

H.712

Introduced by Representatives Burt of Cabot, Dobrovich of Williamstown,  
Lipsky of Stowe, Nelson of Derby, North of Ferrisburgh, and  
O'Brien of Tunbridge

Referred to Committee on

Date:

Subject: Taxation; uniform capacity tax; solar facilities; farm security fund

Statement of purpose of bill as introduced: This bill proposes to increase the  
rate for the Uniform Capacity Tax on solar generation and storage and direct  
the new revenue to the newly created Farm Security Special Fund. The bill  
further establishes a Farm Security Special Fund to provide grants for farm  
losses due to weather conditions.

An act relating to the Uniform Capacity Tax and Farm Security Special  
Fund

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

Sec. 1. 32 V.S.A. § 8701 is amended to read:

§ 8701. UNIFORM CAPACITY TAX

(a) As used in this section, the terms “energy storage facility,” “kW,”  
“kWh,” “plant,” “plant capacity,” and “renewable energy” shall be as defined  
in 30 V.S.A. §§ 201(4) and 8002; provided, however, that any tax or

1 exemption under this chapter shall only apply to the fixtures and personal  
2 property of a plant and not to the underlying land.

3 (b)(1) There is assessed on any renewable energy plant in Vermont  
4 commissioned to generate solar power an annual tax of ~~\$4.00~~ \$16.00 per kW  
5 of plant capacity.

6 (2) There is assessed on any stationary grid-connected energy storage  
7 facility in Vermont that has a plant energy rating of 600 kWh or larger and that  
8 is not connected to a renewable energy plant an annual tax of ~~\$0.50~~ \$2.00 per  
9 kWh of plant energy rating.

10 (3) The tax imposed under this section shall be paid to the Department  
11 of Taxes not later than April 15 of each year and accompanied by a return with  
12 such information as the Department of Taxes may require. The Department of  
13 Taxes shall deposit half of the taxes collected under this section into the  
14 Education Fund and half of the taxes collected under this section into the Farm  
15 Security Special Fund. The Department of Taxes may adopt procedures and  
16 rules necessary to implement the tax in this section.

17 (c) A renewable energy plant that generates electricity from solar power  
18 shall be exempt from taxation under this section if it has a plant capacity of  
19 less than 50kW. An energy storage facility shall be exempt from taxation  
20 under this section if it has a plant energy rating of less than 600 kWh.

(d) The existence of a renewable energy plant or energy storage facility  
subject to tax under subsection (b) of this section shall not:

(1) alter the exempt status of any underlying property under section  
3802 or subdivision 5401(10)(F) of this title; or

(2) alter the taxation of the underlying property under chapters 121–135  
of this title.

Sec. 2. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) The Education Fund is established to comprise the following:

\* \* \*

(9) half of the uniform capacity tax revenue deposited pursuant to 32  
V.S.A. § 8701(b)(3);

\* \* \*

Sec. 3. 6 V.S.A. chapter 207 is amended to read:

CHAPTER 207. PROMOTION ~~AND~~, MARKETING, AND SUPPORT OF

VERMONT FARMS, FOODS, AND PRODUCTS

\* \* \*

Subchapter 5. Farm Security Special Fund

§ 4641. DEFINITIONS

As used in this subchapter:

1           (1) “Eligible weather condition” means any of the following weather  
2           conditions that are found to be closely correlated with agricultural income  
3           losses:

4                   (A) high winds;

5                   (B) excessive moisture, intense precipitation, or flooding;

6                   (C) extreme heat;

7                   (D) abnormal freeze conditions;

8                   (E) widespread fire event;

9                   (F) hail;

10                  (G) drought; or

11                  (H) any other severe weather or growing conditions impacting  
12           agricultural income, as determined by the Review Board.

13           (2) “Farm” means a parcel or parcels of land owned, leased, or managed  
14           by a person and devoted primarily to farming and that is subject to regulation  
15           under the Required Agricultural Practices.

16           (3) “Farm Security Special Fund Review Board” or “Review Board”  
17           means the Board established under section 4634 of this title.

18           (4) “Farming” has the same meaning as in section 2.16 of the Required  
19           Agricultural Practices.

1     § 4642. FARM SECURITY SPECIAL FUND

2         (a) There is established the Farm Security Special Fund to be administered  
3         by the Secretary of Agriculture, Food and Markets and that shall be managed  
4         in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall consist  
5         of:

6             (1) funds transferred by the General Assembly;

7             (2) funds from public and private sources that the Secretary accepts for  
8         the Fund;

9             (3) funds from federal government aid for State support of farmers  
10         suffering income loss due to weather conditions; and

11             (4) half of the uniform capacity tax revenue deposited pursuant to 32  
12         V.S.A. § 8701(b)(3).

13         (b) The Secretary of Agriculture, Food and Markets shall ensure language  
14         accessibility of the Fund through procurement and provision of interpretation  
15         and translation services.

16         (c) All balances in the Fund at the end of any fiscal year shall be carried  
17         forward and remain part of the Fund.

18     § 4643. FARM SECURITY SPECIAL FUND; GRANTS

19         (a) The Secretary, after consultation with the Review Board, shall award  
20         grants from the Farm Security Special Fund to farms that have incurred  
21         financial losses or expenses due to an eligible weather condition.

1           (1) Grants from the fund shall be in an amount that reimburses a farm  
2           for up to 50 percent of uninsured or otherwise uncovered losses due to eligible  
3           weather conditions, up to a maximum award of \$150,000.00 total per year per  
4           qualified applicant farm.

5           (2) The Secretary shall establish criteria for the amount of an award  
6           based on the annual net income of the farm in relation to the median net  
7           income of all farms in Vermont.

8           (3) The Secretary may verify the occurrence of an eligible weather  
9           condition claimed under this section through a site visit or through use of  
10           available data from the National Oceanic and Atmospheric Administration,  
11           from other federal or State certified weather data sources, or from other public  
12           or private weather or satellite data or models.

13           (4) Losses reimbursable by a grant under this section include:

14                   (A) wages or compensation;

15                   (B) replacement of lost income from destroyed crops or impacted  
16           livestock;

17                   (C) debt payments or other ongoing expenses;

18                   (D) costs of replanting;

19                   (E) livestock feed replacement costs;

20                   (F) infrastructure or equipment repair and replacement;

21                   (G) repair of farm roads and roads necessary to access farms; or

1           (H) other losses as determined by the Secretary after consultation  
2           with the Review Board.

3           (b) The Secretary shall develop a streamlined application for awards under  
4           this section that shall include:

5                   (1) a brief description of the damage that occurred;

6                   (2) attestation of an eligible weather condition or event;

7                   (3) an estimate of losses; and

8                   (4) a year-end report of farm income and expenses from Schedule F of  
9           U.S. Internal Revenue Form 1040.

10           (c) An application for an award under this section may be made at any  
11           time, and the Fund may only close the application process upon award of all  
12           appropriated funds for the relevant fiscal year.

13           (d) Applications for an award under this section shall be processed in the  
14           order received, but an application shall not be ready for evaluation until the  
15           Secretary determines that the application is administratively complete and  
16           includes all documentation required by the Secretary.

17           (e) All administratively complete applications shall be evaluated by the  
18           Review Board. Within 15 days following receipt of an administratively  
19           complete application, the Review Board by majority vote shall recommend to  
20           the Secretary whether to issue a grant to the applicant. If the Review Board

1 recommends an award under this section, the Secretary shall issue the award  
2 within 15 days following the date of the Review Board's recommendation.

3 § 4644. FARM SECURITY SPECIAL FUND REVIEW BOARD

4 (a) Creation. There is created the Farm Security Special Fund Review  
5 Board, which for administrative purposes shall be attached to the Agency of  
6 Agriculture, Food and Markets.

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

8 (1) the Secretary of Agriculture, Food and Markets or designee, who  
9 shall serve as chair;

10 (2) the State Chief Recovery Officer or designee;

11 (3) representatives of three agricultural organizations who can  
12 demonstrate expertise in dealing with all sizes and types of farms in Vermont,  
13 whether through granting funds, offering technical assistance, or advocacy and  
14 have a proven track record of working with farmers, appointed by the  
15 Secretary of Agriculture, Food and Markets; and

16 (4) two farmers who have received relief funding, appointed by the  
17 Secretary of Agriculture, Food and Markets.

18 (c) Member terms. The members designated in subdivision (b)(3) of this  
19 section shall be appointed to initial terms of two years. Thereafter, each  
20 appointed member shall serve a term of three years or until the member's  
21 earlier resignation or removal. The members designated in subdivision (b)(4)



1 of this section shall be appointed to initial terms of one year. Thereafter, each  
2 appointed member shall serve a term of three years or until the member's  
3 earlier resignation or removal. A vacancy shall be filled by the appointing  
4 authority for the remainder of the unexpired term. An appointed member shall  
5 not serve more than three consecutive three-year terms.

6 (d) Powers.

7 (1) The Review Board shall review applications for assistance under this  
8 section, assess the accuracy and validity of the applications, and recommend to  
9 the Secretary applicants who should receive assistance under this section.

10 (2) The Board annually shall report to the House Committee on  
11 Agriculture, Food Resiliency, and Forestry and the Senate Committee on  
12 Agriculture the total documented Vermont farm financial losses from eligible  
13 weather conditions averaged over the previous three calendar years.

14 (3) In order to ensure that the Fund is meeting the needs of Vermont's  
15 agricultural community, the Review Board annually shall review the  
16 application process, eligibility criteria, distribution, and accessibility of the  
17 Fund. The Review Board annually shall recommend to the House Committee  
18 on Agriculture, Food Resiliency, and Forestry and the Senate Committee on  
19 Agriculture ways to improve the effectiveness of the Fund.

1       (e) 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       (f) 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 meet as an advisory body under 1  
8       V.S.A. chapter 5, subchapter 2.

9       (g) Compensation. Private sector members shall be entitled to per diem  
10       compensation authorized under 32 V.S.A. § 1010(b) for each day spent in the  
11       performance of their duties, and each member shall be reimbursed from the  
12       Fund for the member's actual and necessary expenses incurred in carrying out  
13       the member's duties.

14       Sec. 4. EFFECTIVE DATE

15       This act shall take effect on July 1, 2026.