

S.323 Sec. 4

Accessory on-farm businesses

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24 VSA § 4412. Required provisions and prohibited effects

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

(A) Definitions. As used in this subdivision (11): (i) “Accessory on-farm business” means activity on a farm, the revenues of which may exceed the revenues of the farming operation, and comprises one or both of the following:

(I) The storage, preparation, processing, and sale of qualifying products, provided that the qualifying products are produced on a farm; the sale of products that name, describe, or promote the farm or accessory on-farm business, including merchandise or apparel that features the farm or accessory on-farm business; or the sale of bread or baked goods.

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

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

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

(iv) “Qualifying product” means a product that is: (I) an agricultural, horticultural, viticultural, or dairy commodity, or maple syrup; (II) livestock or cultured fish or a product thereof; (III) a product of poultry, bees, an orchard, or fiber crops; (IV) a commodity otherwise grown or raised on a farm; or (V) a product manufactured on one or more farms from commodities wholly grown or raised on one or more farms.

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

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

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

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

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

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

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

(F) Notification; training. The Secretary of Agriculture, Food and Markets shall provide periodic written notification and training sessions to farms subject to the RAP rules on the existence and requirements of this subdivision (11) and the potential need for other permits for an accessory on-farm business, including a potable water and wastewater system permit under 10 V.S.A. chapter 64.

10 V.S.A. § 6081- as of now

- (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.
- 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).

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- (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 land.

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- (t) ...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. ...

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- 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.
- 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 land.