

1 TO THE HONORABLE SENATE:

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

7 * * * Municipal Agriculture Regulation * * *

8 Sec. 1. FINDINGS AND INTENT; MUNICIPAL REGULATION OF
9 AGRICULTURE

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

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

15 (2) The Vermont Supreme Court’s decision in *In re 8 Taft Street DRB &*
16 *NOV Appeals*, 2025 VT 27 reversed application of the past 20 years of law to
17 hold that municipalities may regulate farming by municipal bylaw.

18 (3) To avoid the unintended consequences of the decision in *In re 8 Taft*
19 *Street DRB & NOV Appeals*, 2025 VT 27, it is necessary for the General
20 Assembly to clarify and restate that municipalities under ordinance or bylaw

1 shall not regulate farming or the construction of farm structures as set forth in
2 24 V.S.A. § 4413(d).

3 (4) In addition, the General Assembly finds that municipalities shall not
4 regulate by bylaw the growing of plants and the raising of a small backyard
5 poultry flock, excluding roosters.

6 (b) For purposes of Sec. 2 of this act, it is the intent of the General
7 Assembly to overturn the holding in *In re 8 Taft Street DRB & NOV Appeals,*
8 2025 VT 27 and to clarify that municipalities lack authority to regulate farming
9 or the construction of farm structures as set forth in 24 V.S.A. § 4413(d).

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

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

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

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

19 (C) farming that meets the minimum threshold criteria in the
20 Required Agricultural Practices Rule and is therefore required to comply with
21 the Required Agricultural Practices Rule;

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

3 ~~(B)~~(E) accepted silvicultural practices, as defined by the
4 Commissioner of Forests, Parks and Recreation, including practices that are in
5 compliance with the Acceptable Management Practices for Maintaining Water
6 Quality on Logging Jobs in Vermont, as adopted by the Commissioner of
7 Forests, Parks and Recreation; or
8 ~~(C)~~(F) forestry operations.

9 (2) As used in this section:

10 (A) “Farming” has the same meaning as in 10 V.S.A. § 6001(22) or
11 in the Required Agricultural Practices Rule.

12 (B) “Farm structure” means a building, enclosure, or fence for
13 housing livestock, raising horticultural or agronomic plants, or carrying out
14 other practices associated with accepted agricultural or farming practices,
15 including a silo, as ~~“farming” is defined in 10 V.S.A. § 6001(22),~~ but excludes
16 a dwelling for human habitation.

17 ~~(B)~~(C) “Forestry operations” has the same meaning as in 10 V.S.A.
18 § 2602.

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

20 * * *

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

4 Section 3. Required Agricultural Practices Activities and Applicability

5 3.1 Persons engaged in farming and the agricultural practices as defined in
6 Section 3.2 of this rule and who meet the minimum threshold criteria for
7 applicability of this rule as found in Section 3.1(a)–(g) must meet all applicable
8 Required Agricultural Practices conditions, restrictions, and operating
9 standards, and are not subject to municipal zoning bylaws. Persons engaged in
10 farming who are in compliance with these conditions, restrictions, and
11 operating standards, as applicable, shall be presumed to not have a discharge of
12 agricultural wastes to waters of the State. Compliance with the Required
13 Agricultural Practices Rule is required if a person:

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

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

18 (c) is preparing, tilling, fertilizing, planting, protecting, irrigating, and
19 harvesting crops for sale or for charitable contributions of farm crops that are
20 allowable under 26 U.S.C. § 170(c) and that are made to an organization that is

1 unrelated to the owner of the enrolled land on a farm that is no less than 4.0
2 contiguous acres in size; or

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

5 (1) four equines;

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

7 (3) 15 swine;

8 (4) 15 goats;

9 (5) 15 sheep;

10 (6) 15 cervids;

11 (7) 50 turkeys;

12 (8) 50 geese;

13 (9) 100 laying hens;

14 (10) 250 broilers, pheasant, Chukar partridge, or Coturnix quail;

15 (11) three camelids;

16 (12) four ratites;

17 (13) 30 rabbits;

18 (14) 100 ducks;

19 (15) 1,000 pounds of cultured trout; or

1 (16) other livestock types, combinations, or numbers as designated by
2 the Secretary based upon or resulting from the impacts upon water quality
3 consistent with this rule; or

4 (e) ~~is raising, feeding, or managing other livestock types, combinations,~~
5 ~~and numbers, or managing crops or engaging in other agricultural practices on~~
6 at least 1.0 and less than 4.0 contiguous acres in size that the Secretary has
7 determined, after the opportunity for a hearing, to be causing adverse water
8 quality impacts and in a municipality where no ordinances are in place to
9 manage the activities causing the water quality impacts and has sufficient land
10 base for appropriate nutrient and waste management. The Secretary has the
11 discretion to determine, after consultation with the appropriate municipal
12 authority, if the land base is adequate to properly manage the number and type
13 of livestock while evaluating whether compliance with the Required
14 Agricultural Practices is reasonable or impractical; or

15 (f) ~~is managed by a farmer filing with the Internal Revenue Service a~~
16 1040(F) income tax statement in at least one of the past two years is raising,
17 feeding, or managing livestock on less than 1.0 contiguous acre or on between
18 1.0 and 4.0 contiguous acres in a municipality that lacks ordinances or bylaws
19 to regulate livestock, and the Secretary determines, after an opportunity for a
20 hearing, that the livestock are causing significant adverse water quality impacts

1 and the Required Agricultural Practices should apply to protect water quality;

2 or

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

6 3.2 The agricultural practices on farms ~~meeting~~ that meet the minimum
7 threshold criteria set forth in Section 3.1 that are governed by this rule and are
8 not subject to municipal zoning bylaws include:

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

10 (b) the storage and handling of agricultural wastes principally produced on
11 the farm;

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

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

16 (e) the ditching and subsurface drainage of farm fields and the construction
17 of farm ponds;

18 (f) the stabilization of farm fields adjacent to banks of surface water, and
19 the establishment and maintenance of vegetated buffer zones and riparian
20 buffer zones;

1 (g) the construction and maintenance of farm structures, farm roads, and
2 associated infrastructure;

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

5 (i) the on-site storage, preparation, and sale of agricultural products
6 principally produced on the farm from raw agricultural commodities
7 principally produced on the farm;

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

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

12 * * * Accessory On-Farm Structure Permit * * *

13 Sec. 4. 10 V.S.A. § 6081(t) is amended to read:

14 (t) No permit or permit amendment is required for the construction of
15 improvements for an accessory on-farm business for the storage or sale of
16 qualifying products or the other eligible enumerated products as defined in
17 24 V.S.A. § 4412(11)(A)(i)(I). No permit or permit amendment is required for
18 the construction of improvements for an accessory on-farm business for the
19 preparation or processing of qualifying products as defined in 24 V.S.A.
20 § 4412(11)(A)(i)(I), provided that either more than 50 percent of the total
21 annual sales or more than \$250,000.00, adjusted for inflation, in total annual

1 sales of the prepared or processed qualifying products come from products
2 produced on the farm where the business is located. As used in this
3 subsection, “adjusted for inflation” means adjusting the dollar amount by the
4 U.S. Consumer Price Index for all Urban Consumers, All Items, published by
5 the U.S. Bureau of Labor Statistics, from fiscal year 2026 through the fiscal
6 year for which the amount is being determined, and rounding upward to the
7 nearest whole dollar amount. This subsection shall not apply to the
8 construction of improvements related to hosting events or farm stays as part of
9 an accessory on-farm business as defined in 24 V.S.A. § 4412(11)(A)(i)(II).

10 * * * Land Use Value Appraisal * * *

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

12 § 3752. DEFINITIONS

13 As used in this subchapter:

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

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

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

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

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

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

10 (iii) Exceptions to these income requirements may be made in
11 cases of orchard lands planted to fruit-producing trees, bushes, or vines that are
12 not yet of bearing age. As used in this section, the term “farm crops” also
13 includes animal fiber, cider, wine, and cheese, produced on the enrolled land or
14 on a housesite adjoining the enrolled land, from agricultural products grown on
15 the enrolled land and “donated farm crops” means charitable contributions of
16 farm crops that are allowable under 26 U.S.C. § 170(c) and that are made to an
17 organization that is unrelated to the owner of the enrolled land.

18 * * *

19 Sec. 6. 32 V.S.A. § 3755(h) is added to read:

20 (h) An owner of enrolled agricultural land that is eligible for enrollment
21 due to farm crop donations pursuant to subdivision 3752(1)(C) of this chapter

1 shall retain receipts or other proof of donation. The receipts or other proof
2 shall be available for inspection and examination at any time upon demand by
3 the Director and shall be preserved for a period of three years.

4 Sec. 7. 32 V.S.A. § 3755(f) is amended to read:

5 (f) To maintain eligibility for use value appraisal under this subchapter, ~~on~~
6 ~~or before November 1 of each year,~~ the owner of agricultural land or buildings
7 enrolled in the use value program as agricultural land or buildings shall certify
8 in writing under oath to the Commissioner at the time of application or
9 enrollment that the agricultural land or buildings enrolled by that owner will
10 continue to meet the requirements for enrollment in the use value program at
11 the time of the certification and that the owner will immediately notify the
12 Commissioner of any change in use that makes any enrolled land or buildings
13 ineligible for continued use value appraisal. The owner's change of use notice
14 shall be made on a form specified by the Director of Property Valuation and
15 Review. In the event the owner of agricultural land or buildings enrolled in the
16 use value program fails to timely notify the Commissioner of any change in
17 use that disqualifies any enrolled land or building from use value appraisal, the
18 owner shall be required to repay the Commissioner all benefits improperly
19 received because any land or building was subject to use value appraisal. The
20 owner may also be required to pay reasonable interest on any benefit
21 repayment. If the owner fails to promptly repay the full benefit, the amount

1 owed shall constitute a lien that runs with the land in accordance with
2 subdivision 3757(f)(2) of this chapter. If the Commissioner has any reason to
3 believe any enrolled agricultural land or building may not be eligible for use
4 value appraisal, the Commissioner may require the owner to certify ~~on or~~
5 before November 1 of each year as required under this subsection, the
6 Commissioner may waive the certification requirement, provided the
7 Commissioner obtains, through other means, satisfactory information that the
8 agricultural land continues or agricultural buildings continue to meet the other
9 requirements for enrollment. The form of the certification shall be made on a
10 form specified by the Director of Property Valuation and Review in writing
11 under oath within 30 days following the request that the land or buildings
12 remain eligible, or alternatively, to file a change in use form and make any
13 required benefit repayment.

14 Sec. 8. 32 V.S.A. § 3756 is amended to read:

15 § 3756. QUALIFICATION FOR USE VALUE APPRAISAL

16 (a) The owner of eligible agricultural land, farm buildings, or managed
17 forestland shall be entitled to have eligible property appraised at its use value,
18 provided the owner shall have applied to the Director on or before September 1
19 of the previous tax year, on a form provided by the Director. A farmer whose
20 application has been accepted on or before December 31 by the Director of the
21 Division of Property Valuation and Review of the Department of Taxes for

1 enrollment for the use value program for the current tax year shall be entitled
2 to have eligible property appraised at its use value if the farmer was prevented
3 from applying on or before September 1 of the previous year due to the severe
4 illness of the farmer.

5 * * *

6 (d) The assessing officials shall appraise qualifying agricultural and
7 managed forestland and farm buildings at use value appraisal as defined in
8 subdivision 3752(12) of this title. It shall be initially presumed that new
9 buildings or improvements on enrolled agricultural land or on a housesite
10 adjoining the enrolled agricultural land are farm buildings eligible for use
11 value appraisal if the new buildings or improvements are of a kind that are
12 typically used in agriculture. Assessing officials may communicate with the
13 owner to ask about the intended use of new buildings or improvements and
14 may communicate with the Commissioner to request the Commissioner's
15 determination of whether a new building or improvement is eligible for the use
16 value appraisal program. The Commissioner may require the owner of
17 agricultural land to enroll any new building or improvement to qualify for use
18 value appraisal and is authorized to determine eligibility. In the interim before
19 the Commissioner makes a determination, assessing officials' assessment of a
20 new building or improvement that the owner claims is a farm building shall be
21 at use value appraisal, to ensure adequate time for enrollment and to prevent

1 erroneous fair market value assessments of farm buildings. If the land to be
2 appraised is a portion of a parcel, any portion not receiving a use value
3 appraisal shall be valued at its fair market value as a stand-alone parcel, and,
4 for the purposes of the payment under section 3760 of this chapter, the entire
5 parcel shall be valued at its fair market value as other similar parcels in the
6 municipality.

7 * * *

8 * * * New Electric Generation Facility Siting * * *

9 Sec. 9. 30 V.S.A. § 248 is amended to read:

10 § 248. NEW GAS AND ELECTRIC PURCHASES, INVESTMENTS, AND
11 FACILITIES; CERTIFICATE OF PUBLIC GOOD

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

13 * * *

14 (4)(A) With respect to a facility located in the State, in response to a
15 request from one or more members of the public or a party, the Public Utility
16 Commission shall hold a nonevidentiary public hearing on a petition for such
17 finding and certificate. The public hearing shall either be remotely accessible
18 or held in at least one county in which any portion of the construction of the
19 facility is proposed to be located, or both. The Commission in its discretion
20 may hold a nonevidentiary public hearing in the absence of any request from a
21 member of the public or a party. From the comments made at a public hearing,

1 the Commission shall derive areas of inquiry that are relevant to the findings to
2 be made under this section and shall address each such area in its decision.

3 Prior to making findings, if the record does not contain evidence on such an
4 area, the Commission shall direct the parties to provide evidence on the area.

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

7 * * *

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

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

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

1 those soils and may provide evidence and recommendations concerning any
2 other matters to be determined by the Commission in such a proceeding.

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

6 * * *

7 (J) This subdivision (J) applies to an application for an electric
8 generation facility with a capacity that is greater than 50 kilowatts and to an
9 application for an energy storage facility that is greater than 1 megawatt, unless
10 the facility is located on a new or existing structure the primary purpose of
11 which is not the generation of electricity. In addition to any other information
12 required by the Commission, the application for such a facility shall include
13 information that delineates:

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

18 (ii) the presence and total acreage of primary, secondary, and local
19 importance agricultural soils as defined in 10 V.S.A. § 6001 and by the Natural
20 Resources Conservation Service on each tract to be physically disturbed in

1 connection with the construction and operation of the facility, the amount of
2 those soils to be disturbed, and any other proposed impacts to those soils;

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

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

8 * * *

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

12 * * *

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

1 whether the facility will avoid, reduce, or defer transmission or distribution
2 system investments.

3 (B) With respect to a solar energy generation facility, to meet this
4 criterion, a Vermont-licensed engineering firm approved by the Department of
5 Environmental Conservation shall perform a full-spectrum audit of energy
6 payback time and carbon dioxide emissions at the cost of the applicant. The
7 audit shall include a cradle-to-grave calculation, including resource extraction;
8 mining and procurement; production manufacturing and transportation;
9 deployment and disposal of all technologies required, including solar panels
10 concrete, footings, transformers, and batteries; forest ecosystem destruction;
11 foregoing 25 years of agricultural crops; and construction and landscaping of
12 the project.

13 * * *

14 (5) With respect to an in-state facility, will not have an undue adverse
15 effect on aesthetics, historic sites, air and water purity, the natural
16 environment, the use of natural resources, and the public health and safety,
17 with due consideration having been given to the criteria specified in 10 V.S.A.
18 §§ 1424a(d) and 6086(a)(1) through (8) and (9)(K), impacts to primary
19 agricultural soils, agricultural soils of statewide importance or local importance
20 as defined in 10 V.S.A. § 6001 and as designated by the Natural Resources
21 Conservation Service, and greenhouse gas impacts. The siting of a facility or

1 group of physically adjacent or interrelated facilities such that facility
2 structures and related infrastructure preclude the tilling of soil, seeding,
3 growing, or harvesting of agricultural crops on greater than five acres of
4 primary, statewide, or local importance agricultural soils, or reduce future
5 Vermont-based food security or will result in the destruction of forest
6 ecosystems, forest soils and their unique biology, or increased volatilization
7 and release of forest soil carbon on more than five acres shall be considered
8 undue and not in the public good.

9 * * *

10 * * * Milk Producers * * *

11 Sec. 10. 6 V.S.A. § 2752 is amended to read:

12 § 2752. REFUSAL TO PURCHASE; HEARING; SECRETARY'S ORDER

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

1 particularly set forth in writing so that the producer may be fully appraised of
2 the refusal.

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

15 * * *

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

19 * * *

20 * * * Farm-to-School Program Contracts * * *

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

1 § 4721. LOCAL FOODS ~~GRANT~~ PROGRAM

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

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

13 * * *

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

20 * * *

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

5 (1) Farm-to-School service providers; or

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

11 * * * Pest Control Compact Repeal * * *

12 Sec. 12. REPEAL

13 6 V.S.A. chapter 83 (Pest Control Compact) is repealed on July 1, 2026.

14 * * * Amending Pesticide Exam Requirements * * *

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

16 § 1112. LICENSING PESTICIDE APPLICATORS; PESTICIDE
17 COMPANIES; DEALERS

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

1 under this chapter. The Secretary may establish reasonable requirements for
2 obtaining licenses and certificates. The fees for dealers, licensed companies,
3 and applicator certificates under this chapter shall be as follows:

4 (1) Class A Dealer License—\$50.00;

5 (2) Class B Dealer License—\$50.00;

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

7 (4) Commercial ~~and~~, Noncommercial, and Government Applicator
8 Certification fee—\$30.00 per category or subcategory with a maximum of
9 \$120.00;

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

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

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

15 * * *

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

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

20 Sec. 14. 6 V.S.A. § 641 is amended to read:

21 § 641. DEFINITIONS

1 (a) As used in this chapter:

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

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

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

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

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

17 (6) “Noxious weed seeds” include:

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

1 (B) The term “restricted noxious weed seeds,” or those weed seeds
2 that are objectionable in agricultural crops, lawns, and gardens of this State and
3 that ~~are difficult to control~~ can be controlled by good cultural practices or the
4 use of herbicides.

5 * * *

6 (8) “Weed seeds” ~~mean~~ means the seeds of all plants generally
7 recognized as weeds within this State and ~~include~~ includes prohibited and
8 noxious weed seeds.

9 * * *

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

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

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

1 (1) All labels shall include:

2 * * *

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

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

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

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

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

19 * * *

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

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

3 * * *

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

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

15 Sec. 18. 6 V.S.A. § 647 is amended to read:

16 § 647. ADMINISTRATIVE PENALTIES

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

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

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

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

6 (1) seed not intended for sowing purposes;

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

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

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

17 (c) The following reports are required:

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

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

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

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

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

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

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

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

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

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

18 * * * Consolidate VACP within VEDA * * *

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

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

3 Sec. 21. 10 V.S.A. chapter 12, subchapter 16 is added to read:

4 Subchapter 16. Vermont Agricultural Credit Program

5 § 280hh. DEFINITIONS

6 As used in this subchapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (11) “Operating loan” means a loan to purchase livestock, farm or
21 forestry equipment, or fixtures to pay annual operating expenses of a farm

1 operation or agricultural facility; to pay loan closing costs; and to refinance
2 indebtedness incurred for farm ownership or operating loan purposes, or both.

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

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

9 280ii. VERMONT AGRICULTURAL CREDIT PROGRAM

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

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

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

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

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

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

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

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

18 280jj. GENERAL POWERS

19 (a) The Authority shall have the powers necessary to carry out the purposes
20 and provisions of this program and subchapter, including those general powers
21 conferred on the Authority in section 216 of this title.

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

6 280kk. LOAN ELIGIBILITY STANDARDS

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

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

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

19 (3) an operator or proposed operator of an agricultural facility, farm
20 operation, or forest products business for whom the loan reduces investment

1 costs to an extent that offers the applicant a reasonable chance to succeed in
2 the operation and management of an agricultural facility or farm operation;

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

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

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

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

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

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

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

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

1 ~~title at interest rates and on terms and conditions to be set by the Authority to~~
2 ~~establish a line of credit in an amount not to exceed \$100,000,000.00 to be~~
3 ~~advanced to the Vermont Agricultural Credit Program to support its lending~~
4 ~~operations as established in chapter 16A of this title.~~

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

9 ~~(e)~~(c) Monies in the Fund may be loaned to the Vermont 504 Corporation
10 to support its lending operations as established pursuant to subdivision 216(13)
11 of this title at interest rates and on terms and conditions to be set by the
12 Authority.

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

16 **Sec. 26. 10 V.S.A. § 280a is amended to read:**

17 **§ 280A. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS**

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

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* * *

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

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

Sec. 28. 6 V.S.A. § 4851(i) is amended to read:

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

Sec. 29. 6 V.S.A. § 4858(e) is amended to read:

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

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 7 V.S.A. § 831(3); provided, however, that a person duly licensed
8 or registered by the Board lawfully may possess such products in conformity
9 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 grower
15 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.

4 (b) The cultivation of hemp shall be subject to and comply with the
5 Required Agricultural Practices adopted under section 4810 of this title, as
6 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 857 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 857 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 857 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 857 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, 9 U.S.C. §§ 301-399i, or to conform
5 with federal requirements;

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

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

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

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

19 (9) specify when a registered hemp product that contains more than 0.4
20 mg tetrahydrocannabinol must be restricted for sale to persons 21 years of age
21 or older or restricted for sale in specified settings, or both.

1 (b) The Board shall adopt rules establishing requirements for the licensure
2 of processors of hemp, hemp-derived process intermediaries, and hemp
3 products.

4 (c) The Board may adopt rules establishing requirements for the consumer
5 sale of any product containing tetrahydrocannabinol or other cannabinoids.

6 (d) The Board may adopt rules prohibiting any person from making false,
7 misleading, or unsubstantiated claims for cannabinoid-containing products.

8 § 856. TEST RESULTS; ENFORCEMENT

9 (a) When notified that hemp, a hemp product, or a hemp-infused product
10 has a tetrahydrocannabinol concentration exceeding the applicable federally
11 defined tetrahydrocannabinol concentration level of hemp, the person licensed
12 or registered with the Board to grow or process the hemp shall arrange for
13 disposal, remediation, or destruction of the hemp, hemp product, or hemp-
14 infused product in a manner consistent with applicable State and federal law.

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

17 (1) Enter upon any premises where hemp is grown or processed and
18 inspect premises, machinery, equipment and facilities, all hemp during any
19 growth phase, or any hemp product or hemp-infused product during processing
20 or storage. Inspection under this section may include taking samples,

1 inspecting records, and inspecting equipment or vehicles used to grow,
2 process, or transport hemp, hemp products, or hemp-infused products.

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

6 (3) Issue and enforce a written or printed “stop sale” order to the owner
7 or custodian of any hemp, hemp product, or hemp-infused product subject to
8 the requirements of this subchapter or rules adopted under this subchapter that
9 the Board finds is in violation of any of the provisions of this subchapter or
10 rules adopted under this subchapter. An order may prohibit further sale,
11 processing, and movement of the hemp, hemp product, or hemp-infused
12 product until the Board has approved and issued a release from the “stop sale”
13 order.

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

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

1 § 857. ADMINISTRATIVE PENALTIES

2 (a) The Board may assess violations and administrative penalties against
3 persons licensed or registered pursuant to this subchapter, as well as persons
4 required to be licensed or registered pursuant to this subchapter who fail to
5 obtain or maintain required credentials.

6 (b) The compliance and enforcement authorities and procedures applicable
7 to cannabis establishments shall apply to persons licensed or registered under
8 this subchapter.

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

11 § 858. FEES

12 The following fees shall apply to each license or registration application or
13 each annual license or registration renewal under this subchapter:

14 (1) Producer: \$50.00.

15 (2) Processor: \$500.00.

16 (3) Product: \$75.00.

17 Sec. 32. 18 V.S.A. § 4201(15) is amended to read:

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

21 (i) the seeds of the plant;

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

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

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

4 (B) “Cannabis” does not include:

5 (i) the mature stalks of the plant and fiber produced from the
6 stalks;

7 (ii) oil or cake made from the seeds of the plant;

8 (iii) any compound, manufacture, salt, derivative, mixture, or
9 preparation of the mature stalks, fiber, oil, or cake;

10 (iv) the sterilized seed of the plant that is incapable of
11 germination; or

12 (v) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A.
13 § 852.

14 Sec. 33. 32 V.S.A. § 7811(b) is amended to read:

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

16 (1) cannabis-related supplies sold by a dispensary registered under 7
17 V.S.A. chapter 37 to registered patients and registered caregivers, as those
18 terms are defined in 7 V.S.A. § 972;

19 (2) cannabis products, as defined in 7 V.S.A. § 831, that do not contain
20 tobacco; or

1 (3) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A.
2 § 852, that do not contain tobacco.

3 ***** Natural Resources Conservation Council Mortgages*****

4 **Sec. 34. 10 V.S.A. § 723 is amended to read:**

5 § 723. POWERS OF SUPERVISORS

6 The supervisors shall have the following powers:

7 * * *

8 (5) To obtain options upon and to acquire by purchase, exchange, lease,
9 gift, grant or bequest, any property, real or personal; to maintain, administer
10 and improve any properties acquired; to receive income from the properties
11 and to expend the income in carrying out the purposes and provisions of this
12 chapter; and to borrow money, mortgage, sell, lease, or otherwise dispose of
13 any of its property or interests in property in furtherance of the purposes and
14 the provisions of this chapter, provided however, ~~that real estate shall not be~~
15 ~~mortgaged, and provided however, that the sale, lease, or other disposition of~~
16 ~~real property of the district is approved by the written consent of the governor;~~

17 * * *

18 * * * Effective Date * * *

19 Sec. 35. EFFECTIVE DATE

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

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE

Not Yet Edited