

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

Date: May 2, 2019

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S.58 An act relating to the State hemp program – House Agriculture and Forestry Recommendation of Amendment – Draft 3.4

<https://legislature.vermont.gov/Documents/2020/WorkGroups/House%20Ways%20and%20Means/Bills/S.58/S.58~Carolyn%20Partridge~Draft%20No.%203.2,%204-26-2019~5-1-2019.pdf>

Bill Summary

The bill would establish a State Hemp Program in statute to replace the existing pilot program. The Agency of Agriculture, Food and Markets (Agency) would administer the program, as it currently does for the pilot. The bill would establish new registration fees and administrative provisions for hemp growers and processors. The bill would authorize three new positions within the Agency to implement and administer the State Hemp Program.

Fiscal Summary

Registration Fees: The bill would establish a new fee structure for hemp growers, processors and testing labs. Revenues from the fees would go to an existing special fund for use in administering the State Hemp Program. The fee structure would go into effect on January 1, 2020 and would apply to the 2020 growing season. The fee structure is as follows:

Registrant	Fee	Units	Annual Revenue
Current Hemp Fee – <i>removed on January 1, 2020</i>	-	437	
Grower for Personal Use – fewer than 0.5 acres	\$25	20	\$500
Grower or Processor of Hemp for food oil, grain crop, fiber or textile	\$100	52	\$5,200
Grower and/or Processor for Commercial Use – fewer than 0.5 acres, or fewer than 500 lbs.	\$100	65	\$6,500
Grower and/or Processor for Commercial Use – 0.5 to 9.9 acres, or fewer than 10,000 lbs.	\$500	173	\$86,500
Grower and/or Processor for Commercial Use – 10 to 50 acres, or fewer than 50,000 lbs.	\$1,000	69	\$69,000
Grower and/or Processor for Commercial Use – Greater than 50 acres or greater than 50,000 lbs.	\$3,000	24	\$72,000
Grower and/or processor of hemp in indoor facility – less than 500 sq ft	\$1,000	2	\$2,000
Grower and/or processor of hemp in indoor facility – greater 500 sq ft	\$2,000	2	\$4,000
Hemp Laboratory	\$1,500	30	\$45,000
Total Annual Revenue			\$290,700 +/- \$2,000

¹ The estimate of units as provided by the Agency has changed from what was provided in support of the hemp fees in the 2019 executive branch fee bill (H.527) to reflect update information on 2019 registrations. The size of the indoor processors subject to the tiered registration fees are currently estimated by JFO.

New Positions: The revenue raised from the registration fees would go to support the new positions in the Agency and program administration.

The following new positions would be authorized in S.58 within the Agency:

1. Staff Attorney
2. Laboratory and Certification Specialist
3. Enforcement Specialist

In addition, the Agency FY20 budget request included a proposed appropriation of \$245,800 in special fund dollars for expansion/uptake of the hemp program and related contractual services that will be incurred from July 2019 to January 2020 – before the realization of any registration revenue.

No new positions were authorized in the House-passed budget bill.