To the Members of the Vermont House Committee on Agriculture, Food Resiliency, and Forestry, I am grateful for the opportunity to address you with this written testimony.

A short introduction.

I grew up in Montpelier in the 1960s on the only operating dairy farm within the city limits. Our family farm had 100 head of purebred Jersey's. My father had a maple sugaring operation and he further supplemented our income by cutting and selling firewood. I left Vermont at age 17 to attend the USAF Academy. I have an undergraduate degree in Engineering and a master's degree in Aeronautical Engineering from Princeton University. I am now retired. I still own a portion of my father's farm in Middlesex where I enjoy making maple syrup. I have cousins throughout the state who are engaged in vegetable, beef, sheep, wood working, and maple sugaring activities.

I am closely following the evolution of H-128 which is designed to provide ACT 250 relief to accessory on farm businesses. The bill has many strengths and does seem to foster a less restrictive regulatory environment for qualifying agricultural activities.

My understanding is that ACT 143, passed in 2018, provides the definition of an "***accessory on farm business***." ACT 143 empowers towns and municipalities with the authority to decide if an activity is or is not an accessory on farm business. Furthermore ACT 143 seems to establish a requirement for an accessory on farm business to produce 50% of its product on the farm. Besides easing ACT 250 requirements for a certain agricultural activities, I believe H 128 was crafted to clarify areas of confusion surrounding the definition of an accessory on farm business. Below I present a discussion of specific pages and lines from the draft bill, commentary and some suggestions.

On pages 5 and 6 of the draft bill, there is a presentation of the definition of an accessory on farm business. Summarizing: there are 2 paths for an agricultural activity to be an accessory on farm businesses:

- Store, Prepare, Process and sell qualifying products that meet the 50% threshold of being produced on the farm where the business is located.
- Engage in Educational, recreational, or social events or farm stays that feature agricultural practices or qualifying products

The first path seems to be well anchored in language from ACT 143. The second path appears to be untethered from the 50% requirement. That may be by design. If so, this would seem to foster a two class system, favoring the event center over the farm.

On page 6 lines 11 through 20, the draft bill introduces social activities such as weddings and concerts and introduces the terms substantial component and integral component. The draft language simply says that qualifying products must be substantial components of these type of events. These terms are vague and not well defined. Again there is no language tying this back to ACT 143's 50% requirement. This seems to give a privilege to an event center.

Starting at the bottom of page 6 and continuing to page 7, there is a definition of a qualifying product. I have two comments.

- The language allows for qualifying products to be purchased from other farms but there is no specification of where these purchased qualifying products come from. There is no specification that purchased qualifying products need to be matched up with a certain percentage of on the farm produced products. Again there is no apparent linkage back to ACT 143.
- Merchandise is introduced as a qualifying product on page 7 (line items 10-12). There is no caveating language that limits how much merchandise is allowed. This leads to an absurd situation in which a business could sell 100% merchandise and not be required to sell anything that is agricultural in

nature. If this language is allowed to stand, I suggest it be changed to say that merchandise may supplement real agricultural products with some threshold percentage ceiling specified.

Finally on page 10 (lines 6-14) the term "***principally produced***" is introduced. It seems to be a logical definition. However, it is not used anywhere else in the language found in draft H 128. I suggest that actually using this term along with the term qualifying (i.e. principally produced qualifying product) might improve and tighten the language of the bill.

As presently constructed, the bill seems to give special consideration to event centers. The language of the bill seems to not levy any qualifying or principally product threshold on an event center other than the undefined terms "integral component" or "substantial component". An event center is purposefully designed to draw crowds. They are commercial in nature and to be profitable, they have a regular and frequent business rhythm. This seems to be the type of activity that warrants ACT 250 scrutiny.

The role of the towns and municipalities is highlighted in the current definition of an accessory on farm business found in ACT 143. Again they are the yes/no decision makers on whether or not an activity is an accessory on farm business. If the 50% requirement from ACT 143 still stands, the proposed language from H 128 makes their job even more difficult. There are ambiguities towns will be confronted with. Is an event center business that produces its product off-site still considered an accessory on farm business? Is an event center that features its qualifying products produced off-site from raw products purchased or sourced from other Vermont locations still meeting the 50% on farm threshold? Confusion on these points will lead to differing interpretations from town to town. Lack of clarity on the 50% rule could lead to no enforcement. I don't believe that is the intent.

I will close by saying overall the intent of the bill seems good. It does seem to ease the regulatory environment for hard working Vermont farmers. I suggest the committee look carefully at the language pertaining to event centers. Such businesses are generally commercial in nature. H 128 appears to create a path for these activities to receive an ACT 250 waiver without necessarily being required to offer their own products or offer products without a well defined on farm minimum threshold. They could even conceivably only offer merchandise.

Thank you for this opportunity to provide my commentary.

Respectfully,

Randall Joslin