

1 Introduced by Committee on Agriculture

2 Date:

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

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

20 An act relating to miscellaneous agricultural subjects

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

2 * * * Municipal Agriculture Regulation * * *

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

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

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

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

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

19 (b) For purposes of Sec. 2 of this act, it is the intent of the General
20 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

(2) As used in this section:

(B) “Farm structure” means a building, enclosure, or fence for livestock, raising horticultural or agronomic plants, or carrying out activities associated with accepted agricultural or farming practices, including a silo, as “farming” is defined in 10 V.S.A. § 6001(22), but excludes structures used for human habitation.

(D) “Poultry has the same meaning as in 6 V.S.A. § 1459(4).”

Sec. 3. Section 3 of the Agency of Agriculture, Food and Markets, Vermont Required Agricultural Practices Rule for the Agricultural Nonpoint Source Pollution Control Program is amended to read:

3.1 Persons engaged in farming and the agricultural practices as defined in Section 3.2 of this rule and who meet the minimum threshold criteria for applicability of this rule as found in Section 3.1(a)–(g) must meet all applicable Required Agricultural Practices conditions, restrictions, and operating

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.

19 * * * Vermont Income, Capital Gains, and Property Transfer Tax * * *

20 Sec. 4. 32 V.S.A. § 5811(21) is amended to read:

* * *

* * *

* * *

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

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

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

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

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

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

18 (III) A buyer that purchased real estate pursuant to this
19 subdivision (viii) shall be subject to the tax imposed by this chapter upon
20 development of the real estate by the buyer. If the development by the buyer
21 occurs on a portion of the real estate, the prorated portion of the capital gain

1 shall be subject to the tax imposed by this chapter. The amount of this tax
2 shall be determined as of the date the development occurs. “Development” has
3 the same meaning as in subdivision 3752(5) of this title.

4 * * *

5 Sec. 5. 32 V.S.A. § 9603 is amended to read:

6 § 9603. EXEMPTIONS

7 The following transfers are exempt from the tax imposed by this chapter:

8 * * *

9 (5) Transfers between two spouses, or parent and child or child’s
10 spouse, or grandparent and grandchild or grandchild’s spouse, without actual
11 consideration therefor; and also transfers in trust or by decree of court to the
12 extent of the benefit to the donor or one or more of the related persons named
13 in this subdivision; and transfers from a trust named in this subdivision
14 conveying or releasing the property free of trust as between those related
15 persons and without actual consideration therefor.

16 * * *

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

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

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

3 (C) A buyer that purchased real estate pursuant to this subdivision
4 (29) shall be subject to the tax imposed by this chapter upon development of
5 the real estate by the buyer. If the development occurs on a portion of the real
6 estate, the portion shall be subject to the tax imposed by this chapter. The
7 amount of this tax shall be equal to the tax imposed by this chapter as of the
8 date the development occurs. “Development” has the same meaning as in
9 subdivision 3752(5) of this title.

10 * * * Accessory On-Farm Structure Permit * * *

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

12 (t) No permit or permit amendment is required for the construction of
13 improvements for an accessory on-farm business for the storage or sale of
14 qualifying products or the other eligible enumerated products as defined in
15 24 V.S.A. § 4412(11)(A)(i)(I). No permit or permit amendment is required for
16 the construction of improvements for an accessory on-farm business for the
17 preparation or processing of qualifying products as defined in 24 V.S.A.
18 § 4412(11)(A)(i)(I), provided that ~~more than 50 percent of~~ the total annual
19 sales of the prepared or processed qualifying products that come from products
20 not produced on the farm where the business is located do not exceed
21 \$250,000.00. This subsection shall not apply to the construction of

1 improvements related to hosting events or farm stays as part of an accessory
2 on-farm business as defined in 24 V.S.A. § 4412(11)(A)(i)(II).

3 * * * Agricultural Land Definition * * *

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

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

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

14 (B) it is used by a farmer as part of the farmer’s operation under
15 written lease for at least three years; or

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

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

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

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

7 * * * Farm Kitchens * * *

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

9 § 4301. DEFINITIONS

10 (a) As used in this chapter:

11 * * *

12 (9) “Farm kitchen operation” means an accessory on-farm business as
13 defined in 24 V.S.A. § 4412 that utilizes a dedicated kitchen facility located on
14 the premises of a working farm for the purposes of preparing, preserving,
15 packaging, labeling, or storing food products derived from crops, livestock, or
16 other agricultural goods grown or raised on the farm for farm-direct sales,
17 donation, or distribution.

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

1 ~~(10)~~(11) “Food manufacturing establishment” or “food processor”
2 means all buildings, rooms, basements, cellars, lofts, or other premises or part
3 thereof used, occupied, or maintained for the purpose of manufacturing,
4 preparing, packing, canning, bottling, keeping, storing, handling, serving, or
5 distributing food for sale. A food manufacturing establishment includes food
6 processors, bakeries, cottage food operations, farm kitchen operations,
7 distributers, and warehouses. A food manufacturing establishment does not
8 include a place where only maple syrup or maple products, as defined in
9 6 V.S.A. § 481, are prepared for human consumption.

10 ~~(11)~~(12) “Food service establishment” means entities that prepare,
11 serve, and sell food to the public, including restaurants, temporary food
12 vendors, caterers, mobile food units, and limited operations as defined in rule.

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

17 ~~(13)~~(14) “Salvage food” means any food product from which the label
18 on the packaging has been lost or destroyed or that has been subjected to
19 possible damage as the result of an accident, fire, flood, or other cause that
20 prevents the product from meeting the specifications of the manufacturer or the
21 packer but is otherwise suitable for human consumption.

1 (3) Food manufacturing establishment — a fee for any person or persons
2 that process food for resale to restaurants, stores, or individuals according to
3 the following schedule:

4 (A) Food manufacturing establishments; nonbakeries

5 I — Gross receipts of \$10,001.00 to \$50,000.00; \$175.00

6 II — Gross receipts of over \$50,000.00; \$275.00

7 III — Gross receipts of \$10,000.00 or less are exempt
8 pursuant to section 4358 of this title

9 (B) Food manufacturing establishment; bakeries

10 I — Home bakery; \$100.00

11 II — Small commercial; \$200.00

12 III — Large commercial; \$350.00

13 (C) Food manufacturing establishments; cottage food operations —

14 Gross receipts of \$30,000.00 or less from the sale of cottage food products are
15 exempt pursuant to section 4358 of this title.

16 (D) Food manufacturing establishments; farm kitchen operations —

17 \$75.00.

18 * * *

19 * * * New Electric Generation Facility Siting * * *

20 Sec. 10. 30 V.S.A. § 248 is amended to read:

21 § 248. NEW GAS AND ELECTRIC PURCHASES, INVESTMENTS, AND

1 FACILITIES; CERTIFICATE OF PUBLIC GOOD

2 (a)(1) No company, as defined in section 201 of this subchapter, may:

3 * * *

4 (4)(A) With respect to a facility located in the State, in response to a
5 request from one or more members of the public or a party, the Public Utility
6 Commission shall hold a nonevidentiary public hearing on a petition for such
7 finding and certificate. The public hearing shall either be remotely accessible
8 or held in at least one county in which any portion of the construction of the
9 facility is proposed to be located, or both. The Commission in its discretion
10 may hold a nonevidentiary public hearing in the absence of any request from a
11 member of the public or a party. From the comments made at a public hearing,
12 the Commission shall derive areas of inquiry that are relevant to the findings to
13 be made under this section and shall address each such area in its decision.
14 Prior to making findings, if the record does not contain evidence on such an
15 area, the Commission shall direct the parties to provide evidence on the area.
16 This subdivision (4) does not require the Commission to respond to each
17 individual comment.

18 * * *

19 (E) The Agency of Natural Resources and the Agency of Agriculture,
20 Food and Markets shall appear as ~~a party~~ parties in any proceedings held under
21 this subsection (a), shall provide evidence and recommendations concerning

1 any findings to be made under subdivision (b)(5) of this section, and may
2 provide evidence and recommendations concerning any other matters to be
3 determined by the Commission in such a proceeding.

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

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

14 (ii) In a proceeding other than one described in subdivision (i) of
15 this subdivision (4)(F), the Agency shall have the right to appear and
16 participate.

17 * * *

18 (J) This subdivision (J) applies to an application for an electric
19 generation facility with a capacity that is greater than 50 kilowatts and to an
20 application for an energy storage facility that is greater than 1 megawatt, unless
21 the facility is located on a new or existing structure the primary purpose of

1 which is not the generation of electricity. In addition to any other information
2 required by the Commission, the application for such a facility shall include
3 information that delineates:

4 (i) the full limits of physical disturbance due to the construction
5 and operation of the facility and related infrastructure, including areas
6 disturbed due to the creation or modification of access roads and utility lines
7 and the clearing or management of vegetation;

8 (ii) the presence and total acreage of primary, secondary, and local
9 importance agricultural soils as defined in 10 V.S.A. § 6001 and by the Natural
10 Resources Conservation Service on each tract to be physically disturbed in
11 connection with the construction and operation of the facility, the amount of
12 those soils to be disturbed, and any other proposed impacts to those soils;

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

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

18 * * *

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

* * *

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

(B) With respect to a solar energy generation facility, to meet this criterion, a Vermont-licensed engineering firm approved by the Department of Environmental Conservation shall perform a full-spectrum audit of energy payback time and carbon dioxide emissions at the cost of the applicant. The audit shall include a cradle-to-grave calculation, including resource extraction; mining and procurement; production manufacturing and transportation; deployment and disposal of all technologies required, including solar panels concrete, footings, transformers, and batteries; forest ecosystem destruction;

1 foregoing 25 years of agricultural crops; and construction and landscaping of
2 the project.

3 * * *

4 (5) With respect to an in-state facility, will not have an undue adverse
5 effect on aesthetics, historic sites, air and water purity, the natural
6 environment, the use of natural resources, and the public health and safety,
7 with due consideration having been given to the criteria specified in 10 V.S.A.
8 §§ 1424a(d) and 6086(a)(1) through (8) and (9)(K), impacts to primary
9 agricultural soils, agricultural soils of statewide importance or local importance
10 as defined in 10 V.S.A. § 6001 and as designated by the Natural Resources
11 Conservation Service, and greenhouse gas impacts. The siting of a facility or
12 group of physically adjacent or interrelated facilities such that facility
13 structures and related infrastructure preclude the tilling of soil, seeding,
14 growing, or harvesting of agricultural crops on greater than five acres of
15 primary, statewide, or local importance agricultural soils, or reduce future
16 Vermont-based food security or will result in the destruction of forest
17 ecosystems, forest soils and their unique biology, or increased volatilization
18 and release of forest soil carbon on more than five acres shall be considered
19 undue and not in the public good.

20 * * *

21 * * * Milk Producers * * *

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

2 § 2752. REFUSAL TO PURCHASE; HEARING; SECRETARY’S ORDER

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

14 (b) If the producer desires to question the existence or validity of such
15 grounds of refusal, ~~he or she~~ the producer may do so within 90 days after
16 receiving the notice or refusal by requesting the Secretary of Agriculture, Food
17 and Markets for a hearing, and the Secretary is hereby given jurisdiction to
18 hear and determine the question. The producer shall make complaints of such
19 contemplated refusal in writing to the Secretary, setting forth the substance of
20 the refusal notice and requesting to be heard thereon. The Secretary shall then
21 notify both the producer and the purchaser in writing, sent to them by

1 registered mail, of the time and place of hearing thereon. The time of the
2 hearing shall not be less than 10 nor more than 30 days from the date of the
3 notice. Hearing shall be informal. Both parties shall have an opportunity to
4 produce evidence.

5 * * *

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

9 * * *

10 * * * Farm-to-School Program Contracts * * *

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

12 § 4721. LOCAL FOODS ~~GRANT~~ PROGRAM

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

19 (b) A school, a school district, a consortium of schools, a consortium of
20 school districts, a registered or licensed child care provider, or an organization
21 administering or assisting the development of farm-to-school programs may

1 apply to the Secretary of Agriculture, Food and Markets for a grant ~~award~~ or
2 contract to:

3 * * *

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

10 * * *

11 (e) No ~~award~~ individual grant or contract shall be greater than 20 percent of
12 the total annual ~~amount~~ funds available for ~~granting~~ except that a ~~grant~~ an
13 award to the following entities may, at the discretion of the Secretary of
14 Agriculture, Food and Markets, exceed the cap:

- 15 (1) Farm-to-School service providers; or
- 16 (2) school districts or consortiums of school districts that completed
17 merger under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No.
18 156, or 2015 Acts and Resolves No. 46 on or before July 1, 2019, provided
19 that the ~~grant is~~ funds are used for the purpose of expanding Farm-to-School
20 projects to additional schools within the new school district.

* * * Pest Control Compact Repeal * * *

Sec. 13. REPEAL

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

* * * Amending Pesticide Exam Requirements * * *

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

§ 1112. LICENSING PESTICIDE APPLICATORS; PESTICIDE
COMPANIES; DEALERS

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

(1) Class A Dealer License—\$50.00;

(2) Class B Dealer License—\$50.00;

(3) Pesticide Company License—\$75.00;

(4) Commercial ~~and~~, Noncommercial, and Government Applicator

Certification fee—\$30.00 per category or subcategory with a maximum of \$120.00;

* * *

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

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

* * *

(11) “Distribute” means to import, manufacture, produce, mix, blend, offer for sale, sell, barter, or supply seed for the purpose of sowing in the State through any means, including sales outlets, catalogues, the telephone, the internet, or any electronic means.

(12) “Distributor” means any person who distributes seeds in or into the State and affixes the labeling or any relabeling required in section 644 of this chapter.

(13) “Treated” means seed that received an application of a substance or process designed to reduce, control, or repel certain disease organisms, insects, or other pests from attaching to the seed or seedlings, or designed to enhance the availability or uptake of plant nutrients through root systems.

(b) In addition to the terms defined in subsection (a) of this section and to facilitate uniform seed requirements, the Secretary may apply any other term or definition that the Association of American Seed Control Officials adopted in its *Recommended Uniform State Seed Law*, as amended.

Sec. 16. 6 V.S.A. § 642 is amended to read:

§ 642. DUTIES AND AUTHORITY OF THE SECRETARY

(a) The Secretary shall enforce and carry out the provisions of this subchapter, including:

(1) Sampling, inspecting, making analysis of, and testing seeds subject to the provisions of this subchapter that are ~~transported, sold, or offered or exposed for sale within~~ distributed in or into the State for sowing purposes.

The Secretary shall notify promptly a person who ~~sells, offers, or exposes~~
distributes seeds for sale and, if appropriate, the person who ~~labels or~~
~~transports seeds~~ of any violation and seizure of the seeds or order to cease sale
of the seeds under section 643 of this title.

* * *

Sec. 17. 6 V.S.A. § 644 is amended to read:

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

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

(1) All labels shall include:

* * *

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

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

(A) a A word or statement indicating that describing the seed has been treated with treatment and identifying the commonly accepted chemical

1 name or abbreviated chemical name of the applied substance, or a description
2 of the process used.

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

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

11 * * *

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

16 * * *

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

18 (b) No person shall be subject to the penalties of this subchapter for ~~having~~
19 ~~sold or offered for sale~~ distributing seeds subject to provisions of this
20 subchapter that were incorrectly labeled or represented as to kind, species, and
21 subspecies; variety; type; or origin, unless the person has failed to obtain an

1 invoice, genuine grower’s declaration, or other labeling information or to take
2 such other reasonable precautions to ensure that the identity of the seed is set
3 forth. “Genuine grower’s declaration” means a statement signed by the grower
4 that gives for each lot of seed the lot number, kind, variety (if known), origin,
5 weight, year of production, date of shipment, and to whom the shipment was
6 made.

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

8 § 647. ADMINISTRATIVE PENALTIES

9 (a) The Secretary may assess administrative penalties, not to exceed
10 \$250.00 for each offense, in any case ~~he or she~~ the Secretary determines that a
11 person has committed any of the following violations:

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

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

17 (3) Failed to report the quantity of genetically engineered, treated, and
18 untreated seed sold in the State during the previous calendar year. Reporting
19 shall be completed on forms the Secretary prescribes and may include seed
20 categories, traits, Environmental Protection Agency pesticide product numbers,

1 active ingredients, application rate on seed, and other information the Secretary
2 requires.

3 ~~(3)(4) violated~~ Violated a stop sale order.

4 * * *

5 Sec. 20. 6 V.S.A. § 648 is amended to read:

6 § 648. ~~INSPECTIONS~~ REGISTRATION AND REPORTING

7 (a) ~~Inspection~~ No person shall distribute seed without registering annually.
8 Registration fees shall be paid to the Secretary by a manufacturer ~~or~~ processor,
9 or distributor that distributes seed in or into the State. ~~Fees shall be established~~
10 ~~as follows:~~ The registration fee is \$85.00 annually for each distributor that
11 distributes any seed in or into the State. Registration is for the calendar year
12 and expires on the last day of December each year.

13 ~~(1) \$10.00 per ton for any seed sold in containers of more than 10~~
14 ~~pounds; and~~

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

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

18 (1) seed not intended for sowing purposes;

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

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

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

9 (c) The following reports are required:

10 (1) For those seeds sold A manufacturer, processor, or distributor
11 distributing seed in containers of more than 10 pounds, a must file an annual
12 report shall be filed annually on or before January 15 on forms supplied by the
13 Secretary regarding sales distribution of seed during the previous calendar year
14 and fees based on the, A fee of \$10.00 per ton rate shall accompany the
15 report. Reporting periods are January 1-June 30 and July 1-December 31 of
16 seeds distributed in containers of more than 10 pounds shall accompany the
17 report and is due annually on or before January 15. If a registrant or distributor
18 does not distribute any seed during the calendar year, a report indicating that
19 no distribution occurred must be submitted.

20 (2) For all seeds distributed in or into Vermont regardless of container
21 size, the manufacturer, processor, or distributor distributing the seed shall

1 report annually on or before February 15 to the Secretary on a form supplied
2 by the Secretary. At minimum, the form will require disclosure of the quantity
3 of seeds containing genetically engineered material, treated seed, and untreated
4 seed distributed during the previous calendar year. The following
5 requirements also apply:

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

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

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

15 ~~(e)(d)~~ All fees shall be deposited in the special fund created by subsection
16 364(f) of this title and used in accordance with its provisions.

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

20 ~~(g) For seeds sold in Vermont that contain genetically engineered material,~~
21 ~~the manufacturer or processor distributing such seed in Vermont shall report~~

1 ~~annually on or before February 15 to the Secretary on forms supplied by the~~
2 ~~Secretary regarding sales during the previous calendar year.~~

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

8 * * * Consolidate VACP within VEDA * * *

9 Sec. 21. TRANSFER OF VERMONT AGRICULTURAL CREDIT

10 PROGRAM

11 10 V.S.A. chapter 16A (Vermont Agricultural Credit Program) is repealed
12 for the purpose of redesignation as 10 V.S.A. chapter 12, subchapter 16.

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

14 Subchapter 16. Vermont Agricultural Credit Program

15 § 280hh. DEFINITIONS

16 As used in this subchapter:

17 (1) “Agricultural facility” means land and rights in land, buildings,
18 structures, machinery, and equipment that is used for, or will be used for,
19 producing, processing, preparing, packaging, storing, distributing, marketing,
20 or transporting agricultural or forest products that have been at least partially

1 produced in this State, and working capital reasonably required to operate an
2 agricultural facility.

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

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

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

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

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

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

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

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

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

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

19 (9) “Livestock” includes cattle, sheep, goats, equines, fallow deer, red
20 deer, reindeer, American bison, swine, poultry, pheasant, chukar partridge,

1 coturnix quail, ferrets, camelids and ratites, cultured trout propagated by
2 commercial trout farms, and bees.

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

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

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

13 (13) “Project” or “agricultural project” means the creation,
14 establishment, acquisition, construction, expansion, improvement,
15 strengthening, reclamation, operation, or renovation of an agricultural facility
16 or farm operation.

17 280ii. VERMONT AGRICULTURAL CREDIT PROGRAM

18 (a) The Vermont Agricultural Credit Program provides an alternative
19 source of sound and constructive credit to farmers and forest products
20 businesses who are not having their credit needs fully met by conventional
21 agricultural credit sources at reasonable rates and terms; or, in the alternative,

1 the granting of the loan shall serve as a substantial inducement for the
2 establishment or expansion of an eligible agricultural or forestry project within
3 the State. The Program is intended to meet, either in whole or in part, the
4 credit needs of eligible agricultural facilities and farm and forest operations in
5 fulfillment of one or more of the purposes listed in this subsection by making
6 direct loans and participating in loans made by other agricultural credit
7 providers:

8 (1) to encourage diversification, cooperative farming, and the
9 development of innovative techniques for farming and forest products
10 businesses;

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

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

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

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

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

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

4 280jj. GENERAL POWERS

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

8 280kk. LOAN ELIGIBILITY STANDARDS

9 A farmer, forest products business, or a limited liability company,
10 partnership, corporation, or other business entity with a minimum 20 percent
11 ownership of which is vested in one or more farmers, forest products
12 businesses, or a nonprofit corporation, shall be eligible to apply for a farm
13 ownership or operating loan that shall be intended to expand the agricultural
14 economy or forest economy of the State, provided the applicant is:

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

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

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

5 (4) a creditworthy person under such standards as the Authority may
6 establish;

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

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

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

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

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

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

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

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

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

9 * * * Permitting Large and Medium Farm Operations * * *

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

11 (i) ~~A Beginning on July 1, 2026, a person required to obtain a permit under~~
12 ~~this section shall submit not be required to pay an annual operating fee of~~
13 ~~\$2,500.00 to the Secretary. During any calendar year in which a person has an~~
14 ~~active Large Concentrated Animal Feeding Operation permit issued by the~~
15 ~~Agency of Natural Resources pursuant to the federal Clean Water Act and pays~~
16 ~~the required associated fee, that person shall not be required to pay the~~
17 ~~\$2,500.00 annual operating fee described in this section. The fees collected~~
18 ~~under this section shall be deposited in the Agricultural Water Quality Special~~
19 ~~Fund under section 4803 of this title.~~

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

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

6 * * * Floor Drain Permitting Study * * *

7 Sec. 25. FLOOR DRAIN PERMITTING STUDY; REPORT

8 (a) The Agency of Natural Resources, in coordination with the Agency of
9 Agriculture, Food and Markets, shall convene a stakeholder group to report on
10 how to address the permitting process for installation of floor drains for
11 purposes of disposing process wastewater into underground injection wells to
12 better support farmers and their role in the agricultural economy. For purposes
13 of this study, “process wastewater” has the same meaning as defined in
14 Agency of Natural Resources, Department of Environmental Conservation
15 Environmental Protection Rules, Chapter 11, Underground Injection Control
16 Regulations, Section 11-201.

17 (b) The group shall examine how the permitting process for installation of
18 floor drains currently works and whether there are shortcomings or challenges.
19 The group shall examine the permitting process holistically to understand and
20 explain the roles of the Agency of Natural Resources and the Agency of
21 Agriculture, Food and Markets. The group shall develop recommendations to

1 find efficiencies in the entire process or recommend an alternative permitting
2 process.

3 (c) The Secretary of the Agency of Natural Resources shall submit the
4 report to the House Committees on Agriculture, Food Resiliency, and Forestry
5 and on Environment and the Senate Committees on Agriculture and on Natural
6 Resources and Energy on or before January 15, 2027.

7 * * * Effective Date * * *

8 Sec. 26. EFFECTIVE DATE

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