

# LEGISLATIVE UPDATE

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Issue 2

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## WEEK 2

This week the Senate passed **H-511**, the marijuana bill on a voice vote. The House passed **H-511** last week. The bill will now go to the Governor for his signature. The Governor has not given any indication when he would sign the bill. Vermont is the first state to legalize marijuana through legislation, in other states it was passed by a public referendum. **H-511** eliminates penalties for possession of limited amounts of marijuana by adults 21 years of age or older. This legislation will go into effect July 1, 2018.

## WATER QUALITY

### **S-260/H-564** An act relating to funding the cleanup of State waters

*This bill proposes to establish the Vermont Clean Water Authority to coordinate, manage, plan, and ensure accountability of the efforts of the State to clean up impaired waters, maintain and achieve the Vermont Water Quality Standards in all waters, and prevent the future degradation of waters. The bill would also establish a Clean Water Assessment on all parcels in the State. Monies collected under the Clean Water Assessment would be deposited in the Vermont Water Quality Fund to fund water quality improvement projects in the State.*

The Senate Natural Resources committee took testimony on **S-260** Wednesday and Thursday of this week. The Senate Natural Resources will continue to discuss various funding mechanisms and other aspects of the bill in the coming weeks. The House Natural Resources committee will also start to discuss their bill, **H-564** to come up with a funding mechanism to pay for the water quality improvements that were mandated in Act 64. The two bills create a Clean Water Authority funded by a parcel fee of \$40 to fund water quality improvements for the waters of the state of Vermont. As I said last week **there is a very long way to go before** a funding mechanism is approved.

The Senate Agricultural committee heard from Senator Campion, of Bennington, on the following bills. He would like the committee to take testimony on these bills. I will keep you updated on these bills.

### **S. 188 - An act relating to commercial feed and agricultural fertilizer**

This bill proposes to increase the fees on commercial feed and agricultural fertilizer distributed in the State. The revenue generated from the increased fees would be deposited in the Clean Water Fund for use for the purposes of that Fund.

**S. 218 - An act relating to public access to nutrient management plans**

This bill proposes to provide that nutrient management plans that the Secretary of Agriculture, Food and Markets finances, has access to, or produces or acquires are public records subject to inspection and copying under the Public Records Act.

**S. 220 - An act relating to administration and enforcement of agricultural water quality violations**

This bill proposes to transfer from the Secretary of Agriculture, Food and Markets to the Secretary of Natural Resources all authority to administer and enforce water quality requirements on farms in Vermont.

**FORESTRY**

**S-101 An act relating to the conduct of forestry operations**

This bill proposes to provide that certain forestry operations would not be subject to liability as a public or private nuisance.

The Senate Agriculture committee continues to take testimony on **S-101**. This bill has similar language to that in the “Right to Farm” legislation that was passed several years ago. Commissioner Mike Snyder spoke in support of bill.

**Bills of interest introduced this week:**

**S-286** An act relating to establishing a federally compliant industrial hemp pilot program

**S-295** An act relating to fencing along limited access facilities

Below is the link to the Vermont Legislative website  
**[Legislature.vermont.gov](http://Legislature.vermont.gov)**

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**New Tax Law Good For Famers And Cooperatives**

**By Bob Gray**

*I have written several articles about the Section 199 deduction for cooperatives and how important it was to both dairy farmers as well as our cooperatives. When the tax reform bill was first unveiled, we were very disappointed to learn that the Section 199 deduction was eliminated. The pass-through deduction amounted to about \$100 billion in the Northeast and our dairy cooperatives in the Northeast could pass the money directly to*

*dairy producer members or use it to refurbish or build new processing facilities. So, it was a very important provision in the tax law. When the dust settled on the final tax bill, a new provision that allowed farmers to deduct up to 20% of their taxable income and for cooperatives to receive a 20% deduction on gross income less payments to their patron members was included in the final bill.*

*Not being a tax expert, it was difficult to compare this with the Section 199 deduction. However, as the ink on the tax bill dried and it was analyzed, it became clear that benefits to farmers who belong to cooperatives and cooperatives themselves was extremely good.*

*The new provision allows farmers to deduct up to 20% of their total sales to cooperatives. It also gives dairy and other cooperatives a significant edge over their competitors, including large agri-businesses such as Cargill and Archer Daniels Midland, which are, of course, not cooperatives. Smaller privately owned grain companies and other related businesses would not be eligible for the tax benefit either. These private firms want to see that tax bill amended to allow them to enjoy this tax credit that farmers who belong to cooperatives and their cooperatives which will now enjoy. However, it will be very difficult to make this change happen. USDA's Report On Rural Prosperity*

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## **EVENTS OF INTEREST**

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### **PUBLIC HEARINGS**

**Tuesday, January 23, 2018 - 5:30 - 8:00 P.M.**

**House Chamber**

**Access to Health Care**

**Senate and House Committees on Health and Welfare**

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**19<sup>th</sup> Annual**

**VERMONT DAIRY PRODUCERS CONFERENCE**

**Tuesday February 27, 2018**

**8:00 am to 4:00 pm**

**DoubleTree by Hilton Hotel**

**Formally the Sheraton**

**Register at [vermontdairyproducers.com](http://vermontdairyproducers.com)**

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**Nutrient Recovery & Digester Summit**

**January 23, 2018**

**8:30 am to 3:00 pm**

**40 IDX Drive  
South Burlington  
Call Alex DePillis at 802-505-3067 to register**

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### **Green Mountain Secure Retirement Plan - Public Hearings**

**Key information regarding this plan includes:**

- Implemented in January 2019
- Multiple Employer Plan (MEP)
- Eligible to employers with 50 employees or less
- Voluntary for employers
- \*Once an employer opts-in, employees are auto-enrolled with the option to opt-out
- Available to employers that do not currently offer a retirement plan to their employees
- Funded by employee contributions with an intention for future voluntary employer contributions
- Available to self-employed individuals

**If you would like to support the plan or have concerns, please consider attending one of the upcoming public hearings:**

\*Monday Jan 22nd – Montpelier at 109 State Street, 4<sup>th</sup> Floor,

**2 to 4 pm**

\*Monday Jan 29<sup>th</sup> Franklin Conference Center at the Howe Center in Rutland

1 to 3 pm

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#### **New Guidelines**

##### **Independent Contractors**

The Department of Labor, issued new guidance stating that an employer cannot be assessed workers' compensation premiums or found to be liable under the workers' compensation code for workplace injuries incurred by an independent contractor if two conditions are met: 1) the independent contractor must be registered with the Secretary of State as an LLC or corporate owner; and 2) the contractor must have filed and received approval from the Department of Labor to opt out of workers' compensation coverage. Go to Vermont Department of Labor website for the official guidelines.

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Coming together is a beginning, keeping together is progress, staying together is success”

– Henry Ford

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