No. 142. An act relating to preserving Vermont's working landscape.

(H.496)

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

Sec. 1. 6 V.S.A. chapter 207 is amended to read:

CHAPTER 207. PROMOTION AND MARKETING OF VERMONT FOODS AND PRODUCTS

Subchapter 1. Agricultural Practices and Production

* * *

Subchapter 2. The Vermont Working Lands Enterprise Program § 4603. LEGISLATIVE FINDINGS

The general assembly finds:

- (1) The report issued by the Council on the Future of Vermont indicates that over 97 percent of Vermonters polled endorsed the value of the "working landscape" as key to our future.
- (2) Vermont's unique agricultural and forest assets—its working landscape—are crucial to the state's economy, communities, character, and culture. These assets provide jobs, food and fiber, energy, security, tourism and recreational opportunities, and a sense of well-being. They contribute to Vermont's reputation for quality, resilience, and self-reliance.
- (3) Human activity involving Vermont's agricultural and forestland has been integral to the development of Vermont's economy, culture, and image.

 Sustainable land use will need to balance economic development demands

VT LEG 281000.1

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with the other services the land provides, many of which have economic benefits beyond the agriculture and forest product sectors. Some of these benefits include clean air and water, recreational opportunities, ecosystem restoration, scenic vistas, and wildlife habitat.

- (4) The agriculture and forest product sectors are similar and share many of the same challenges. There are potential benefits to be realized by the joining of these sectors in development planning and coordination, making policy decisions, and leveraging economic opportunities.
- (5) The agriculture and forest product sectors provide renewable and harvestable products that form the basis of Vermont's land-based economy.

 The conversion of these raw commodities into value-added products within our borders represents further economic and employment opportunities.
- (6) Vermont is in the midst of an agricultural renaissance and is at the forefront of the local foods movement. The success has been due to the efforts of skilled and dedicated farmers, creative entrepreneurs, and the strategic investment of private and public funds.
- (7) State investment in a given industry or economic sector is often essential to stimulate and attract additional private and philanthropic investment. The combination of public, private, and foundation support can create enterprise opportunities that any one of them alone cannot. Grants issued as a result of No. 52 of the Acts of 2011 helped create jobs and

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economic activity in the agricultural sector. They also leveraged private and foundation investments.

- (8) Vermont's land-based economy has proven to be a driver for Vermont's ongoing economic recovery.
- (9) Value-added and specialty Vermont products are a growing source of revenue for Vermont's agricultural producers, many of whom have benefited from the existing infrastructure requirements of commodity producers. Both export and instate markets are necessary options for the agriculture and forest product sectors' economic development.
- (10) The Vermont brand is highly regarded both nationally and internationally. Forest management is seen as crop management by those active in the forest product industry. An actively managed forest is a healthy and productive one.
- (11) Vermont's agriculture and forest product sectors have not been perceived or treated as businesses by the traditional business and lending communities. They often lack available capital and financial package options that match their stage of development.
- (12) Financial service and workforce development programs need to be customized to meet the unique needs of Vermont's agriculture and forest product sectors. Landowner education and labor skills training are also important for future productive management of forestlands.

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(13) Scale is an important determining factor for the successful development of businesses that utilize Vermont's agriculture and forest products. Other limiting factors include labor and transportation costs, support services, resource base, and the regulatory environment.

- (14) Workers' compensation, health care, energy costs, and regulatory requirements are a major concern to the agriculture and forest product sectors.

 For example, workers' compensation premiums for loggers may run as high as 48 percent of each dollar of wages.
- (15) The amount of land in Vermont is finite, and part of its community and economic value is tied to the way it is used. Farmland and forestland that are developed for other uses affect the future viability of remaining farms and forest enterprises.
- (16) A forestland owner is often not the person actively engaged in the business of land management, such as planning, harvesting, or marketing the raw product, whereas in agricultural operations, the farmer often owns both the land and the business. Many farm operations have woodlots that have traditionally been used for syrup, timber, and firewood production.
- (17) Vermonters' perception of and support for local wood and forest products is not at the same level as it is for local food. Public outreach and education efforts need to be created to address the public's perception of actively managed working lands and the people who perpetuate them. Over

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the last decade, consumers of wood products have become more interested in production and management methods, certification programs, and the source of the raw materials.

- (18) Vermont's forest products industry has been in decline for many years, in part due to rising costs, a poor housing market, and a lack of manufacturing. The total value of the forest product industry has dropped from \$1.8 billion to \$1.3 billion since 2007. If wood chips were priced at the equivalent BTU replacement value of oil, they would command a higher price.

 The number of active sawmills has also declined to fewer than 20 today.
- (19) The average age of Vermont's farmers and loggers is over 55 years and the average age of forestland owners is over 65. Attention needs to be brought to efforts that will ensure intergenerational succession and lower those averages. Economically viable farm and forest-based operations are critical to that goal. "Legacy" skills such as farming and logging are disappearing, as the children of those making a living from those skills often aspire to different employment opportunities.
- (20) Access to land is a challenge for many, especially younger, people who want the opportunity to make a living from productive use of the land.

 Farm and forestland ownership is often out of reach for young people who do not have some sort of assistance.

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(21) The Vermont forest product sector contains approximately 7,000 jobs, and approximately 57,000 jobs are in Vermont's food system.

- (22) Regulations for forest product enterprises need to reflect a balance between economic development and responsible land use practices. There is a need to assess regulations involving the primary processing and transportation elements of the forest product sector.
- (23) Seventy-six percent of Vermont's 4.5 million acres is forested, 84 percent of which is privately owned. Sustainable management of state-owned forestlands represents an opportunity for private sector forest businesses.
- (24) Forest product sector representatives have identified needs for their industry including market development, additional secondary processing facilities, lower energy and transportation costs, and capital for growth enterprises as well as research and development for new and improved value-added products that make use of Vermont's forest resources. Factors such as health care, labor, and energy policies in Canada contribute to the northward flow of Vermont logs. Research is needed in order to develop strategies that will help keep Vermont's forest product sector competitive.
- (25) Vermont's Use Value Appraisal (Current Use) Program is critically important to every component of Vermont's agriculture and forest product sectors. It also helps keep Vermont forestland productive and healthy through the requirement of active forest management plans.

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(26) Dairy enterprises remain Vermont's leading source of agricultural revenues, with an estimated annual economic impact of over \$2 billion or approximately 75 percent of total gross agricultural output.

(27) Recent grants and educational programs have started to address the lack of slaughter and meat-processing facilities in the state; however, there continues to be a strong need to further these efforts.

§ 4604. LEGISLATIVE INTENT

It is the intent of the general assembly in adopting this subchapter to:

- (1) stimulate a concerted economic development effort on behalf of

 Vermont's agriculture and forest product sectors by systematically advancing

 entrepreneurism, business development, and job creation;
- (2) recognize and build on the similarities and unique qualities of Vermont's agriculture and forest product sectors;
- (3) increase the value of Vermont's raw and value-added products through the development of in-state and export markets;
- (4) attract a new generation of entrepreneurs to Vermont's farm, food system, forest, and value-added chain by facilitating more affordable access to the working landscape;
- (5) provide assistance to agricultural and forest product businesses in navigating the regulatory process;

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(6) use Vermont's brand recognition and reputation as a national leader in food systems development, innovative entrepreneurism, and as a "green" state to leverage economic development and opportunity in the agriculture and forest product sectors;

- (7) promote the benefits of Vermont's working lands, from the

 economic value of raw and value-added products to the public value of

 ecological stability, land stewardship, recreational opportunities, and quality of

 life;
- (8) increase the amount of state investment in working lands enterprises, particularly when it leverages private and philanthropic funds; and
- (9) support the people and businesses that depend on Vermont's renewable land-based resources and the sustainable and productive use of the land by coordinating and integrating financial products and programs.

§ 4605. VERMONT WORKING LANDS ENTERPRISE FUND

There is created a special fund in the state treasury to be known as the "Vermont working lands enterprise fund." Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5:

(1) the fund shall be administered and the monies of the funds shall be expended by the Vermont working lands enterprise board created in section 4606 of this title;

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(2) the fund shall be composed of moneys from time to time
appropriated to the fund by the general assembly or received from any other
source, private or public, approved by the board, and unexpended balances and
any earnings shall remain in the fund from year to year; and

- (3) the board shall make expenditures from the fund consistent with the duties and authority of the board established by section 4607 of this title.

 § 4606. VERMONT WORKING LANDS ENTERPRISE BOARD
- (a) Creation. There is created a Vermont working lands enterprise board, which for administrative purposes shall be attached to the agency of agriculture, food and markets.
 - (b) Organization of board. The board shall be composed of:
- (1) the secretary of agriculture, food and markets or designee, who shall serve as chair;
 - (2) the commissioner of forests, parks and recreation or designee;
 - (3) the secretary of commerce and community development or designee;
 - (4) the following members appointed by the speaker of the house:
- (A) one member who is a representative of the Vermont forest industry who is also a forester;
- (B) one member who is actively engaged in commodity maple production;

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(5) the following members appointed by the senate committee on committees:

- (A) one member who is actively engaged in wood products manufacturing:
- (B) one member who is a representative of one of the two largest membership-based agricultural organizations in Vermont who is not a dairy farmer;
 - (6) the following members appointed by the governor:
- (A) one member who is a representative of Vermont's dairy industry who is also a dairy farmer;
- (B) one member who is a representative of a membership-based forestland owner organization;
- (7) the following members appointed by the Vermont agricultural and forest products development board:
- (A) one member who is actively engaged in value-added agricultural products manufacturing; and
- (B) two members actively engaged in providing marketing assistance, market development, or business and financial planning;
- (8) the following members, who shall serve as ex officio, nonvoting members:

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(A) the manager of the Vermont economic development authority or designee;

- (B) the executive director of the Vermont sustainable jobs fund or designee; and
- (C) the executive director of the Vermont housing conservation board or designee.
- (c) Member terms. The members designated in subdivisions (b)(4)–(7) of this section shall be appointed to initial terms of one year for members appointed by the governor, two years for members appointed by the senate committee on committees, and three years for members appointed by the speaker of the house. Thereafter, each appointed member shall serve a term of three years or until his or her earlier resignation or removal. A vacancy shall be filled by the appointing authority for the remainder of the unexpired term. An appointed member shall not serve more than three consecutive three-year terms.
- (d) Officers; committees. The board may elect officers, establish one or more committees or subcommittees, and adopt such procedural rules as it shall determine necessary and appropriate to perform its work.
- (e) Quorum; meetings; voting. A majority of the sitting members shall constitute a quorum, and action taken by the board may be authorized by a majority of the members present and voting at any regular or special meeting at

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which a quorum is present. The board may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication, including an electronic, telecommunications, and video- or audio-conferencing conference telephone call, by which all members participating may simultaneously or sequentially communicate with each other during the meeting. A member participating in a meeting by this means is deemed to be present in person at the meeting.

- (f) Compensation. Private sector members shall be entitled to per diem compensation authorized under 32 V.S.A. § 1010(b) for each day spent in the performance of their duties, and each member shall be reimbursed from the fund for his or her actual and necessary expenses incurred in carrying out his or her duties.
- § 4607. POWERS AND DUTIES OF THE VERMONT WORKING LANDS

 ENTERPRISE BOARD
 - (a) The Vermont working lands enterprise board shall have the authority:
- (1) to establish an application process and eligibility criteria for awarding grants, loans, incentives, and other investments in agricultural and forestry enterprises and in food and forest systems;
- (2) to award grants and other investments, which may include loans underwritten and administered through the Vermont economic development authority;

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(3) to enter into performance contracts with one or more persons in order to provide investment and services to agricultural and forestry enterprises, including:

- (A) technical assistance and product research services;
- (B) marketing assistance, market development, and business and financial planning;
 - (C) organizational, regulatory, and development assistance; and
- (D) feasibility studies of facilities or capital investments to optimize construction and other cost efficiencies;
- (4) to identify workforce needs and programs in order to develop training and incentive opportunities for the agriculture and forest product sectors after consulting with the department of labor;
- (5) to identify strategic statewide infrastructure and investment priorities considering:
 - (A) leveraging opportunities;
 - (B) economic clusters;
 - (C) return-on-investment analysis;
 - (D) other considerations the board determines appropriate; and
- (6) to pursue and accept grants or other funding from any public or private source and to administer such grants or funding consistent with their terms.

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(b) The agency of agriculture, food and markets shall provide
administrative support to the extent authorized by the secretary of agriculture,
food and markets, and with the assistance of the department of forests, parks
and recreation to the extent authorized by the commissioner of forests, parks
and recreation, in order to support the board in the performance of its duties
pursuant to this section.

- Sec. 2. 6 V.S.A. § 2966 is amended to read:
- § 2966. AGRICULTURAL <u>AND FOREST PRODUCTS</u> DEVELOPMENT BOARD; ORGANIZATION; DUTIES AND AUTHORITY
- (a) Purpose. The purpose of this section is to create a permanent Vermont agricultural <u>and forest products</u> development board that is authorized and empowered as the state's primary agricultural <u>and forest products</u> development entity.
 - (1) The board is charged with:
- (A) optimizing the agricultural <u>and forestry</u> use of Vermont lands and other agricultural resources;

- (2) The board shall:
- (A) review existing strategies and plans and develop, implement, and continually update a comprehensive statewide plan to guide and encourage

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agricultural <u>and forest products</u> development and new and expanded markets for agricultural and forest products;

- (B) advise and make recommendations to the secretaries of relevant state agencies, the governor, the director of the state experiment station, the University of Vermont extension service, and the general assembly on the adoption and amendment of laws, regulations, and governmental policies that affect agricultural development, land use, access to capital, the economic opportunities provided by Vermont agriculture <u>and forest products</u>, and the well-being of the people of Vermont;
- (C) monitor and report on Vermont's progress in achieving the agricultural economic development goals identified by the board; and
- (D) balance the needs of production methods with the opportunities to market products that enhance Vermont agriculture <u>and forest products; and</u>
- (E) prepare a comprehensive report, in consultation with the agency of agriculture, food and markets and the department of forests, parks and recreation, indicating the progress made by the working lands enterprise board with regard to all activities authorized by this section. The report shall be presented to the senate and house committees on agriculture, the senate committees on economic development, housing and general affairs and on natural resources and energy, and the house committee on commerce and economic development on or before January 15, 2013.

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(b) Board created. The Vermont agricultural <u>and forest products</u> development board is hereby created. The exercise by the board of the powers conferred upon it in this section constitutes the performance of essential governmental functions.

(c) Powers and duties. The board shall have the authority and duty to:

* * *

(5) obtain information from other planning entities, including the farm to plate investment program;

- (d) Comprehensive agricultural <u>and forest products</u> economic development plan.
- (1) Using information available from previous and ongoing agricultural and forest products development planning efforts, such as the farm to-plate farm to plate investment program's strategic plan, and the board's own data and assumptions, the board shall develop and implement a comprehensive agricultural and forest products economic development plan for the state of Vermont. The plan shall include, at minimum, the following:
- (A) an assessment of the current status of agriculture <u>and forestry</u> in Vermont:
 - (B) current and projected workforce composition and needs;

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(C) a profile of emerging business and industry sectors projected to present future agricultural <u>and forest products</u> economic development opportunities, and a cost-benefit analysis of strategies and resources necessary to capitalize on these opportunities;

- (D) a profile of current components of physical and social infrastructure affecting agricultural <u>and forest products</u> economic development;
- (E) a profile of government-sponsored programs, agricultural <u>and</u> <u>forest products</u> economic development resources, and financial incentives designed to promote and support agricultural <u>and forest products</u> economic development, and a cost-benefit analysis of continued support, expansion, or abandonment of these programs, resources, and incentives;
- (F) the use of the Vermont brand to further agricultural <u>and forest</u> products economic development;

* * *

(2) Based on its research and analysis, the board shall establish in the plan a set of clear strategies with defined and measurable outcomes for agricultural and forest products economic development, the purpose of which shall be to guide long-term agricultural and forest products economic development policymaking and planning.

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(4) The board shall conduct a periodic review and revision of the comprehensive agricultural <u>and forest products</u> economic development plan as often as is necessary in its discretion, but at minimum every five years, to ensure the plan remains current, relevant, and effective for guiding and evaluating agricultural and forest products economic development policy.

- (e) Annual report. The board shall make available a report, at least annually, to the administration, the house committee on agriculture, the senate committee on agriculture, the house committee on commerce and economic development, the senate committee on economic development, housing and general affairs, and the people of Vermont on the state's progress toward attaining the goals and outcomes identified in the comprehensive agricultural and forest products economic development plan.
 - (f) Composition of board.
- (1) The board shall be composed of 12 16 members. In making appointments to the board pursuant to this section, the governor, the speaker of the house, and the president pro tempore of the senate shall coordinate their selections to ensure, to the greatest extent possible, that the board members selected by them reflect the following qualities:

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(A) proven leadership in a broad range of efforts and activities to promote and improve the Vermont agricultural or forest products economy and the quality of life of Vermonters;

- (B) demonstrated innovation, creativity, collaboration, pragmatism, and willingness to make long-term commitments of time, energy, and effort;
- (C) geographic, gender, ethnic, social, political, and economic diversity;
- (D) diversity of agricultural <u>and forest products</u> enterprise location, size, and sector of the for-profit agricultural <u>and forest products</u> business community members; and
- (E) diversity of interest of the nonprofit or nongovernmental organization community members.
 - (2) Members of the board shall include the following:
 - (A) four five members appointed by the governor:
 - (i) a person with expertise in rural economic development issues;
- (ii) an employee of a Vermont postsecondary institution experienced in researching issues related to agriculture <u>or forestry;</u>
- $\mbox{(iii) a person familiar with the agricultural $\underbrace{or\ forest}$ tourism }$ industry; \mbox{and}
 - (iv) an agricultural lender; and

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(v) a person with expertise and professional experience in forest products manufacturing.

- (B) $\underline{\text{four}} \underline{\text{six}}$ members appointed by the speaker of the house of representatives:
- (i) a person who produces an agricultural commodity other than dairy products;
- (ii) a person who creates a value-added product using ingredients substantially produced on Vermont farms;
 - (iii) a person with expertise in sales and marketing; and
- (iv) a person representing the feed, seed, fertilizer, or equipment enterprises;
 - (v) a forester; and
 - (vi) a sawmill operator.
- (C) four five members appointed by the committee on committees of the senate:
- (i) a representative of Vermont's dairy industry who is also a dairy farmer;
- (ii) a person with expertise in land planning and conservation efforts that support Vermont's working landscape;
- (iii) a representative from a Vermont agricultural advocacy organization; and

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(iv) a person with experience in providing youth with educational opportunities enhancing understanding of agriculture <u>or forestry; and</u>

(v) a logger.

- (3) The secretary of agriculture, food and markets or his or her designee shall be a nonvoting, an ex officio, nonvoting member. The secretary may provide staff support from the agency of agriculture, food and markets as resources permit.
- (4) The secretary of commerce and community development or his or her designee shall be a nonvoting, an ex officio, nonvoting member.
- (5) The commissioner of forests, parks and recreation or his or her designee shall be an ex officio, nonvoting member. The commissioner may provide staff support from the department of forests, parks and recreation as resources permit.

* * *

Sec. 3. 10 V.S.A. chapter 15 is amended to read:

CHAPTER 15. VERMONT HOUSING AND CONSERVATION TRUST FUND

* * *

§ 302. POLICY, FINDINGS, AND PURPOSE

(a) The dual goals of creating affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land <u>and forestland</u>, historic

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properties, important natural areas, and recreational lands are of primary importance to the economic vitality and quality of life of the state.

- (b) In the best interests of all of its citizens and in order to improve the quality of life for Vermonters and to maintain for the benefit of future generations the essential characteristics of the Vermont countryside, Vermont should encourage and assist in creating affordable housing and in preserving the state's agricultural land <u>and forestland</u>, historic properties, important natural areas, and recreational lands.
- (c) It is the purpose of this chapter to create the Vermont housing and conservation trust fund to be administered by the Vermont housing and conservation board to further the policies established by subsections (a) and (b) of this section.

§ 303. DEFINITIONS

As used in this chapter:

- (1) "Board" means the Vermont housing and conservation board established by this chapter.
- (2) "Fund" means the Vermont housing and conservation trust fund established by this chapter.
- (3) "Eligible activity" means any activity which will carry out either or both of the dual purposes of creating affordable housing and conserving and

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protecting important Vermont lands, including activities which will encourage or assist:

- (A) the preservation, rehabilitation or development of residential dwelling units which are affordable to lower income Vermonters;
- (B) the retention of agricultural land for agricultural use, and of forestland for forestry use;
- (C) the protection of important wildlife habitat and important natural areas;
 - (D) the preservation of historic properties or resources;
- (E) the protection of areas suited for outdoor public recreational activity;
- (F) the development of capacity on the part of an eligible applicant to engage in an eligible activity.

* * *

§ 311. CREATION OF THE VERMONT HOUSING AND CONSERVATION BOARD

(a) There is created and established a body politic and corporate to be known as the "Vermont housing and conservation board" to carry out the provisions of this chapter. The board is constituted a public instrumentality exercising public and essential governmental functions, and the exercise by the board of the powers conferred by this chapter shall be deemed and held to be

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the performance of an essential governmental function of the state. The board is exempt from licensure under <u>8 V.S.A.</u> chapter 73 of Title <u>8</u>.

- (b) The board shall consist of the following 11 members:
 - (1) The secretary of agriculture, food and markets or his or her designee.
 - (2) The secretary of human services or his or her designee.
 - (3) The secretary of natural resources or his or her designee.
- (4) The executive director of the Vermont housing finance agency or his or her designee.
- (5) Three public members appointed by the governor with the advice and consent of the senate, who shall be residents of the state and who shall be experienced in creating affordable housing or conserving and protecting Vermont's agricultural land and forestland, historic properties, important natural areas, or recreational lands, one of whom shall be a representative of lower income Vermonters and one of whom shall be a farmer as defined in 32 V.S.A. § 3752(7).
- (6) One public member appointed by the speaker of the house, who shall not be a member of the general assembly at the time of appointment.
- (7) One public member appointed by the senate committee on committees, who shall not be a member of the general assembly at the time of appointment.

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(8) Two public members appointed jointly by the speaker of the house and the president pro tempore of the senate as follows:

- (A) One member from the nonprofit affordable housing organizations that qualify as eligible applicants under subdivision 303(4) of this title who shall not be an employee or board member of any of those organizations at the time of appointment.
- (B) One member from the nonprofit conservation organizations whose activities are eligible under subdivision 303(3) of this title who shall not be an employee or member of the board of any of those organizations at the time of appointment.

* * *

§ 321. GENERAL POWERS AND DUTIES

* * *

(d) On behalf of the state of Vermont, the board shall seek and administer federal farmland protection and forestland conservation funds to facilitate the acquisition of interests in land to protect and preserve in perpetuity important farmland for future agricultural use and forestland for future forestry use. Such funds shall be used to implement and effectuate the policies and purposes of this chapter. In seeking federal farmland protection and forestland conservation funds under this subsection, the board shall seek to maximize state participation in the federal wetlands reserve program in order and such

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other programs as is appropriate to allow for increased or additional implementation of conservation practices on farmland and forestland protected or preserved under this chapter.

* * *

§ 324. STEWARDSHIP

If an activity funded by the board involves acquisition by the state of an interest in real property for the purpose of conserving and protecting agricultural land <u>or forestland</u>, important natural areas, or recreation lands, the board, in its discretion, may make a one-time grant to the appropriate state agency or municipality. The grant shall not exceed ten percent of the current appraised value of that property interest and shall be used to support its proper management or maintenance or both.

* * *

Sec. 4. REPEAL

The following sections are repealed in their entirety:

- (1) 6 V.S.A. chapter 162, subchapter 1 (Vermont agricultural innovation center).
- (2) 6 V.S.A. § 2963a (comprehensive plan for the future development of diversified agriculture).
 - (3) 6 V.S.A. § 2964 (Vermont seal of quality).

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Sec. 5. FUNDING PRIORITIES

(a) The amounts appropriated from the general fund to the Vermont working lands enterprise fund established in 6 V.S.A. § 4605 shall be used by the working lands enterprise board for the following purposes:

- (1) For enterprise grants to entrepreneurs, including grants to leverage private capital, jump-start new businesses, help beginning farmers access land, and support diversification projects that add value to farm and forest commodities. These initial investments are intended to fund an enterprise grant pilot program, and it is the intent of the general assembly to commit additional investment in subsequent years upon demonstration of success of the program.
- (2) For wraparound services to growth companies, including technical assistance, business planning, financial packaging, and other services required by companies ready to transition to the next stage of growth. These initial investments are intended to fund a growth company services pilot program, and it is the intent of the general assembly to commit additional investment in subsequent years upon demonstration of success of the program.
- (3) For state infrastructure investments, including investment in private and nonprofit sectors for creative diversification projects, value-added manufacturing, processing, storage, distribution, and collaborative ventures.

 These initial investments are intended to fund an infrastructure investment

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pilot program, and it is the intent of the general assembly to commit additional investment in subsequent years upon demonstration of success of the program.

- (b) In designing its application process and criteria, and in awarding funding pursuant to its authority under 6 V.S.A. § 4607, the board shall consider the most effective means of encouraging participation in the process by individuals and enterprises that have not availed themselves of these opportunities in the past, and by individuals and enterprises who have not recently received funding from the state or a state-funded entity, as the board deems appropriate.
- (c) The agency of agriculture, food and markets shall utilize funds appropriated to it for the purposes of this act to perform its full duties to the Vermont working lands enterprise board, to provide administrative support to the Vermont agricultural and forest products development board, and to provide reimbursement for travel expenses incurred by Vermont agricultural and forest products development board members pursuant to 6 V.S.A. § 2966(h).

Sec. 6. IMPLEMENTATION; EFFECTIVE DATE

(a) This act shall take effect on passage, except that Sec. 4(1) (repeal of agriculture innovation center) of this act shall take effect on March 31, 2013.

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(b) Board members appointed pursuant to 6 V.S.A. § 4606 shall be appointed no later than June 30, 2012.

Approved: May 15, 2012