

1 Introduced by Committee on Agriculture and Forest Products

2 Date:

3 Subject: Agriculture

4 Statement of purpose of bill as introduced: This bill proposes to amend
5 multiple provisions of law administered by the Agency of Agriculture, Food
6 and Markets. The bill would make multiple amendments to the requirements
7 for multiple agricultural water quality assistance programs administered by the
8 Agency of Agriculture, Food and Markets. The bill would authorize
9 disbursement from the Vermont Economic Development Authority for water
10 quality initiatives. The bill would adopt the federal standards for unit pricing
11 to be administered by the Weights and Measures Program of the Agency of
12 Agriculture, Food and Markets. The bill would also amend dairy producer
13 requirements regarding drug residue in milk or tissue. In addition, the bill
14 would provide that the Secretary of Agriculture, Food and Markets shall only
15 refund overpayments of \$25.00 or more on licenses, permits, registrations, or
16 certifications. The bill would also consolidate the Working Lands Enterprise
17 Board and the Vermont Agricultural and Forest Products Development Board.

18 An act relating to miscellaneous agricultural subjects

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

1 (6) “Good standing” means the participant:

2 (A) does not have an active enforcement violation that has reached a
3 final order with the Secretary; or

4 (B) is in compliance with all terms of a current grant agreement or
5 contract with the Agency.

6 Sec. 3. 6 V.S.A. § 4821 is amended to read:

7 § 4821. ASSISTANCE PROGRAM CREATED; ADMINISTRATION

8 (a) Program created. A program is created to provide ~~state~~ State financial
9 assistance to Vermont farmers in support of their voluntary construction of
10 on-farm improvements and maintenance of acceptable operating standards
11 designed to abate nonpoint source agricultural waste discharges into the waters
12 of the ~~state~~ State of Vermont, consistent with goals of the federal Water
13 Pollution Control Act and with state water quality standards. The program
14 shall be conducted in a manner which makes maximum use of federal financial
15 aid for the same purpose, as provided by this subchapter, and which seeks to
16 use the least costly methods available to accomplish the abatement required.
17 The construction of temporary fencing intended to exclude livestock from
18 entering surface waters of the ~~state~~ State shall be an on-farm improvement
19 eligible for assistance under this subchapter when subject to a maintenance
20 agreement entered into with the ~~agency of agriculture, food and markets~~
21 Agency of Agriculture, Food and Markets.

1 (b) Program administration. The ~~secretary~~ Secretary shall:

2 (1) ~~administer~~ Administer the ~~state~~ State assistance program, for which
3 purpose the ~~secretary~~ Secretary shall coordinate with officials of the U.S.
4 Department of Agriculture or other federal agencies, and shall adopt rules
5 pursuant to 3 V.S.A. chapter 25 ~~of Title 3~~ concerning farmer application and
6 eligibility requirements, financial assistance award priorities, and other
7 administrative and enforcement conditions; ~~and~~.

8 (2) ~~may~~ May provide technical assistance to individual farmers with the
9 preparation of on-farm agricultural waste management plans, applications for
10 state and federal financial assistance awards, installation of on-farm
11 improvements, and maintenance of acceptable operating standards during the
12 ~~life of a state assistance award contract~~ term of the program grant agreement.
13 For this purpose, ~~state~~ State employees of the ~~agency~~ Agency shall cooperate
14 with federal employees of the U.S. Department of Agriculture or other federal
15 agencies.

16 Sec. 4. 6 V.S.A. § 4822 is amended to read:

17 § 4822. ELIGIBILITY FOR STATE ASSISTANCE

18 Vermont farmers shall be eligible to receive available state financial
19 assistance with the installation of on-farm improvements designed to control
20 agricultural nonpoint source waste discharges, provided that:

1 (1) for farmers who also seek federal financial assistance for this
2 purpose, the improvements:

3 (A) are eligible for federal assistance through programs of the
4 U.S. Department of Agriculture; and

5 (B) are consistent with a “nutrient management plan” prepared by the
6 Vermont field office of the NRCS, or with an animal waste management plan
7 based on standards equivalent to those of the NRCS; or

8 (2) for farmers who decline to seek or accept federal financial assistance
9 for this purpose, the improvements:

10 (A) are determined by the ~~secretary~~ Secretary to be equivalent to
11 those eligible for federal assistance through programs of the U.S. Department
12 of Agriculture; and

13 (B) are consistent with an animal waste management plan based on
14 standards determined by the ~~secretary~~ Secretary to be equivalent to those of
15 the NRCS.

16 (3) will be constructed on a farm that is in good standing with the
17 Secretary at the time of the award on all grant agreements, contract awards, or
18 enforcement proceedings.

1 Sec. 5. 6 V.S.A. § 4824 is amended to read:

2 § 4824. STATE FINANCIAL ASSISTANCE AWARDS

3 (a) State grant. State financial assistance awarded under this subchapter
4 shall be in the form of a grant. When a State grant is intended to match federal
5 financial assistance for the same on-farm improvement project, the State grant
6 shall be awarded only when the federal financial assistance has also been
7 approved or awarded. An applicant for a State grant shall pay at least
8 10 percent of the total eligible project cost. The dollar amount of a State grant
9 shall be equal to the total eligible project cost, less 10 percent of the total as
10 paid by the applicant, and less the amount of any federal assistance awarded,
11 except that a State grant shall not exceed 90 percent of the total eligible
12 project cost.

13 (b) ~~Farmer contract~~. A State grant awarded to an applicant under this
14 subchapter shall be awarded in accordance with a State ~~contract~~ grant
15 containing ~~contract~~ terms substantially the same as those required for receipt of
16 a federal award for the same purpose from the U.S. Department of Agriculture,
17 except as provided by the Secretary by rule.

18 Sec. 6. 6 V.S.A. § 4826 is amended to read:

19 § 4826. COST ASSISTANCE FOR WASTE STORAGE FACILITIES

20 (a) The owner or operator of a farm required under section 4815 of this title
21 to design, construct, or modify a waste storage facility may apply in writing to

1 the Secretary of Agriculture, Food and Markets for cost assistance. Using ~~state~~
2 State or federal funds, or both, a State assistance grant shall be awarded,
3 subject to the availability of funds, to applicants. Such grants shall not exceed
4 90 percent of the cost of an adequately sized and designed waste storage
5 facility and the equipment eligible for Natural Resources Conservation Service
6 cost share assistance. Application for a State assistance grant shall be made in
7 the manner prescribed by the Secretary. ~~As used in this section, “waste storage~~
8 ~~facility” means an impoundment made for the purpose of storing agricultural~~
9 ~~waste by constructing an embankment, excavating a pit or dugout, fabricating~~
10 ~~an in-ground or above-ground structure, or any combination thereof. This~~
11 ~~section shall apply to concrete slabs used for agricultural waste management.~~

12 (b) If the Secretary lacks adequate funds necessary for the cost assistance
13 awards required by subsection (a) of this section, the Secretary shall appear
14 before the Emergency Board, as soon as possible, and shall request that
15 necessary funds be provided. If the Emergency Board fails to provide
16 adequate funds, the design and construction requirements for waste storage
17 facilities under subsection 4815(b) of this title and the AAPs for groundwater,
18 as they relate to a waste storage facility, shall be suspended for a farm with a
19 waste storage facility subject to the requirements of subsection 4815(b) of this
20 title until adequate funding becomes available. Suspension of the design and
21 construction requirements of subsection 4815(b) of this title does not relieve an

1 owner or operator of a farm permitted under section 4858 or 4851 of this title
2 from the remaining requirements of the owner's or operator's permit, including
3 discharge standards, groundwater protection, nutrient management planning,
4 and land application of manure. This subsection does not apply to farms
5 permitted under 10 V.S.A. § 1263 ~~or farms permitted under section 4851 of~~
6 ~~this title.~~

7 Sec. 7. 6 V.S.A. § 4827(e) and (f) are amended to read:

8 (e) If the Secretary or the applicable U.S. Department of Agriculture
9 conservation programs lack adequate funds necessary for the financial
10 assistance required by subsection (a) of this section, the requirement to develop
11 and implement a nutrient management plan under State statute or State
12 regulation shall be suspended until adequate funding becomes available.

13 Suspension of a State-required nutrient management plan does not relieve an
14 owner or operator of a farm permitted under section 4858 or 4851 of this title
15 of the remaining requirements of a State permit, including discharge standards,
16 groundwater protection, and land application of manure. This subsection does
17 not apply to farms permitted under 10 V.S.A. § 1263 ~~or farms permitted under~~
18 ~~section 4851 of this title.~~

19 (f) The Secretary may ~~contract~~ enter into grants with natural resources
20 conservation districts, the University of Vermont Extension Service, and other
21 persons and organizations to aid in the implementation of the incentive grants

1 program under subsection (a) of this section and to assist farmers in the
2 development and implementation of nutrient management plans.

3 Sec. 8. 6 V.S.A. § 4828 is amended to read:

4 § 4828. CAPITAL EQUIPMENT ASSISTANCE PROGRAM

5 (a) It is the purpose of this section to provide assistance to contract
6 applicators, nonprofit organizations, and farms to purchase or use innovative
7 equipment that will aid in the reduction of surface runoff of agricultural wastes
8 to ~~state~~ State waters, improve water quality of State waters, reduce odors from
9 manure application, decrease greenhouse gas emissions, and reduce costs to
10 farmers.

11 (b) The capital equipment assistance program is created in the Agency of
12 Agriculture, Food and Markets to provide farms, nonprofit organizations, and
13 custom applicators in Vermont with State financial assistance for the purchase
14 of new or innovative equipment to improve manure application or nutrient
15 management plan implementation.

16 (c) Assistance under this section shall in each fiscal year be allocated
17 according to the following priorities and as further defined ~~by rule~~ by the
18 Secretary:

19 (1) First priority shall be given to capital equipment to be used on farm
20 sites that are serviced by custom applicators and nonprofit organizations and
21 that are located in descending order within the boundaries of:

- 1 (A) the Lake Champlain Basin;
2 (B) the Lake Memphremagog Basin;
3 (C) the Connecticut River Basin; and
4 (D) the Hudson River Basin.

5 (2) Next priority shall be given to capital equipment to be used at a farm
6 site which is located in descending order within the boundaries of:

- 7 (A) the Lake Champlain Basin;
8 (B) the Lake Memphremagog Basin;
9 (C) the Connecticut River Basin; and
10 (D) the Hudson River Basin.

11 (d) [Repealed.]

12 Sec. 9. 6 V.S.A. § 4849 is amended to read:

13 § 4849. RECYCLING ANIMAL WASTE NUTRIENTS

14 In order to best use the nutrients of animal waste generated by large farm
15 operations, the ~~agency of agriculture, food and markets~~ Agency of Agriculture,
16 Food and Markets together with the ~~department of public service~~ Department
17 of Public Service shall use available resources to inform large farm operations
18 of appropriate methods and resources available to digest and compost their
19 animal wastes, and to capture methane for beneficial uses.

20 Sec. 10. 6 V.S.A. § 4850 is amended to read:

21 § 4850. DEFINITIONS

1 ~~For purposes of~~ As used in this subchapter:

2 (1) “Domestic fowl” means laying-hens, broilers, ducks, ~~and turkeys,~~ or
3 any other number or type of fowl that the Secretary deems domestic fowl.

4 (2) “Livestock” means cattle, mature cow/calf pairs, youngstock,
5 heifers, bulls, swine, sheep, or ~~goats,~~ horses, or any other number and type of
6 domestic animal that the Secretary deems livestock.

7 Sec. 11. 6 V.S.A. § 4851 is amended to read:

8 § 4851. PERMIT REQUIREMENTS FOR LARGE FARM OPERATIONS

9 (a) No person shall, without a permit from the ~~secretary~~ Secretary,
10 construct a new barn, or expand an existing barn, designed to house more than
11 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves,
12 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than
13 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying
14 hens or broilers with a liquid manure handling system, 82,000 laying hens
15 without a liquid manure handling system, 125,000 chickens other than laying
16 hens without a liquid manure handling system, 5,000 ducks with a liquid
17 manure handling system, or 30,000 ducks without a liquid manure handling
18 system. No permit shall be required to replace an existing barn in use for
19 livestock or domestic fowl production at its existing capacity. ~~The secretary of~~
20 ~~agriculture, food and markets~~ Secretary of Agriculture, Food and Markets, in
21 consultation with the ~~secretary of natural resources~~ Secretary of Natural

1 Resources, shall review any application for a permit under this section with
2 regard to water quality impacts and, prior to approval of a permit under this
3 subsection, shall issue a written determination regarding whether the applicant
4 has established that there will be no unpermitted discharge to waters of the
5 ~~state~~ State pursuant to the federal regulations for concentrated animal feeding
6 operations. If upon review of an application for a permit under this subsection,
7 ~~the secretary of agriculture, food and markets~~ Secretary of Agriculture, Food
8 and Markets determines that the permit applicant may be discharging to waters
9 of the ~~state~~ State, the ~~secretary of agriculture, food and markets~~ Secretary of
10 Agriculture, Food and Markets and the ~~secretary of natural resources~~ Secretary
11 of Natural Resources shall respond to the discharge in accordance with the
12 memorandum of understanding regarding concentrated animal feeding
13 operations under subsection 4810(b) of this title. The ~~secretary of natural~~
14 ~~resources~~ Secretary of Natural Resources may require a large farm to obtain a
15 permit under 10 V.S.A. § 1263 pursuant to federal regulations for concentrated
16 animal feeding operations.

17 (b) A person shall apply for a permit in order to operate a farm which
18 exceeds 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal
19 calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than
20 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying
21 hens or broilers with a liquid manure handling system, 82,000 laying hens

1 without a liquid manure handling system, 125,000 chickens other than laying
2 hens without a liquid manure handling system, 5,000 ducks with a liquid
3 manure handling system, or 30,000 ducks if the livestock or domestic fowl are
4 in a barn or adjacent barns owned by the same person, or if the barns share a
5 common border or have a common waste disposal system. In order to receive
6 this permit, the person shall demonstrate to the ~~secretary~~ Secretary that the
7 farm has an adequately sized manure management system to accommodate the
8 wastes generated and a nutrient management plan to dispose of wastes in
9 accordance with accepted agricultural practices adopted under this chapter and
10 current U.S. Department of Agriculture nutrient management standards.

11 (c) The ~~secretary~~ Secretary shall approve, condition, or disapprove the
12 application within 45 business days of the date of receipt of a complete
13 application for a permit under this section. Failure to act within the
14 45 business days shall be deemed approval.

15 (d) A person seeking a permit under this section shall apply in writing to
16 the ~~secretary~~ Secretary. The application shall include a description of the
17 proposed barn or expansion of livestock or domestic fowl; a proposed nutrient
18 management plan to accommodate the number of livestock or domestic fowl
19 the barn is designed to house or the farm is intending to expand to; and a
20 description of the manure management system to be used to accommodate
21 agricultural wastes.

1 (e) The ~~secretary~~ Secretary may condition or deny a permit on the basis of
2 odor, noise, traffic, insects, flies, or other pests.

3 (f) Before granting a permit under this section, the ~~secretary~~ Secretary shall
4 make an affirmative finding that the animal wastes generated by the
5 construction or expansion will be stored so as not to generate runoff from a
6 25-year, 24-hour storm event and shall be disposed of, in accordance with the
7 accepted agricultural practices adopted under this chapter and current
8 U.S. Department of Agriculture nutrient management standards.

9 (g) A farm that is permitted under this section and that withdraws more
10 than 57,600 gallons of groundwater per day averaged over any 30
11 consecutive-day period shall annually report estimated water use to the
12 ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and
13 Markets. The ~~secretary of agriculture, food and markets~~ Secretary of
14 Agriculture, Food and Markets shall share information reported under this
15 subsection with the ~~agency of natural resources~~ Agency of Natural Resources.

16 Sec. 12. 6 V.S.A. § 4856 is amended to read:

17 § 4856. ~~RECYCLING ANIMAL WASTE NUTRIENTS~~

18 ~~In order best to use the nutrients of animal waste generated by farms to~~
19 ~~which this subchapter applies, the agency of agriculture, food and markets,~~
20 ~~together with the department of public service, shall use available resources to~~
21 ~~inform operators of such farms of appropriate methods and resources available~~

1 ~~to digest and compost their animal wastes and to capture methane for~~
2 ~~beneficial uses. [Repealed.]~~

3 Sec. 13. 6 V.S.A. § 4857 is amended to read:

4 § 4857. DEFINITIONS

5 ~~For purposes of~~ As used in this subchapter:

6 (1) “Animal feeding operation” (AFO) means a lot or facility where the
7 livestock or domestic fowl have been, are, or will be stabled or confined and
8 fed or maintained for a total of 45 days or more in any 12-month period, and
9 crops, vegetation, or forage growth are not sustained in the normal growing
10 season over any portion of the lot or facility. Two or more individual farms
11 qualifying as an AFO which are under common ownership and which adjoin
12 each other or use a common area or system for the disposal of waste, shall be
13 considered to be a single AFO if the combined number of livestock or
14 domestic fowl resulting qualifies as a medium farm as defined in subdivision
15 (2) of this section.

16 (2) “Medium farm” is an AFO which houses 200 to 699 mature dairy
17 animals, 300 to 999 cattle or cow/calf pairs, 300 to 999 veal calves, 750 to
18 2,499 swine weighing over 55 pounds, 3,000 to 9,999 swine weighing less than
19 55 pounds, 150 to 499 horses, 3,000 to 9,999 sheep or lambs, 16,500 to 54,999
20 turkeys, 9,000 to 29,999 laying hens or broilers with a liquid manure handling
21 system, 25,000 to 81,999 laying hens without a liquid manure handling system,

1 37,500 to 124,999 chickens other than laying hens without a liquid manure
2 handling system, 1,500 to 4,999 ducks with a liquid manure handling system
3 or 10,000 to 29,999 ducks without a liquid manure handling system.

4 (3) “Small farm” is an AFO which houses no more than 199 mature
5 dairy animals, 299 cattle or cow/calf pairs, 299 veal calves, 749 swine
6 weighing over 55 pounds, 2,999 swine weighing less than 55 pounds, 149
7 horses, 2,999 sheep or lambs, 16,499 turkeys, 8,999 laying hens or broilers
8 with a liquid manure handling system, 24,999 laying hens without a liquid
9 manure handling system, 37,499 chickens other than laying hens without a
10 liquid manure handling system, 1,499 ducks with a liquid manure handling
11 system or 9,999 ducks without a liquid manure handling system.

12 (4) “Domestic fowl” means laying hens, broilers, ducks, ~~and~~ turkeys, or
13 any other number or type of fowl that the Secretary deems domestic fowl.

14 (5) “Livestock” means cattle, swine, sheep, goats, and horses, or any
15 other number and type of domestic animal that the Secretary deems livestock.

16 Sec. 14. 6 V.S.A. § 4858(c) is amended to read:

17 (c)(1) Medium farm general permit. The owner or operator of a medium
18 farm seeking coverage under a general permit adopted pursuant to this section
19 shall certify to the ~~secretary~~ Secretary within a period specified in the permit,
20 and in a manner specified by the ~~secretary~~ Secretary, that the medium farm
21 does comply with permit requirements regarding an adequately sized and

1 designed manure management system to accommodate the wastes generated
2 and a nutrient management plan to dispose of wastes in accordance with
3 accepted agricultural practices adopted under this chapter and current U.S.
4 Department of Agriculture nutrient management standards. Any certification
5 or notice of intent to comply submitted under this subdivision shall be kept on
6 file at the ~~agency of agriculture, food and markets~~ Agency of Agriculture,
7 Food and Markets. The ~~secretary of agriculture, food and markets~~ Secretary of
8 Agriculture, Food and Markets, in consultation with the ~~secretary of natural~~
9 ~~resources~~ Secretary of Natural Resources, shall review any certification or
10 notice of intent to comply submitted under this subdivision with regard to the
11 water quality impacts of the medium farm for which the owner or operator is
12 seeking coverage, and, within 18 months of receiving the certification or notice
13 of intent to comply, shall verify whether the owner or operator of the medium
14 farm has established that there will be no unpermitted discharge to waters of
15 the ~~state~~ State pursuant to the federal regulations for concentrated animal
16 feeding operations. If upon review of a medium farm granted coverage under
17 the general permit adopted pursuant to this subsection, the ~~secretary of~~
18 ~~agriculture, food and markets~~ Secretary of Agriculture, Food and Markets
19 determines that the permit applicant may be discharging to waters of the ~~state~~
20 State, the ~~secretary of agriculture, food and markets~~ Secretary of Agriculture,
21 Food and Markets and the ~~secretary of natural resources~~ Secretary of Natural

1 Resources shall respond to the discharge in accordance with the memorandum
2 of understanding regarding concentrated animal feeding operations under
3 subsection 4810(b) of this title.

4 * * *

5 (d) Medium and small farms; individual permit. The ~~secretary~~ Secretary
6 may require the owner or operator of a small or medium farm to obtain an
7 individual permit to operate after review of the farm's history of compliance,
8 application of accepted agricultural practices, the use of an experimental or
9 alternative technology or method to meet a ~~state~~ State performance standard, or
10 other factors set forth by rule. The owner or operator of a small farm may
11 apply to the ~~secretary~~ Secretary for an individual permit to operate under this
12 section. To receive an individual permit, an applicant shall in a manner
13 prescribed by rule demonstrate that the farm has an adequately sized and
14 designed manure management system to accommodate the wastes generated
15 and a nutrient management plan to dispose of wastes in accordance with
16 accepted agricultural practices adopted under this chapter and current
17 U.S. Department of Agriculture nutrient management standards, including
18 setback requirements for waste application. An individual permit shall be
19 valid for no more than five years. Any application for an individual permit
20 filed under this subsection shall be kept on file at the ~~agency of agriculture,~~
21 ~~food and markets~~ Agency of Agriculture, Food and Markets. The ~~secretary of~~

1 ~~agriculture, food and markets~~ Secretary of Agriculture, Food and Markets, in
2 consultation with the ~~agency of natural resources~~ Agency of Natural
3 Resources, shall review any application for a permit under this subsection and,
4 prior to issuance of an individual permit under this subsection, shall issue a
5 written determination regarding whether the permit applicant has established
6 that there will be no unpermitted discharge to waters of the ~~state~~ State pursuant
7 to federal regulations for concentrated animal feeding operations. If, upon
8 review of an application for a permit under this subsection, the ~~secretary of~~
9 ~~agriculture, food and markets~~ Secretary of Agriculture, Food and Markets that
10 the permit applicant may be discharging to waters of the ~~state~~ State, the
11 ~~secretary of agriculture, food and markets~~ Secretary of Agriculture, Food and
12 Markets and the ~~secretary of natural resources~~ Secretary of Natural Resources
13 shall respond to the discharge in accordance with the memorandum of
14 understanding regarding concentrated animal feeding operations under
15 subsection 4810(b) of this title. The ~~secretary of natural resources~~ Secretary of
16 Natural Resources may require a medium or small farm to obtain a permit
17 under 10 V.S.A. § 1263 pursuant to federal regulations for concentrated animal
18 feeding operations. Coverage of a medium farm under a general permit
19 adopted pursuant to this section or an individual permit issued to a medium or
20 small farm under this section is rendered void by the issuance of a permit to a
21 farm under 10 V.S.A. § 1263.

1 Sec. 15. 6 V.S.A. chapter 215, subchapter 6 is amended to read:

2 Subchapter 6. Vermont ~~Agricultural Buffer~~ Critical Area Seeding
3 and Filter Strip Program

4 § 4900. VERMONT ~~AGRICULTURAL BUFFER~~ SEEDING AND FILTER
5 STRIP PROGRAM

6 (a) The ~~secretary of agriculture, food and markets~~ Secretary of Agriculture,
7 Food and Markets is authorized to develop a Vermont ~~agricultural buffer~~
8 critical source area seeding and filter strip program in addition to the federal
9 conservation reserve enhancement program in order to compensate farmers for
10 establishing and maintaining harvestable perennial vegetative ~~buffers and~~
11 installing conservation practices in ditch networks grassed waterways and filter
12 strips on agricultural ~~land~~ cropland perpendicular and adjacent to the surface
13 waters of the ~~state~~ State, including ditches. Eligible acreage would include
14 annually tilled cropland or a portion of cropland currently cropped as hay that
15 will not be rotated into an annual crop for a 10-year period of time. Acreage
16 that is currently managed as hay shall have a prior history of rotation as corn or
17 other annual commodity crop.

18 (b) ~~The establishment and annual incentive payments from the agency of~~
19 ~~agriculture, food and markets under the Vermont agricultural buffer program~~
20 ~~shall not exceed the combined federal and state payment that the relevant~~
21 ~~agricultural land or conservation practice would be eligible for under the~~

1 ~~federal conservation reserve enhancement program or another approved~~
2 ~~conservation program. The incentive payment~~ Incentive payments from the
3 Agency of Agriculture, Food and Markets shall be made ~~annually at the end of~~
4 ~~the cropping season for a nonrenewable five-year period~~ at the outset of a
5 10-year agreement to establish or maintain the acreage as harvestable grassed
6 waterway or filter strip.

7 (c) ~~The secretary of agriculture, food and markets~~ Secretary of Agriculture,
8 Food and Markets may establish by procedure financial and technical criteria
9 for the implementation and operation of the Vermont ~~agricultural buffer~~
10 critical source area seeding and filter strip program.

11 (d) Land enrolled in the Vermont agricultural buffer program shall be
12 considered to be in “active use” as that term is defined in 32 V.S.A.
13 § 3752(15).

14 (e) As used in this section, “surface waters” means all rivers, streams,
15 ditches, creeks, brooks, reservoirs, ponds, lakes, and springs which are
16 contained within, flow through, or border upon the ~~state~~ State or any portion
17 of it.

18 Sec. 16. 6 V.S.A. § 4951 is amended to read:

19 § 4951. FARM AGRONOMIC PRACTICES PROGRAM

20 (a) The Farm Agronomic Practices Assistance Program is created in the
21 Agency of Agriculture, Food and Markets to provide the farms of Vermont

1 with State financial assistance for the implementation of soil-based practices
2 that improve soil quality and nutrient retention, increase crop production,
3 minimize erosion potential, and reduce agricultural waste discharges. The
4 following practices ~~shall~~ may be eligible for assistance to farms under the grant
5 program:

6 (1) conservation crop rotation;

7 (2) cover cropping;

8 (3) strip cropping;

9 (4) cross-slope tillage;

10 (5) zone or no-tillage;

11 (6) pre-sidedress nitrate tests;

12 (7) annual maintenance of a nutrient management plan that is no longer
13 receiving funding under a State or federal contract, provided the maximum
14 assistance provided to a farmer under this subdivision shall be \$2,000.00 per
15 year;

16 (8) educational and instructional activities to inform the farmers and
17 citizens of Vermont of:

18 (A) the impact on Vermont waters of agricultural waste discharges;

19 (B) the federal and State requirements for controlling agricultural
20 waste discharges;

21 (9) implementing alternative manure application techniques; and

1 fee for a two-year cycle, or 300 percent of the annual fee for a three-year cycle;
2 and conduct inspections at regulated premises at least once every three years
3 when inspection is required by law. The authority to mandate licenses,
4 permits, registrations, or certificates for more than one year shall not extend to
5 any program administered by the ~~secretary~~ Secretary where the annual fee is
6 more than \$125.00. The Secretary shall only provide refunds for
7 overpayments of \$25.00 or more on a license, permit, registration, or certificate
8 issued by the Secretary;

9 * * *

10 * * * Dairy Operations; Drugs * * *

11 Sec. 18. 6 V.S.A. § 2744a is amended to read:

12 § 2744a. DRUGS

13 (a) No producer shall sell or offer for sale milk which contains any drug or
14 drugs in excess of tolerances established by the United States Food and Drug
15 Administration in the Code of Federal Regulations.

16 ~~(1) In the event that milk from a dairy farm contains a drug, no more~~
17 ~~milk produced by that producer shall be received by any milk dealer or handler~~
18 ~~until a sample of at least one complete milking has been collected and found~~
19 ~~negative. In the event of a second violation within a 12-month period, no more~~
20 ~~milk produced by that producer shall be received by any milk dealer or handler~~
21 ~~for a period of up to two days and until a sample of at least one complete~~

1 ~~milking has been collected and found negative. In the event of a third violation~~
2 ~~within a 12-month period, the secretary shall, at a minimum, take the same~~
3 ~~action as required for a second violation and may prohibit the producer from~~
4 ~~selling milk in this state. No handler or dealer shall accept milk from a~~
5 ~~producer whose ability to sell milk is suspended or terminated.~~

6 ~~(2) In lieu of suspending a producer's ability to sell milk, the secretary~~
7 ~~may issue an administrative penalty. The amount of the penalty shall not~~
8 ~~exceed the value of the milk which could have been prohibited from sale. A~~
9 ~~producer who fails to pay an administrative penalty, after opportunity for~~
10 ~~hearing, shall have his or her ability to sell milk suspended until the penalty is~~
11 ~~paid. In lieu of suspending a producer's ability to sell milk, the secretary may~~
12 ~~accept the assessment by the milk dealer or handler, against the producer, of~~
13 ~~damages beyond the milk dealer's or handler's control that occurred as a result~~
14 ~~of purchasing the contaminated milk, as an equivalent penalty.~~

15 (1) In the event that milk from a dairy producer contains a drug residue:

16 (A) No more milk from that producer shall be received by any milk
17 dealer or handler until a sample of at least one complete milking has been
18 collected and found negative.

19 (B) If a second drug residue violation occurs within 12 months of the
20 first violation, no more milk from that producer shall be received by any milk
21 dealer or handler until a sample of at least one complete milking has been

1 collected and found negative. The producer shall have an administrative
2 penalty equal to the value of one day of milk production assessed.

3 (C) If a third drug residue violation occurs within 12 months of the
4 first violation, no more milk from that producer shall be received by any milk
5 dealer or handler until a sample of at least one complete milking has been
6 collected and found negative. The producer shall have an administrative
7 penalty equal to the value of two days of milk production assessed. A hearing
8 shall be warned to determine if the producer will be allowed to continue to
9 ship milk.

10 (2) No handler or dealer shall accept milk from:

11 (A) a producer after a drug residue violation has occurred until a
12 sample of at least one complete milking has been found negative; or

13 (B) a producer whose ability to sell milk is suspended or terminated.

14 (3) A producer who fails to pay an administrative penalty issued under
15 this section within 30 days of issuance of a citation for violation of this section
16 shall have his or her ability to sell milk suspended until the administrative
17 penalty is paid. In lieu of suspending a producer's ability to sell milk, the
18 Secretary may accept the assessment by the milk dealer against the producer.

19 ~~(3)~~(4) Notwithstanding the provisions of subsection (c) of this section,
20 the ~~secretary~~ Secretary may at any time issue an emergency order prohibiting a

1 producer from selling and a handler from accepting any milk until the milk
2 tests negative for drugs.

3 (b)(1) No producer shall sell livestock for slaughter which contains
4 livestock with bodily tissue containing any drug or drugs in excess of
5 tolerances established by the ~~United States~~ U.S. Food and Drug Administration
6 in the Code of Federal Regulations.

7 (2) In the event that bodily tissue obtained from livestock intended for
8 slaughter is found to contain a drug or drugs in excess of levels established by
9 the ~~United States~~ U.S. Food and Drug Administration in the Code of Federal
10 Regulations at the time of sale, the ~~secretary~~ Secretary may assess an
11 administrative penalty not to exceed \$1,000.00 for each violation and may
12 require the farm to participate in a program approved by the Agency intended
13 to mitigate further selling of animals for food that contain violative drug
14 residues in their tissue.

15 (c) Before issuing an order or administrative penalty under this section, the
16 ~~secretary~~ Secretary shall provide the producer and the handler or dealer an
17 opportunity for hearing.

18 * * * Weights and Measures * * *

19 Sec. 19. 9 V.S.A. § 2633 is amended to read:

20 § 2633. SPECIFIC POWERS AND DUTIES OF SECRETARY;

21 REGULATIONS

1 (a) The Secretary shall issue from time to time reasonable regulations for
2 the enforcement of this chapter, which regulations shall have the force and
3 effect of law. These regulations may include (1) standards of net weight,
4 measure, or count, and reasonable standards of fill, for any commodity in
5 package form, (2) rules governing the technical and reporting procedures to be
6 followed and the report and record forms and marks of approval and rejection
7 to be used by inspectors of weights and measures in the discharge of their
8 official duties, (3) exemptions from the sealing or marking requirements of
9 section 2639 of this title with respect to weights and measures of such
10 character or size that such sealing or marking would be inappropriate,
11 impracticable, or damaging to the apparatus in question. These regulations
12 shall include specifications, tolerances, and other technical requirements for
13 weights and measures of the character of those specified in section 2635 of this
14 title, designed to eliminate from use, without prejudice to apparatus that
15 conforms as closely as practicable to the official standards, those (1) that are
16 not accurate, (2) that are of such construction that they are faulty—that is, that
17 are not reasonably permanent in their adjustment or will not repeat their
18 indications correctly—or (3) that facilitate the perpetration of fraud.

19 (b) The specifications, tolerances, and other technical requirements for
20 commercial, law enforcement, data gathering, and other weighing and
21 measuring devices, as adopted by the national conference on weights and

1 measures and published in National Institute of Standards and Technology
2 Handbook 44, “Specifications, Tolerances, and other Technical Requirements
3 for Weighing and Measuring Devices,” and supplements thereto, or revisions
4 thereof, shall apply to weighing and measuring devices in the State, except
5 insofar as modified or rejected by regulation.

6 (c) The uniform regulation for packaging and labeling, the uniform
7 regulation for unit pricing, and the uniform regulation for the method of sale of
8 commodities, except for bread, as adopted by the national conference on
9 weights and measures, and published by the National Institute of Standards and
10 Technology Handbook 130, “Uniform Laws and Regulations,” together with
11 amendments, supplements, and revisions thereto, are adopted as part of this
12 chapter except as modified or rejected by regulation.

13 * * * VEDA; Water Quality Initiatives * * *

14 Sec. 20. 10 V.S.A. § 280a is amended to read:

15 § 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

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

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(11) a program that would award grants made to eligible and qualified recipients as directed by the Agency of Agriculture, Food and Markets or the Agency of Natural Resources for the purpose of funding ~~stream stability and conservation reserve enhancement environmental~~ water quality initiatives approved by the agencies, provided that the maximum amount of grants awarded by the Authority pursuant to the program shall not exceed \$1,340,238.00 in the aggregate.

* * *

Sec. 21. VEDA FINANCING OF WATER QUALITY INIATIVES

Notwithstanding 32 V.S.A. § 706, the Vermont Economic Development Authority is authorized under 10 V.S.A. § 280a(11) to transfer to the Agency of Agriculture, Food and Markets or the Agency of Natural Resources up to \$202,000.00 from previous appropriations to VEDA for water quality programs.

*** * * Vermont Agricultural and Forest Products Board * * ***

Sec. 22. 6 V.S.A. chapter 207, subchapter 3 is added to read:

Subchapter 3. Vermont Agricultural and Forest Products Board

§ 4611. VERMONT AGRICULTURAL AND FOREST PRODUCTS

BOARD

1 There is created a special fund in the State Treasury to be known as the
2 “Vermont Agricultural and Forest Products Fund.” Notwithstanding any
3 contrary provisions of 32 V.S.A. chapter 7, subchapter 5:

4 (1) The Fund shall be administered and the monies in the Fund shall be
5 expended by the Vermont Agricultural and Forest Products Board created in
6 section 4612 of this title.

7 (2) The Fund shall be composed of monies from time to time
8 appropriated to the Fund by the General Assembly or received from any other
9 source, private or public, approved by the Board, and unexpended balances and
10 any earnings shall remain in the Fund from year to year.

11 (3) The Board shall make expenditures from the Fund consistent with
12 the duties and authority of the Board established by section 4607 of this title.

13 § 4612. VERMONT AGRICULTURAL AND FOREST PRODUCTS

14 BOARD

15 (a) Creation. There is created a Vermont Agricultural and Forest Products
16 Board, which for administrative purposes shall be attached to the Agency of
17 Agriculture, Food and Markets.

18 (b) Organization of Board. The Board shall be composed of:

19 (1) the Secretary of Agriculture, Food and Markets or designee, who
20 shall serve as Chair;

21 (2) the Commissioner of Forests, Parks and Recreation or designee;

1 (3) the Secretary of Commerce and Community Development or
2 designee;

3 (4) the following members appointed by the Speaker of the House:

4 (A) one member who is a representative of the Vermont forest
5 industry who is also a forester;

6 (B) one member who is actively engaged in commodity maple
7 production;

8 (5) the following members appointed by the Senate Committee on
9 Committees:

10 (A) one member who is actively engaged in wood products
11 manufacturing;

12 (B) one member who is a representative of one of the two largest
13 membership-based agricultural organizations in Vermont who is not a dairy
14 farmer;

15 (6) the following members appointed by the Governor:

16 (A) one member who is a representative of Vermont's dairy industry
17 who is also a dairy farmer; and

18 (B) one member who is a representative of a membership-based
19 forestland owner organization;

20 (7) the following members appointed by the Vermont Agricultural and
21 Forest Products Development Board:

1 (A) one member who is actively engaged in value-added agricultural
2 products manufacturing; and

3 (B) two members actively engaged in providing marketing
4 assistance, market development, or business and financial planning; and

5 (8) the following members, who shall serve as ex officio, nonvoting
6 members:

7 (A) the Manager of the Vermont Economic Development Authority
8 or designee;

9 (B) the Executive Director of the Vermont Sustainable Jobs Fund or
10 designee; and

11 (C) the Executive Director of the Vermont Housing Conservation
12 Board or designee.

13 (c) Member terms. The members designated in subdivisions (b)(4)–(7) of
14 this section shall be appointed to initial terms of one year for members
15 appointed by the Governor, two years for members appointed by the Senate
16 Committee on Committees, and three years for members appointed by the
17 Speaker of the House. Thereafter, each appointed member shall serve a term
18 of three years or until his or her earlier resignation or removal. A vacancy
19 shall be filled by the appointing authority for the remainder of the unexpired
20 term.

1 (d) Officers; committees. The Board may elect officers, establish one or
2 more committees or subcommittees, and adopt such procedural rules as it shall
3 determine necessary and appropriate to perform its work.

4 (e) Quorum; meetings; voting. A majority of the sitting members shall
5 constitute a quorum, and action taken by the Board may be authorized by a
6 majority of the members present and voting at any regular or special meeting at
7 which a quorum is present. The Board may permit any or all directors to
8 participate in a regular or special meeting.

9 (f) Compensation. Members of the Board who are not employees of the
10 State of Vermont and who are not otherwise compensated or reimbursed for
11 their attendance shall be entitled to per diem compensation and reimbursement
12 of expenses pursuant to 32 V.S.A. § 1010 for each day spent in the
13 performance of their duties.

14 § 4613. POWERS AND DUTIES OF THE VERMONT AGRICULTURAL
15 AND FOREST PRODUCTS BOARD

16 (a) The Vermont Agricultural and Forest Products Board shall have the
17 authority to:

18 (1) establish an application process and eligibility criteria for awarding
19 grants, loans, incentives, and other investments in agricultural and forestry
20 enterprises and in food and forest systems;

1 (2) award grants and other investments, which may include loans
2 underwritten and administered through the Vermont Economic Development

3 Authority:

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

6 including:

7 (A) technical assistance and product research services;

8 (B) marketing assistance, market development, and business and
9 financial planning;

10 (C) organizational, regulatory, and development assistance; and

11 (D) feasibility studies of facilities or capital investments to optimize
12 construction and other cost efficiencies;

13 (4) identify workforce needs and programs in order to develop training
14 and incentive opportunities for the agriculture and forest product sectors after
15 consulting with the Department of Labor;

16 (5) identify strategic statewide infrastructure and investment priorities
17 considering:

18 (A) leveraging opportunities;

19 (B) economic clusters;

20 (C) return-on-investment analysis;

21 (D) other considerations the Board determines appropriate; and

1 (6) pursue and accept grants or other funding from any public or private
2 source and to administer such grants or funding consistent with their terms.

3 (b) The Agency of Agriculture, Food and Markets shall provide
4 administrative support to the extent authorized by the Secretary of Agriculture,
5 Food and Markets, and with the assistance of the Department of Forests, Parks
6 and Recreation to the extent authorized by the Commissioner of Forests, Parks
7 and Recreation, in order to support the Board in the performance of its duties
8 pursuant to this section.

9 **Sec. 23. REPEAL OF WORKING LANDS ENTERPRISE BOARD AND**

10 **VERMONT AGRICULTURAL AND FOREST PRODUCTS**

11 **DEVELOPMENT BOARD**

12 (a) Upon initial appointment of all members of the Vermont Agricultural
13 and Forest Products Board under 6 V.S.A. chapter 207, subchapter 3, the
14 following statutory sections shall be repealed:

15 (1) 6 V.S.A. chapter 207, subchapter 2 (Working Lands Enterprise
16 Program); and

17 (2) 6 V.S.A. § 2966 (Agricultural and Forest Products Development
18 Board).

19 (b) The Secretary of Agriculture, Food and Markets shall notify the House
20 Committee on Agriculture and Forest Products and the Senate Committee on

1 Agriculture when all initial members of the Vermont Agricultural and Forest

2 Products Board are appointed.

3 * * * Effective Date * * *

4 Sec. 24. EFFECTIVE DATE

5 This act shall take effect on July 1, 2015.