

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 at least the past 20 years of
17 law to 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 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 more than 50 percent of the total annual
21 sales of the prepared or processed qualifying products come from products

1 produced on the farm where the business is located, or not more than
2 \$250,000.00, adjusted for inflation, in total annual sales, or the equivalent
3 value of donated farm crops, of the prepared or processed qualifying products
4 come from products that are not produced on the farm where the business is
5 located. As used in this subsection, “adjusted for inflation” means adjusting
6 the dollar amount by the U.S. Consumer Price Index for all Urban Consumers,
7 All Items, published by the U.S. Bureau of Labor Statistics, from fiscal year
8 2026 through the fiscal year for which the amount is being determined, and
9 rounding upward to the nearest whole dollar amount. This subsection shall not
10 apply to the construction of improvements related to hosting events or farm
11 stays as part of an accessory on-farm business as defined in 24 V.S.A. §
12 4412(11)(A)(i)(II). As used in this subsection, “donated farm crops” means
13 charitable contributions of farm crops that are allowable under 26 U.S.C.
14 § 170(c) and that are made to an organization that is unrelated to the owner of
15 the enrolled land.

16 * * * Land Use Value Appraisal * * *

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

18 § 3752. DEFINITIONS

19 As used in this subchapter:

20 (1) “Agricultural land” means any land, exclusive of any housesite, in
21 active use to grow hay or cultivated crops, pasture livestock, cultivate trees

1 bearing edible fruit, or produce an annual maple product, and that is 25 acres
2 or more in size, except as provided in this subdivision (~~1~~). Agricultural land
3 shall include buffer zones as defined and required in the Agency of
4 Agriculture, Food and Markets' Required Agricultural Practices rule adopted
5 under 6 V.S.A. chapter 215. There shall be a presumption that the land is used
6 for agricultural purposes if:

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

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

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

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

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

16 (iii) Exceptions to these income requirements may be made in
17 cases of orchard lands planted to fruit-producing trees, bushes, or vines that are
18 not yet of bearing age. As used in this section, the term "farm crops" also
19 includes animal fiber, cider, wine, and cheese, produced on the enrolled land or
20 on a housesite adjoining the enrolled land, from agricultural products grown on
21 the enrolled land, and "donated farm crops" means charitable contributions of

1 farm crops that are allowable under 26 U.S.C. § 170(c) and that are made to an
2 organization that is unrelated to the owner of the enrolled land.

3 * * *

4 Sec. 6. 32 V.S.A. § 3755 is amended to read:

5 § 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

6 * * *

7 (h) An owner of enrolled agricultural land that is eligible for enrollment
8 due to farm crop donations pursuant to subdivision 3752(1)(C) of this chapter
9 shall retain receipts or other proof of donation. The receipts or other proof
10 shall be available for inspection and examination at any time upon demand by
11 the Director and shall be preserved for a period of three years.

12 * * * Milk Producers * * *

13 Sec. 7. 6 V.S.A. § 2752 is amended to read:

14 § 2752. REFUSAL TO PURCHASE; HEARING; SECRETARY'S ORDER

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

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

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

* * * Pest Control Compact Repeal * * *

Sec. 9. REPEAL

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

* * * Amending Pesticide Exam Requirements * * *

Sec. 10. 6 V.S.A. § 1112 is amended to read:

§ 1112. LICENSING PESTICIDE APPLICATORS; PESTICIDE COMPANIES; DEALERS

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

1 applications to be licensed and applicators who use pesticides to be certified
2 under this chapter. The Secretary may establish reasonable requirements for
3 obtaining licenses and certificates. The fees for dealers, licensed companies,
4 and applicator certificates under this chapter shall be as follows:

5 (1) Class A Dealer License—\$50.00;

6 (2) Class B Dealer License—\$50.00;

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

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

9 Certification fee—\$30.00 per category or subcategory with a maximum of
10 \$120.00;

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

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

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

16 * * *

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

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

2 Sec. 11. 6 V.S.A. § 641 is amended to read:

3 § 641. DEFINITIONS

4 (a) As used in this chapter:

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

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

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

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

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

1 (6) “Noxious weed seeds” include:

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

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

10 * * *

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

14 * * *

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

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

1 Sec. 13. 6 V.S.A. § 644 is amended to read:

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

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

6 (1) All labels shall include:

7 * * *

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

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

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

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

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

2 § 647. ADMINISTRATIVE PENALTIES

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

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

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

11 (3) Failed to report the quantity of genetically engineered, treated, and
12 untreated seed sold in the State during the previous calendar year. Reporting
13 shall be completed on forms the Secretary prescribes and may include seed
14 categories, traits, Environmental Protection Agency pesticide product numbers,
15 active ingredients, application rate on seed, and other information the Secretary
16 requires.

17 ~~(3)(4) violated~~ Violated a stop sale order.

18 * * *

19 Sec. 16. 6 V.S.A. § 648 is amended to read:

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

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

7 ~~(1) \$10.00 per ton for any seed sold in containers of more than 10~~
8 ~~pounds; and~~

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

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

12 (1) seed not intended for sowing purposes;

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

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

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

3 (c) The following reports are required:

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

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

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

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

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

10 ~~(e)~~(d) All fees shall be deposited in the special fund created by subsection
11 364(f) of this title and used in accordance with its provisions.

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

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

19 ~~(h) For agricultural seeds sold in Vermont, the manufacturer or processor~~
20 ~~distributing the seed in Vermont shall report annually on or before February 15~~
21 ~~to the Secretary on forms supplied by the Secretary regarding the quantity of~~

1 ~~treated article seed and the quantity of untreated seed sold in Vermont during~~
2 ~~the previous calendar year.~~

3 * * * Consolidate VACP within VEDA * * *

4 Sec. 17. TRANSFER OF VERMONT AGRICULTURAL CREDIT
5 PROGRAM

6 10 V.S.A. chapter 16A (Vermont Agricultural Credit Program) is repealed
7 for the purpose of redesignation as 10 V.S.A. chapter 12, subchapter 16.

8 Sec. 18. 10 V.S.A. chapter 12, subchapter 16 is added to read:

9 Subchapter 16. Vermont Agricultural Credit Program

10 § 280hh. DEFINITIONS

11 As used in this subchapter:

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

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

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

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

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

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

20 (7) “Farm ownership loan” means a loan to acquire or enlarge a farm or
21 agricultural facility; to make capital improvements, including construction,

1 purchase, and improvement of farm and agricultural facility buildings, farm
2 worker housing, or farmer housing that can be made fixtures to the real estate;
3 to promote soil and water conservation and protection or provide housing; and
4 to refinance indebtedness incurred for farm ownership or operating loan
5 purposes, or both.

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

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

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

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

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

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

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

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

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

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

15 § 280ii. VERMONT AGRICULTURAL CREDIT PROGRAM

16 (a) The Vermont Agricultural Credit Program provides an alternative
17 source of sound and constructive credit to farmers and forest products
18 businesses who are not having their credit needs fully met by conventional
19 agricultural credit sources at reasonable rates and terms; or, in the alternative,
20 the granting of the loan shall serve as a substantial inducement for the
21 establishment or expansion of an eligible agricultural or forestry project within

1 the State. The Program is intended to meet, either in whole or in part, the
2 credit needs of eligible agricultural facilities and farm and forest operations in
3 fulfillment of one or more of the purposes listed in this subsection by making
4 direct loans and participating in loans made by other agricultural credit
5 providers:

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

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

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

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

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

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

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

4 § 280jj. GENERAL POWERS

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

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

13 § 280kk. LOAN ELIGIBILITY STANDARDS

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

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

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

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

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

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

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

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

1 Sec. 20. 10 V.S.A. § 212 is amended to read:

2 § 212. DEFINITIONS

3 As used in this chapter, with the exception of subchapter 16:

4 * * *

5 Sec. 21. 10 V.S.A. § 216 is amended to read:

6 § 216. AUTHORITY; GENERAL POWERS

7 The Authority is hereby authorized:

8 * * *

9 (17) To contribute to the capital of the Vermont Agricultural Credit
10 ~~Corporation~~ Program established pursuant to ~~chapter 16A~~ subchapter 16 of this
11 ~~title chapter~~ in an amount the Authority determines is necessary and
12 appropriate.

13 * * *

14 Sec. 22. 10 V.S.A. § 220a is amended to read:

15 § 220a. THE VERMONT JOBS FUND

16 (a) There is hereby created the Vermont Jobs Fund, hereinafter called the
17 Fund, which shall be used by the Authority as a nonlapsing fund for the
18 purposes of this chapter. To it shall be charged all operating expenses of the
19 Authority not otherwise provided for and all payments of interest and principal
20 required to be made by the Authority under this subchapter. To it shall be
21 credited any appropriations made by the General Assembly for the purposes of

1 this chapter and all payments required to be made to the Authority under this
2 chapter, it being the intent of this section that the Fund shall operate as a
3 revolving fund whereby all appropriations and payments made thereto may be
4 applied and reapplied for the purposes of this chapter. Monies in the Fund may
5 be loaned at interest rates to be set by the Authority for the following:

6 * * *

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

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

17 ~~(d)~~(c) Monies in the Fund may be loaned to the Vermont 504 Corporation
18 to support its lending operations as established pursuant to subdivision 216(13)
19 of this title at interest rates and on terms and conditions to be set by the
20 Authority.

1 ~~the required associated fee, that person shall not be required to pay the~~
2 ~~\$2,500.00 annual operating fee described in this section. The fees collected~~
3 ~~under this section shall be deposited in the Agricultural Water Quality Special~~
4 ~~Fund under section 4803 of this title.~~

5 Sec. 25. 6 V.S.A. § 4858(e) is amended to read:

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

11 Sec. 26. TRANSITION OF HEMP PROCESSOR OVERSIGHT

12 6 V.S.A. chapter 34 (hemp) is repealed.

13 Sec. 27. 7 V.S.A. chapter 31, subchapter 3 is added to read:

14 Subchapter 3. Hemp

15 § 851. FINDINGS; PURPOSE

16 (a) Findings. The General Assembly finds that the federal legal status of
17 most hemp products will be contingent upon an amendment to 7 U.S.C.
18 § 1639o, to take effect in November 2026, pursuant to the Continuing
19 Appropriations, Agriculture, Legislative Branch, Military Construction and
20 Veterans Affairs, and Extensions Act of 2026, Pub. L. No. 119-37. The

1 legality of hemp and hemp products in interstate commerce is unsettled and
2 continues to evolve.

3 (b) Purpose. The purpose of this subchapter is to unify oversight of
4 cannabis and hemp-derived cannabinoids under the Cannabis Control Board to
5 more effectively prohibit illicit cannabis and cannabis product trade while
6 positioning growers and processors of nonintoxicating hemp products to take
7 advantage of national market opportunities that may exist.

8 § 852. DEFINITIONS

9 As used in this subchapter:

10 (1)(A) “Grow” means:

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

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

13 (B) “Grow” also means to produce.

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

17 (3) “Hemp” means the plant *Cannabis sativa L.* and any part of the
18 plant, including the seeds and all derivatives, extracts, cannabinoids, acids,
19 salts, isomers, and salts of isomers, whether growing or not, with the federally
20 defined tetrahydrocannabinol concentration level of hemp. Hemp is
21 considered an agricultural commodity.

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

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

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

14 (ii) is not lawful in interstate commerce.

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

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

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

7 (B) manufacturing hemp products or hemp-infused products from
8 hemp concentrate.

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

12 § 853. HEMP; AN AGRICULTURAL PRODUCT

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

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

19 § 854. HEMP REGISTRATION AND LICENSURE

20 (a) Producers. All persons engaged in the production of hemp shall register
21 with the Board as growers and shall provide their location, the nature of their

1 activities, and evidence that those activities conform to the requirements of
2 federal law and regulation. A person shall apply for registration or renewal of
3 registration on a form provided by the Board. The application shall be
4 accompanied by the fee required under section 857 of this subchapter.

5 (b) Processors. All persons engaged in the processing of hemp, including
6 trade in hemp-derived cannabinoids and process intermediaries, shall be
7 licensed by the Board. A person shall apply for a license or renewal of a
8 license on a form provided by the Board. The application shall be
9 accompanied by the fee required under section 857 of this subchapter.

10 (c) Products. All hemp-derived products containing or reasonably expected
11 to contain more than 0.4 mg tetrahydrocannabinol shall be registered with the
12 Board prior to sale to any person within this State. A person shall apply for
13 registration or renewal of registration on a form provided by the Board. The
14 application shall be accompanied by the fee required under section 857 of this
15 subchapter.

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

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

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

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

2 (4) fails to submit the fee required under section 857 of this subchapter.

3 § 855. RULEMAKING AUTHORITY

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

6 (1) require hemp to be tested during growth for tetrahydrocannabinol
7 levels;

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

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

13 (4) require labels or label information for hemp products in order to
14 provide consumers with transparent and accurate product content or source
15 information, to be free of false or misleading claims and claims contrary to the
16 Federal Food, Drug, and Cosmetic Act, 9 U.S.C. §§ 301–399i, or to conform
17 with federal requirements;

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

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

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

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

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

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

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

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

1 § 856. TEST RESULTS; ENFORCEMENT

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

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

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

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

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

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

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

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

14 § 857. ADMINISTRATIVE PENALTIES

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

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

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

3 § 858. FEES

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

6 (1) Producer: \$50.00.

7 (2) Processor: \$500.00.

8 (3) Product: \$75.00.

9 Sec. 28. 18 V.S.A. § 4201(15) is amended to read:

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

13 (i) the seeds of the plant;

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

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

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

17 (B) “Cannabis” does not include:

18 (i) the mature stalks of the plant and fiber produced from the

19 stalks;

- 1 (ii) oil or cake made from the seeds of the plant;
- 2 (iii) any compound, manufacture, salt, derivative, mixture, or
- 3 preparation of the mature stalks, fiber, oil, or cake;
- 4 (iv) the sterilized seed of the plant that is incapable of
- 5 germination; or
- 6 (v) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A.
- 7 § 852.

8 Sec. 29. 32 V.S.A. § 7811(b) is amended to read:

- 9 (b) The tax established in this section shall not be imposed on:
- 10 (1) cannabis-related supplies sold by a dispensary registered under 7
- 11 V.S.A. chapter 37 to registered patients and registered caregivers, as those
- 12 terms are defined in 7 V.S.A. § 972;
- 13 (2) cannabis products, as defined in 7 V.S.A. § 831, that do not contain
- 14 tobacco; or
- 15 (3) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A.
- 16 § 852, that do not contain tobacco.

17 * * * Natural Resources Conservation Council Mortgages * * *

18 Sec. 30. 10 V.S.A. § 723 is amended to read:

19 § 723. POWERS OF SUPERVISORS

20 The supervisors shall have the following powers:

21 * * *

