

1 TO THE HONORABLE SENATE:

2 The Committee on Agriculture to which was referred House Bill No. 942
3 entitled “An act relating to miscellaneous agricultural subjects” respectfully
4 reports that it has considered the same and recommends that the Senate
5 propose to the House that the bill be amended as follows:

6 First: In Sec. 3, 6 V.S.A. chapter 37, in section 681, after subdivision (3),
7 by adding a new subdivision (4) to read as follows and by renumbering the
8 remaining subdivisions to be numerically correct:

9 (4) “Convenience store” means a type of retail establishment that sells a
10 limited number of everyday items such as motor fuel, tobacco products, made-
11 to-order food, snacks, and beverages that serve as a quick, accessible retail
12 option for consumers who typically purchase a small number of products, and
13 that does not offer a sufficient quantity of consumer commodities to make unit
14 pricing as useful to consumers. “Convenience store” does not include a
15 grocery store, drug store, dollar store, or any other type of store. The Secretary
16 has the discretion to determine whether a retail establishment is a convenience
17 store.

18 Second: In Sec. 3, 6 V.S.A. chapter 37, in section 686, by striking out
19 subsection (a) in its entirety and inserting in lieu thereof a new subsection (a)
20 to read as follows:

1 (a) The unit price requirements of this chapter shall not apply to ~~sales of~~
2 consumer ~~commodities~~ commodity sales as follows:

3 (1) At a retail store with less than 7,000 square feet of floor space
4 dedicated to the sale of consumer commodities. This ~~exception~~ exemption
5 shall not apply to ~~the sales agencies or instrumentalities~~ retail establishments of
6 a company having two or more sales ~~agencies or instrumentalities~~ locations as
7 parts of that company.

8 (2) ~~For use or consumption on the premises where sold~~ Convenience
9 stores.

10 (3) When different brands or products are commingled in one receptacle
11 for a limited-time one-priced sale.

12 (4) When commodities are individually marked with a clearance or sale
13 tag and are located in a clearance or limited-time sale section of the store.
14 Clearance or limited-time sale sections may be on a shelf or multiple shelves,
15 or in another defined area of the store.

16 (5) When the unit price is identical to the total selling price.

17 (6) When the item falls into one of the following categories:

18 (A) seasonal decorations; or

19 (B) beverages subject to the Federal Alcoholic Administration Act
20 packing and labeling requirements.

1 Third: By striking out Sec. 4, effective date, and its reader assistance
2 heading in their entirety and inserting in lieu thereof a new Sec. 4 and reader
3 assistance heading to read as follows:

4 * * * Equine Farming for Use Value Appraisal * * *

5 Sec. 4. 32 V.S.A. § 3752 is amended to read:

6 § 3752. DEFINITIONS

7 As used in this subchapter:

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

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

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

18 written lease for at least three years; or

19 (C) it has produced an annual gross income from the sale of farm

20 crops or from equine farming in one of two, or three of the five, calendar years

21 preceding of at least:

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

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

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

10 * * *

11 (7) “Farmer” means a person:

12 (A) who earns at least one-half of the farmer’s annual gross income
13 from the business of farming as that term is defined in Regulation 1.175-3
14 issued under the Internal Revenue Code of 1986 or from the business of equine
15 farming; or

16 (B)(i) who produces farm crops that are processed in a farm facility
17 situated on land enrolled by the farmer in a use value appraisal program or on a
18 housesite adjoining the enrolled land;

19 (ii) whose gross income from the sale of the processed farm
20 products pursuant to subdivision (i) of this subdivision (B), when added to
21 other gross income from the business of farming as used in subdivision (A) of

1 this subdivision (7), equals at least one-half of the farmer’s annual gross
2 income; and

3 (iii) who produces on the farm a minimum of 75 percent of the
4 farm crops processed in the farm facility.

5 (C) The Agency of Agriculture, Food and Markets shall assist the
6 Director in making determinations of eligibility pursuant to subdivision (B) of
7 this subdivision (7).

8 * * *

9 (18) “Equine farming” means the raising, feeding, or management of
10 four or more equines owned or boarded by the farmer, including training,
11 showing, and providing instruction and lessons in riding, training, and the
12 management of equines.

13 Fourth: By adding a reader assistance heading and one new section to be
14 Sec. 5 to read as follows:

15 * * * Community Development Initiatives * * *

16 Sec. 5. 10 V.S.A. § 325m is amended to read:

17 § 325m. RURAL ECONOMIC DEVELOPMENT INITIATIVE

18 (a) Definitions. As used in this subchapter:

19 (1) “Rural area” means a county of the State designated as “rural” or
20 “mostly rural” by the U.S. Census Bureau in its most recent decennial census.

1 (2) “Small town” means a town in the State with a population of less
2 than 5,000 at the date of the most recent U.S. Census Bureau decennial census.

3 (3) “Community development initiatives” means priority projects
4 located throughout the State that support agriculture, historic preservation,
5 outdoor recreation, and other critical economic development needs, which may
6 be supported when State resources or staffing assistance is not available.

7 (b) Establishment. There is created the Rural Economic Development
8 Initiative to be administered by the Vermont Housing and Conservation Board
9 for the purpose of promoting and facilitating community economic
10 development in the small towns and rural areas of the State, and supporting
11 community development initiatives. The Rural Economic Development
12 Initiative shall collaborate with municipalities, businesses, regional
13 development corporations, regional planning commissions, and other
14 appropriate entities to access funding and other assistance available to small
15 towns and businesses primarily in rural areas of the State when existing State
16 resources or staffing assistance is not available.

17 (c) Services; access to funding. The Rural Economic Development
18 Initiative shall provide the following services to small towns and businesses
19 primarily in rural areas:

1 (1) identification of grant or other funding opportunities that facilitate
2 business development, infrastructure development, or other economic
3 development opportunities; or

4 (2) technical assistance in writing grants, accessing other funding,
5 coordination with providers of grants or other funding, strategic planning for
6 the implementation or timing of activities funded by grants or other funding,
7 and compliance with the requirements of grant awards or awards of other
8 funding.

9 (d) Priority. In providing services under this section, the Rural Economic
10 Development Initiative shall give first priority to projects that have received
11 necessary State or municipal approval and that are ready for construction or
12 implementation.

13 (e) Priority projects. The Rural Economic Development Initiative shall
14 ~~seek to assist~~ include the following priority types of projects:

15 (1) milk plants, milk handlers, or dairy products, as those terms are
16 defined in 6 V.S.A. § 2672;

17 (2) outdoor recreation and equipment enterprises;

18 (3) value-added food and forest products enterprises;

19 (4) farm operations, including phosphorus removal technology for farm
20 operations;

21 (5) coworking or business generator and accelerator spaces;

1 (6) commercial composting facilities; and

2 (7) restoration and rehabilitation of historic buildings in community
3 centers.

4 (f) Coordination. In providing services under this section, the Rural
5 Economic Development Initiative shall coordinate with the Secretary of
6 Commerce and Community Development, regional development corporations,
7 and regional planning commissions.

8 (g) Report. Beginning on January 31, 2019, and annually thereafter, the
9 Rural Economic Development Initiative shall submit to the Senate Committees
10 on Agriculture and on Economic Development, Housing and General Affairs
11 and the House Committees on Agriculture, Food Resiliency, and Forestry and
12 on Commerce and Economic Development a report regarding the activities and
13 progress of the Initiative as part of the report of the Vermont Farm and Forest
14 Viability Program. The report shall summarize the Initiative’s activities in the
15 preceding year; evaluate the effectiveness of the services provided by the
16 Initiative; provide an accounting of the grants or other funding that the
17 Initiative facilitated or helped secure; and recommend any changes to the
18 program to further economic development in small towns and rural areas of the
19 State.

20 Fifth: By adding a reader assistance heading and one new section to be Sec.
21 6 to read as follows:

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* * * Retail Sales Tax * * *

Sec. 6. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title:

* * *

(12) Motor vehicle purchases and use taxed under chapter 219 of this title and the transactions exempted therefrom that are listed in section 8911 of this title. Provided, however, that notwithstanding subdivision 8911(5) of this title, construction, earthmoving, logging, and motorized equipment that has not been registered as a motor vehicle is subject to tax under this chapter, and further provided that power take off and other auxiliary equipment on motor vehicles, whether attached prior to or subsequent to registration, is not exempt under this section, except for equipment under subdivision (51) of this section. Motor vehicle parts purchased by a dealer registered under the provisions of 23 V.S.A. §§ 451–468 shall be exempt from the tax under this chapter when used to recondition a used motor vehicle owned by the dealer in its inventory for resale.

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