

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Agriculture, Food Resiliency, and Forestry to which was
3 referred Senate Bill No. 323 entitled “An act relating to miscellaneous
4 agricultural subjects” respectfully reports that it has considered the same and
5 recommends that the House propose to the Senate that the bill be amended by
6 striking out all after the enacting clause and inserting in lieu thereof the
7 following:

8 ***** Milk Producers *****

9 Sec. 1. 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. 2. 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 and Pesticide Exam Requirements *****

10 Sec. 3. REPEAL

11 6 V.S.A. chapter 83 (Pest Control Compact) is repealed on July 1, 2026.

12 Sec. 4. 6 V.S.A. § 1112 is amended to read:

13 § 1112. LICENSING PESTICIDE APPLICATORS; PESTICIDE
14 COMPANIES; DEALERS

15 (a) The Secretary may adopt rules requiring persons selling Class A and B
16 pesticides to be licensed under this chapter. In addition, the Secretary may
17 adopt rules requiring companies that hire applicators or conduct pesticide
18 applications to be licensed and applicators who use pesticides to be certified
19 under this chapter. The Secretary may establish reasonable requirements for
20 obtaining licenses and certificates. The fees for dealers, licensed companies,
21 and applicator certificates under this chapter shall be as follows:

- 1 (1) Class A Dealer License—\$50.00;
- 2 (2) Class B Dealer License—\$50.00;
- 3 (3) Pesticide Company License—\$75.00;
- 4 (4) Commercial ~~and~~, Noncommercial, and Government Applicator
- 5 Certification fee—\$30.00 per category or subcategory with a maximum of
- 6 \$120.00;
- 7 (5) ~~second and third time examination~~ Examination fee for dealer
- 8 licenses and applicator certification—\$25.00; and
- 9 (6) Private Applicator—\$25.00; ~~and~~
- 10 ~~(7) State Government, Municipal, and Public Education Institution~~
- 11 ~~Applicators—\$30.00.~~

12 * * *

13 (e) There shall be no limitation on the frequency for retaking examinations

14 for private, commercial, noncommercial, or government applicator

15 certifications or dealer licenses.

16 * * * Seed Law Changes * * *

17 Sec. 5. 6 V.S.A. § 641 is amended to read:

18 § 641. DEFINITIONS

19 (a) As used in this chapter:

20 (1) “Agricultural seed” includes grass, forage, cereal, oil, fiber, and

21 other kinds of crop seeds commonly recognized as agricultural seeds, lawn

1 seeds, and combinations of such seeds, and may include noxious weed seeds
2 used as agricultural seed.

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

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

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

9 * * *

10 Sec. 6. 6 V.S.A. § 644 is amended to read:

11 § 644. LABEL REQUIREMENTS FOR AGRICULTURAL, FLOWER, AND
12 VEGETABLE SEEDS

13 (a) Each container of agricultural, flower, and vegetable seeds that is sold
14 in this State for sowing purposes shall be labeled.

15 (1) All labels shall include:

16 * * *

17 (5) All bins and other bulk displays of agricultural, flower, grass, and
18 vegetable seeds, or mixtures of the described seeds, shall be labeled with the
19 same information that is required to be on containers of agricultural, flower, or
20 vegetable seeds as applicable.

21 * * *

1 Sec. 7. 6 V.S.A. § 647 is amended to read:

2 § 647. ADMINISTRATIVE PENALTIES

3 (a) The Secretary may assess administrative penalties, not to exceed
4 \$250.00 for each offense, in any case ~~he or she~~ the Secretary determines that a
5 person has committed any of the following violations:

6 (1) sold seed ~~products~~ without paying the seed ~~inspection fees for~~
7 ~~hundredweight tonnage~~ or seed registration fee under section 648 of this title;

8 (2) sold seed ~~products~~ within the State of Vermont found deficient in
9 guarantee analysis and labeling as defined by rule; or

10 (3) violated a stop sale order.

11 * * *

12 * * * Consolidate VACP within VEDA * * *

13 Sec. 8. TRANSFER OF VERMONT AGRICULTURAL CREDIT

14 PROGRAM

15 10 V.S.A. chapter 16A (Vermont Agricultural Credit Program) is repealed

16 for the purpose of redesignation as 10 V.S.A. chapter 12, subchapter 16.

17 Sec. 9. 10 V.S.A. chapter 12, subchapter 16 is added to read:

18 Subchapter 16. Vermont Agricultural Credit Program

19 § 280hh. DEFINITIONS

20 As used in this subchapter:

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

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

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

12 (4) “Authority” means the Vermont Economic Development Authority
13 established under section 213 of this title.

14 (5) “Cash flow” means, on an annual basis, all income, receipts, and
15 revenues of the applicant or borrower from all sources and all expenses of the
16 applicant or borrower, including all debt service and other expenses.

17 (6) “Farm operation” means the cultivation of land or other uses of land
18 for the production of food, fiber, horticultural, silvicultural, orchard, maple
19 syrup, Christmas trees, forest products, or forest crops; the raising, boarding,
20 and training of equines, and the raising of livestock; or any combination of the
21 foregoing activities. “Farm operation” also means the storage, preparation,

1 retail sale, and transportation of agricultural or forest commodities accessory to
2 the cultivation or use of such land. “Farm operation” also means the operation
3 of an agritourism business on a farm subject to regulation under the Required
4 Agricultural Practices. “Farm operation” also means a business that provides
5 specialty services to farmers, such as foresters, farriers, hoof trimmers, or large
6 animal veterinarians operating or proposing to operate mobile units.

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

14 (8) “Farmer” means an individual directly engaged in the management
15 or operation of an agricultural facility or farm operation for whom the
16 agricultural facility or farm operation constitutes two or more of the following:

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

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

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

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

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

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

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

16 (13) “Program” means the Vermont Agricultural Credit Program
17 established by this subchapter.

18 (14) “Project” or “agricultural project” means the creation,
19 establishment, acquisition, construction, expansion, improvement,
20 strengthening, reclamation, operation, or renovation of an agricultural facility
21 or farm operation.

1 § 280ii. VERMONT AGRICULTURAL CREDIT PROGRAM

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

13 (1) to encourage diversification, cooperative farming, and the
14 development of innovative techniques for farming and forest products
15 businesses;

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

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

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

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

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

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

9 § 280jj. GENERAL POWERS

10 (a) The Authority shall have the powers necessary to carry out the purposes
11 and provisions of this Program and subchapter, including those general powers
12 conferred on the Authority in section 216 of this title.

13 (b) The Authority shall have the powers necessary to dissolve the Vermont
14 Agricultural Credit Corporation in accordance with 11B V.S.A. chapter 14.
15 Upon dissolution of the Vermont Agricultural Credit Corporation, title to all
16 property owned by the Vermont Agricultural Credit Corporation shall vest in
17 the Authority.

18 § 280kk. LOAN ELIGIBILITY STANDARDS

19 A farmer, forest products business, or a limited liability company,
20 partnership, corporation, or other business entity with a minimum 20 percent
21 ownership of which is vested in one or more farmers, forest products

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

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

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

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

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

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

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

1 Authority not otherwise provided for and all payments of interest and principal
2 required to be made by the Authority under this subchapter. To it shall be
3 credited any appropriations made by the General Assembly for the purposes of
4 this chapter and all payments required to be made to the Authority under this
5 chapter, it being the intent of this section that the Fund shall operate as a
6 revolving fund whereby all appropriations and payments made thereto may be
7 applied and reapplied for the purposes of this chapter. Monies in the Fund may
8 be loaned at interest rates to be set by the Authority for the following:

9 * * *

10 ~~(b) Monies in the Fund may be loaned to the Vermont Agricultural Credit~~
11 ~~Program to support its lending operations as established in chapter 16A of this~~
12 ~~title at interest rates and on terms and conditions to be set by the Authority to~~
13 ~~establish a line of credit in an amount not to exceed \$100,000,000.00 to be~~
14 ~~advanced to the Vermont Agricultural Credit Program to support its lending~~
15 ~~operations as established in chapter 16A of this title.~~

16 ~~(e)~~(b) Monies in the Fund may be loaned to the Vermont Small Business
17 Development Corporation to support its lending operations as established
18 pursuant to subdivision 216(14) of this title at interest rates and on terms and
19 conditions to be set by the Authority.

20 ~~(d)~~(c) Monies in the Fund may be loaned to the Vermont 504 Corporation
21 to support its lending operations as established pursuant to subdivision 216(13)

1 of this title at interest rates and on terms and conditions to be set by the
2 Authority.

3 ~~(e)~~(d) The Authority may loan money from the Fund to the Vermont
4 Sustainable Energy Loan Fund established under subchapter 13 of this chapter
5 at interest rates and on terms and conditions set by the Authority.

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

7 § 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

8 (a) The Authority may develop, modify, and implement any existing or
9 new financing program, provided that any specific project that benefits from
10 such program shall meet the criteria contained in the Vermont Sustainable Jobs
11 Strategy outlined in section 280b of this title. These programs may include:

12 * * *

13 (12) loans to agricultural enterprises or endeavors administered by the
14 Authority under ~~chapter 16A~~ subchapter 16 of this ~~title~~ chapter and any
15 programs created thereunder.

16 * * *

17 * * * Hemp Oversight * * *

18 Sec. 15. TRANSITION OF HEMP PROCESSOR OVERSIGHT

19 6 V.S.A. chapter 34 (hemp) is repealed.

20 Sec. 16. 7 V.S.A. chapter 31, subchapter 3 is added to read:

21 Subchapter 3. Hemp

1 § 851. FINDINGS; PURPOSE

2 (a) Findings. The General Assembly finds that the federal legal status of
3 most hemp products will be contingent upon an amendment to 7 U.S.C.
4 § 1639o, to take effect in November 2026, pursuant to the Continuing
5 Appropriations, Agriculture, Legislative Branch, Military Construction and
6 Veterans Affairs, and Extensions Act of 2026, Pub. L. No. 119-37. The
7 legality of hemp and hemp products in interstate commerce is unsettled and
8 continues to evolve.

9 (b) Purpose. The purpose of this subchapter is to unify oversight of
10 cannabis and hemp-derived cannabinoids under the Cannabis Control Board to
11 more effectively prohibit illicit cannabis and cannabis product trade while
12 positioning growers and processors of nonintoxicating hemp products to take
13 advantage of national market opportunities that may exist. The purpose of this
14 subchapter is also to support small-business hemp producers and processors in
15 taking advantage of opportunities for the cultivation and sale of hemp and
16 hemp products.

17 § 852. DEFINITIONS

18 As used in this subchapter:

19 (1)(A) “Grow” means:

20 (i) planting, cultivating, harvesting, or drying of hemp; and

21 (ii) selling, storing, and transporting of hemp grown by a grower.

1 (B) “Grow” also means to produce.

2 (2) “Grower” means a person who is registered with the Board and the
3 U.S. Department of Agriculture to produce hemp. “Grower” also means
4 producer.

5 (3) “Hemp” means the plant Cannabis sativa L. and any part of the
6 plant, including the seeds and all derivatives, extracts, cannabinoids, acids,
7 salts, isomers, and salts of isomers, whether growing or not, with the federally
8 defined tetrahydrocannabinol concentration level of hemp. Hemp is
9 considered an agricultural commodity.

10 (4)(A) “Hemp product” or “hemp-infused product” means any product
11 with the federally defined tetrahydrocannabinol concentration level for hemp
12 derived from, or made by, processing hemp plants or plant parts, that is
13 prepared in a form available for commercial sale, including cosmetics,
14 personal care products, food intended for animal or human consumption, cloth,
15 cordage, fiber, fuel, paint, paper, construction materials, plastics, and any
16 product containing one or more hemp-derived cannabinoids, such as
17 cannabidiol.

18 (B) Notwithstanding subdivision (A) of this subdivision (4), “hemp
19 product” and “hemp-infused product” do not include any substance,
20 manufacturing intermediary, or product that:

1 (i) is prohibited or deemed a regulated cannabis product by
2 administrative rule of the Board; or

3 (ii) is not lawful in interstate commerce.

4 (C) A hemp-derived product or substance that is excluded from the
5 definition of “hemp product” or “hemp-infused product” pursuant to
6 subdivision (B) of this subdivision (4) is considered a cannabis product as
7 defined by subdivision 831(3) of this title; provided, however, that a person
8 duly licensed or registered by the Board lawfully may possess such products in
9 conformity with the person’s active hemp processor license.

10 (5) “Process” means the storing, drying, trimming, handling,
11 compounding, or converting of hemp by a processor for a single grower or
12 multiple growers into hemp products or hemp-infused products. “Process”
13 includes:

14 (A) transporting, aggregating, or packaging hemp from a single
15 grower or multiple growers; or

16 (B) manufacturing hemp products or hemp-infused products from
17 hemp concentrate.

18 (6) “Processor” means a person who is licensed by the Board to process
19 hemp. A retail establishment selling hemp products or hemp-infused products
20 is not a processor.

21 § 853. HEMP; AN AGRICULTURAL PRODUCT

1 (a) Hemp is an agricultural product that may be grown as a crop produced,
2 possessed, marketed, and commercially traded in Vermont pursuant to the
3 provisions of this chapter and administrative rules of the Cannabis Control
4 Board.

5 (b) The cultivation of hemp shall be subject to and comply with the
6 Required Agricultural Practices adopted under 6 V.S.A. § 4810, as amended.

7 § 854. HEMP REGISTRATION AND LICENSURE

8 (a) Producers. All persons engaged in the production of hemp shall register
9 with the Board as growers and shall provide their location, the nature of their
10 activities, and evidence that those activities conform to the requirements of
11 federal law and regulation. A person shall apply for registration or renewal of
12 registration on a form provided by the Board. The application shall be
13 accompanied by the fee required under section 858 of this subchapter.

14 (b) Processors. All persons engaged in the processing of hemp, including
15 trade in hemp-derived cannabinoids and process intermediaries, shall be
16 licensed by the Board. A person shall apply for a license or renewal of a
17 license on a form provided by the Board. The application shall be
18 accompanied by the fee required under section 858 of this subchapter.

19 (c) Products. All hemp-derived products containing or reasonably expected
20 to contain more than 0.4 mg tetrahydrocannabinol shall be registered with the
21 Board prior to sale to any person within this State. A person shall apply for

1 registration or renewal of registration on a form provided by the Board. The
2 application shall be accompanied by the fee required under section 858 of this
3 subchapter.

4 (d) All applicants. The Board may deny an application for licensure,
5 registration, or renewal if the applicant:

6 (1) fails to establish that its activities comply with State and federal law;

7 (2) refuses the Board or its lawful designees entry upon its premises to
8 inspect and confirm compliance, including by sampling hemp and hemp
9 products for potency testing;

10 (3) fails to submit information requested by the Board; or

11 (4) fails to submit the fee required under section 858 of this subchapter.

12 § 855. RULEMAKING AUTHORITY

13 (a) The Board may adopt rules to provide for the implementation of this
14 subchapter, which may include rules to:

15 (1) require hemp to be tested during growth for tetrahydrocannabinol
16 levels;

17 (2) authorize or specify the method or methods of testing hemp,
18 including, where appropriate, the ratio of cannabidiol to tetrahydrocannabinol
19 levels or a taxonomic determination using genetic testing;

20 (3) require inspection and supervision of hemp during sowing, growing
21 season, harvest, storage, processing, and distribution;

1 (4) require labels or label information for hemp products in order to
2 provide consumers with transparent and accurate product content or source
3 information, to be free of false or misleading claims and claims contrary to the
4 Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 301–399i, or to conform
5 with federal requirements;

6 (5) establish sanitary requirements for licensed processing facilities;

7 (6) establish registration requirements for hemp-derived products sold or
8 distributed in the State, including requirements that each product be sampled
9 and tested by a laboratory recognized by the Board;

10 (7) require disclosure or labeling of the amount of cannabinoids known
11 to be present in hemp products sold or distributed in the State;

12 (8) require that licensees and registrants, including out-of-state
13 purveyors of registered hemp products, obtain and maintain commercially
14 reasonable insurance, which for producers of consumer products in final form
15 shall include product liability insurance;

16 (9) prohibit hazardous additives to hemp products, or specify additive
17 limits, relative to substances that are toxic, not generally recognized as safe, or
18 designed to make the product more addictive or more appealing to persons
19 under 21 years of age or to mislead consumers;

1 (10) specify when a registered hemp product that contains more than 0.4
2 mg tetrahydrocannabinol must be restricted for sale to persons 21 years of age
3 or older or restricted for sale in specified settings, or both;

4 (11) define “craft processors” as a class of small businesses with
5 different needs and risks and exempt craft processor licensees from the
6 requirements of this subchapter that the Board finds to be unnecessary to
7 protect the public health, safety, and welfare;

8 (12) waive or reduce licensing fees for craft processor applicants
9 pursuant to rule or readily accessible policy;

10 (13) exempt certain product categories from the requirement to register
11 under this chapter;

12 (14) establish requirements for the consumer sale of any product
13 containing tetrahydrocannabinol or other cannabinoids; or

14 (15) prohibit any person from making false, misleading, or
15 unsubstantiated claims for cannabinoid-containing products.

16 (b) The Board shall adopt rules to:

17 (1) establish requirements for the licensure of processors of hemp,
18 hemp-derived process intermediaries, and hemp products; and

19 (2) regulate the use of processing facilities and equipment to permit
20 processors to use the same equipment for hemp and cannabis processing and to
21 prevent cross contamination between hemp and cannabis.

1 § 856. TEST RESULTS; ENFORCEMENT

2 (a) When notified that hemp, a hemp product, or a hemp-infused product
3 has a tetrahydrocannabinol concentration exceeding the applicable federally
4 defined tetrahydrocannabinol concentration level of hemp, the person licensed
5 or registered with the Board to grow or process the hemp shall arrange for
6 disposal, remediation, or destruction of the hemp, hemp product, or hemp-
7 infused product in a manner consistent with applicable State and federal law.

8 (b) To enforce the provisions of this subchapter, the Board, upon
9 presenting appropriate credentials, may conduct one or more of the following:

10 (1) Enter upon any premises where hemp is grown or processed and
11 inspect premises, machinery, equipment and facilities, all hemp during any
12 growth phase, or any hemp product or hemp-infused product during processing
13 or storage. Inspection under this section may include taking samples,
14 inspecting records, and inspecting equipment or vehicles used to grow,
15 process, or transport hemp, hemp products, or hemp-infused products.

16 (2) Inspect any retail location offering hemp products or hemp-infused
17 products. Inspection under this section may include taking samples of such
18 products.

19 (3) Issue and enforce a written or printed “stop sale” order to the owner
20 or custodian of any hemp, hemp product, or hemp-infused product subject to
21 the requirements of this subchapter or rules adopted under this subchapter that

1 the Board finds is in violation of any of the provisions of this subchapter or
2 rules adopted under this subchapter. An order may prohibit further sale,
3 processing, and movement of the hemp, hemp product, or hemp-infused
4 product until the Board has approved and issued a release from the “stop sale”
5 order.

6 (A) This order shall include the reason for issuance, a description of
7 the hemp or hemp products at issue, instructions to separate all hemp or hemp
8 products subject to the order, and any recommended measures to remedy the
9 basis or bases for the order.

10 (B) A person issued a “stop sale” order may appeal that order to the
11 Board within 15 days after receipt. The person shall file any appeal by serving
12 a letter on the Board, which shall state all grounds for the appeal and identify
13 the hemp or hemp products affected by the appeal.

14 § 857. ADMINISTRATIVE PENALTIES

15 (a) The Board may assess violations and administrative penalties against
16 persons licensed or registered pursuant to this subchapter, as well as persons
17 required to be licensed or registered pursuant to this subchapter who fail to
18 obtain or maintain required credentials.

19 (b) The compliance and enforcement authorities and procedures applicable
20 to cannabis establishments shall apply to persons licensed or registered under
21 this subchapter.

1 (c) The Board may enforce a final administrative penalty by filing a civil
2 collection action in any Superior Court.

3 § 858. FEES

4 (a) The following fees shall apply to each license or registration application
5 or each annual license or registration renewal under this subchapter:

6 (1) Producer: \$50.00.

7 (2) Processor: \$500.00.

8 (3) Product: \$75.00.

9 (b) Notwithstanding subsection (a) of this section, the Board may issue
10 longer registrations, prorated at the same cost per year, for products it deems
11 low risk and shelf-stable. The products may be defined and distinguished in
12 readily accessible published guidance.

13 Sec. 17. 18 V.S.A. § 4201(15) is amended to read:

14 (15)(A) “Cannabis” means all parts of the plant *Cannabis sativa* L.,
15 except as provided by subdivision (B) of this subdivision (15), whether
16 growing or harvested, and includes:

17 (i) the seeds of the plant;

18 (ii) the resin extracted from any part of the plant; and

19 (iii) any compound, manufacture, salt, derivative, mixture, or

20 preparation of the plant, its seeds, or resin.

- 1 (B) “Cannabis” does not include:
- 2 (i) the mature stalks of the plant and fiber produced from the
- 3 stalks;
- 4 (ii) oil or cake made from the seeds of the plant;
- 5 (iii) any compound, manufacture, salt, derivative, mixture, or
- 6 preparation of the mature stalks, fiber, oil, or cake;
- 7 (iv) the sterilized seed of the plant that is incapable of
- 8 germination; or
- 9 (v) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A.
- 10 § 852.

11 Sec. 18. 32 V.S.A. § 7811(b) is amended to read:

12 (b) The tax established in this section shall not be imposed on:

13 (1) cannabis-related supplies sold by a dispensary registered under 7

14 V.S.A. chapter 37 to registered patients and registered caregivers, as those

15 terms are defined in 7 V.S.A. § 972;

16 (2) cannabis products, as defined in 7 V.S.A. § 831, that do not contain

17 tobacco; or

18 (3) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A.

19 § 852, that do not contain tobacco.

20 Sec. 19. 7 V.S.A. § 845 is amended to read:

21 **§ 845. CANNABIS REGULATION FUND**

1 (a) There is established the Cannabis Regulation Fund, which shall be
2 managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund
3 shall be maintained by the Cannabis Control Board.

4 (b) The Fund shall be composed of:

5 (1) all State application fees, annual license fees, renewal fees, and civil
6 penalties collected by the Board pursuant to ~~chapters~~ chapter 31, subchapter 3
7 (hemp); chapter 33 (cannabis establishments); and chapter 37 (medical
8 cannabis dispensaries) of this title;

9 * * *

10 Sec. 20. 7 V.S.A. § 834 is added to read:

11 § 834. SALES RESTRICTIONS

12 (a) As used in this section, “unregistered hemp” or “unregistered cannabis”
13 means a product required by State law or rule of the Cannabis Control Board to
14 be registered with the Cannabis Control Board, including a product derived
15 from the unregistered hemp or unregistered cannabis, that is not registered on
16 the date a transaction occurs.

17 (b) No person shall cause unregistered hemp or unregistered cannabis
18 purchased by mail or through a computer network, telephonic network, or
19 other electronic network to be shipped to anyone other than a licensed cannabis
20 laboratory in this State.

1 (c) No person shall, with knowledge or reason to know of the violation,
2 provide substantial assistance to a person in violation of this section.

3 (d) A violation of this section is punishable as follows:

4 (1) A knowing or intentional violation of this section shall be punishable
5 by imprisonment for not more than five years or a fine of not more than
6 \$5,000.00, or both.

7 (2) In addition to or in lieu of any other civil or criminal remedy
8 provided by law, upon a determination that a person has violated this section,
9 the Attorney General may impose a civil penalty in an amount not to exceed
10 \$5,000.00 for each violation. For purposes of this subsection, each shipment
11 or transport of unregistered hemp or unregistered cannabis shall constitute a
12 separate violation.

13 (3) The Attorney General may seek an injunction to restrain a threatened
14 or actual violation of this section.

15 (4) In any action brought pursuant to this section, the State shall be
16 entitled to recover the costs of investigation, expert witness fees, the action,
17 and reasonable attorney's fees.

18 (5) A person who violates this section engages in an unfair and
19 deceptive trade practice in violation of the State's Consumer Protection Act, 9
20 V.S.A. §§ 2451 et seq.

1 * * *

2 * * * CAFO Permit Working Group * * *

3 Sec. 22. 10 V.S.A. § 1354 is added to read:

4 § 1354. CONCENTRATED ANIMAL FEEDING OPERATION PERMIT
5 PROGRAM WORKING GROUP

6 (a) Creation. The Secretary of Natural Resources, in coordination with the
7 Secretary of Agriculture, Food and Markets, shall convene a working group of
8 interested parties to provide advice and recommendations on the
9 implementation of and transition to the Concentrated Animal Feeding
10 Operation (CAFO) permit required under section 1353 of this title.

11 (b) Membership. The working group shall be composed of the following:

12 (1) five livestock farmers that are in good standing, appointed by the
13 Speaker of the House as follows:

14 (A) one representative of the Champlain Valley Farmer Coalition;

15 (B) one representative of the Franklin County Farmer Coalition;

16 (C) one representative of the Connecticut River Valley Farmer
17 Coalition;

18 (D) one representative of the Vermont Dairy Producers Alliance; and

19 (E) one representative of farmers from the Northeast Kingdom.

20 (2) three agricultural technical service providers, appointed by the
21 Governor;

1 (3) three representatives from the environmental advocate community,
2 appointed by the Committee on Committees; and

3 (4) the executive director or designee from the Vermont Association of
4 Conservation Districts.

5 (c) Assistance. The Agency of Natural Resources and the Agency of
6 Agriculture, Food and Markets shall participate in the working group on an
7 advisory and administrative capacity but shall not have appointed members on
8 the working group and shall not be required to submit reports to the General
9 Assembly. The working group shall have the administrative, technical, and
10 legal assistance of the Agency of Natural Resources.

11 (d) Meetings.

12 (1) The Secretary of Natural Resources shall call the first meeting of the
13 working group to occur on or before November 1, 2026.

14 (2) The working group shall select co-chairs from among its members at
15 the first meeting. One of the co-chairs shall represent livestock farmers, and
16 one co-chair shall represent the environmental advocate community.

17 (3) A majority of the membership of the working group shall constitute
18 a quorum.

19 (4) The working group shall meet at least quarterly, or more frequently
20 at the request of the co-chairs or at the request of the Secretary of Natural
21 Resources.

1 (5) The working group’s meetings shall be open to the public in
2 accordance with 1 V.S.A. chapter 5, subchapter 2. Notwithstanding 1 V.S.A.
3 § 313, the working group may go into executive session in order to discuss a
4 circumstance or an event regarding a specific farm or regarding a possible
5 CAFO permit violation by a specific farm.

6 (e) Report. The working group annually shall report to the House
7 Committees on Agriculture, Food Resiliency, and Forestry and on
8 Environment and the Senate Committees on Agriculture and on Natural
9 Resources and Energy. The report may take the form of testimony to
10 committees from members of the working group.

11 (f) Definition. As used in this section, “good standing” means a farmer
12 subject to the requirement of this subchapter or to the requirements of 6 V.S.A.
13 chapter 215:

14 (1) does not have an active enforcement violation that has reached a
15 final order with the Secretary of Natural Resources or the Secretary of
16 Agriculture, Food and Markets; and

17 (2) is in compliance with the terms of any current grant agreement or
18 contract with the Agency of Natural Resources or the Agency of Agriculture,
19 Food and Markets.

20 Sec. 23. CONCENTRATED ANIMAL FEEDING OPERATION;

21 TRAINING ON INSPECTION

1 (a)(1) On or before December 1, 2026, the Secretary of Natural Resources
2 shall contract with a third-party consultant to:

3 (A) assist the Secretary in the development of standards and
4 procedures to be used by the Agency of Natural Resources and the Agency of
5 Agriculture, Food and Markets when inspecting Concentrated Animal Feeding
6 Operations (CAFOs) as required by 10 V.S.A. chapter 47, subchapter 3A; and

7 (B) provide training to the Agency of Natural Resources and Agency
8 of Agriculture, Food and Markets staff on implementation of inspection of
9 CAFOs. Farmers who qualify for a CAFO permit may voluntarily attend
10 training sessions.

11 (2) When the Secretary of Natural Resources and the Secretary of
12 Agriculture, Food and Markets commence inspections of CAFOs under 10
13 V.S.A. chapter 47, subchapter 3A, the third-party consultant shall accompany
14 the Agency of Natural Resources' inspectors on 10 inspections to ensure
15 compliance with the inspection standards developed under subdivision (1) of
16 this subsection.

17 (b) In addition to other funds appropriated to the Agency of Natural
18 Resources in fiscal year 2027, the sum of \$300,000.00 is appropriated to the
19 Agency from the General Fund in fiscal year 2027 for the purpose of
20 contracting with a consultant to provide the services required under subsection
21 (a) of this section.

1 **Sec. 24. CONTINGENCY OF FUNDING**

2 The duty to implement Sec. 23 of this act (Concentrated Animal Feeding
3 Operation; training on inspection) is contingent upon an appropriation of funds
4 in fiscal year 2027 from the General Fund to the Agency of Natural Resources
5 for the specific purposes described in Sec. 23 of this act.

6 * * * Fluorine-Treated Containers for Pesticides * * *

7 Sec. 25. 9 V.S.A. § 2494g is amended to read:

8 § 2494g. FLUORINE TREATED CONTAINERS

9 (a) A manufacturer shall not sell, offer for sale, distribute for sale, or
10 distribute for use in the State a product listed under subdivisions 2494f(a)(1)–
11 (9) of this title that does not contain intentionally added PFAS but that is sold,
12 offered for sale, distributed for sale, or distributed for use in the State in a
13 fluorine treated container.

14 (b) The prohibition under subsection (a) of this section shall not apply to
15 the sale, offer for sale, distribution for sale, or distribution for use of a product
16 that has been previously used by a consumer for the intended purpose of the
17 product.

18 (c) Beginning on January 1, 2032, a manufacturer shall not manufacture,
19 sell, offer for sale, distribute for sale, or distribute for use in the State a fluorine
20 treated container or any consumer product or pesticide in a fluorine treated

1 container. For purposes of this section, “pesticide” has the same meaning as
2 “economic poison” in 6 V.S.A. § 911(5).

3 (d)(1) The Attorney General may, by rule, allow the sale, offer for sale,
4 distribution for sale, or distribution for use in the State of a pesticide in a
5 fluorine treated container prohibited under subsection (c) of this section upon a
6 determination that the use of PFAS in the container is a currently unavoidable
7 use.

8 (2) As used in this subsection, “currently unavoidable use” means that
9 the use of PFAS is essential for the health, safety, or functioning of society and
10 for which an alternative is not reasonably available.

11 * * * Effective Dates * * *

12 Sec. 26. EFFECTIVE DATES

13 (a) Secs. 15-20 (hemp oversight) shall take effect on passage.

14 (b) All other sections shall take effect on July 1, 2026.

15

16

17

18 (Committee vote: _____)

19

20

21

Representative _____

FOR THE COMMITTEE