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S.276

Introduced by Senators Starr, Branagan, Brooks, and Collamore

Referred to Committee on

Date:

Subject: Rural economic development; forest products; energy; land use;
permitting

Statement of purpose of bill as introduced: The bill proposes changes to State law to encourage rural economic development. The bill would establish the Vermont Outdoor Recreation Business Alliance to promote and cultivate the outdoor recreation industry in Vermont. The bill would require Act 250 minor application status for sawmills producing one million board feet or less a year. The bill would support forest products industries through amendments relating to public schools that use wood energy and to the baseload renewable power portfolio requirement. The bill would require the Commissioner of Forests, Parks and Recreation to recommend conditions for removal of forestland from use value appraisal. The bill would require the Public Utility Commission to use a percentage of energy efficiency funds to deliver energy efficiency programs to customers with household incomes below 80 percent of the statewide median income. The bill would require the Commissioner of Public Service to report on how electric utility demand charges affect the siting of

1 industrial enterprises in rural towns. The bill also would amend stormwater
2 permitting fees for activities in industrial parks in rural areas or small towns.

3 An act relating to rural economic development

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

5 * * * Vermont Outdoor Recreation Business Alliance * * *

6 Sec. 1. VERMONT OUTDOOR RECREATION BUSINESS ALLIANCE

7 (a) Establishment. The Vermont Outdoor Recreation Business Alliance
8 (VORBA) is created within the Department of Forests, Parks and Recreation to
9 promote and cultivate the development of the outdoor recreation industry in the
10 State of Vermont.

11 (b) Membership. VORBA shall comprise the following nine members
12 who, except for ex officio members, shall be appointed by the Governor:

13 (1) The Commissioner of Forests, Parks and Recreation or designee;

14 (2) The Secretary of Commerce and Community Development or
15 designee;

16 (3) Five representatives of outdoor recreation companies from
17 Vermont; and

18 (4) Two representative of statewide environmental groups with
19 experience or history of protecting public lands and resources.

1 (c) Powers. VORBA shall:

2 (1) recommend to the General Assembly and the Governor projects or
3 programs that increase or enhance outdoor recreation opportunities in
4 Vermont;

5 (2) advise new and existing outdoor recreation business companies of
6 financial assistance, grants, or other programs that foster and support the
7 creation, development, recruitment, or expansion of outdoor recreation
8 business companies in Vermont;

9 (3) conduct outreach and development within the Vermont outdoor
10 recreation business industry in order to improve sharing of resources,
11 expertise, and skills within the industry; and

12 (4) recommend methods or places for expanding recreational access to
13 State lands, federal lands, agricultural lands, and other lands in Vermont in a
14 manner that maintains stewardship and protection of the State's vital natural
15 resources.

16 (d) Assistance. VORBA shall have the administrative, technical, and legal
17 assistance of the Agency of Natural Resources.

18 (e) Report. On or before January 15, 2019 and annually thereafter,
19 VORBA shall submit a written report to the General Assembly summarizing
20 its activities and recommending legislative actions to promote and cultivate the
21 development of the outdoor recreation industry in the State of Vermont.

1 (f) Meetings.

2 (1) The Commissioner of Forests, Parks and Recreation shall call the
3 first meeting of VORBA to occur on or before October 1, 2018.

4 (2) VORBA shall select a chair from among its members at the first
5 meeting.

6 (3) A majority of the membership of VORBA shall constitute a quorum.

7 (g) Compensation and reimbursement. Members of VORBA who are not
8 employees of the State of Vermont and who are not otherwise compensated or
9 reimbursed for their attendance shall be entitled to both per diem compensation
10 and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for meetings
11 attended. These payments shall be made from monies appropriated to the
12 Department of Forests, Parks and Recreation.

13 * * * Forest Products Industry; Act 250 Minor Application * * *

14 Sec. 2. 10 V.S.A. § 6084 is amended to read:

15 § 6084. NOTICE OF APPLICATION; HEARINGS; COMMENCEMENT OF
16 REVIEW

17 * * *

18 (g) Where an application concerns the construction of improvements for a
19 sawmill that produces one million board feet or less annually, the application
20 shall be processed as a minor application under subdivision (b)(2) of this
21 section.

1 * * * Forest Products Industry; Wood Energy; Supply * * *

2 Sec. 3. 16 V.S.A. § 837 is added to read:

3 § 837. PUBLIC SCHOOLS; WOOD HEAT; FUEL SUPPLIERS

4 Public schools and independent schools designated under section 827 of this
5 title that use wood to produce heat or electricity, or both, shall give preference
6 to Vermont suppliers when making fuel supply purchases.

7 Sec. 4. 30 V.S.A. § 8009(a)(2) is amended to read:

8 (2) “Baseload renewable power portfolio requirement” means an annual
9 average of 175,000 MWh of baseload renewable power from an in-state woody
10 biomass plant that was commissioned prior to September 30, 2009, has a
11 nominal capacity of 20.5 MW, uses woody biomass from Vermont suppliers
12 for the majority of its fuel supply, and was in service as of January 1, 2011.

13 Sec. 5. PUBLIC BUILDINGS; WOOD ENERGY; VERMONT
14 SUPPLIERS; REPORT

15 (a) On or before December 15, 2018, the Commissioner of Housing and
16 Community Development (Commissioner), in consultation with the
17 Commissioner of Public Service, shall submit a written report and
18 recommendation on the feasibility and impacts of requiring public buildings
19 that use wood to produce heat or electricity, or both, to give preference to
20 Vermont suppliers when making fuel supply purchases.

1 **(b) As used in this section, “public building” has the same meaning as in**
2 **20 V.S.A. § 2730.**

3 **(c) The submission shall include the Commissioner’s specific**
4 **recommendations as to each of the following categories:**

5 **(1) public buildings owned or occupied by the State of Vermont,**
6 **counties, municipalities, or other public entities;**

7 **(2) public buildings in Vermont that receive incentives or financing, or**
8 **both, from the State of Vermont and are not within the category described in**
9 **subdivision (1) of this subsection; and**

10 **(3) public buildings that are not within the categories described in**
11 **subdivisions (1) and (2) of this subsection.**

12 **(d) The Commissioner shall submit the report and recommendation to the**
13 **Senate Committees on Agriculture and on Natural Resources and Energy and**
14 **the House Committees on Agriculture and Forestry and on Energy and**
15 **Technology.**

16 * * * Forestland; Use Value Appraisal * * *

17 **Sec. 6. COMMISSIONER OF FORESTS, PARKS AND RECREATION;**
18 **REPORT ON REMOVAL OF MANAGED FORESTLAND FROM**
19 **USE VALUE APPRAISAL**

20 **On or before January 15, 2019, the Commissioner of Forests, Parks and**
21 **Recreation shall submit to the Senate Committees on Agriculture and on**

1 Finance and the House Committees on Agriculture and Forestry and on Ways
2 and Means recommended amendments to the statutory requirements for
3 removal of managed forestland from use value appraisal for failure to conform
4 with a forest or conservation management plan or for violation of the minimum
5 acceptable standards for forest or conservation management. The
6 Commissioner shall present the recommended changes in the form of draft
7 legislation.

8 * * * Energy Efficiency; Households with Low Income * * *

9 Sec. 7. 30 V.S.A. § 209 is amended to read:

10 § 209. JURISDICTION; GENERAL SCOPE

11 * * *

12 (e) Thermal energy and process fuel efficiency funding.

13 * * *

14 (2) If a program combines regulated fuel efficiency services with
15 unregulated fuel efficiency services supported by funds under this section, the
16 Commission shall allocate the costs of the program among the funding sources
17 for the regulated and unregulated fuel sectors in proportion to the benefits
18 provided to each sector.

19 * * *

20 (f) Goals and criteria; all energy efficiency programs. With respect to all
21 energy efficiency programs approved under this section, the Commission shall:

1 (1) Ensure that all retail consumers, regardless of retail electricity, gas,
2 or heating or process fuel provider or of household income, will have an
3 opportunity to participate in and benefit from a comprehensive set of cost-
4 effective energy efficiency programs and initiatives designed to overcome
5 barriers to participation. To further this goal, the Commission shall require
6 that a percentage of energy efficiency funds be used to deliver energy
7 efficiency programs to customers with household incomes below 80 percent of
8 the statewide median income, as defined by the U.S. Department of Housing
9 and Urban Development, and the requirements of subdivision (e)(2) of this
10 section shall not apply to such delivery.

11 * * *

12 * * * Electric Utility Demand Charges; Rural Towns * * *

13 Sec. 8. DEMAND CHARGES; REPORT

14 (a) On or before December 15, 2018, the Commissioner of Public Service
15 (Commissioner), in consultation with the Secretary of Commerce and
16 Community Development, shall submit a written report on electric utility
17 demand charges in Vermont and their effect on the ability of industrial
18 enterprises to locate in rural towns of the State.

19 (b) The Commissioner shall submit the report to the House Committees on
20 Agriculture and Forestry, on Commerce and Community Development, and on

1 Energy and Technology and the Senate Committees on Agriculture, on
2 Economic Development, Housing and General Affairs, and on Finance.

3 (c) The report under this section shall include:

4 (1) a narrative summary of the terms, conditions, and rates for each
5 demand charge tariff of each Vermont electric utility;

6 (2) a table that shows the rates and applicability of each such tariff, with
7 such other information as the Commissioner may consider relevant, organized
8 by electric utility;

9 (3) an analysis of the effect of these tariffs on the ability of industrial
10 enterprises to locate in rural towns of the State;

11 (4) the Commissioner's recommendations on changes to demand charge
12 tariffs that would encourage locating industrial enterprises in rural towns of the
13 State or that would reduce or remove disincentives posed by demand charge
14 tariffs to such locations.

15 (d) In this section, "rural town" shall have the same meaning as in
16 24 V.S.A. § 4303.

17 * * * Environmental Permitting; Stormwater Fees * * *

18 Sec. 9. 3 V.S.A. § 2822 is amended to read:

19 § 2822. BUDGET AND REPORT; POWERS

20 * * *

1 (h)(1) The Secretary shall reduce the fee for a permit or permit renewal
2 under this section by 25 percent when the activity subject to the permit is
3 located in an industrial park in a small town or rural area.

4 (2) If a fee for a stormwater permit or permit renewal is assessed on a
5 per acre basis under subdivision (j)(2)(A) or (B) of this section, the maximum
6 total fee for the permit shall be \$7,500.00 if the permitted activity is located in
7 an industrial park in a small town or rural area.

8 (3) As used in this subsection:

9 (A) “Industrial park” means an area of land permitted as an
10 industrial park under 10 V.S.A. chapter 151 or under 24 V.S.A. chapter 117,
11 or under both.

12 (B) “Rural area” means a county of the State designated as “rural” or
13 “mostly rural” by the U.S. Census Bureau in its most recent decennial census.

14 (C) “Small town” means a town in the State with a population of less
15 than 5,000 at the date of the most recent U.S. Census Bureau decennial census.

16 * * *

17 (j) In accordance with subsection (i) of this section, the following fees are
18 established for permits, licenses, certifications, approvals, registrations, orders,
19 and other actions taken by the Agency of Natural Resources.

20 * * *

1 (26) For individual conditional use determinations, for individual
2 wetland permits, for general conditional use determinations issued under
3 10 V.S.A. § 1272, or for wetland authorizations issued under a general permit,
4 an administrative processing fee assessed under subdivision (2) of this
5 subsection (j) and an application fee of:

6 (A) \$0.75 per square foot of proposed impact to Class I or II
7 wetlands.

8 (B) \$0.25 per square foot of proposed impact to Class I or II wetland
9 buffers.

10 (C) Maximum fee, for the conversion of Class II wetlands or wetland
11 buffers to cropland use, \$200.00 per application. As used in this subdivision,
12 “cropland” means land that is used for the production of agricultural crops,
13 including row crops, fibrous plants, pasture, fruit-bearing bushes, trees, or
14 vines, and the production of Christmas trees.

15 (D) \$0.25 per square foot of proposed impact to Class I or II wetlands
16 or Class I or II wetland buffer for utility line, pipeline, and ski trail projects
17 when the proposed impact is limited to clearing forested wetlands in a corridor
18 and maintaining a cleared condition in that corridor for the project life.

19 (E) \$1.50 per square foot of impact to Class I or II wetlands when the
20 permit is sought after the impact has taken place.

1 (F) \$100.00 per revision to an application for an individual wetland
2 permit or authorization under a general permit when the supplement is due to a
3 change to the project that was not requested by the Secretary.

4 (G) Minimum fee, \$50.00 per application.

5 (H) No fee shall be charged for an individual wetland permit or
6 authorization under a general permit when the proposed impact to a Class I or
7 II wetland is limited to installing a pipeline in a wetland for the transport of
8 manure for the purposes of farming, as that term is defined in 10 V.S.A.
9 § 6001(22).

10 * * *

11 * * * Effective Dates * * *

12 Sec. 10. EFFECTIVE DATES

13 (a) This section and Secs. 2 (Act 250 minor application; small sawmills)
14 and 8 (stormwater permit fees) shall take effect on passage.

15 (b) All other sections shall take effect on July 1, 2018.