

1 S.323

2 Introduced by Committee on Agriculture

3 Date:

4 Subject: Agriculture; taxation; personal income tax; property transfer tax;
5 permitting; food processing establishments; miscellaneous subjects

6 Statement of purpose of bill as introduced: This bill proposes to prohibit
7 municipal regulation of agricultural activities that are subject to the Required
8 Agricultural Practices Rule. This bill also would provide Vermont income,
9 capital gains, and property transfer tax exemptions for certain farmers and
10 certain sales of agricultural property. The bill designates a “farm kitchen
11 operation” as a new category of food processing establishment. This bill
12 clarifies that a milk producer may request an administrative hearing regarding
13 a purchasing dispute. This bill also would enable the Agency of Agriculture,
14 Food and Markets to provide contracts in addition to grants for the Farm-to-
15 School program. The bill repeals the Interstate Pest Control Compact that has
16 ceased operations, makes miscellaneous changes to the exam requirements to
17 become a licensed pesticide applicator, and updates seed laws to conform to
18 common standards. This bill also would give the Vermont Economic
19 Development Authority the authority to administer the Vermont Agricultural
20 Credit Program.

1 An act relating to miscellaneous agricultural subjects

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

3 * * * Municipal Agriculture Regulation * * *

4 Sec. 1. FINDINGS AND INTENT; MUNICIPAL REGULATION OF
5 AGRICULTURE

6 (a) For purposes of Sec. 2 of this act, the General Assembly finds that:

7 (1) Since enactment of 2004 Acts and Resolves No. 115, it has been
8 both the intent of the General Assembly and the controlling law that a
9 municipality shall not regulate farming, including the construction of farm
10 structures.

11 (2) The Vermont Supreme Court's decision in *In re 8 Taft Street DRB &*
12 *NOV Appeals*, 2025 VT 27 misconstrued the intent of the General Assembly
13 and reversed application of the past 20 years of law to hold that municipalities
14 may regulate farming by municipal bylaw.

15 (3) To avoid the unchecked and unintended consequences of the
16 decision in *In re 8 Taft Street DRB & NOV Appeals*, 2025 VT 27, it is
17 necessary for the General Assembly to clarify and restate that municipalities
18 under ordinance or bylaw shall not regulate farming or the construction of farm
19 structures as set forth in 24 V.S.A. § 4413(d).

20 (b) For purposes of Sec. 2 of this act, it is the intent of the General
21 Assembly to overturn the holding in *In re 8 Taft Street DRB & NOV Appeals*,

1 2025 VT 27 and to clarify that municipalities lack authority to regulate farming
2 or the construction of farm structures as set forth in 24 V.S.A. § 4413(d).

3 Sec. 2. 24 V.S.A. § 4413(d) is amended to read:

4 (d)(1) A bylaw under this chapter shall not regulate:

5 (A) ~~required agricultural practices, including the construction of farm~~
6 ~~structures, as those practices are defined by the Secretary of Agriculture, Food~~
7 ~~and Markets~~ the cultivation or other use of land for growing plants, including
8 for food, fiber, Christmas trees, maple sap, or horticultural, viticultural, and
9 orchard crops;

10 (B) the raising, feeding, or management of a small backyard poultry
11 flock, excluding roosters;

12 (C) farming that meets the minimum threshold criteria in the
13 Required Agricultural Practices Rule and is therefore required to comply with
14 the Required Agricultural Practices Rule;

15 (D) the construction of farm structures, including as defined in the
16 Required Agricultural Practices Rule;

17 ~~(B)~~(E) accepted silvicultural practices, as defined by the
18 Commissioner of Forests, Parks and Recreation, including practices that are in
19 compliance with the Acceptable Management Practices for Maintaining Water
20 Quality on Logging Jobs in Vermont, as adopted by the Commissioner of
21 Forests, Parks and Recreation; or

1 standards, and are not subject to municipal zoning bylaws. Persons engaged in
2 farming who are in compliance with these conditions, restrictions, and
3 operating standards, as applicable, shall be presumed to not have a discharge of
4 agricultural wastes to waters of the State. Compliance with the Required
5 Agricultural Practices Rule is required if a person:

6 (a) is required to be permitted or certified by the Secretary, consistent with
7 the requirements of 6 V.S.A. Chapter 215 and this rule; or

8 (b) has produced an annual gross income from the sale of agricultural
9 products of ~~\$2,000.00~~ \$5,000.00 or more in an average year; or

10 (c) is preparing, tilling, fertilizing, planting, protecting, irrigating, and
11 harvesting crops for sale or donation on a farm that is no less than 4.0
12 contiguous acres in size; or

13 (d) is raising, feeding, or managing at least the following number of adult
14 livestock on a farm that is no less than 4.0 contiguous acres in size:

15 (1) four equines;

16 (2) five cattle, cows, or American bison;

17 (3) 15 swine;

18 (4) 15 goats;

19 (5) 15 sheep;

20 (6) 15 cervids;

21 (7) 50 turkeys;

- 1 (8) 50 geese;
- 2 (9) 100 laying hens;
- 3 (10) 250 broilers, pheasant, Chukar partridge, or Coturnix quail;
- 4 (11) three camelids;
- 5 (12) four ratites;
- 6 (13) 30 rabbits;
- 7 (14) 100 ducks;
- 8 (15) 1,000 pounds of cultured trout; or
- 9 (16) other livestock types, combinations, or numbers as designated by

10 the Secretary based upon or resulting from the impacts upon water quality
11 consistent with this rule; or

12 (e) is raising, feeding, or managing ~~other livestock types, combinations,~~
13 ~~and numbers, or managing crops or engaging in other agricultural practices on~~
14 at least 1.0 and less than 4.0 contiguous acres in size that the Secretary has
15 determined, after the opportunity for a hearing, to be causing adverse water
16 quality impacts and in a municipality where no ordinances are in place to
17 manage the activities causing the water quality impacts and has sufficient land
18 base for appropriate nutrient and waste management. The Secretary has the
19 discretion to determine, after consultation with the appropriate municipal
20 authority, if the land base is adequate to properly manage the number and type

1 of livestock while evaluating whether compliance with the Required
2 Agricultural Practices is reasonable or impractical; or

3 (f) ~~is managed by a farmer filing with the Internal Revenue Service a~~
4 ~~1040(F) income tax statement in at least one of the past two years~~ is raising,
5 feeding, or managing livestock on less than 1.0 contiguous acre or on between
6 1.0 and 4.0 contiguous acres in a municipality that lacks ordinances or bylaws
7 to regulate livestock, and the Secretary determines, after an opportunity for a
8 hearing, that the livestock are causing significant adverse water quality impacts
9 and the Required Agricultural Practices should apply to protect water quality;

10 or

11 (g) has a prospective business or farm management plan, approved by the
12 Secretary, describing how the farm will meet the threshold requirements of this
13 section.

14 3.2 The agricultural practices on farms ~~meeting~~ that meet the minimum
15 threshold criteria set forth in Section 3.1 that are governed by this rule and are
16 not subject to municipal zoning bylaws include:

17 (a) the confinement, feeding, fencing, and watering of livestock;

18 (b) the storage and handling of agricultural wastes principally produced on
19 the farm;

20 (c) the collection of maple sap principally produced from trees on the farm
21 and/or production of maple syrup from sap principally produced on the farm;

1 (d) the preparation, tilling, fertilization, planting, protection, irrigation, and
2 harvesting of crops;

3 (e) the ditching and subsurface drainage of farm fields and the construction
4 of farm ponds;

5 (f) the stabilization of farm fields adjacent to banks of surface water, and
6 the establishment and maintenance of vegetated buffer zones and riparian
7 buffer zones;

8 (g) the construction and maintenance of farm structures, farm roads, and
9 associated infrastructure;

10 (h) the on-site storage, preparation, production, and sale of fuel or power
11 from agricultural products or wastes principally produced on the farm;

12 (i) the on-site storage, preparation, and sale of agricultural products
13 principally produced on the farm from raw agricultural commodities
14 principally produced on the farm;

15 (j) the on-site storage of agricultural inputs for use on the farm including,
16 but not limited to, lime, fertilizer, pesticides, compost and other soil
17 amendments, and the equipment necessary for operation of the farm; and

18 (k) the management of livestock mortalities produced on the farm.

1 this subdivision (21)(B)(ii) shall not exceed 40 percent of federal taxable
2 income or \$350,000.00, whichever is less;

3 * * *

4 (v) the amount of any federal deduction or credit that the taxpayer
5 would have been allowed for the cultivation, testing, processing, or sale of
6 cannabis or cannabis products as authorized under 7 V.S.A. chapter 33 or 37,
7 but for 26 U.S.C. § 280E; ~~and~~

8 (vi) the amount of interest paid by a qualified resident taxpayer
9 during the taxable year on a qualified education loan for the costs of attendance
10 at an eligible educational institution; ~~and~~

11 (vii) the amount of any net farm profit, provided the taxpayer's net
12 farm profit during the taxable year did not exceed \$10,000.00; and

13 (viii) in addition to the exclusion allowed under subdivision (ii) of
14 this subdivision (21)(B), adjusted net capital gain income from the sale of real
15 estate that is part of a farming operation, provided the buyer continues using
16 the real estate as part of a farming operation and:

17 (I) is related to the seller by blood, marriage, civil union, or
18 adoption; or

19 (II) was an employee of the farming operation for a minimum
20 of 10 years prior to the sale.

1 (29) Transfers of property that is part of a farming operation, provided
2 the transferee will continue using the real estate as part of a farming operation
3 and:

4 (A) is related to the seller by blood, marriage, civil union, or
5 adoption; or

6 (B) was an employee of the farming operation for a minimum of 10
7 years prior to the transfer.

8 (C) A buyer that purchased real estate pursuant to this subdivision
9 (29) shall be subject to the tax imposed by this chapter upon development of
10 the real estate by the buyer. If the development occurs on a portion of the real
11 estate, the portion shall be subject to the tax imposed by this chapter. The
12 amount of this tax shall be equal to the tax imposed by this chapter as of the
13 date the development occurs. "Development" has the same meaning as in
14 subdivision 3752(5) of this title.

15 * * * Accessory On-Farm Structure Permit * * *

16 Sec. 6. 10 V.S.A. § 6081(t) is amended to read:

17 (t) No permit or permit amendment is required for the construction of
18 improvements for an accessory on-farm business for the storage or sale of
19 qualifying products or the other eligible enumerated products as defined in
20 24 V.S.A. § 4412(11)(A)(i)(I). No permit or permit amendment is required for
21 the construction of improvements for an accessory on-farm business for the

1 preparation or processing of qualifying products as defined in 24 V.S.A.
2 § 4412(11)(A)(i)(I), provided that ~~more than 50 percent of~~ the total annual
3 sales of the prepared or processed qualifying products that come from products
4 not produced on the farm where the business is located do not exceed
5 \$250,000.00. This subsection shall not apply to the construction of
6 improvements related to hosting events or farm stays as part of an accessory
7 on-farm business as defined in 24 V.S.A. § 4412(11)(A)(i)(II).

8 * * * Agricultural Land Definition * * *

9 Sec. 7. 32 V.S.A. § 3752(1) is amended to read:

10 (1) “Agricultural land” means any land, exclusive of any housesite, in
11 active use to grow hay or cultivated crops, pasture livestock, cultivate trees
12 bearing edible fruit, or produce an annual maple product, and that is 25 acres
13 or more in size, except as provided in this subdivision (~~1~~). Agricultural land
14 shall include buffer zones as defined and required in the Agency of
15 Agriculture, Food and Markets’ Required Agricultural Practices rule adopted
16 under 6 V.S.A. chapter 215. There shall be a presumption that the land is used
17 for agricultural purposes if:

18 (A) it is owned by a farmer and is part of the overall farm unit;

19 (B) it is used by a farmer as part of the farmer’s operation under

20 written lease for at least three years; or

1 (C) it has produced an annual gross income from the sale of farm
2 crops or the equivalent value of donated farm crops in one of two, or three of
3 the five, calendar years preceding of at least:

4 (i) \$2,000.00 for parcels of up to 25 acres; and

5 (ii) \$75.00 per acre for each acre over 25, with the total income
6 required not to exceed \$5,000.00.

7 (iii) Exceptions to these income requirements may be made in
8 cases of orchard lands planted to fruit-producing trees, bushes, or vines that are
9 not yet of bearing age. As used in this section, the term “farm crops” also
10 includes animal fiber, cider, wine, and cheese, produced on the enrolled land or
11 on a housesite adjoining the enrolled land, from agricultural products grown on
12 the enrolled land.

13 * * * Farm Kitchens * * *

14 Sec. 8. 18 V.S.A. § 4301 is amended to read:

15 § 4301. DEFINITIONS

16 (a) As used in this chapter:

17 * * *

18 (9) “Farm kitchen operation” means an accessory on-farm business as
19 defined in 24 V.S.A. § 4412 that utilizes a dedicated kitchen facility located on
20 the premises of a working farm for the purposes of preparing, preserving,
21 packaging, labeling, or storing food products derived from crops, livestock, or

1 other agricultural goods grown or raised on the farm for farm-direct sales,
2 donation, or distribution.

3 (10) “Food” means articles of food, drink, confectionery, or condiment
4 for human consumption, whether simple, mixed, or compound, and all
5 substances and ingredients used in the preparation thereof.

6 ~~(10)~~(11) “Food manufacturing establishment” or “food processor”
7 means all buildings, rooms, basements, cellars, lofts, or other premises or part
8 thereof used, occupied, or maintained for the purpose of manufacturing,
9 preparing, packing, canning, bottling, keeping, storing, handling, serving, or
10 distributing food for sale. A food manufacturing establishment includes food
11 processors, bakeries, cottage food operations, farm kitchen operations,
12 distributors, and warehouses. A food manufacturing establishment does not
13 include a place where only maple syrup or maple products, as defined in
14 6 V.S.A. § 481, are prepared for human consumption.

15 ~~(11)~~(12) “Food service establishment” means entities that prepare,
16 serve, and sell food to the public, including restaurants, temporary food
17 vendors, caterers, mobile food units, and limited operations as defined in rule.

18 ~~(12)~~(13) “Lodging establishment” means a place where overnight
19 accommodations are regularly provided to the transient, traveling, or
20 vacationing public, including hotels, motels, inns, and bed and breakfasts.
21 “Lodging establishment” does not include short-term rentals.

1 ~~(13)~~(14) “Salvage food” means any food product from which the label
2 on the packaging has been lost or destroyed or that has been subjected to
3 possible damage as the result of an accident, fire, flood, or other cause that
4 prevents the product from meeting the specifications of the manufacturer or the
5 packer but is otherwise suitable for human consumption.

6 ~~(14)~~(15) “Salvage food facility” means any food vendor for which
7 salvage food comprises 50 percent or more of gross sales.

8 ~~(15)~~(16) “Seafood vending facility” means a store, motor vehicle, retail
9 stand, or similar place from which a person sells seafood for human
10 consumption.

11 ~~(16)~~(17) “Shellfish reshipper and repacker” means an establishment
12 engaging in interstate commerce of molluskan shellfish.

13 ~~(17)~~(18) “Short-term rental” means a furnished house, condominium, or
14 other dwelling room or self-contained dwelling unit rented to the transient,
15 traveling, or vacationing public for a period of fewer than 30 consecutive days
16 and for more than 14 days per calendar year.

17 (b) Nothing in this chapter shall be construed to modify or affect laws or
18 rules of the Agency of Agriculture, Food and Markets.

19 Sec. 9. 18 V.S.A. § 4353 is amended to read:

20 § 4353. FEES

1 This subdivision (4) does not require the Commission to respond to each
2 individual comment.

3 * * *

4 (E) The Agency of Natural Resources and the Agency of Agriculture,
5 Food and Markets shall appear as ~~a party~~ parties in any proceedings held under
6 this subsection (a), shall provide evidence and recommendations concerning
7 any findings to be made under subdivision (b)(5) of this section, and may
8 provide evidence and recommendations concerning any other matters to be
9 determined by the Commission in such a proceeding.

10 (F) The following shall apply to the participation of the Agency of
11 Agriculture, Food and Markets in proceedings held under this subsection (a):

12 (i) In any proceeding regarding an electric generation facility that
13 will have a capacity greater than 500 kilowatts or an energy storage facility
14 that will have a capacity greater than 1 megawatt and will be sited on a tract
15 containing primary agricultural soils as defined in 10 V.S.A. § 6001, the
16 Agency shall appear as a party and provide evidence and recommendations
17 concerning any findings to be made under subdivision (b)(5) of this section on
18 those soils and may provide evidence and recommendations concerning any
19 other matters to be determined by the Commission in such a proceeding.

1 (iii) all visible infrastructure associated with the facility; and

2 (iv) all impacts of the facility's construction and operation under
3 subdivision (b)(5) of this section, including impacts due to the creation or
4 modification of access roads and utility lines and the clearing or management
5 of vegetation.

6 * * *

7 (b) Before the Public Utility Commission issues a certificate of public good
8 as required under subsection (a) of this section, it shall find that the purchase,
9 investment, or construction:

10 * * *

11 (2)(A) Is required to meet the need for present and future demand for
12 service that could not otherwise be provided in a more cost-effective manner
13 through energy conservation programs and measures and energy-efficiency
14 and load management measures, including those developed pursuant to the
15 provisions of subsection 209(d), section 218c, and subsection 218(b) of this
16 title. In determining whether this criterion is met, the Commission shall assess
17 the environmental and economic costs of the purchase, investment, or
18 construction in the manner set out under subdivision 218c(a)(1) (least cost
19 integrated plan) of this title and, as to a generation facility, shall consider
20 whether the facility will avoid, reduce, or defer transmission or distribution
21 system investments.

1 growing, or harvesting of agricultural crops on greater than five acres of
2 primary, statewide, or local importance agricultural soils, or reduce future
3 Vermont-based food security or will result in the destruction of forest
4 ecosystems, forest soils and their unique biology, or increased volatilization
5 and release of forest soil carbon on more than five acres shall be considered
6 undue and not in the public good.

7 * * *

8 * * * Milk Producers * * *

9 Sec. 11. 6 V.S.A. § 2752 is amended to read:

10 § 2752. REFUSAL TO PURCHASE; HEARING; SECRETARY'S ORDER

11 (a) A handler doing business in this State who has a contract either verbal
12 or written with a producer residing in this State for the purchase of the
13 producer's dairy products shall not refuse to purchase them from the producer
14 except for violations of the sanitary rules or standards applicable to the market
15 in which the dairy product is sold or marketed, without being deemed guilty of
16 unfair discrimination. In the event that the refusal is to be based upon reasons
17 of oversupply or other reasonable grounds, the refusal shall not become
18 operative until the purchaser has given the producer at least 90 days' notice of
19 intention to refuse the producer's product on these grounds, which shall be
20 particularly set forth in writing so that the producer may be fully appraised of
21 the refusal.

1 (b) If the producer desires to question the existence or validity of such
2 grounds of refusal, ~~he or she~~ the producer may do so within 90 days after
3 receiving the notice or refusal by requesting the Secretary of Agriculture, Food
4 and Markets for a hearing, and the Secretary is hereby given jurisdiction to
5 hear and determine the question. The producer shall make complaints of such
6 contemplated refusal in writing to the Secretary, setting forth the substance of
7 the refusal notice and requesting to be heard thereon. The Secretary shall then
8 notify both the producer and the purchaser in writing, sent to them by
9 registered mail, of the time and place of hearing thereon. The time of the
10 hearing shall not be less than 10 nor more than 30 days from the date of the
11 notice. Hearing shall be informal. Both parties shall have an opportunity to
12 produce evidence.

13 * * *

14 (d) If a request for a hearing is made by a ~~purchaser~~ producer, refusal of the
15 purchaser shall not become operative until hearing and decision in the
16 purchaser's favor by the Secretary.

17 * * *

18 * * * Farm-to-School Program Contracts * * *

19 Sec. 12. 6 V.S.A. § 4721 is amended to read:

20 § 4721. LOCAL FOODS ~~GRANT~~ PROGRAM

1 (a) There is created in the Agency of Agriculture, Food and Markets the
2 Rozo McLaughlin Farm-to-School Program to execute, administer, and ~~award~~
3 provide local grants or contracts for the purpose of helping Vermont schools
4 develop farm-to-school programs that will sustain relationships with local
5 farmers and producers, enrich the educational experience of students, improve
6 the health of Vermont children, and enhance Vermont's agricultural economy.

7 (b) A school, a school district, a consortium of schools, a consortium of
8 school districts, a registered or licensed child care provider, or an organization
9 administering or assisting the development of farm-to-school programs may
10 apply to the Secretary of Agriculture, Food and Markets for a grant ~~award~~ or
11 contract to:

12 * * *

13 (c) The Secretaries of Agriculture, Food and Markets and of Education and
14 the Commissioner of Health, in consultation with farmers, child nutrition staff,
15 educators, organizations administering or assisting the development of farm-to-
16 school programs, and farm-to-school technical service providers, jointly shall
17 adopt procedures relating to the content of ~~the grant application~~ applications or
18 contract bids and the criteria for making awards.

19 * * *

20 (e) No ~~award~~ individual grant or contract shall be greater than 20 percent of
21 the total annual ~~amount~~ funds available for ~~granting~~ granting except that a ~~grant~~ an

1 award to the following entities may, at the discretion of the Secretary of
2 Agriculture, Food and Markets, exceed the cap:

- 3 (1) Farm-to-School service providers; or
4 (2) school districts or consortiums of school districts that completed
5 merger under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No.
6 156, or 2015 Acts and Resolves No. 46 on or before July 1, 2019, provided
7 that the ~~grant is~~ funds are used for the purpose of expanding Farm-to-School
8 projects to additional schools within the new school district.

9 * * * Pest Control Compact Repeal * * *

10 Sec. 13. REPEAL

11 6 V.S.A. chapter 83 (Pest Control Compact) is repealed on July 1, 2026.

12 * * * Amending Pesticide Exam Requirements * * *

13 Sec. 14. 6 V.S.A. § 1112 is amended to read:

14 § 1112. LICENSING PESTICIDE APPLICATORS; PESTICIDE
15 COMPANIES; DEALERS

16 (a) The Secretary may adopt rules requiring persons selling Class A and B
17 pesticides to be licensed under this chapter. In addition, the Secretary may
18 adopt rules requiring companies that hire applicators or conduct pesticide
19 applications to be licensed and applicators who use pesticides to be certified
20 under this chapter. The Secretary may establish reasonable requirements for

1 obtaining licenses and certificates. The fees for dealers, licensed companies,
2 and applicator certificates under this chapter shall be as follows:

3 (1) Class A Dealer License—\$50.00;

4 (2) Class B Dealer License—\$50.00;

5 (3) Pesticide Company License—\$75.00;

6 (4) Commercial ~~and~~, Noncommercial, and Government Applicator
7 Certification fee—\$30.00 per category or subcategory with a maximum of
8 \$120.00;

9 (5) ~~second and third time examination~~ Examination fee for dealer
10 licenses and applicator certification—\$25.00; and

11 (6) Private Applicator—\$25.00; ~~and~~,

12 ~~(7) State Government, Municipal, and Public Education Institution~~
13 ~~Applicators—\$30.00.~~

14 * * *

15 (e) There shall be no limitation on the frequency for retaking examinations
16 for private, commercial, noncommercial, or government applicator
17 certifications or dealer licenses.

18 * * * Seed Law Conforming to Universal Standards * * *

19 Sec. 15. 6 V.S.A. § 641 is amended to read:

20 § 641. DEFINITIONS

21 (a) As used in this chapter:

1 (1) “Agricultural seed” includes grass, forage, cereal, oil, fiber, and
2 other kinds of crop seeds commonly recognized as agricultural seeds, lawn
3 seeds, and combinations of such seeds, and may include noxious weed seeds
4 ~~used~~ when the Secretary determines an appropriate use as agricultural seed.

5 (2) “Secretary” means the Secretary of Agriculture, Food and Markets
6 or ~~his or her~~ the Secretary’s designee.

7 (3) “Agency” means the Agency of Agriculture, Food and Markets.

8 (4) “Flower seed” includes seed of herbaceous plants grown for their
9 blooms, ornamental foliage, or other ornamental parts and commonly known
10 and sold under the name of flower or wildflower seed in this State.

11 (5) “Labeling” ~~includes~~ means tags or other devices attached to, or
12 written, stamped, or printed on, any container or accompanying any lot of bulk
13 seeds that are used to provide the seed label information required by this
14 chapter. “Labeling” includes additional information that describes labeled
15 seed.

16 (6) “Noxious weed seeds” include:

17 (A) “Prohibited noxious weed seeds,” or those weed seeds that are
18 prohibited from being present in agricultural ~~and~~, vegetable, flower, tree, or
19 shrub seed. They are the seeds of weeds that are highly destructive and
20 difficult to control by good cultural practices and the use of herbicides.

1 (1) All labels shall include:

2 * * *

3 (E) the name and address of the ~~labeler or distributor~~ responsible for
4 labeling the seed.

5 (2) For all treated agricultural, vegetable, and flower seeds ~~that have~~
6 ~~been treated~~, the label or an additional label shall include:

7 (A) a ~~A~~ word or statement ~~indicating that~~ describing the seed ~~has~~
8 ~~been treated with~~ treatment and identifying the commonly accepted chemical
9 name or abbreviated chemical name of the applied substance, or a description
10 of the process used.

11 (B) ~~A caution statement shall be set forth if~~ If the substance in the
12 amount present with the seed is harmful to human or other vertebrate animals,
13 an appropriate caution statement like “Do not use for food, feed, or oil
14 purposes.” The caution statement for mercurial and similarly toxic substances
15 shall be a poison statement or symbol.

16 (3) For seed treated with an inoculant, the label shall state the ~~date of~~
17 ~~expiration of~~ date, meaning the date beyond which the inoculant is not
18 considered effective.

19 * * *

20 (5) All bins and other bulk displays of agricultural, flower, grass, and
21 vegetable seeds, or mixtures of the described seeds, shall be labeled with the

1 same information that is required to be on containers of agricultural, flower, or
2 vegetable seeds as applicable.

3 * * *

4 Sec. 18. 6 V.S.A. § 646(b) is amended to read:

5 (b) No person shall be subject to the penalties of this subchapter for ~~having~~
6 ~~sold or offered for sale~~ distributing seeds subject to provisions of this
7 subchapter that were incorrectly labeled or represented as to kind, species, and
8 subspecies; variety; type; or origin, unless the person has failed to obtain an
9 invoice, genuine grower's declaration, or other labeling information or to take
10 such other reasonable precautions to ensure that the identity of the seed is set
11 forth. "Genuine grower's declaration" means a statement signed by the grower
12 that gives for each lot of seed the lot number, kind, variety (if known), origin,
13 weight, year of production, date of shipment, and to whom the shipment was
14 made.

15 Sec. 19. 6 V.S.A. § 647 is amended to read:

16 § 647. ADMINISTRATIVE PENALTIES

17 (a) The Secretary may assess administrative penalties, not to exceed
18 \$250.00 for each offense, in any case ~~he or she~~ the Secretary determines that a
19 person has committed any of the following violations:

1 ~~(1) \$10.00 per ton for any seed sold in containers of more than 10~~
2 ~~pounds; and~~

3 ~~(2) a flat fee of \$85.00 per company for any seed sold.~~

4 (b) The following shall be exempt from ~~the inspection fee~~ registration
5 requirements:

6 (1) seed not intended for sowing purposes;

7 (2) seed in storage in, or consigned to, a seed cleaning or processing
8 establishment for cleaning or processing; ~~and~~

9 (3) seed grown, sold, and delivered by a producer on ~~his or her~~ the
10 producer's own premises for seeding purposes to the ultimate consumer,
11 provided such seed has neither been advertised for sale nor been delivered via
12 commercial carrier, and provided the seed contains no prohibited noxious weed
13 seeds or not more than one restricted noxious weed seed per 2,000 ~~of the~~ seeds
14 ~~being sold;~~ and

15 (4) interpersonal sharing of seed for home, educational, charitable, or
16 personal noncommercial use.

17 (c) The following reports are required:

18 (1) ~~For those seeds sold~~ A manufacturer, processor, or distributor
19 distributing seed in containers of more than 10 pounds, a must file an annual
20 report ~~shall be filed annually~~ on or before January 15 on forms supplied by the
21 Secretary regarding ~~sales~~ distribution of seed during the previous calendar year

1 ~~and fees based on the,~~ A fee of \$10.00 per ton rate shall accompany the
2 ~~report. Reporting periods are January 1–June 30 and July 1–December 31 of~~
3 seeds distributed in containers of more than 10 pounds shall accompany the
4 report and is due annually on or before January 15. If a registrant or distributor
5 does not distribute any seed during the calendar year, a report indicating that
6 no distribution occurred must be submitted.

7 (2) For all seeds distributed in or into Vermont regardless of container
8 size, the manufacturer, processor, or distributor distributing the seed shall
9 report annually on or before February 15 to the Secretary on a form supplied
10 by the Secretary. At minimum, the form will require disclosure of the quantity
11 of seeds containing genetically engineered material, treated seed, and untreated
12 seed distributed during the previous calendar year. The following
13 requirements also apply:

14 (A) for seeds containing genetically engineered material, the seed
15 type, a brand name for the combination of traits, and any other information the
16 Secretary determines is appropriate; and

17 (B) for pesticide treated article seed, the Environmental Protection
18 Agency pesticide registration number, application rate on seed by the seed
19 type, and any other information the Secretary determines is appropriate.

1 ~~(d) For those seeds sold in containers of 10 pounds or less, the fee of \$85.00~~
2 ~~per company shall be paid annually prior to distribution in the State. Fees shall~~
3 ~~be paid annually on January 1.~~

4 ~~(e)~~(d) All fees shall be deposited in the special fund created by subsection
5 364(f) of this title and used in accordance with its provisions.

6 ~~(f)~~(e) The Secretary may waive ~~seed inspection~~ fees under this chapter,
7 based on the number of seed varieties sold, and for the sale of heirloom seed
8 varieties.

9 ~~(g) For seeds sold in Vermont that contain genetically engineered material,~~
10 ~~the manufacturer or processor distributing such seed in Vermont shall report~~
11 ~~annually on or before February 15 to the Secretary on forms supplied by the~~
12 ~~Secretary regarding sales during the previous calendar year.~~

13 ~~(h) For agricultural seeds sold in Vermont, the manufacturer or processor~~
14 ~~distributing the seed in Vermont shall report annually on or before February 15~~
15 ~~to the Secretary on forms supplied by the Secretary regarding the quantity of~~
16 ~~treated article seed and the quantity of untreated seed sold in Vermont during~~
17 ~~the previous calendar year.~~

18 * * * Consolidate VACP within VEDA * * *

19 Sec. 21. TRANSFER OF VERMONT AGRICULTURAL CREDIT
20 PROGRAM

1 10 V.S.A. chapter 16A (Vermont Agricultural Credit Program) is repealed
2 for the purpose of redesignation as 10 V.S.A. chapter 12, subchapter 16.

3 Sec. 22. 10 V.S.A. chapter 12, subchapter 16 is added to read:

4 Subchapter 16. Vermont Agricultural Credit Program

5 § 280hh. DEFINITIONS

6 As used in this subchapter:

7 (1) “Agricultural facility” means land and rights in land, buildings,
8 structures, machinery, and equipment that is used for, or will be used for,
9 producing, processing, preparing, packaging, storing, distributing, marketing,
10 or transporting agricultural or forest products that have been at least partially
11 produced in this State, and working capital reasonably required to operate an
12 agricultural facility.

13 (2) “Agricultural land” means real estate capable of supporting
14 commercial farming or forestry, or both.

15 (3) “Agricultural products” means crops, livestock, forest products, and
16 other farm or forest commodities produced as a result of farming or forestry
17 activities.

18 (4) “Cash flow” means, on an annual basis, all income, receipts, and
19 revenues of the applicant or borrower from all sources and all expenses of the
20 applicant or borrower, including all debt service and other expenses.

1 (5) “Farm operation” means the cultivation of land or other uses of land
2 for the production of food, fiber, horticultural, silvicultural, orchard, maple
3 syrup, Christmas trees, forest products, or forest crops; the raising, boarding,
4 and training of equines, and the raising of livestock; or any combination of the
5 foregoing activities. “Farm operation” also means the storage, preparation,
6 retail sale, and transportation of agricultural or forest commodities accessory to
7 the cultivation or use of such land. “Farm operation” also means the operation
8 of an agritourism business on a farm subject to regulation under the Required
9 Agricultural Practices. “Farm operation” also means a business that provides
10 specialty services to farmers, such as foresters, farriers, hoof trimmers, or large
11 animal veterinarians operating or proposing to operate mobile units.

12 (6) “Farm ownership loan” means a loan to acquire or enlarge a farm or
13 agricultural facility; to make capital improvements, including construction,
14 purchase, and improvement of farm and agricultural facility buildings, farm
15 worker housing, or farmer housing that can be made fixtures to the real estate;
16 to promote soil and water conservation and protection or provide housing; and
17 to refinance indebtedness incurred for farm ownership or operating loan
18 purposes, or both.

19 (7) “Farmer” means an individual directly engaged in the management
20 or operation of an agricultural facility or farm operation for whom the
21 agricultural facility or farm operation constitutes two or more of the following:

1 (A) is or is expected to become a significant source of the farmer’s
2 income;

3 (B) the majority of the farmer’s assets; and

4 (C) an occupation in which the farmer is actively engaged, either on a
5 seasonal or year-round basis.

6 (8) “Forest products business” means an enterprise that is engaged in
7 managing, harvesting, trucking, processing, manufacturing, crafting, or
8 distributing forest products at least partially derived from Vermont forests.

9 (9) “Livestock” includes cattle, sheep, goats, equines, fallow deer, red
10 deer, reindeer, American bison, swine, poultry, pheasant, chukar partridge,
11 coturnix quail, ferrets, camelids and ratites, cultured trout propagated by
12 commercial trout farms, and bees.

13 (10) “Loan” means an operating loan or farm ownership loan, including
14 a financing lease, provided that such lease transfers the ownership of the leased
15 property to each lessee following the payment of all required lease payments as
16 specified in each lease agreement.

17 (11) “Operating loan” means a loan to purchase livestock, farm or
18 forestry equipment, or fixtures to pay annual operating expenses of a farm
19 operation or agricultural facility; to pay loan closing costs; and to refinance
20 indebtedness incurred for farm ownership or operating loan purposes, or both.

1 (12) “Program” means the Vermont Agricultural Credit Program
2 established by this subchapter.

3 (13) “Project” or “agricultural project” means the creation,
4 establishment, acquisition, construction, expansion, improvement,
5 strengthening, reclamation, operation, or renovation of an agricultural facility
6 or farm operation.

7 280ii. VERMONT AGRICULTURAL CREDIT PROGRAM

8 (a) The Vermont Agricultural Credit Program provides an alternative
9 source of sound and constructive credit to farmers and forest products
10 businesses who are not having their credit needs fully met by conventional
11 agricultural credit sources at reasonable rates and terms; or, in the alternative,
12 the granting of the loan shall serve as a substantial inducement for the
13 establishment or expansion of an eligible agricultural or forestry project within
14 the State. The Program is intended to meet, either in whole or in part, the
15 credit needs of eligible agricultural facilities and farm and forest operations in
16 fulfillment of one or more of the purposes listed in this subsection by making
17 direct loans and participating in loans made by other agricultural credit
18 providers:

19 (1) to encourage diversification, cooperative farming, and the
20 development of innovative techniques for farming and forest products
21 businesses;

1 (2) to increase energy efficiency and reduce energy consumption in
2 agricultural facilities, including the construction of water pollution control
3 facilities that implement best management practices for farm waste abatement
4 pursuant to 6 V.S.A. chapter 215;

5 (3) to encourage innovative and diversified processing, marketing, and
6 distribution of Vermont agricultural products;

7 (4) to assist beginning farmers to start new farms and new agricultural
8 facilities to commence or strengthen their operations;

9 (5) to assist or financially strengthen existing farms; and

10 (6) to refinance loans incurred by eligible borrowers for any of the
11 purposes enumerated in subdivisions (1) through (5) of this subsection.

12 (b) No borrower shall be approved for a loan from the Authority that would
13 result in the aggregate principal balances outstanding of all loans to that
14 borrower exceeding \$5,000,000.00.

15 280jj. GENERAL POWERS

16 The Authority shall have the powers necessary to carry out the purposes and
17 provisions of this program and subchapter, including those general powers
18 conferred on the Authority in section 216 of this title.

19 280kk. LOAN ELIGIBILITY STANDARDS

20 A farmer, forest products business, or a limited liability company,
21 partnership, corporation, or other business entity with a minimum 20 percent

1 ownership of which is vested in one or more farmers, forest products
2 businesses, or a nonprofit corporation, shall be eligible to apply for a farm
3 ownership or operating loan that shall be intended to expand the agricultural
4 economy or forest economy of the State, provided the applicant is:

5 (1) an owner, prospective purchaser, or lessee of agricultural land in the
6 State or of depreciable machinery, equipment, or livestock to be used in the
7 State;

8 (2) a person of sufficient education, training, or experience in the
9 operation and management of an agricultural facility or farm operation or
10 forest products business of the type for which the applicant requests the loan;

11 (3) an operator or proposed operator of an agricultural facility, farm
12 operation, or forest products business for whom the loan reduces investment
13 costs to an extent that offers the applicant a reasonable chance to succeed in
14 the operation and management of an agricultural facility or farm operation;

15 (4) a creditworthy person under such standards as the Authority may
16 establish;

17 (5) able to provide and maintain adequate security for the loan by a
18 mortgage on real property or a security agreement and perfected financing
19 statement on personal property;

1 (6) able to demonstrate that the applicant is responsible and able to
2 manage responsibilities as owner or operator of the farm operation, agricultural
3 facility, or forest products business;

4 (7) able to demonstrate that the applicant has made adequate provision
5 for insurance protection of the mortgaged or secured property while the loan is
6 outstanding;

7 (8) a person who possesses the legal capacity to incur loan obligations;

8 (9) in compliance with such other reasonable eligibility standards as the
9 Authority may establish;

10 (10) able to demonstrate that the project plans comply with all
11 regulations of the municipality where it is to be located and of the State of
12 Vermont;

13 (11) able to demonstrate that the making of the loan will be of public
14 use and benefit;

15 (12) able to demonstrate that the proposed loan will be adequately
16 secured by a mortgage on real property or by a security agreement on personal
17 property; and

18 (13) able to demonstrate that there will be sufficient projected cash flow
19 to service a reasonable level of debt, including the loan or loans, being
20 considered by the Authority.

1 * * * Permitting Large and Medium Farm Operations * * *

2 Sec. 23. 6 V.S.A. § 4851(i) is amended to read:

3 (i) ~~A Beginning on July 1, 2026, a person required to obtain a permit under~~
4 ~~this section shall submit not be required to pay an annual operating fee of~~
5 ~~\$2,500.00 to the Secretary. During any calendar year in which a person has an~~
6 ~~active Large Concentrated Animal Feeding Operation permit issued by the~~
7 ~~Agency of Natural Resources pursuant to the federal Clean Water Act and pays~~
8 ~~the required associated fee, that person shall not be required to pay the~~
9 ~~\$2,500.00 annual operating fee described in this section. The fees collected~~
10 ~~under this section shall be deposited in the Agricultural Water Quality Special~~
11 ~~Fund under section 4803 of this title.~~

12 Sec. 24. 6 V.S.A. § 4858(e) is amended to read:

13 (e) Operating fee. ~~A Beginning on July 1, 2026, a person required to obtain a~~
14 ~~permit or coverage under this section shall submit not be required to pay an~~
15 ~~annual operating fee of \$1,500.00 to the Secretary. The fees collected under~~
16 ~~this section shall be deposited in the Agricultural Water Quality Special Fund~~
17 ~~under section 4803 of this title.~~

18 * * * Floor Drain Permitting Study * * *

19 Sec. 25. FLOOR DRAIN PERMITTING STUDY; REPORT

20 (a) The Agency of Natural Resources, in coordination with the Agency of
21 Agriculture, Food and Markets, shall convene a stakeholder group to report on

1 how to address the permitting process for installation of floor drains for
2 purposes of disposing process wastewater into underground injection wells to
3 better support farmers and their role in the agricultural economy. For purposes
4 of this study, “process wastewater” has the same meaning as defined in
5 Agency of Natural Resources, Department of Environmental Conservation
6 Environmental Protection Rules, Chapter 11, Underground Injection Control
7 Regulations, Section 11-201.

8 (b) The group shall examine how the permitting process for installation of
9 floor drains currently works and whether there are shortcomings or challenges.
10 The group shall examine the permitting process holistically to understand and
11 explain the roles of the Agency of Natural Resources and the Agency of
12 Agriculture, Food and Markets. The group shall develop recommendations to
13 find efficiencies in the entire process or recommend an alternative permitting
14 process.

15 (c) The Secretary of Natural Resources shall submit the report to the House
16 Committees on Agriculture, Food Resiliency, and Forestry and on
17 Environment and the Senate Committees on Agriculture and on Natural
18 Resources and Energy on or before January 15, 2027.

19 * * * Effective Date * * *

20 Sec. 26. EFFECTIVE DATE

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