer and water infrastructure that limit sewer and water connections and expansions shall not result in the unequal treatment of housing by discriminating against a year-round residential use or housing type otherwise allowed in this chapter.

* * * State Community Investment Program * * *

Sec. 9. 24 V.S.A. § 5803 is amended to read:

§ 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

* * *

(f) Benefits Steps. A center may receive the benefits associated with the steps in this section by meeting the established requirements. The Department shall review applications from municipalities to advance from Step One to Two and from Step Two to Three and issue written decisions. The Department

shall issue a written administrative decision within 30 days following an application. If a municipal application is rejected by the Department, the municipality may appeal the administrative decision to the State Board. To maintain a downtown approved under chapter 76A after December 31, 2026, the municipality shall apply for renewal following a regional planning approval by the LURB and meet the program requirements. Step Three designations that are not approved for renewal revert to Step Two. The municipality may appeal the administrative decision of the Department to the State Board. Appeals of administrative decisions shall be heard by the State Board at the next meeting following a timely filing stating the reasons for the appeal. The State Board's decision is final. The Department shall issue guidance to administer these steps.

* * *

(2) Step Two.

(A) Requirements. Step Two is established to create a mid-level designation for villages throughout the State to increase planning and implementation capacity for community-scale projects. A center reaches Step Two if it:

* * *

(iv) a portion of the center is listed or eligible for listing in the National Register of Historic Places, unless recognized by the program as a preexisting designated new town center.

* * *

(3) Step Three.

(A) Requirements. Step Three is established to create an advanced designation for downtowns throughout the State to create mixed-use centers and join the Vermont Downtown Program. A center reaches Step Three if the Department finds that it meets the following requirements:

* * *

(ii) Is A portion of the center is listed or eligible for listing in the National Register of Historic Places, unless recognized by the program as a preexisting designated new town center.

* * *

* * * Positions * * *

Sec. 10. POSITIONS

The following positions are created in the Department of Housing and Community Development:

(1) two full-time, classified Grants Management Specialist Housing and Community Development positions; and

(2) one full-time, exempt position to increase capacity to administer programs, including municipal planning grants, Homes for All developer trainings, 802 Homes Initiative, and Housing Data analysis and reporting.

* * * Appropriations * * *

Sec. 11. APPROPRIATIONS

The following shall be appropriated from the General Fund in fiscal year 2027:

(1) The sum of \$250,000.00 to the Municipal and Regional Planning and Resilience Fund to increase available municipal planning grants for municipalities seeking to meet the housing targets established pursuant to 2024 Acts and Resolves No. 181.

(2) The sum of \$5,000,000.00 to the Department of Housing and Community Development's base budget for the purpose of funding the Vermont Rental Housing Improvement Program (VHIP).

* * * Effective Date * * *

Sec. 12. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

And that when so amended the bill ought to pass.

Senator Brock, for the Committee on Finance, to which the bill was referred, reported that the bill ought to pass when so amended.

Senator Watson, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendments thereto:

First: By striking out Sec. 2, 32 V.S.A. § 5930u, and its reader assistance heading in their entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. [Deleted.]

Second: In Sec. 6, 3 V.S.A. § 3098, by striking out subsection (f) in its entirety.

Third: By striking out Sec. 10, positions, and its reader assistance heading in their entirety and inserting in lieu thereof a new Sec. 10 to read as follows:

Sec. 10. [Deleted.]

Fourth: By striking out Sec. 11, appropriations, and its reader assistance heading in their entirety and inserting in lieu thereof a new Sec. 11 to read as follows:

Sec. 11. [Deleted.]

And that when so amended the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of amendment of the Committee on Economic Development, Housing and General Affairs was amended as recommended by the Committee on Appropriations.

Thereupon, the pending question, Shall the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs, as amended?, was agreed to and third reading of the bill was ordered.

Bill Amended; Third Reading Ordered

S. 323.

Senate committee bill entitled:

An act relating to miscellaneous agricultural subjects.

Having appeared on the Calendar for notice for one day, was taken up.

Senator Ingalls, for the Committee on Agriculture moved to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Municipal Agriculture Regulation * * *

Sec. 1. FINDINGS AND INTENT; MUNICIPAL REGULATION OF AGRICULTURE

(a) For purposes of Sec. 2 of this act, the General Assembly finds that:

(1) Since enactment of 2004 Acts and Resolves No. 115, it has been both the intent of the General Assembly and the controlling law that a municipality shall not regulate farming, including the construction of farm structures.

(2) The Vermont Supreme Court's decision in *In re 8 Taft Street DRB & NOV Appeals*, 2025 VT 27 reversed application of at least the past 20 years of law to hold that municipalities may regulate farming by municipal bylaw.

(3) To avoid the unintended consequences of the decision in *In re 8 Taft Street DRB & NOV Appeals*, 2025 VT 27, it is necessary for the General Assembly to clarify and restate that municipalities under ordinance or bylaw shall not regulate farming or the construction of farm structures as set forth in 24 V.S.A. § 4413(d).

(4) In addition, the General Assembly finds that municipalities shall not regulate by bylaw the growing of plants and the raising of a small backyard poultry flock, excluding roosters.

(b) For purposes of Sec. 2 of this act, it is the intent of the General Assembly to overturn the holding in *In re 8 Taft Street DRB & NOV Appeals*, 2025 VT 27 and to clarify that municipalities lack authority to regulate farming or the construction of farm structures as set forth in 24 V.S.A. § 4413(d).

Sec. 2. 24 V.S.A. § 4413(d) is amended to read:

(d)(1) A bylaw under this chapter shall not regulate:

(A) required agricultural practices, including the construction of farm structures, as those practices are defined by the Secretary of Agriculture, Food and Markets the cultivation or other use of land for growing plants, including for food, fiber, Christmas trees, maple sap, or horticultural, viticultural, and orchard crops;

(B) the raising, feeding, or management of a small backyard poultry flock, excluding roosters;

(C) farming that meets the minimum threshold criteria in the Required Agricultural Practices Rule and is therefore required to comply with the Required Agricultural Practices Rule;

(D) the construction of farm structures, including as defined in the Required Agricultural Practices Rule;

(B)(E) accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices that are in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation; or

(C)(F) forestry operations.

(2) As used in this section:

(A) “Farming” has the same meaning as in 10 V.S.A. § 6001(22) or in the Required Agricultural Practices Rule.

(B) “Farm structure” means a building, enclosure, or fence for housing livestock, raising horticultural or agronomic plants, or carrying out other practices associated with accepted agricultural or farming practices, including a silo, as “farming” is defined in 10 V.S.A. § 6001(22), but excludes a dwelling for human habitation.

~~(B)~~(C) “Forestry operations” has the same meaning as in 10 V.S.A. § 2602.

(D) “Poultry” has the same meaning as in 6 V.S.A. § 1459(4).

* * *

Sec. 3. Section 3 of the Agency of Agriculture, Food and Markets, Vermont Required Agricultural Practices Rule for the Agricultural Nonpoint Source Pollution Control Program is amended to read:

Section 3. Required Agricultural Practices Activities and Applicability

3.1 Persons engaged in farming and the agricultural practices as defined in Section 3.2 of this rule and who meet the minimum threshold criteria for applicability of this rule as found in Section 3.1(a)–(g) must meet all applicable Required Agricultural Practices conditions, restrictions, and operating standards, and are not subject to municipal zoning bylaws. Persons engaged in farming who are in compliance with these conditions, restrictions, and operating standards, as applicable, shall be presumed to not have a discharge of agricultural wastes to waters of the State. Compliance with the Required Agricultural Practices Rule is required if a person:

(a) is required to be permitted or certified by the Secretary, consistent with the requirements of 6 V.S.A. Chapter 215 and this rule; or

(b) has produced an annual gross income from the sale of agricultural products of ~~\$2,000.00~~ \$5,000.00 or more in an average year; or

(c) is preparing, tilling, fertilizing, planting, protecting, irrigating, and harvesting crops for sale or for charitable contributions of farm crops that are allowable under 26 U.S.C. § 170(c) and that are made to an organization that is unrelated to the owner of the enrolled land on a farm that is no less than 4.0 contiguous acres in size; or

(d) is raising, feeding, or managing at least the following number of adult livestock on a farm that is no less than 4.0 contiguous acres in size:

(1) four equines;

- (2) five cattle, cows, or American bison;
- (3) 15 swine;
- (4) 15 goats;
- (5) 15 sheep;
- (6) 15 cervids;
- (7) 50 turkeys;
- (8) 50 geese;
- (9) 100 laying hens;
- (10) 250 broilers, pheasant, Chukar partridge, or Coturnix quail;
- (11) three camelids;
- (12) four ratites;
- (13) 30 rabbits;
- (14) 100 ducks;
- (15) 1,000 pounds of cultured trout; or
- (16) other livestock types, combinations, or numbers as designated by the Secretary based upon or resulting from the impacts upon water quality consistent with this rule; or

~~(e) is raising, feeding, or managing other livestock types, combinations, and numbers, or managing crops or engaging in other agricultural practices on at least 1.0 and less than 4.0 contiguous acres in size that the Secretary has determined, after the opportunity for a hearing, to be causing adverse water quality impacts and in a municipality where no ordinances are in place to manage the activities causing the water quality impacts and has sufficient land base for appropriate nutrient and waste management. The Secretary has the discretion to determine, after consultation with the appropriate municipal authority, if the land base is adequate to properly manage the number and type of livestock while evaluating whether compliance with the Required Agricultural Practices is reasonable or impractical; or~~

~~(f) is managed by a farmer filing with the Internal Revenue Service a 1040(F) income tax statement in at least one of the past two years is raising, feeding, or managing livestock on less than 1.0 contiguous acre or on between 1.0 and 4.0 contiguous acres in a municipality that lacks ordinances or bylaws to regulate livestock, and the Secretary determines, after an opportunity for a hearing, that the livestock are causing significant adverse water quality impacts and the Required Agricultural Practices should apply to protect water quality; or~~

(g) has a prospective business or farm management plan, approved by the Secretary, describing how the farm will meet the threshold requirements of this section.

3.2 The agricultural practices on farms ~~meeting that meet~~ the minimum threshold criteria set forth in Section 3.1 that are governed by this rule and are not subject to municipal zoning bylaws include:

- (a) the confinement, feeding, fencing, and watering of livestock;
- (b) the storage and handling of agricultural wastes principally produced on the farm;
- (c) the collection of maple sap principally produced from trees on the farm and/or production of maple syrup from sap principally produced on the farm;
- (d) the preparation, tilling, fertilization, planting, protection, irrigation, and harvesting of crops;
- (e) the ditching and subsurface drainage of farm fields and the construction of farm ponds;
- (f) the stabilization of farm fields adjacent to banks of surface water, and the establishment and maintenance of vegetated buffer zones and riparian buffer zones;
- (g) the construction and maintenance of farm structures, farm roads, and associated infrastructure;
- (h) the on-site storage, preparation, production, and sale of fuel or power from agricultural products or wastes principally produced on the farm;
- (i) the on-site storage, preparation, and sale of agricultural products principally produced on the farm from raw agricultural commodities principally produced on the farm;
- (j) the on-site storage of agricultural inputs for use on the farm including, but not limited to, lime, fertilizer, pesticides, compost and other soil amendments, and the equipment necessary for operation of the farm; and
- (k) the management of livestock mortalities produced on the farm.

* * * Accessory On-Farm Structure Permit * * *

Sec. 4. 10 V.S.A. § 6081(t) is amended to read:

(t) No permit or permit amendment is required for the construction of improvements for an accessory on-farm business for the storage or sale of qualifying products or the other eligible enumerated products as defined in 24 V.S.A. § 4412(11)(A)(i)(I). No permit or permit amendment is required for the construction of improvements for an accessory on-farm business for the

preparation or processing of qualifying products as defined in 24 V.S.A. § 4412(11)(A)(i)(I), provided that more than 50 percent of the total annual sales of the prepared or processed qualifying products come from products produced on the farm where the business is located, or not more than \$250,000.00, adjusted for inflation, in total annual sales, or the equivalent value of donated farm crops, of the prepared or processed qualifying products come from products that are not produced on the farm where the business is located. As used in this subsection, “adjusted for inflation” means adjusting the dollar amount by the U.S. Consumer Price Index for all Urban Consumers, All Items, published by the U.S. Bureau of Labor Statistics, from fiscal year 2026 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount. This subsection shall not apply to the construction of improvements related to hosting events or farm stays as part of an accessory on-farm business as defined in 24 V.S.A. § 4412(11)(A)(i)(II). As used in this subsection, “donated farm crops” means charitable contributions of farm crops that are allowable under 26 U.S.C. § 170(c) and that are made to an organization that is unrelated to the owner of the enrolled land.

* * * Land Use Value Appraisal * * *

Sec. 5. 32 V.S.A. § 3752 is amended to read:

§ 3752. DEFINITIONS

As used in this subchapter:

(1) “Agricultural land” means any land, exclusive of any housesite, in active use to grow hay or cultivated crops, pasture livestock, cultivate trees bearing edible fruit, or produce an annual maple product, and that is 25 acres or more in size, except as provided in this subdivision ~~(1)~~. Agricultural land shall include buffer zones as defined and required in the Agency of Agriculture, Food and Markets’ Required Agricultural Practices rule adopted under 6 V.S.A. chapter 215. There shall be a presumption that the land is used for agricultural purposes if:

(A) it is owned by a farmer and is part of the overall farm unit;

(B) it is used by a farmer as part of the farmer’s operation under written lease for at least three years; or

(C) it has produced an annual gross income from the sale of farm crops, or the equivalent value of donated farm crops, in one of two, or three of the five, calendar years preceding of at least:

(i) \$2,000.00 for parcels of up to 25 acres; and

(ii) \$75.00 per acre for each acre over 25, with the total income required not to exceed \$5,000.00.

(iii) Exceptions to these income requirements may be made in cases of orchard lands planted to fruit-producing trees, bushes, or vines that are not yet of bearing age. As used in this section, the term “farm crops” also includes animal fiber, cider, wine, and cheese, produced on the enrolled land or on a housesite adjoining the enrolled land, from agricultural products grown on the enrolled land, and “donated farm crops” means charitable contributions of farm crops that are allowable under 26 U.S.C. § 170(c) and that are made to an organization that is unrelated to the owner of the enrolled land.

* * *

Sec. 6. 32 V.S.A. § 3755 is amended to read:

§ 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

* * *

(h) An owner of enrolled agricultural land that is eligible for enrollment due to farm crop donations pursuant to subdivision 3752(1)(C) of this chapter shall retain receipts or other proof of donation. The receipts or other proof shall be available for inspection and examination at any time upon demand by the Director and shall be preserved for a period of three years.

* * * Milk Producers * * *

Sec. 7. 6 V.S.A. § 2752 is amended to read:

§ 2752. REFUSAL TO PURCHASE; HEARING; SECRETARY’S ORDER

(a) A handler doing business in this State who has a contract either verbal or written with a producer residing in this State for the purchase of the producer’s dairy products shall not refuse to purchase them from the producer except for violations of the sanitary rules or standards applicable to the market in which the dairy product is sold or marketed, without being deemed guilty of unfair discrimination. In the event that the refusal is to be based upon reasons of oversupply or other reasonable grounds, the refusal shall not become operative until the purchaser has given the producer at least 90 days’ notice of intention to refuse the producer’s product on these grounds, which shall be particularly set forth in writing so that the producer may be fully appraised of the refusal.

(b) If the producer desires to question the existence or validity of such grounds of refusal, ~~he or she~~ the producer may do so within 90 days after receiving the notice or refusal by requesting the Secretary of Agriculture, Food and Markets for a hearing, and the Secretary is hereby given jurisdiction to

hear and determine the question. The producer shall make complaints of such contemplated refusal in writing to the Secretary, setting forth the substance of the refusal notice and requesting to be heard thereon. The Secretary shall then notify both the producer and the purchaser in writing, sent to them by registered mail, of the time and place of hearing thereon. The time of the hearing shall not be less than 10 nor more than 30 days from the date of the notice. Hearing shall be informal. Both parties shall have an opportunity to produce evidence.

* * *

(d) If a request for a hearing is made by a ~~purchaser~~ producer, refusal of the purchaser shall not become operative until hearing and decision in the purchaser's favor by the Secretary.

* * *

* * * Farm-to-School Program Contracts * * *

Sec. 8. 6 V.S.A. § 4721 is amended to read:

§ 4721. LOCAL FOODS ~~GRANT~~ PROGRAM

(a) There is created in the Agency of Agriculture, Food and Markets the Rozo McLaughlin Farm-to-School Program to execute, administer, and ~~award~~ provide local grants or contracts for the purpose of helping Vermont schools develop farm-to-school programs that will sustain relationships with local farmers and producers, enrich the educational experience of students, improve the health of Vermont children, and enhance Vermont's agricultural economy.

(b) A school, a school district, a consortium of schools, a consortium of school districts, a registered or licensed child care provider, or an organization administering or assisting the development of farm-to-school programs may apply to the Secretary of Agriculture, Food and Markets for a ~~grant award~~ or contract to:

* * *

(c) The Secretaries of Agriculture, Food and Markets and of Education and the Commissioner of Health, in consultation with farmers, child nutrition staff, educators, organizations administering or assisting the development of farm-to-school programs, and farm-to-school technical service providers, jointly shall adopt procedures relating to the content of ~~the grant application applications or contract bids~~ and the criteria for making awards.

* * *

(e) No ~~award~~ individual grant or contract shall be greater than 20 percent of the total annual ~~amount~~ funds available for ~~granting~~ except that a ~~grant~~ an award to the following entities may, at the discretion of the Secretary of Agriculture, Food and Markets, exceed the cap:

(1) Farm-to-School service providers; or

(2) school districts or consortiums of school districts that completed merger under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46 on or before July 1, 2019, provided that the ~~grant is~~ funds are used for the purpose of expanding Farm-to-School projects to additional schools within the new school district.

* * * Pest Control Compact Repeal * * *

Sec. 9. REPEAL

6 V.S.A. chapter 83 (Pest Control Compact) is repealed on July 1, 2026.

* * * Amending Pesticide Exam Requirements * * *

Sec. 10. 6 V.S.A. § 1112 is amended to read:

§ 1112. LICENSING PESTICIDE APPLICATORS; PESTICIDE COMPANIES; DEALERS

(a) The Secretary may adopt rules requiring persons selling Class A and B pesticides to be licensed under this chapter. In addition, the Secretary may adopt rules requiring companies that hire applicators or conduct pesticide applications to be licensed and applicators who use pesticides to be certified under this chapter. The Secretary may establish reasonable requirements for obtaining licenses and certificates. The fees for dealers, licensed companies, and applicator certificates under this chapter shall be as follows:

(1) Class A Dealer License—\$50.00;

(2) Class B Dealer License—\$50.00;

(3) Pesticide Company License—\$75.00;

(4) Commercial and, Noncommercial, and Government Applicator Certification fee—\$30.00 per category or subcategory with a maximum of \$120.00;

(5) ~~second and third time examination~~ Examination fee for dealer licenses and applicator certification—\$25.00; and

(6) Private Applicator—\$25.00; and

(7) ~~State Government, Municipal, and Public Education Institution~~ Applicators—\$30.00.

* * *

(e) There shall be no limitation on the frequency for retaking examinations for private, commercial, noncommercial, or government applicator certifications or dealer licenses.

* * * Seed Law Conforming to Universal Standards * * *

Sec. 11. 6 V.S.A. § 641 is amended to read:

§ 641. DEFINITIONS

(a) As used in this chapter:

(1) “Agricultural seed” includes grass, forage, cereal, oil, fiber, and other kinds of crop seeds commonly recognized as agricultural seeds, lawn seeds, and combinations of such seeds, and may include noxious weed seeds used when the Secretary determines an appropriate use as agricultural seed.

(2) “Secretary” means the Secretary of Agriculture, Food and Markets ~~or his or her~~ the Secretary’s designee.

(3) “Agency” means the Agency of Agriculture, Food and Markets.

(4) “Flower seed” includes seed of herbaceous plants grown for their blooms, ornamental foliage, or other ornamental parts and commonly known and sold under the name of flower or wildflower seed in this State.

(5) “Labeling” ~~includes~~ means tags or other devices attached to, or written, stamped, or printed on, any container or accompanying any lot of bulk seeds that are used to provide the seed label information required by this chapter. “Labeling” includes additional information that describes labeled seed.

(6) “Noxious weed seeds” include:

(A) “Prohibited noxious weed seeds,” or those weed seeds that are prohibited from being present in agricultural ~~and~~ vegetable, flower, tree, or shrub seed. They are the seeds of weeds that are highly destructive and difficult to control by good cultural practices and the use of herbicides.

(B) The term “restricted noxious weed seeds,” or those weed seeds that are objectionable in agricultural crops, lawns, and gardens of this State and that ~~are difficult to control~~ can be controlled by good cultural practices or the use of herbicides.

* * *

(8) “Weed seeds” ~~mean~~ means the seeds of all plants generally recognized as weeds within this State and ~~include~~ includes prohibited and noxious weed seeds.

* * *

(11) “Distribute” means to import, manufacture, produce, mix, blend, offer for sale, sell, barter, or supply seed for the purpose of sowing in the State through any means, including sales outlets, catalogues, the telephone, the internet, or any electronic means.

(12) “Distributor” means any person who distributes seeds in or into the State and affixes the labeling or any relabeling required in section 644 of this chapter.

(13) “Treated” means seed that received an application of a substance or process designed to reduce, control, or repel certain disease organisms, insects, or other pests from attaching to the seed or seedlings, or designed to enhance the availability or uptake of plant nutrients through root systems.

(b) In addition to the terms defined in subsection (a) of this section and to facilitate uniform seed requirements, the Secretary may apply any other term or definition that the Association of American Seed Control Officials adopted in its *Recommended Uniform State Seed Law*, as amended.

Sec. 12. 6 V.S.A. § 642 is amended to read:

§ 642. DUTIES AND AUTHORITY OF THE SECRETARY

(a) The Secretary shall enforce and carry out the provisions of this subchapter, including:

(1) Sampling, inspecting, making analysis of, and testing seeds subject to the provisions of this subchapter that are ~~transported, sold, or offered or exposed for sale within~~ distributed in or into the State for sowing purposes. The Secretary shall notify promptly a person who ~~sells, offers, or exposes~~ distributes seeds for sale and, if appropriate, the person who ~~labels or transports seeds~~ of any violation and seizure of the seeds or order to cease sale of the seeds under section 643 of this title.

* * *

Sec. 13. 6 V.S.A. § 644 is amended to read:

§ 644. LABEL REQUIREMENTS FOR AGRICULTURAL, FLOWER, AND VEGETABLE SEEDS

(a) Each container of agricultural, flower, and vegetable seeds that is ~~sold~~ distributed in this State for sowing purposes shall be labeled.

(1) All labels shall include:

* * *

(E) ~~the name and address of the labeler or distributor~~ responsible for labeling the seed.

(2) For all treated agricultural, vegetable, and flower seeds ~~that have been treated~~, the label or an additional label shall include:

(A) ~~a~~ A word or statement ~~indicating that~~ describing the seed ~~has been treated with treatment and identifying~~ the commonly accepted chemical name or abbreviated chemical name of the applied substance, or a description of the process used.

(B) ~~A caution statement shall be set forth if~~ If the substance in the amount present with the seed is harmful to human or other vertebrate animals, an appropriate caution statement like "Do not use for food, feed, or oil purposes." The caution statement for mercurial and similarly toxic substances shall be a poison statement or symbol.

(3) For seed treated with an inoculant, the label shall state the ~~date of expiration of~~ date, meaning the date beyond which the inoculant is not considered effective.

* * *

(5) All bins and other bulk displays of agricultural, flower, grass, and vegetable seeds, or mixtures of the described seeds, shall be labeled with the same information that is required to be on containers of agricultural, flower, or vegetable seeds as applicable.

* * *

Sec. 14. 6 V.S.A. § 646(b) is amended to read:

(b) No person shall be subject to the penalties of this subchapter for ~~having sold or offered for sale~~ distributing seeds subject to provisions of this subchapter that were incorrectly labeled or represented as to kind, species, and subspecies; variety; type; or origin, unless the person has failed to obtain an invoice, genuine grower's declaration, or other labeling information or to take such other reasonable precautions to ensure that the identity of the seed is set forth. "Genuine grower's declaration" means a statement signed by the grower that gives for each lot of seed the lot number, kind, variety (if known), origin, weight, year of production, date of shipment, and to whom the shipment was made.

Sec. 15. 6 V.S.A. § 647 is amended to read:

§ 647. ADMINISTRATIVE PENALTIES

(a) The Secretary may assess administrative penalties, not to exceed \$250.00 for each offense, in any case ~~he or she~~ the Secretary determines that a person has committed any of the following violations:

(1) ~~sold Distributed seed products without paying the seed inspection fees for hundredweight tonnage or seed registration fee under section 648 of this title;~~

(2) ~~sold Distributed seed products within the State of Vermont found deficient in guarantee analysis and labeling as defined by rule; or~~

(3) Failed to report the quantity of genetically engineered, treated, and untreated seed sold in the State during the previous calendar year. Reporting shall be completed on forms the Secretary prescribes and may include seed categories, traits, Environmental Protection Agency pesticide product numbers, active ingredients, application rate on seed, and other information the Secretary requires.

~~(3)(4) violated~~ Violated a stop sale order.

* * *

Sec. 16. 6 V.S.A. § 648 is amended to read:

§ 648. INSPECTIONS REGISTRATION AND REPORTING

(a) ~~Inspection~~ No person shall distribute seed without registering annually. Registration fees shall be paid to the Secretary by a manufacturer or, processor, or distributor that distributes seed in or into the State. Fees shall be established as follows: The registration fee is \$85.00 annually for each distributor that distributes any seed in or into the State. Registration is for the calendar year and expires on the last day of December each year.

~~(1) \$10.00 per ton for any seed sold in containers of more than 10 pounds; and~~

~~(2) a flat fee of \$85.00 per company for any seed sold.~~

(b) The following shall be exempt from ~~the inspection fee~~ registration requirements:

(1) seed not intended for sowing purposes;

(2) seed in storage in, or consigned to, a seed cleaning or processing establishment for cleaning or processing; ~~and~~

(3) seed grown, sold, and delivered by a producer on ~~his or her~~ the producer's own premises for seeding purposes to the ultimate consumer, provided such seed has neither been advertised for sale nor been delivered via commercial carrier, and provided the seed contains no prohibited noxious

weed seeds or not more than one restricted noxious weed seed per 2,000 of the seeds being sold; and

(4) interpersonal sharing of seed for home, educational, charitable, or personal noncommercial use.

(c) The following reports are required:

(1) For those seeds sold A manufacturer, processor, or distributor distributing seed in containers of more than 10 pounds, a must file an annual report shall be filed annually on or before January 15 on forms supplied by the Secretary regarding sales distribution of seed during the previous calendar year, and fees based on the. A fee of \$10.00 per ton rate shall accompany the report. Reporting periods are January 1-June 30 and July 1-December 31 of seeds distributed in containers of more than 10 pounds shall accompany the report and is due annually on or before January 15. If a registrant or distributor does not distribute any seed during the calendar year, a report indicating that no distribution occurred must be submitted.

(2) For all seeds distributed in or into Vermont regardless of container size, the manufacturer, processor, or distributor distributing the seed shall report annually on or before February 15 to the Secretary on a form supplied by the Secretary. At minimum, the form will require disclosure of the quantity of seeds containing genetically engineered material, treated seed, and untreated seed distributed during the previous calendar year. The following requirements also apply:

(A) for seeds containing genetically engineered material, the seed type, a brand name for the combination of traits, and any other information the Secretary determines is appropriate; and

(B) for pesticide treated article seed, the Environmental Protection Agency pesticide registration number, application rate on seed by the seed type, and any other information the Secretary determines is appropriate.

(d) For those seeds sold in containers of 10 pounds or less, the fee of \$85.00 per company shall be paid annually prior to distribution in the State. Fees shall be paid annually on January 1.

(e)(d) All fees shall be deposited in the special fund created by subsection 364(f) of this title and used in accordance with its provisions.

(f)(e) The Secretary may waive seed inspection fees under this chapter, based on the number of seed varieties sold, and for the sale of heirloom seed varieties.

(g) For seeds sold in Vermont that contain genetically engineered material, the manufacturer or processor distributing such seed in Vermont shall report

~~annually on or before February 15 to the Secretary on forms supplied by the Secretary regarding sales during the previous calendar year.~~

~~(h) For agricultural seeds sold in Vermont, the manufacturer or processor distributing the seed in Vermont shall report annually on or before February 15 to the Secretary on forms supplied by the Secretary regarding the quantity of treated article seed and the quantity of untreated seed sold in Vermont during the previous calendar year.~~

* * * Consolidate VACP within VEDA * * *

Sec. 17. TRANSFER OF VERMONT AGRICULTURAL CREDIT PROGRAM

10 V.S.A. chapter 16A (Vermont Agricultural Credit Program) is repealed for the purpose of redesignation as 10 V.S.A. chapter 12, subchapter 16.

Sec. 18. 10 V.S.A. chapter 12, subchapter 16 is added to read:

Subchapter 16. Vermont Agricultural Credit Program

§ 280hh. DEFINITIONS

As used in this subchapter:

(1) “Agricultural facility” means land and rights in land, buildings, structures, machinery, and equipment that is used for, or will be used for, producing, processing, preparing, packaging, storing, distributing, marketing, or transporting agricultural or forest products that have been at least partially produced in this State, and working capital reasonably required to operate an agricultural facility.

(2) “Agricultural land” means real estate capable of supporting commercial farming or forestry, or both.

(3) “Agricultural products” means crops, livestock, forest products, and other farm or forest commodities produced as a result of farming or forestry activities.

(4) “Authority” means the Vermont Economic Development Authority established under section 213 of this title.

(5) “Cash flow” means, on an annual basis, all income, receipts, and revenues of the applicant or borrower from all sources and all expenses of the applicant or borrower, including all debt service and other expenses.

(6) “Farm operation” means the cultivation of land or other uses of land for the production of food, fiber, horticultural, silvicultural, orchard, maple syrup, Christmas trees, forest products, or forest crops; the raising, boarding, and training of equines, and the raising of livestock; or any combination of the

foregoing activities. “Farm operation” also means the storage, preparation, retail sale, and transportation of agricultural or forest commodities accessory to the cultivation or use of such land. “Farm operation” also means the operation of an agritourism business on a farm subject to regulation under the Required Agricultural Practices. “Farm operation” also means a business that provides specialty services to farmers, such as foresters, farriers, hoof trimmers, or large animal veterinarians operating or proposing to operate mobile units.

(7) “Farm ownership loan” means a loan to acquire or enlarge a farm or agricultural facility; to make capital improvements, including construction, purchase, and improvement of farm and agricultural facility buildings, farm worker housing, or farmer housing that can be made fixtures to the real estate; to promote soil and water conservation and protection or provide housing; and to refinance indebtedness incurred for farm ownership or operating loan purposes, or both.

(8) “Farmer” means an individual directly engaged in the management or operation of an agricultural facility or farm operation for whom the agricultural facility or farm operation constitutes two or more of the following:

(A) is or is expected to become a significant source of the farmer’s income;

(B) the majority of the farmer’s assets; and

(C) an occupation in which the farmer is actively engaged, either on a seasonal or year-round basis.

(9) “Forest products business” means an enterprise that is engaged in managing, harvesting, trucking, processing, manufacturing, crafting, or distributing forest products at least partially derived from Vermont forests.

(10) “Livestock” includes cattle, sheep, goats, equines, fallow deer, red deer, reindeer, American bison, swine, poultry, pheasant, chukar partridge, coturnix quail, ferrets, camelids and ratites, cultured trout propagated by commercial trout farms, and bees.

(11) “Loan” means an operating loan or farm ownership loan, including a financing lease, provided that such lease transfers the ownership of the leased property to each lessee following the payment of all required lease payments as specified in each lease agreement.

(12) “Operating loan” means a loan to purchase livestock, farm or forestry equipment, or fixtures to pay annual operating expenses of a farm operation or agricultural facility; to pay loan closing costs; and to refinance indebtedness incurred for farm ownership or operating loan purposes, or both.

(13) “Program” means the Vermont Agricultural Credit Program established by this subchapter.

(14) “Project” or “agricultural project” means the creation, establishment, acquisition, construction, expansion, improvement, strengthening, reclamation, operation, or renovation of an agricultural facility or farm operation.

§ 280ii. VERMONT AGRICULTURAL CREDIT PROGRAM

(a) The Vermont Agricultural Credit Program provides an alternative source of sound and constructive credit to farmers and forest products businesses who are not having their credit needs fully met by conventional agricultural credit sources at reasonable rates and terms; or, in the alternative, the granting of the loan shall serve as a substantial inducement for the establishment or expansion of an eligible agricultural or forestry project within the State. The Program is intended to meet, either in whole or in part, the credit needs of eligible agricultural facilities and farm and forest operations in fulfillment of one or more of the purposes listed in this subsection by making direct loans and participating in loans made by other agricultural credit providers:

(1) to encourage diversification, cooperative farming, and the development of innovative techniques for farming and forest products businesses;

(2) to increase energy efficiency and reduce energy consumption in agricultural facilities, including the construction of water pollution control facilities that implement best management practices for farm waste abatement pursuant to 6 V.S.A. chapter 215;

(3) to encourage innovative and diversified processing, marketing, and distribution of Vermont agricultural products;

(4) to assist beginning farmers to start new farms and new agricultural facilities to commence or strengthen their operations;

(5) to assist or financially strengthen existing farms; and

(6) to refinance loans incurred by eligible borrowers for any of the purposes enumerated in subdivisions (1) through (5) of this subsection.

(b) No borrower shall be approved for a loan from the Authority that would result in the aggregate principal balances outstanding of all loans to that borrower exceeding \$5,000,000.00.

§ 280jj. GENERAL POWERS

(a) The Authority shall have the powers necessary to carry out the purposes and provisions of this program and subchapter, including those general powers conferred on the Authority in section 216 of this title.

(b) The Authority shall have the powers necessary to dissolve the Vermont Agricultural Credit Corporation in accordance with 11B V.S.A. chapter 14. Upon dissolution of the Vermont Agricultural Credit Corporation, title to all property owned by the Vermont Agricultural Credit Corporation shall vest in the Authority.

§ 280kk. LOAN ELIGIBILITY STANDARDS

A farmer, forest products business, or a limited liability company, partnership, corporation, or other business entity with a minimum 20 percent ownership of which is vested in one or more farmers, forest products businesses, or a nonprofit corporation, shall be eligible to apply for a farm ownership or operating loan that shall be intended to expand the agricultural economy or forest economy of the State, provided the applicant is:

(1) an owner, prospective purchaser, or lessee of agricultural land in the State or of depreciable machinery, equipment, or livestock to be used in the State;

(2) a person of sufficient education, training, or experience in the operation and management of an agricultural facility or farm operation or forest products business of the type for which the applicant requests the loan;

(3) an operator or proposed operator of an agricultural facility, farm operation, or forest products business for whom the loan reduces investment costs to an extent that offers the applicant a reasonable chance to succeed in the operation and management of an agricultural facility or farm operation;

(4) a creditworthy person under such standards as the Authority may establish;

(5) able to provide and maintain adequate security for the loan by a mortgage on real property or a security agreement and perfected financing statement on personal property;

(6) able to demonstrate that the applicant is responsible and able to manage responsibilities as owner or operator of the farm operation, agricultural facility, or forest products business;

(7) able to demonstrate that the applicant has made adequate provision for insurance protection of the mortgaged or secured property while the loan is outstanding;

(8) a person who possesses the legal capacity to incur loan obligations;

(9) in compliance with such other reasonable eligibility standards as the Authority may establish;

(10) able to demonstrate that the project plans comply with all regulations of the municipality where it is to be located and of the State of Vermont;

(11) able to demonstrate that the making of the loan will be of public use and benefit;

(12) able to demonstrate that the proposed loan will be adequately secured by a mortgage on real property or by a security agreement on personal property; and

(13) able to demonstrate that there will be sufficient projected cash flow to service a reasonable level of debt, including the loan or loans, being considered by the Authority.

Sec. 19. 10 V.S.A. § 211(c) is amended to read:

(c) Therefore, the general public advantage requires:

* * *

(7) low-cost capital to assist Vermont family farmers to farm as provided in subdivision 272(3) of this title;

* * *

Sec. 20. 10 V.S.A. § 212 is amended to read:

§ 212. DEFINITIONS

As used in this chapter, with the exception of subchapter 16:

* * *

Sec. 21. 10 V.S.A. § 216 is amended to read:

§ 216. AUTHORITY; GENERAL POWERS

The Authority is hereby authorized:

* * *

(17) To contribute to the capital of the Vermont Agricultural Credit Corporation Program established pursuant to ~~chapter 16A~~ subchapter 16 of this title chapter in an amount the Authority determines is necessary and appropriate.

* * *

Sec. 22. 10 V.S.A. § 220a is amended to read:

§ 220a. THE VERMONT JOBS FUND

(a) There is hereby created the Vermont Jobs Fund, hereinafter called the Fund, which shall be used by the Authority as a nonlapsing fund for the purposes of this chapter. To it shall be charged all operating expenses of the Authority not otherwise provided for and all payments of interest and principal required to be made by the Authority under this subchapter. To it shall be credited any appropriations made by the General Assembly for the purposes of this chapter and all payments required to be made to the Authority under this chapter, it being the intent of this section that the Fund shall operate as a revolving fund whereby all appropriations and payments made thereto may be applied and reapplied for the purposes of this chapter. Monies in the Fund may be loaned at interest rates to be set by the Authority for the following:

* * *

~~(b) Monies in the Fund may be loaned to the Vermont Agricultural Credit Program to support its lending operations as established in chapter 16A of this title at interest rates and on terms and conditions to be set by the Authority to establish a line of credit in an amount not to exceed \$100,000,000.00 to be advanced to the Vermont Agricultural Credit Program to support its lending operations as established in chapter 16A of this title.~~

~~(e)~~(b) Monies in the Fund may be loaned to the Vermont Small Business Development Corporation to support its lending operations as established pursuant to subdivision 216(14) of this title at interest rates and on terms and conditions to be set by the Authority.

~~(d)~~(c) Monies in the Fund may be loaned to the Vermont 504 Corporation to support its lending operations as established pursuant to subdivision 216(13) of this title at interest rates and on terms and conditions to be set by the Authority.

~~(e)~~(d) The Authority may loan money from the Fund to the Vermont Sustainable Energy Loan Fund established under subchapter 13 of this chapter at interest rates and on terms and conditions set by the Authority.

Sec. 23. 10 V.S.A. § 280a is amended to read:

§ 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

(a) The Authority may develop, modify, and implement any existing or new financing program, provided that any specific project that benefits from such program shall meet the criteria contained in the Vermont Sustainable Jobs Strategy outlined in section 280b of this title. These programs may include:

* * *

(12) loans to agricultural enterprises or endeavors administered by the Authority under ~~chapter 16A~~ subchapter 16 of this ~~title~~ chapter and any programs created thereunder.

* * *

* * * Permitting Large and Medium Farm Operations * * *

Sec. 24. 6 V.S.A. § 4851(i) is amended to read:

(i) ~~A Beginning on July 1, 2026, a person required to obtain a permit under this section shall submit not be required to pay an annual operating fee of \$2,500.00 to the Secretary. During any calendar year in which a person has an active Large Concentrated Animal Feeding Operation permit issued by the Agency of Natural Resources pursuant to the federal Clean Water Act and pays the required associated fee, that person shall not be required to pay the \$2,500.00 annual operating fee described in this section. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.~~

Sec. 25. 6 V.S.A. § 4858(e) is amended to read:

(e) Operating fee. ~~A Beginning on July 1, 2026, a person required to obtain a permit or coverage under this section shall submit not be required to pay an annual operating fee of \$1,500.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.~~

Sec. 26. TRANSITION OF HEMP PROCESSOR OVERSIGHT

6 V.S.A. chapter 34 (hemp) is repealed.

Sec. 27. 7 V.S.A. chapter 31, subchapter 3 is added to read:

Subchapter 3. Hemp

§ 851. FINDINGS; PURPOSE

(a) Findings. The General Assembly finds that the federal legal status of most hemp products will be contingent upon an amendment to 7 U.S.C. § 1639o, to take effect in November 2026, pursuant to the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act of 2026, Pub. L. No. 119-37. The legality of hemp and hemp products in interstate commerce is unsettled and continues to evolve.

(b) Purpose. The purpose of this subchapter is to unify oversight of cannabis and hemp-derived cannabinoids under the Cannabis Control Board to more effectively prohibit illicit cannabis and cannabis product trade while positioning growers and processors of nonintoxicating hemp products to take advantage of national market opportunities that may exist.

§ 852. DEFINITIONS

As used in this subchapter:

(1)(A) “Grow” means:

- (i) planting, cultivating, harvesting, or drying of hemp; and
- (ii) selling, storing, and transporting of hemp grown by a grower.

(B) “Grow” also means to produce.

(2) “Grower” means a person who is registered with the Board and the U.S. Department of Agriculture to produce hemp. “Grower” also means producer.

(3) “Hemp” means the plant *Cannabis sativa L.* and any part of the plant, including the seeds and all derivatives, extracts, cannabinoids, acids, salts, isomers, and salts of isomers, whether growing or not, with the federally defined tetrahydrocannabinol concentration level of hemp. Hemp is considered an agricultural commodity.

(4)(A) “Hemp product” or “hemp-infused product” means any product with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts, that is prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, construction materials, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.

(B) Notwithstanding subdivision (A) of this subdivision (4), “hemp product” and “hemp-infused product” do not include any substance, manufacturing intermediary, or product that:

(i) is prohibited or deemed a regulated cannabis product by administrative rule of the Board; or

(ii) is not lawful in interstate commerce.

(C) A hemp-derived product or substance that is excluded from the definition of “hemp product” or “hemp-infused product” pursuant to subdivision (B) of this subdivision (4) is considered a cannabis product as

defined by subdivision 831(3) of this title; provided, however, that a person duly licensed or registered by the Board lawfully may possess such products in conformity with the person's active hemp processor license.

(5) "Process" means the storing, drying, trimming, handling, compounding, or converting of hemp by a processor for a single grower or multiple growers into hemp products or hemp-infused products. "Process" includes:

(A) transporting, aggregating, or packaging hemp from a single grower or multiple growers; or

(B) manufacturing hemp products or hemp-infused products from hemp concentrate.

(6) "Processor" means a person who is licensed by the Board to process hemp. A retail establishment selling hemp products or hemp-infused products is not a processor.

§ 853. HEMP; AN AGRICULTURAL PRODUCT

(a) Hemp is an agricultural product that may be grown as a crop produced, possessed, marketed, and commercially traded in Vermont pursuant to the provisions of this chapter and administrative rules of the Cannabis Control Board.

(b) The cultivation of hemp shall be subject to and comply with the Required Agricultural Practices adopted under 6 V.S.A. § 4810, as amended.

§ 854. HEMP REGISTRATION AND LICENSURE

(a) Producers. All persons engaged in the production of hemp shall register with the Board as growers and shall provide their location, the nature of their activities, and evidence that those activities conform to the requirements of federal law and regulation. A person shall apply for registration or renewal of registration on a form provided by the Board. The application shall be accompanied by the fee required under section 857 of this subchapter.

(b) Processors. All persons engaged in the processing of hemp, including trade in hemp-derived cannabinoids and process intermediaries, shall be licensed by the Board. A person shall apply for a license or renewal of a license on a form provided by the Board. The application shall be accompanied by the fee required under section 857 of this subchapter.

(c) Products. All hemp-derived products containing or reasonably expected to contain more than 0.4 mg tetrahydrocannabinol shall be registered with the Board prior to sale to any person within this State. A person shall

apply for registration or renewal of registration on a form provided by the Board. The application shall be accompanied by the fee required under section 857 of this subchapter.

(d) All applicants. The Board may deny an application for licensure, registration, or renewal if the applicant:

(1) fails to establish that its activities comply with State and federal law;

(2) refuses the Board or its lawful designees entry upon its premises to inspect and confirm compliance, including by sampling hemp and hemp products for potency testing;

(3) fails to submit information requested by the Board; or

(4) fails to submit the fee required under section 857 of this subchapter.

§ 855. RULEMAKING AUTHORITY

(a) The Board may adopt rules to provide for the implementation of this subchapter, which may include rules to:

(1) require hemp to be tested during growth for tetrahydrocannabinol levels;

(2) authorize or specify the method or methods of testing hemp, including, where appropriate, the ratio of cannabidiol to tetrahydrocannabinol levels or a taxonomic determination using genetic testing;

(3) require inspection and supervision of hemp during sowing, growing season, harvest, storage, processing, and distribution;

(4) require labels or label information for hemp products in order to provide consumers with transparent and accurate product content or source information, to be free of false or misleading claims and claims contrary to the Federal Food, Drug, and Cosmetic Act, 9 U.S.C. §§ 301–399i, or to conform with federal requirements;

(5) establish registration requirements for hemp-derived products sold or distributed in the State, including requirements that each product be sampled and tested by a laboratory recognized by the Board;

(6) require disclosure or labeling of the amount of cannabinoids known to be present in hemp products sold or distributed in the State;

(7) require that licensees and registrants, including out-of-state purveyors of registered hemp products, obtain and maintain commercially reasonable insurance, which for producers of consumer products in final form shall include product liability insurance;

(8) prohibit hazardous additives to hemp products, or specify additive limits, relative to substances that are toxic, not generally recognized as safe, or designed to make the product more addictive or more appealing to persons under 21 years of age or to mislead consumers; or

(9) specify when a registered hemp product that contains more than 0.4 mg tetrahydrocannabinol must be restricted for sale to persons 21 years of age or older or restricted for sale in specified settings, or both.

(b) The Board shall adopt rules establishing requirements for the licensure of processors of hemp, hemp-derived process intermediaries, and hemp products.

(c) The Board may adopt rules establishing requirements for the consumer sale of any product containing tetrahydrocannabinol or other cannabinoids.

(d) The Board may adopt rules prohibiting any person from making false, misleading, or unsubstantiated claims for cannabinoid-containing products.

§ 856. TEST RESULTS; ENFORCEMENT

(a) When notified that hemp, a hemp product, or a hemp-infused product has a tetrahydrocannabinol concentration exceeding the applicable federally defined tetrahydrocannabinol concentration level of hemp, the person licensed or registered with the Board to grow or process the hemp shall arrange for disposal, remediation, or destruction of the hemp, hemp product, or hemp-infused product in a manner consistent with applicable State and federal law.

(b) To enforce the provisions of this subchapter, the Board, upon presenting appropriate credentials, may conduct one or more of the following:

(1) Enter upon any premises where hemp is grown or processed and inspect premises, machinery, equipment and facilities, all hemp during any growth phase, or any hemp product or hemp-infused product during processing or storage. Inspection under this section may include taking samples, inspecting records, and inspecting equipment or vehicles used to grow, process, or transport hemp, hemp products, or hemp-infused products.

(2) Inspect any retail location offering hemp products or hemp-infused products. Inspection under this section may include taking samples of such products.

(3) Issue and enforce a written or printed “stop sale” order to the owner or custodian of any hemp, hemp product, or hemp-infused product subject to the requirements of this subchapter or rules adopted under this subchapter that the Board finds is in violation of any of the provisions of this subchapter or rules adopted under this subchapter. An order may prohibit further sale, processing, and movement of the hemp, hemp product, or hemp-infused

product until the Board has approved and issued a release from the “stop sale” order.

(A) This order shall include the reason for issuance, a description of the hemp or hemp products at issue, instructions to separate all hemp or hemp products subject to the order, and any recommended measures to remedy the basis or bases for the order.

(B) A person issued a “stop sale” order may appeal that order to the Board within 15 days after receipt. The person shall file any appeal by serving a letter on the Board, which shall state all grounds for the appeal and identify the hemp or hemp products affected by the appeal.

§ 857. ADMINISTRATIVE PENALTIES

(a) The Board may assess violations and administrative penalties against persons licensed or registered pursuant to this subchapter, as well as persons required to be licensed or registered pursuant to this subchapter who fail to obtain or maintain required credentials.

(b) The compliance and enforcement authorities and procedures applicable to cannabis establishments shall apply to persons licensed or registered under this subchapter.

(c) The Board may enforce a final administrative penalty by filing a civil collection action in any Superior Court.

§ 858. FEES

The following fees shall apply to each license or registration application or each annual license or registration renewal under this subchapter:

(1) Producer: \$50.00.

(2) Processor: \$500.00.

(3) Product: \$75.00.

Sec. 28. 18 V.S.A. § 4201(15) is amended to read:

(15)(A) “Cannabis” means all parts of the plant *Cannabis sativa L.*, except as provided by subdivision (B) of this subdivision (15), whether growing or harvested, and includes:

(i) the seeds of the plant;

(ii) the resin extracted from any part of the plant; and

(iii) any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.

(B) “Cannabis” does not include:

- (i) the mature stalks of the plant and fiber produced from the stalks;
- (ii) oil or cake made from the seeds of the plant;
- (iii) any compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, fiber, oil, or cake;
- (iv) the sterilized seed of the plant that is incapable of germination; or
- (v) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A. § 852.

Sec. 29. 32 V.S.A. § 7811(b) is amended to read:

(b) The tax established in this section shall not be imposed on:

- (1) cannabis-related supplies sold by a dispensary registered under 7 V.S.A. chapter 37 to registered patients and registered caregivers, as those terms are defined in 7 V.S.A. § 972;
- (2) cannabis products, as defined in 7 V.S.A. § 831, that do not contain tobacco; or
- (3) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A. § 852, that do not contain tobacco.

* * * Natural Resources Conservation Council Mortgages * * *

Sec. 30. 10 V.S.A. § 723 is amended to read:

§ 723. POWERS OF SUPERVISORS

The supervisors shall have the following powers:

* * *

(5) To obtain options upon and to acquire by purchase, exchange, lease, gift, grant or bequest, any property, real or personal; to maintain, administer and improve any properties acquired; to receive income from the properties and to expend the income in carrying out the purposes and provisions of this chapter; and to borrow money, mortgage, sell, lease, or otherwise dispose of any of its property or interests in property in furtherance of the purposes and the provisions of this chapter; ~~provided however, that real estate shall not be mortgaged, and provided however, that the sale, lease, or other disposition of real property of the district is approved by the written consent of the governor;~~

* * *

* * * Effective Date * * *

Sec. 31. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

And that when so amended the bill ought to pass.

Senator Beck, for the Committee on Finance, to which the bill was referred, reported that the bill be amended as recommended by the Committee on Agriculture with the following amendments thereto:

First: In Sec. 3, Section 3 of the Agency of Agriculture, Food and Markets, Vermont Required Agricultural Practices Rule for the Agricultural Nonpoint Source Pollution Control Program, in subsection (c), by striking out “enrolled”

Second: In Sec. 4, 10 V.S.A. § 6081(t), after “unrelated to the owner of the” by striking out “enrolled”

Third: By striking out Secs. 5 and 6 (land use value appraisal) and their reader assistance heading in their entireties and by renumbering the remaining sections to be numerically correct.

And that when so amended the bill ought to pass.

Senator Watson, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill be amended as recommended by the Committees on Agriculture and Finance, with further amendment thereto:

By striking out Secs. 24 (6 V.S.A. § 4851(i)) and 25 (6 V.S.A. § 4858(e)) and their reader assistance heading in their entireties and by renumbering the remaining sections to be numerically correct.

And that when so amended the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43 and pending the question, Shall the recommendation of the Committee on Agriculture be amended as recommended by the Committee on Finance?, Senator Beck requested the question be divided with the *first* and *second* instances considered first.

Thereupon, the question, Shall the bill be amended as recommended by the Committee on Finance in the *first* and *second* instances?, was agreed to.

Thereupon, the question, Shall the bill be amended as recommended by the Committee on Finance in the *third* instance?, was agreed to.

Thereupon, the recommendation of amendment of the Committee on Agriculture, as amended, was amended as recommended by the Committee on Appropriations.

Thereupon, the pending question, Shall the bill be amended as recommended by the Committee on Agriculture, as amended?, was agreed to and third reading of the bill was ordered.

Bill Amended; Third Reading Ordered

S. 325.

Senate committee bill entitled:

An act relating to studying the creation of model bylaws.

Having appeared on the Calendar for notice for one day, was taken up.

Senator Watson, for the Committee on Natural Resources moved to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Intent * * *

Sec. 1. LEGISLATIVE INTENT

The General Assembly finds that 2024 Acts and Resolves No. 181 represented a substantial restructuring of Vermont's land use review framework. This act is intended to provide technical clarification, transitional certainty, and implementation alignment, consistent with the intent of 2024 Acts and Resolves No. 181 and without altering its underlying policy goals.

* * * Act 250 * * *

Sec. 2. 10 V.S.A. § 6001(3) is amended to read:

(3)(A) "Development" means each of the following:

* * *

(xii) The construction of a road or roads and any associated driveways to provide access to or within a tract of land owned or controlled by a person. For the purposes of determining jurisdiction under this subdivision, any new development or subdivision on a parcel of land that will be provided access by the road and associated driveways is land involved in the construction of the road.

* * *

(III) For the purpose of determining the length of any road and associated driveways, the length of all other roads and driveways within the tract of land constructed after ~~July 1, 2026~~ January 1, 2030, shall be included.

* * *

(D) The word "development" does not include:

* * *

(viii)(I) The construction of a priority housing project in a municipality with a population of 10,000 or more.

* * *

(III) Notwithstanding any other provision of law to the contrary, until January 1, ~~2027~~ 2028, the construction of a priority housing project located entirely within areas of a designated downtown development district, designated neighborhood development area, or a designated growth center or within one-half mile around such designated center with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. For purposes of this subdivision (III), in order for a parcel to qualify for the exemption, at least 51 percent of the parcel shall be located within one-half mile of the designated center boundary. If the one-half mile around the designated center extends into an adjacent municipality, the legislative body of the adjacent ~~municipal~~ municipality may inform the Board that it does not want the exemption to extend into that area. This exemption shall not apply to areas within mapped river corridors and floodplains except those containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

Sec. 3. 10 V.S.A. § 6001(35) is amended to read:

(35) “Priority housing project” means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of mixed income housing or mixed use, or any combination thereof, and is located entirely within designated downtown development district, designated new town center, designated growth center, or designated neighborhood development area under 24 V.S.A. chapter 76A, or within an area mapped and approved by the Board as eligible for Tier 1B area status and is not currently approved for Tier 1B area status under section 6033 of this chapter.

Sec. 4. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(z)(1) Notwithstanding any other provision of this chapter to the contrary, no permit or permit amendment is required for any subdivision, development, or change to an existing project that is located entirely within a Tier 1A area ~~under~~ as established in section 6034 of this chapter.

* * *

(3) Upon receiving notice and a copy of the permit issued by an appropriate municipal panel pursuant to 24 V.S.A. § 4460(g), a previously issued permit for a development or subdivision located in a Tier 1A area shall remain attached to the property. However, neither the Board nor the Agency of Natural Resources shall enforce the permit or assert amendment jurisdiction on the tract or tracts of land unless the designation is revoked or the municipality has not taken any reasonable action to enforce the conditions of the permit.

* * *

(bb) Until ~~July~~ January 1, ~~2028~~ 2030, no permit or permit amendment is required for the construction of improvements for one accessory dwelling unit constructed within or appurtenant to a single-family dwelling. Units constructed pursuant to this subsection shall not count towards the total units constructed in other projects.

(cc) Until ~~July~~ January 1, ~~2028~~ 2030, no permit or permit amendment is required for the construction of improvements for converting a structure used for a commercial purpose to 29 or fewer housing units.

(dd) Interim housing exemptions.

(1) Notwithstanding any other provision of law to the contrary, until January 1, ~~2027~~ 2030, no permit or permit amendment is required for the subdivision for or the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, and mixed-use development, with 75 units or fewer, constructed or maintained on a tract or tracts of land, located entirely within the areas of a designated new town center, a designated growth center, or a designated neighborhood development area served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

(2)(A) Notwithstanding any other provision of law to the contrary, until July January 1, ~~2027~~ 2030, no permit or permit amendment is required for the subdivision for or the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, and mixed-use development, with 50 or fewer units, constructed or maintained on a tract or tracts of land of 10 acres or less, located entirely within:

(i) areas of a designated village center and within one-quarter mile of its boundary with permanent zoning and subdivision bylaws and served by public sewer or water services or soils that are adequate for wastewater disposal; or

(ii) areas of a municipality that are within a census-designated urbanized area with over 50,000 residents and within one-quarter mile of a transit route.

* * *

(3) Notwithstanding any other provision of law to the contrary, until January 1, ~~2027~~ 2030, no permit or permit amendment is required for the subdivision for or the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, and mixed-use development, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

Sec. 5. 2024 Acts and Resolves No. 181, Sec. 22 is amended to read:

Sec. 22. TIER 3 RULEMAKING

(a) The Land Use Review Board, in consultation with the Secretary of Natural Resources, shall adopt rules to implement the requirements for the administration of 10 V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46) and (19). It is the intent of the General Assembly that these rules identify critical natural resources for protection. The Board shall review the definition of Tier 3 area; determine the critical natural resources that shall be included in Tier 3, giving due consideration to river corridors, headwater streams, habitat connectors of statewide significance, riparian areas, class A waters, and natural communities; determine any additional critical natural resources that should be added to the definition; include measures to ensure that no municipality or region is disproportionately impacted by Tier 3 designation that would limit reasonable opportunities for Tier 1 or Tier 2 designations; determine which and under what circumstances criteria under 10 V.S.A. § 6086(a)(1)–(10) should be part of Tier 3 area review; and determine how to define the boundaries. Rules adopted by the Board shall include:

* * *

(c) The Board shall file a final proposed rule with the Secretary of State and the Legislative Committee on Administrative Rules on or before ~~February 1~~ June 30, 2026 ~~2028~~. After the Land Use Review Board files the rule with the Legislative Committee on Administrative Rules, it shall submit a report describing the rules and the issues reviewed under this section to the House Committee on Environment ~~and Energy~~ and the Senate Committee on Natural Resources and Energy.

* * *

Sec. 6. 10 V.S.A. § 6025 is amended to read:

§ 6025. RULES

* * *

(d) Consistent with the intent of subdivision 6001(3)(A)(xii) and the Tier 3 rulemaking requirements, the Board shall have authority to adopt rules establishing a process to limit the criteria that would apply to road development pursuant to subdivision 6001(3)(A)(xii) and development within Tier 3 areas. The rules shall define which criteria will be reviewed and under what circumstances.

Sec. 7. 2024 Acts and Resolves No. 181, Sec. 114 is amended to read:

Sec. 114. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Secs. 12 (10 V.S.A. § 6001), and 13 (10 V.S.A. § 6086(a)(8)), and 21 (10 V.S.A. § 6001) shall take effect on ~~December 31, 2026~~ January 1, 2028 and Sec. 21 (10 V.S.A. § 6001) shall take effect on June 30, 2028;

(2) Sec. 19 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on ~~July 1, 2026~~ January 1, 2030;

* * *

Sec. 8. 10 V.S.A. § 6034 is amended to read:

§ 6034. TIER 1A AREA STATUS

* * *

(b) Tier 1A area status requirements.

(1) To obtain a Tier 1A area status under this section, a municipality shall demonstrate to the Board that it has each of the following:

* * *

(G) The municipality has identified and planned for the maintenance of significant natural communities, ~~rare~~, threatened, and endangered species located in the Tier 1A area or excluded those areas from the Tier 1A area.

* * *

* * * Municipal zoning * * *

Sec. 9. 24 V.S.A. § 4460 is amended to read:

§ 4460. APPROPRIATE MUNICIPAL PANELS

* * *

(g)(1) This subsection shall apply to a subdivision or development that:

(A) was previously permitted pursuant to 10 V.S.A. chapter 151;

(B) is located in a Tier 1A area pursuant to 10 V.S.A. § 6034; and

(C) has applied for a permit or permit amendment required by zoning regulations or bylaws adopted pursuant to this subchapter.

(2) The appropriate municipal panel reviewing a municipal permit or permit amendment pursuant to this subsection shall include conditions contained within a permit previously issued pursuant to 10 V.S.A. chapter 151, so that the conditions may be enforced as part of the municipal permit, unless the panel determines that the permit condition pertains to any of the following:

(A) the construction phase of the project that has already been constructed;

(B) compliance with another State permit that has independent jurisdiction;

(C) federal or State law that is no longer in effect or applicable;

(D) an issue that is addressed by municipal regulation and the project will meet the municipal standards; or

(E) a physical or use condition that is no longer in effect or applicable or that will no longer be in effect or applicable once the new project is approved.

(3) After issuing or amending a permit containing conditions pursuant to this subsection, the appropriate municipal panel shall provide notice and a copy of the permit to the Land Use Review Board.

(4) The appropriate municipal panel shall comply with the notice and hearing requirements provided in subdivision 4464(a)(1) of this title. In addition, notice shall be provided to those persons requiring notice under 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

(5) The appropriate municipal panel's decision shall be issued in accordance with subsection 4464(b) of this title and shall include specific findings with respect to its determinations pursuant to subdivision (2) of this subsection.

(6) Any final action by the appropriate municipal panel affecting a condition of a permit previously issued pursuant to 10 V.S.A. chapter 151 shall be recorded in the municipal land records.

~~(h) Within a Tier 1A area, the appropriate municipal panel shall enforce any existing permits issued under 10 V.S.A. chapter 151 that has not had its permit conditions transferred to a municipal permit pursuant to subsection (g) of this section.~~

Sec. 10. DISCRETIONARY REVIEW OF HOUSING; REPORT

(a) On or before January 15, 2027, the Department of Housing and Community Development, after consultation with the Vermont League of Cities and Towns, Let's Build Homes, the Vermont Natural Resources Council, and the Vermont Planners Association, shall report to the General Assembly on recommendations for how to reduce the negative impacts of discretionary review of residential development. The Department shall consider the following: whether the State should establish a Vermont Model Code to assist municipalities seeking to replace discretionary review with clear and objective standards; the potential value of the federal Right to Build Zone legislation and steps the State can take to maximize that value; and incentives and planning assistance the State can offer municipalities seeking to limit discretionary review.

(b) The report shall also include a status update on the 802 Homes pilot program and recommendations for how to improve the efficiency of appeals of municipal zoning permits for housing.

(c) The report shall be submitted to the House Committees on Environment and on Housing and General and the Senate Committees on Economic Development, Housing, and General Affairs and on Natural Resources and Energy.

* * * Regional Planning * * *

Sec. 11. 24 V.S.A. § 4348 is amended to read:

§ 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

* * *

(b) ~~60~~ Sixty days prior to holding the first public hearing on a regional plan adoption, a regional planning commission shall submit a draft regional plan to the Land Use Review Board for review and comments related to conformance of the draft with sections 4302 and 4348a of this title and chapter 139 of this title. The Board shall coordinate with other State agencies and the Community Investment Board and respond within 60 days unless more time is granted by the regional planning commission.

(c) The regional planning commission shall hold two or more public hearings within the region after public notice on any proposed plan ~~or amendment~~. The minimum number of required public hearings may be specified within the bylaws of the regional planning commission.

(d)(1) At least 30 days prior to the first hearing, a copy of the proposed plan ~~or amendment~~, a report documenting conformance with the goals established in section 4302 of this chapter and the plan elements established in section 4348a of this chapter, and a description of any changes to the Regional Future Land Use Map with a request for general comments and for specific comments with respect to the extent to which the plan ~~or amendment~~ is consistent with the goals established in section 4302 of this title, shall be delivered physically or electronically with proof of receipt or sent by certified mail, return receipt requested, to each of the following:

* * *

(e) Any of the foregoing bodies, or their representatives, may submit comments on the proposed regional plan ~~or amendment~~ to the regional planning commission, and may appear and be heard in any proceeding with respect to the adoption of the proposed plan ~~or amendment~~.

(f) The regional planning commission may make revisions to the proposed plan ~~or amendment~~ at any time not less than 30 days prior to the final public hearing held under this section. If the proposal is changed, a copy of the proposed change shall be delivered physically; electronically with proof of receipt; or by certified mail, return receipt requested, to the chair of the legislative body of each municipality within the region and to any individual or organization requesting a copy at least 30 days prior to the final hearing.

* * *

(h)(1) Within 15 days following adoption, a regional planning commission shall submit its regionally adopted regional plan to the Land Use Review Board for a determination of regional plan compliance with a report documenting conformance with the goals established in section 4302 of this chapter and the plan elements established in section 4348a of this chapter and a description of any changes to the regional plan future land use map.

* * *

(4) The Land Use Review Board's affirmative determination shall be based upon finding the regional plan meets the following requirements:

* * *

(j) Minor amendments to regional plan future land use map. A regional planning commission may submit a request for a minor amendment to boundaries of a future land use area for consideration by the Land Use Review Board with a letter of support from the municipality. The request may only be submitted after an affirmative vote of the municipal legislative body and the regional planning commission board. The Land Use Review Board, after consultation with the Community Investment Board and the regional planning commissions, shall provide guidance about what constitutes a minor amendment. Minor amendments may include any change to a future land use area consisting of fewer than 10 acres. A minor amendment to a future land use area shall not require an amendment to a regional plan and shall be included in the next iteration of the regional plan. The Land Use Review Board may adopt rules to implement this section.

* * *

(n) Regional plan amendments, non-minor future land use map amendments, and Tier 1B area status requests. Regional plans may be reviewed from time to time and may be amended in the light of new developments and changed conditions affecting the region. Non-minor future land use map amendments shall be processed as part of a regional plan amendment. Tier 1B area status requests may be made separate from the regional plan approval or amendment process.

(1) Process.

(A) To amend a regional plan, which may include a non-minor future land use map amendment, a regional planning commission shall hold one public hearing. At least 15 days in advance of the hearing, the regional planning commission shall provide notice of the public hearing to parties listed in subdivision (d)(1) of this section and the Land Use Review Board. The public hearing notice shall include a description of changes to the plan including non-minor amendments to future land use maps, or any changes to Tier 1B area status.

(B) After adoption of the regional plan amendment, the regional planning commission shall submit a request to the Land Use Review Board for an affirmative determination of regional plan compliance for the regional plan amendment.

(C) Stand-alone requests for Tier 1B area status shall be submitted to the Land Use Review Board after the public hearing required under subdivision (A) of this section.

(D) The Land Use Review Board shall hold a public hearing within 30 days after receiving the request for an affirmative determination of regional plan amendment compliance or approval of Tier 1B area status. The Land Use Review Board shall issue its determination within 30 days after the hearing.

(2) Adoption of a regional plan amendment, non-minor future land use map amendment, or Tier 1B area status request or amendment shall not change the expiration date of the regional plan.

* * *

Sec. 12. 24 V.S.A. § 4348a is amended to read:

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include the following:

* * *

(12) A future land use element, based upon the elements in this section, that sets forth the present and prospective location, amount, intensity, and character of such land uses in relation to the provision of necessary community facilities and services and that consists of a map delineating future land use area boundaries for the land uses in subdivisions (A)–(J) of this subdivision (12) as appropriate and any other special land use category the regional planning commission deems necessary; descriptions of intended future land uses, consistent with the smart growth principles in section 4303 of this chapter; and policies intended to support the implementation of the future land use element using the following land use categories:

(A) Downtown or village centers. These areas are the mixed-use centers bringing together community economic activity and civic assets. They include downtowns, villages, and new town centers previously designated under chapter 76A and downtowns and village centers seeking benefits under the Community Investment Program under section 5804 of this title. The downtown or village centers are the traditional ~~and~~ or historic central business and civic centers within planned growth areas, village areas, or may stand alone. Municipalities may have more than one center, including planned new or emerging centers that anchor planned growth or village areas. Village centers are not required to have public water, wastewater, zoning, or subdivision bylaws. It is the intent that most towns in Vermont have at least one village center in which additional housing units are supported.

(B) Planned growth areas. These areas include the high-density existing settlement and future growth areas with high concentrations of population, housing, and employment in each region and town, as appropriate. They include a mix of historic and nonhistoric commercial, residential, and civic or cultural sites with active streetscapes, supported by land development regulations; public water or wastewater, or both; and multimodal transportation systems. These areas include ~~new town centers, downtowns, village centers,~~ growth centers, and neighborhood development areas previously designated under chapter 76A of this title. These areas should generally meet ~~the smart growth principles definition in chapter 139 of this title and~~ the following criteria:

* * *

(iii) The area is generally ~~within walking distance from compact and has multimodal connection to~~ the municipality's or an adjacent municipality's downtown; or village center; ~~new town center, or growth center.~~

* * *

(vi) The area provides ~~for~~ opportunity for development, infill development, and redevelopment that is needed to meet the regional and municipal housing targets that meets meet the present and future needs of a diversity of social and income groups in the community.

(vii) The area is served by planned or existing transportation infrastructure that conforms with "complete streets" principles as described under 19 V.S.A. chapter 24 and establishes pedestrian access directly to the downtown; or village center; ~~or new town center.~~ Planned transportation infrastructure includes those investments included in the municipality's capital improvement program pursuant to section 4430 of this title.

(C) Village areas. These areas include the traditional settlement area or a proposed new settlement area, typically composed of a cohesive mix of residential, civic, religious, commercial, ~~and~~ or mixed-use buildings, arranged along a main street and intersecting streets that are ~~within walking distance compact and have multimodal connections~~ for residents who live within and surrounding the core downtown center or village center. ~~These areas include existing village center designations and similar areas statewide, but this area is larger than the village center designation.~~ Village areas shall meet the following criteria:

* * *

(iv) The municipality has either ~~municipal~~ public water or wastewater. If no public water or wastewater is available, the area must have soils that are adequate for wastewater disposal.

(v) The area has some opportunity for infill development or new development areas where the village can grow, support the development of housing to meet the regional and municipal housing targets, and be flood resilient.

* * *

(J) Rural; conservation. These are areas of significant natural resources, identified by regional planning commissions or municipalities based upon existing Agency of Natural Resources mapping that require special consideration for aquifer protection; for wetland protection; for the maintenance of forest blocks, wildlife habitat, and habitat connectors; or for other conservation purposes. ~~The mapping of these areas and accompanying policies are intended to help meet requirements of 10 V.S.A. chapter 89. Any portion of this area that is approved by the LURB as having Tier 3 area status shall be identified on the future land use map as an overlay upon approval.~~

* * *

(d) With the exception of preexisting, nonconforming designations approved prior to the establishment of the State Community Investment program, the areas eligible for designation benefits under that program upon the Land Use Review Board's approval of the regional plan future land use map for designation as a downtown center or village center shall not include development that is disconnected from a downtown or village center and that lacks an existing or planned pedestrian connection to the center via a complete street.

* * *

Sec. 13. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context otherwise requires:

* * *

(43) "Smart growth principles" means growth that:

(A) maintains the historic development pattern of compact village and urban centers separated by rural countryside;

(B) develops compact mixed-use centers at a scale appropriate for the community and the region;

(C) enables choice in modes of transportation;

(D) protects the State's important environmental, natural, and historic features, including natural areas, water quality, scenic resources, and historic sites and districts;

(E) serves to strengthen agricultural and forest industries and minimizes conflicts of development with these industries;

(F) balances growth with the availability of economic and efficient public utilities and services;

(G) supports a diversity of viable businesses in downtowns and villages;

(H) provides for housing that meets the needs of a diversity of social and income groups in each community; and

(I) reflects a settlement pattern that, at full build-out, is not characterized by:

(i) scattered development located outside compact urban and village centers that is excessively land consumptive;

(ii) development that limits transportation options, especially for pedestrians;

(iii) the fragmentation of farmland and forestland;

(iv) development that is not serviced by municipal infrastructure or that requires the extension of municipal infrastructure across undeveloped lands in a manner that would extend service to lands located outside compact village and urban centers; and

(v) linear development along well-traveled roads and highways that lacks depth, as measured from the highway.

Sec. 14. REPEAL

24 V.S.A. § 4476 (formal review of regional planning commission decisions) is repealed.

Sec. 15. REGIONAL AND MUNICIPAL PLAN EXTENSIONS

Any regional or municipal plan due to expire in 2026 shall have its expiration date extended until December 31, 2026.

* * * State Community Investment Program * * *

Sec. 16. 24 V.S.A. § 5801 is amended to read:

§ 5801. DEFINITIONS

As used in this chapter:

* * *

(8) “Planned growth area” means an area on the regional plan future land use maps ~~required under section 4348a of this title, which may encompass a downtown center or village center on the regional future land use map and may be designated as a center or neighborhood, or both~~ meeting the requirements of subdivision 4348a(12)(B) of this title and that may be designated as a neighborhood.

* * *

(10) “Sprawl repair” means the redevelopment of lands with buildings, traffic and circulation, parking, or other land coverage in a pattern that is consistent with smart growth principles as defined in section 4303 of this title.

* * *

(12) “~~State Designated Downtown and~~ Center or Village Center” or “designated center” means a ~~contiguous downtown or village~~ contiguous ~~area~~ center ~~approved as part of the LURB review of regional plan future land use maps, which may include an approved preexisting designated designated downtown, village center, or designated new town center established prior to the approval of the regional plan future land use maps.~~

(13) “~~State designated~~ Designated neighborhood” or “neighborhood” means a ~~contiguous geographic~~ village area or planned growth area approved as part of the ~~Land Use Review Board~~ LURB review of regional plan future land use maps that is ~~compact and adjacent and~~ contiguous to a center.

* * *

(15) “Village area” means an area on the regional plan future land use maps ~~adopted pursuant to section 4348a of this title, which may encompass a village center on the regional future land use map~~ meeting the requirements of subdivision 4348a(12)(C) of this title and that may be designated as a neighborhood.

Sec. 17. 24 V.S.A. § 5803 is amended to read:

§ 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

(a) Designation established. A regional planning commission may apply to the LURB for approval and designation of all downtown and village centers by submitting the regional plan future land use map adopted by the regional planning commission. ~~The regional plan future land use map shall identify downtown centers and village centers as the downtown and village areas eligible for designation as centers.~~ The Department and State Board shall provide comments to the LURB and the regional planning commission on areas eligible for center designation as provided ~~under~~ in section 4348 of this chapter title.

* * *

(c) ~~Exclusions. With the exception for preexisting, nonconforming designations approved prior to the establishment of the program under this chapter or areas included in the municipal plan for the purposes of relocating a municipality's center for flood resiliency purposes, the areas eligible for designation benefits upon the LURB's approval of the regional plan future land use map for designation as a Center shall not include development that is disconnected from a Center and that lacks a pedestrian connection to the Center via a complete street. [Repealed.]~~

* * *

* * * Tax Credits * * *

Sec. 18. 32 V.S.A. § 5930bb is amended to read:

§ 5930bb. ELIGIBILITY AND ADMINISTRATION

* * *

(c) Application shall be made in accordance with the guidelines set by the State Board. The guidelines shall clearly indicate that only applications located in Step 2 and Step 3 State designated centers or Step 1 centers where a portion of the designated center is listed or eligible for listing in the national register of historic places shall be considered.

* * *

* * * Appropriations * * *

Sec. 19. APPROPRIATIONS

(a) In fiscal year 2027, \$200,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to develop additional model plans as part of the 802 Homes program.

(b) In fiscal year 2027, \$100,000.00 is appropriated from the General Fund to the Land Use Review Board to conduct public engagement and education on Tier 3 areas.

* * * Effective Date * * *

Sec. 20. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: “An act relating to regional planning and Act 250 Tier jurisdiction”

And that when so amended the bill ought to pass.

Senator Beck, for the Committee on Finance, to which the bill was referred, reported that the bill ought to pass when so amended.

Senator Watson, for the Committee on Appropriations, to which the bill was referred, reported that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendments thereto:

By striking out Sec. 19, appropriations, and its reader assistance heading in their entireties and by renumbering the remaining section to be numerically correct.

And that when so amended the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of the Committee on Natural Resources and Energy was amended as recommended by the Committee on Appropriations.

Thereupon, pending the question, Shall the bill be amended as recommended by the Committee on Natural Resources and Energy, as amended?, Senators Heffernan and Ingalls moved that the bill be amended by striking out Secs. 5, 6, and 7 in their entireties and inserting in lieu thereof new Secs. 5, 6, and 7 to read as follows:

Sec. 5. REPEALS

2024 Acts and Resolves No. 181, Sec. 22 (Tier 3 rulemaking) is repealed on July 1, 2026.

Sec. 6. 2024 Acts and Resolves No. 181, Sec. 21 is amended to read:

Sec. 21. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(3)(A) “Development” means each of the following:

(i) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than 10 acres of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes in a municipality that has adopted permanent zoning and subdivision bylaws.

(ii) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than one acre of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes in a municipality that has not adopted permanent zoning and subdivision bylaws.

(iii) The construction of improvements for commercial or industrial purposes on a tract or tracts of land, owned or controlled by a person, involving more than one acre of land within a municipality that has adopted permanent zoning and subdivision bylaws, if the municipality in which the proposed project is located has elected by ordinance, adopted under 24 V.S.A. chapter 59, to have this jurisdiction apply.

(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:

* * *

(vi) The construction of improvements for commercial, industrial, or residential use at or above the elevation of 2,500 feet.

* * *

~~(xiii) The construction of improvements for commercial, industrial, or residential purposes in a Tier 3 area as determined by rules adopted by the Board. [Repealed.]~~

* * *

(45) “Tier 2” means an area that is not a Tier 1 area ~~or a Tier 3 area.~~

~~(46) “Tier 3” means an area consisting of critical natural resources defined by the rules of the Board. The Board’s rules shall at a minimum determine whether and how to protect river corridors, headwater streams,~~

~~habitat connectors of statewide significance, riparian areas, class A waters, natural communities, and other critical natural resources. [Repealed.]~~

Sec. 7. 2024 Acts and Resolves No. 181, Sec. 114 is amended to read:

Sec. 114. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Secs. 12 (10 V.S.A. § 6001), and 13 (10 V.S.A. § 6086(a)(8)), ~~and 21 (10 V.S.A. § 6001)~~ shall take effect on ~~December 31, 2026~~ January 1, 2028, and Sec. 21 (10 V.S.A. § 6001) shall take effect on July 1, 2026;

(2) Sec. 19 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on ~~July 1, 2026~~ January 1, 2030;

* * *

Which was disagreed to, on a roll call, Yeas 13, Nays 17.

Senator Ingalls, having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Beck, Benson, Brennan, Brock, Collamore, Heffernan, Ingalls, Mattos, Morley, Norris, Weeks, Westman, Williams.

Those Senators who voted in the negative were: Baruth, Bongartz, Chittenden, Clarkson, Cummings, Gulick, Hardy, Harrison, Hashim, Lyons, Major, Perchlik, Plunkett, Ram Hinsdale, Vyhovsky, Watson, White.

Thereupon, the pending question, Shall the bill be amended as recommended by the Committee on Natural Resources and Energy, as amended?, was agreed to on a roll call, Yeas 18, Nays 12.

Senator Ingalls, having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Baruth, Bongartz, Chittenden, Clarkson, Cummings, Gulick, Hardy, Harrison, Hashim, Lyons, Major, Perchlik, Plunkett, Ram Hinsdale, Vyhovsky, Watson, Weeks, White.

Those Senators who voted in the negative were: Beck, Benson, Brennan, Brock, Collamore, Heffernan, Ingalls, Mattos, Morley, Norris, Westman, Williams.

Thereupon, third reading of the bill was ordered, on a roll call, Yeas 18, Nays 12.

Senator Ram Hinsdale, having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Baruth, Bongartz, Chittenden, Clarkson, Cummings, Gulick, Hardy, Harrison, Hashim, Lyons, Major, Perchlik, Plunkett, Ram Hinsdale, Vyhovsky, Watson, Weeks, White.

Those Senators who voted in the negative were: Beck, Benson, Brennan, Brock, Collamore, Heffernan, Ingalls, Mattos, Morley, Norris, Westman, Williams.

Adjournment

On motion of Senator Baruth, the Senate adjourned until one o'clock in the afternoon on Thursday, March 26, 2026.