

S.323 An act relating to miscellaneous agricultural subjects

As passed by the Senate Committee on Agriculture

Sec. 1. Findings and intent; municipal regulation of agriculture p. 1-2

Sec. 2. Amends 24 V.S.A. § 4413 (Limitations on municipal bylaws) p. 2-4

- Prohibits municipalities from regulating farming activities that are subject to the Required Agricultural Practices Rule and from regulating the construction of farm structures
 - This is the assumption prior to a Vermont Supreme Court decision that construed this prohibition more narrowly
- This section further prohibits municipalities from:
 - Regulating cultivating land for growing plants
 - Regulating a small backyard poultry flock, excluding roosters

Sec. 3. Amending the Required Agricultural Practices Rule (RAPs Rule) for the Agricultural Nonpoint Source Pollution Control Program p. 4-8

- This section amends the threshold criteria for farming activity to be subject to the RAPs Rule, and therefore exempt from regulation by municipal bylaws. Meeting any one of the criteria would make farming activity subject to the RAPs Rule. Generally, the RAPs Rule regulates water quality standards on farms and requires farmers to adopt practices to mitigate adverse impacts to water.
- Not all farming activity is subject to the RAPs Rule. Small scale farming, like a backyard garden, is not subject to the RAPs Rule and is not regulated by the Agency of Agriculture, Food and Markets.
- Under the RAPs Rule currently, these criteria include farming activity that generates \$2,000.00 in farm income, involves a certain number of animals on no less than 4.0 contiguous acres, or involves growing and harvesting crops on no less than 4.0 contiguous acres.
- This amendment changes the following criteria:
 - Increases the gross annual income minimum from the sale of agricultural products from \$2,000.00 to \$5,000.00.
 - Permits growing and harvesting crops for donation to charitable organizations, instead of just for sale, on a farm no less than 4.0 contiguous acres in size.
 - Farming activity on at least 1.0 and less than 4.0 contiguous acres and has a sufficient land base for appropriate nutrient and waste management would now be subject to the RAPs Rule
 - Raising, feeding, or managing livestock on less than 1.0 contiguous acre or on between 1.0 and 4.0 contiguous acres in a municipality that lacks ordinance or

bylaws to regulate livestock and the Secretary of Agriculture determines that the livestock are causing significant adverse water quality impacts.

- Removes the criteria where a farmer that files a 1040(F) with the IRS in at least one of the last two years would be subject to the RAPs Rule.

Sec. 4. Amending 10 V.S.A. § 6081(t) (Accessory on farm structure permitting) (note: Act 250 permits) p. 8-9

- Under current law, no Act 250 permit is required for the construction of improvements for an accessory on-farm business if more than 50 percent of the total annual sales of the qualifying products come from products produced on the farm where the business is located.
- This section would also exempt individuals from the Act 250 permit requirement for construction of improvements for an accessory on-farm business if not more than \$250,000, adjusted for inflation, in total sales or the equivalent of donated farm crops come from products that are not produced on the farm where the business is located.

Secs. 5. Amending 32 V.S.A. § 3752 (Definitions) (note: for Land Use Value Appraisal Program) p. 9-11

- This section amends the definition of “agricultural land” to include the value of donated farm crops when determining eligibility for the Use Value Appraisal Program.

Sec. 6. Amending 32 V.S.A. § 3755 (Eligibility for use value appraisals) p.11

- This section would require farmers with agricultural land enrolled in use value appraisal based on donated farm crops to retain receipts and proof of donation for three years, and make it available to the Director of the Division of Property Valuation and Review for inspection upon request

Sec. 7. Amending 6 V.S.A. § 3752 (Refusal to purchase; hearing) p. 11-13

- This section concerns disputes and hearings between producers and purchasers of dairy products. This amended section would clarify that if a producer requests a hearing regarding a purchaser’s refusal to purchase the dairy in accordance with a written or verbal contract, the purchaser’s refusal does not become operative until a hearing and decision in the purchaser’s favor is made by the Secretary of Agriculture.

Sec. 8. Amending 6 V.S.A. § 4721 (Local foods grant program) (note: also known as the Farm-to-Schools Program) p.13

- This section would permit the Agency of Agriculture to provide local contracts, in addition to grants, for purposes of helping Vermont schools develop a farm-to-school program.

Sec. 9. Repealing 6 V.S.A. chapter 83 (Pest Control Compact) p. 14

- This section would repeal the interstate Pest Control Compact that has been defunct since approximately 2014. The Compact coordinated efforts among the states to control the interstate travel of pests, including the creation of an insurance fund meant to offset costs to control pests. The Compact became defunct due to a change in the Compact’s status with the IRS.

Sec. 10. Amending 6 V.S.A. § 1112 (Licensing pesticide applicators) p. 14-15

- This section would remove the limit for the number of times an individual could retake the exam to receive a pesticide dealer or applicator certification. The limit is currently three retakes. This section also removes the \$30.00 license fee for state government, municipal, and public education institution applicators.

Secs. 11-16. Concerns amending seed law to conform to universal standards.

Sec. 11. Amending 6 V.S.A. § 641 (Definitions) p. 16

- This section **amends** the following definitions:
 - § 641(4) “Flower seed” includes seed of herbaceous plants grown for their blooms, ornamental foliage, or other ornamental parts and commonly known and sold under the name of flower or wildflower seed in this State.
 - § 641(5) “Labeling” ~~includes~~ means tags or other devices attached to, or written, stamped, or printed on, any container or accompanying any lot of bulk seeds that are used to provide the seed label information required by this chapter. “Labeling” includes additional information that describes labeled seed.
- This section **adds** the following definitions:
 - § 641(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.
 - § 641(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.
 - § 641(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.
- This section also permits the Secretary of Agriculture to apply terms and definitions as adopted by the Association of American Seed Control Officials in its *Recommended Uniform State Seed Law*.

- Note: The definition of “distribute” as amended broadly includes sales by any means, including phone and internet sales. In the remaining sections that concern seed law, “sell” and “sold” are replaced by “distribute.”

Sec. 12. Amending 6 V.S.A. § 642 (Duties and authority of the secretary) p.18

- This section amends the Secretary of Agriculture’s authority to sample, inspect, analyze, and test seeds “distributed in or into” the state.

Sec. 13. Amending 6 V.S.A. § 644 (Label requirements for agricultural, flower, and vegetable seeds) p. 19-20

- This section amends labeling requirements for “treated” seeds to include the chemical name or a description of the process used to treat the seed. It also requires that:
 - ~~§ 644(a)(2)(B) A caution statement shall be set forth if~~ If the substance in the amount present with the seed is harmful to human or other vertebrate animals, an appropriate caution statement like “Do not use for food, feed, or oil purposes.” The caution statement for mercurial and similarly toxic substances shall be a poison statement or symbol.
- This section also requires bulk displaces of seed to be labeled with the same information required to be on containers of seed.

Sec. 14. Amending 6 V.S.A. § 646(b) (Exemptions) p. 20

- This section amends exemption language to replace “sold” or “sale” with “distribute.”
- The following remains unchanged from current law, but for context, a person who distributes seed will not be subject to penalty under the subchapter unless “the person has failed to obtain an invoice, genuine grower’s declaration, or other labeling information or to take such other reasonable precautions to ensure that the identity of the seed is set forth.”

Sec. 15. Amending 6 V.S.A. § 647 (Administrative penalties) p. 21

- This section amends language to replace “sold” for “distribute.”
- This section adds a penalty for failure to report the “quantity of genetically engineered, treated, and untreated seed sold in the State during the previous calendar year.”

Sec. 16. Amending 6 V.S.A. § 648 (Registration and reporting) p. 21-25

- This section requires anyone distributing seed into the State to register annually. Each distributor must pay a \$85.00 fee. Registration is on a calendar year and expires on December 31 each year.

- This section exempts from the registration requirement the “interpersonal sharing of seed for home, educational, charitable, or personal noncommercial use.”
- This section also requires the following reports:
 - A manufacturer, processor, or distributor distributing seed in containers of more than 10 pounds must report annually by January 15 and pay a \$10.00 fee per ton of seeds distributed in containers of 10 pounds or more.
 - 6 V.S.A. § 648(c) (2) For all seeds distributed in or into Vermont regardless of container size, the manufacturer, processor, or distributor distributing the seed shall report annually on or before February 15 to the Secretary on a form supplied by the Secretary. At minimum, the form will require disclosure of the quantity of seeds containing genetically engineered material, treated seed, and untreated seed distributed during the previous calendar year. The following requirements also apply:
 - (A) for seeds containing genetically engineered material, the seed type, a brand name for the combination of traits, and any other information the Secretary determines is appropriate; and
 - (B) for pesticide treated article seed, the Environmental Protection Agency pesticide registration number, application rate on seed by the seed type, and any other information the Secretary determines is appropriate.

Secs. 17 - 23 Concern the consolidation of VACP within VEDA and amends cross references

Sec. 17. Transfer of Vermont Agricultural Credit Program p. 25

- 10 V.S.A. chapter 16A (Vermont Agricultural Credit Program) is repealed for the purpose of redesignation as 10 V.S.A. chapter 12, subchapter 16
- Note: this redesignation follows other VEDA program redesignation to chapter 12 from 2025.

Sec. 18. Adding 10 V.S.A. chapter 12, subchapter 16 (Vermont Agricultural Credit Program) pp. 25-28

§ 280hh. DEFINITIONS

- This section redesignates 10 V.S.A. § 374b without change, except for adding the definition: (4) “Authority” means the Vermont Economic Development Authority established under section 213 of this title.
- Throughout the redesignation, the term “Authority” replaces references to the Vermont Agricultural Credit Corporation (“the corporation”) that previously administered the VACP. The corporation was established as a nonprofit by VEDA pursuant to 10 V.S.A. § 374c.

§ 280ii. VERMONT AGRICULTURAL CREDIT PROGRAM

- This section redesignates 10 V.S.A. § 374a without substantive changes.

§ 280jj. GENERAL POWERS

- This section redesignates 10 V.S.A. § 374d.
- This section replaces the powers of Vermont Agricultural Credit Corporation with the powers of VEDA as provided in 10 V.S.A. § 216.
- This section also gives VEDA the authority to dissolve the Vermont Agricultural Credit Corporation in accordance with 11B V.S.A. chapter 14, concerning dissolution of nonprofit corporations.

§ 280kk. LOAN ELIGIBILITY STANDARDS

- This section redesignates 10 V.S.A. § 374h without substantive changes.

Sec. 19. Amending 10 V.S.A. § 211(c) (Legislative findings) p. 32

- This section amends a cross reference to conform with redesignating VACP as 10 V.S.A. chapter 12, subchapter 16

Sec. 20. Amending 10 V.S.A. § 212 (Definitions) p. 33

- This section concerns the definitions section for VEDA. This section specifies that the definitions set forth in this section do not define terms as used in subchapter 16.

Sec. 21. Amending 10 V.S.A. § 216 (Authority; general powers) p. 33

- This section amends a cross reference to conform with redesignating VACP as 10 V.S.A. chapter 12, subchapter 16

Sec. 22. Amending 10 V.S.A. § 220a (The Vermont Jobs Fund) p.33

- This section removes 10 V.S.A. § 220a(b) because the VACP no longer administers the line of credit program referenced in this subsection.

Sec. 23. Amending 10 V.S.A. § 280a (Eligible projects; authorized financing programs) p. 35

- This section amends a cross reference to conform with redesignating VACP as 10 V.S.A. chapter 12, subchapter 16

Sec. 24. Amending 6 V.S.A. § 4851(i) (Permit requirements for large farm operations) pp. 35-36

- This section removes the \$2,500.00 annual operating fee for large farms. The fee was previously payable to the Agency of Agriculture and deposited into the Agricultural Water Quality Special Fund.

Sec. 25. Amending 6 V.S.A. § 4858(e) (Medium farm operation permits) p. 36

- This section removes the \$1,500.00 annual operating fee for large farms. The fee was previously payable to the Agency of Agriculture and deposited into the Agricultural Water Quality Special Fund.

Sec. 26. Transition of Hemp Processor Oversight p. 36

- This section repeals 6 V.S.A. chapter 34 (Hemp)
- This section begins the transition of Hemp oversight from the Agency of Agriculture to the Cannabis Control Board.
- In 2018, federal law made it such that certain hemp and hemp derived products were no longer prohibited as a Schedule I controlled substance.
- In 2025, federal law changed to ban more hemp derived products if they contain certain thresholds of THC, causing questions about the legality of hemp and hemp products in interstate commerce.

Sec. 27. Adding 7 V.S.A. chapter 31, subchapter 3 (Hemp) p. 36 - 46

§ 851. FINDINGS; PURPOSE p. 36

§ 852. DEFINITIONS p. 37

- This section brings over most definitions from the existing statute, 6 V.S.A. § 562, with some edits for clarification and edits to reflect the change in regulatory body from the Agency of Agriculture to the Cannabis Control Board. Substantive changes include:
 - “Grow” and “grower” are used interchangeably with “produce” and “producer.”
 - The “hemp products” or “hemp-infused products” definition is changed so that it does not include any product that “is not lawful in interstate commerce.”

§ 853. HEMP; AN AGRICULTURAL PRODUCT p. 39

- This section states that hemp is an agricultural product and that hemp is subject to and required to comply with the Required Agricultural Practices Rule. This is in line with current law.
- In comparison with this section’s corresponding section in current law, 6 V.S.A. § 563, this section removes references to federal law that is no longer in effect.

§ 854. HEMP REGISTRATION AND LICENSURE p.39-41

- This section replaces the current statutory framework and creates registration and license requirements for three categories: hemp “producers,” hemp “processors,” and hemp “products.”

- All hemp producers and processors must be licensed by the Cannabis Control Board and pay a fee.
- All hemp products with more than 0.4 mg of tetrahydrocannabinol (THC) shall be registered with the Board prior to sale.
- This section also sets forth grounds the Board may deny an application, including:
 - Failure to establish that activities comply with state and federal law;
 - Refusing the Board or its designee entry upon the applicant's premises to inspect and confirm compliance;
 - Failure to submit information requested by the Board
 - Failure to pay the appropriate fee.

§ 855. RULEMAKING AUTHORITY p. 41

- This section largely copies the existing statute at 6 V.S.A. § 566.
- This section authorizes the Board to adopt rules to implement the subchapter. These rules may include:
 - testing for THC levels;
 - authorizing methods for testing THC;
 - requirements for inspection and supervision of hemp;
 - requirements that labels contain transparent and accurate product content or source information;
 - establishing requirements for hemp-derived products, including testing requirements;
 - requiring disclosure of the amount of cannabinoids in hemp products;
 - requiring licensees and registrants to have commercially reasonable insurance;
 - prohibiting hazardous additives in hemp products, or specifying additive limits; or
 - requiring that hemp products that contain more than 0.4 mg of THC must be restricted for sale to persons 21 years of age or older.
- § 855(b) The Board shall adopt rules establishing requirements for the licensure of processors of hemp, hemp-derived process intermediaries, and hemp products.
- § 855(c) The Board may adopt rules establishing requirements for the consumer sale of any product containing tetrahydrocannabinol or other cannabinoids.

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

§ 856. TEST RESULTS; ENFORCEMENT p.43-44

- This section largely copies the existing statute at 6 V.S.A. § 568.
- This section permits the Board to require the disposal of hemp crops, products, or hemp-infused products that do not comply with federally defined THC concentration levels.
- This section authorizes the board to enter the premises where hemp is grown or produced for inspection, inspect retail locations where hemp is sold, and issue “stop sale” orders.
- Individuals issued “stop sale” orders may appeal to the Board.

§ 857. ADMINISTRATIVE PENALTIES p. 44

- This section changes the existing statute to authorize the Board to issue administrative penalties, but no longer specifies the limit of the penalty.
- Under current law, individuals in violation of the hemp statutes or rules are subject to a penalty up to \$1,000.00 per violation. Individuals could receive a penalty of up to \$5,000.00 per violation if the individual failed to comply with a corrective action for a violation, has had a violation three times in a five-year period, or has had a violation with a culpable mental state greater than negligence.
- This section incorporates appeal procedures for cannabis establishments, including the right to file a notice of appeal within 30 days of an adverse decision, the right to have an appeal heard by an appellate officer, and the right to further appeal to the Vermont Supreme Court.
- This section authorizes the Board to file a civil collection action in the Vermont Superior Court to collect a final administrative penalty.

§ 858. FEES p. 45

- This section changes the existing statutory fee structure.
- This section provides that for hemp producers or growers, the application fee for registration or renewal is \$50.00. For processors, the fee is \$500.00. There is no additional fees based on acreage or pounds of hemp grown.
- Current law sets the fee for hemp growers at \$100.00, or \$25.00 if applying for personal use. Further, the current statute requires additional fees for growers, processors, or growers and processors based on acreage or pound of hemp produced. These fees, with some exceptions for indoor facilities, are:

- Less than 0.5 acres or less than 500 pounds \$100.00
- 0.5 to 9.9 acres or less than 10,000 pounds \$500.00
- 10 to 50 acres or less than 50,000 pounds \$1,000.00
- Greater than 50 acres or greater than 50,000 pounds \$3,000.00

- This section adds a fee of \$75.00 to register hemp products.

Sec. 28. Amending 18 V.S.A. § 4201(15) (Definitions) p. 45

- This section amends a cross reference to conform with redesignating hemp to Title 7.

Sec. 29. Amending 32 V.S.A. § 7811(b) (Imposition of tobacco products tax) p. 46

- This section amends a cross reference to conform with redesignating hemp to Title 7.

Sec. 30. Amending 10 V.S.A. § 723 p. 46-47 (Powers of Supervisors)

- This section amends authority for the Natural Resources Conservation Council to permit the Council to mortgage property. Current law is ambiguous on this issue in that current law grants the Council authority to mortgage its property and also prohibits the Council from mortgaging property in the same subdivision.

Sec. 31. Effective date

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