



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

April 29, 2022

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S.188: An act relating to regulating licensed small cannabis cultivation

As Passed by the Senate and further recommended by the House Committees on Agriculture and Forestry, and Ways and Means

House Agriculture Recommendation:

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Ways%20and%20Means/Bills/S.188/S.188~Michael%20O'Grady~As%20Recommended%20by%20the%20House%20Committee%20on%20Agriculture%20and%20Forestry~4-28-2022.pdf>

House Ways and Means Recommendation:

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Ways%20and%20Means/Bills/S.188/W~Michael%20O'Grady~S.188%20Ways%20and%20Means%20Amendment~4-28-2022.pdf>

Bill Summary

This bill proposes a number of changes to the regulation and definitions for the cultivation of cannabis and hemp. It changes the definitions of the activities of a licensed small cannabis cultivator as “farming,” allowing them to enroll in the Use Value Appraisal (UVA) program if the land was already enrolled in UVA prior to the cultivation of cannabis and to be treated as farming and not development for the purposes of Act 250.

Fiscal Impact

This bill is expected to have minimal fiscal impact on State revenues in Fiscal Year 2023 and in future fiscal years.

Enabling small cultivators’ cannabis to be treated as farming for the purposes of Act 250 could impact State revenues. However, JFO believes many small cultivators of cannabis are likely to be already operating a farm producing non-cannabis crops. As such, the proposed change is not judged to be significant to generate notable revenue reductions.

Allowing these same cultivators to have their land or buildings enrolled in Use Value Appraisal could also reduce Education Fund revenues, but since the bill requires that the land or building to be already enrolled prior to cannabis cultivation, it is not judged to be an expansion of the existing program.