
OLR Bill Analysis

sSB 1497 (File 671, as amended by Senate "A")*

AN ACT CONCERNING PROGRAMMING AT THE DEPARTMENT OF AGRICULTURE.

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Repeals requirements for DoAg's shellfish recovery vessel, which DoAg no longer owns

SUMMARY

This bill adds, and makes changes to, statutes and programs related to agriculture. A section-by-section analysis follows below.

*Senate Amendment "A" (1) makes a technical change to a provision about veterinarians performing state veterinarian duties and (2) delays the effective date for the provision on dog tags to October 1, 2025. It also adds provisions on the following:

1. farm investment and machinery tax provisions;

2. use of drones in agriculture;
3. hoop houses under the State Building Code;
4. Farmers' Crop Loss Reimbursement Grant Program;
5. agritourism liability immunity;
6. shellfish (e.g., sanitation, harvest season, tax filings, and power dredges);
7. Manure Management Grant Program;
8. a hearing on certain agriculture-related programs;
9. a shipping container farms grant program; and
10. fertilizers and soil amendments with PFAS.

EFFECTIVE DATE: Various, see below.

§ 1 — PERFORMING STATE VETERINARIAN DUTIES

Allows the DoAg commissioner to temporarily designate veterinarians to perform state veterinarian duties at anytime

The bill allows the Department of Agriculture (DoAg) commissioner to designate one or more veterinarians to perform state veterinarian duties at any time, instead of just in the state veterinarian's absence as under current law. The bill requires a designation to be within existing resources and for up to two months.

EFFECTIVE DATE: Upon passage

§§ 2 & 3 — FERTILIZER AND SOIL AMENDMENT REGISTRATION FEES

Caps the annual fertilizer registration fee at \$75; imposes an annual soil amendment registration fee of up to \$75

The bill caps the annual fertilizer registration fee at \$75. By law, each brand and grade of fertilizer must be registered with DoAg before it can be distributed in the state. Registrations expire annually on June 30. The law allows the DoAg commissioner to set the fee by regulation.

The bill also requires annual soil amendment registrations to be accompanied by a fee that the DoAg commissioner may set, up to \$75. By law, soil amendments must be registered with DoAg before being distributed. Registrations expire annually on September 30.

EFFECTIVE DATE: Upon passage

§ 4 — DOG TAG COSTS

Allows DoAg to charge municipalities the actual costs of dog tags, rather than five cents per tag

The bill allows the DoAg commissioner to charge municipalities the actual cost incurred to obtain and distribute dog tags, rather than five cents per tag as under current law. (By law, dog owners must license their dogs with and get a dog tag from their town clerk, and town clerks must order the necessary number of dog tags from the DoAg commissioner.)

Relatedly, the bill eliminates the requirement for the commissioner to account to the comptroller for any balance remaining after deducting the cost of obtaining and distributing the tags from the amount municipalities paid.

EFFECTIVE DATE: October 1, 2025

§ 5 — FARM INVESTMENT TAX CREDIT

Creates a 20% refundable business tax credit for farmers' investments in eligible machinery, equipment, and buildings that may be applied against the corporation business or personal property income taxes; sets eligibility criteria; requires all or part of the credit to be repaid under certain conditions for five years after the property is acquired

The bill creates a refundable business tax credit for farmers' investments in eligible machinery, equipment, and buildings. The credit equals 20% of the amount a farmer spends or incurs on this eligible property and may be applied against the corporation business or personal income taxes. The bill sets eligibility criteria for credit-eligible investments and requires farmers to derive a specified percentage of their total income from farming in order to qualify. It also requires all or part of the credit to be repaid under certain conditions for five years after the property is acquired.

EFFECTIVE DATE: January 1, 2026, and applicable to income and taxable years beginning on and after that date.

Eligible Farmers

Under the bill, a farmer is eligible for the credit if he or she is a Connecticut taxpayer whose federal gross income from farming for the income or taxable year is at least two-thirds of excess federal gross income.

Eligible Property and Agricultural Production

Under the bill, the credit is 20% of the amount eligible farmers paid or incurred for eligible property in the applicable income or tax year. Eligible property ("farm investment property") includes:

1. machinery and equipment purchased by an eligible farmer on or after January 1, 2026, and
2. buildings and structural components an eligible farmer acquired, constructed, reconstructed, or erected and placed in service on or after that date.

In either case, the farm investment property must (1) be located in the state; (2) have a class life of more than four years, as determined under specified IRS rules; and (3) be held and used in the state by an eligible farmer in the course of "agricultural production" for at least five years after being acquired or placed in service. Property is not eligible if it is (1) acquired from a related person (e.g., other business entities controlled by the farmer) or (2) leased or acquired to be leased to another person during the first 12 months after being acquired or placed into service.

Under the bill, agricultural production is engaging in any of the following as a trade or business: (1) raising or harvesting any agricultural or horticultural commodity; (2) dairy farming; (3) forestry; (4) raising, feeding, caring for, shearing, training, or managing livestock; or (5) raising and harvesting fish, oysters, clams, mussels, or other molluscan shellfish. It includes producing (1) wine under a farm winery license, (2) Christmas trees, and (3) apple juice and cider under both an

apple juice and cider manufacturing permit and farmer tax exemption permit.

Credit Claims and Refunds

Under the bill, farmers may claim the tax credit against the corporation business tax or the personal income tax (but not the withholding tax). They may not claim any other state tax credit for the same acquisition.

If the taxpayer is an S corporation or treated as a partnership for federal income tax purposes, the taxpayer's shareholders and partners may claim the credit. If the taxpayer is a single member limited liability company (LLC) that is disregarded for federal tax purposes, the LLC's owner may claim the credit as long as the owner is subject to corporation business or personal income tax.

If a farmer's credit amount exceeds his or her tax liability, the Department of Revenue Services commissioner must treat the excess as an overpayment and refund the excess amount to the farmer without interest. By law, and under the bill, the commissioner may withhold tax refunds to pay outstanding liabilities for other taxes and to reimburse the state for certain debts.

Credit Recapture

The bill imposes a credit recapture requirement that applies for five years after the property is acquired. Specifically, the farmer must repay (1) 100% of the credit if the property is no longer held or used in the state for agricultural production within the first three years after it was acquired or (2) 50% of the credit if this occurs within the next two years. The farmer must repay the recaptured amount on his or her tax return for the income or tax year immediately after the year in which the three- or five-year period expires, as applicable.

Recapture payments that are not paid within three months after the income or tax year ends are subject to interest at the rate of 1% per month or partial month. Under the bill, the recapture requirements do not apply to property for which the farmer received a credit and that was

subsequently replaced.

Background — Related Bills

sHB 7175 (§ 1) (File 887), favorably reported by the Finance, Revenue and Bonding Committee, contains similar provisions.

sSB 1246 (§ 47) (File 893), favorably reported by the Finance, Revenue and Bonding Committee, establishes a similar income tax credit for farmers' investments in eligible machinery, equipment, and buildings.

§ 6 — FARM MACHINERY PROPERTY TAX EXEMPTION

Increases, from \$100,000 to \$250,000 in assessed value, the mandatory property tax exemption for farm machinery, other than motor vehicles

The bill increases, from \$100,000 to \$250,000 in assessed value, the mandatory property tax exemption for farm machinery, other than motor vehicles. As under existing law, municipalities may exempt up to an additional \$250,000 in assessed value for farm machinery by local option.

By law, to qualify for the farm machinery exemptions, farmers must individually or as a part of a group, partnership, or corporation, derive at least \$15,000 per year in gross sales from the farming operation or have incurred at least \$15,000 in farm-related expenses in the most recent tax year before the assessment year to which the exemption applies.

EFFECTIVE DATE: October 1, 2025, and applicable to assessment years beginning on and after that date.

Background — Related Bill

sHB 7175 (§ 2) (File 887), favorably reported by the Finance, Revenue and Bonding Committee, similarly increases, from \$100,000 to \$250,000 in assessed value, the property tax exemption for farm machinery, other than motor vehicles.

§ 7 — USE OF DRONES IN AGRICULTURE

Requires DEEP to amend regulations by March 1, 2026, to allow the use of unmanned aircraft to (1) plant seeds and (2) analyze, treat, and apply pesticides and fertilizers to crops

The bill requires the Department of Energy and Environmental Protection (DEEP) commissioner, by March 1, 2026, to amend existing regulations on pesticide applications from aircraft to allow qualifying applicators to use unmanned aircraft (i.e. drones) to (1) plant seeds and (2) analyze, treat, and apply pesticides and fertilizers to crops. Under the bill, this authority applies only to licensed commercial or private pesticide applicators who are Federal Aviation Administration (FAA)-licensed to operate unmanned aircraft.

EFFECTIVE DATE: Upon passage

Background — FAA Drone Licenses

Under FAA regulations, commercial drone pilots must have one of two FAA certifications, depending on the drone's weight. To fly a drone weighing less than 55 pounds, prospective pilots must generally (1) obtain a remote pilot certificate and (2) pay a registration fee (14 C.F.R. § 107). To fly a drone weighing 55 pounds or more, prospective pilots must generally (1) acquire an exemption from the transportation secretary and a Certificate of Waiver or Authorization and (2) register their drone with the FAA (49 U.S.C. § 44807; 14 C.F.R. § 91).

Background — Federal Regulation of Agricultural Aircraft Operations

The FAA regulates agricultural aircraft operations, which are generally defined as using aircraft, including drones, to (1) dispense certain substances and fertilizers and (2) engage in dispensing activities that directly affect agriculture, horticulture, or forest preservation. To operate a drone under these regulations, applicators generally must obtain (1) an agricultural aircraft operator certificate, (2) a valid exemption based on the type of drone used, and (3) a specified airspace authorization or waiver (14 C.F.R. § 137).

Background — Related Bill

sHB 6289 (File 394), favorably reported by the Environment Committee, contains similar provisions.

§ 8 — HOOP HOUSES UNDER THE STATE BUILDING CODE

Exempts the agricultural use of hoop houses from permitting or construction standards under the State Building Code

The bill specifies that, regardless of any State Building Code provision, the agricultural use of structures commonly known as “hoop houses” or “high tunnels” are not subject to any permitting or construction standards.

A hoop house, also known as a high tunnel, is a structure used in agricultural applications to provide protected growing space for crops or livestock. It is usually made of metal, wood, or PVC pipe framing with a covering, and it anchors into the soil rather than a concrete foundation.

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

sHB 7119 (§ 12) (File 410), favorably reported by the Public Safety and Security Committee, contains provisions requiring the next code revision to define “high tunnels” and “hoop homes” and classify them as temporary agricultural structures.

§ 9 — FARMERS’ CROP LOSS REIMBURSEMENT GRANT PROGRAM

Creates a grant program to reimburse farmers for crop loss from major weather events; requires DoAg to set the program parameters

The bill establishes the Farmers’ Crop Loss Reimbursement Grant Program within DoAg. DoAg must use program funds to reimburse Connecticut farmers who incur crop loss from “significant acute” weather events. The bill requires DoAg to set the program’s parameters and post them on the agency’s website. The parameters must include, at a minimum, eligibility criteria, funding prioritization rules, maximum reimbursement amounts, the weather events that trigger reimbursement eligibility, and the reimbursement application process.

EFFECTIVE DATE: July 1, 2025

Background — Related Bill

sHB 6273 (§ 1) (File 883), favorably reported by the Environment

Committee, contains the same provisions.

§ 10 — AGRITOURISM LIABILITY IMMUNITY

Grants limited immunity from civil liability to agritourism businesses that offer the public opportunities to participate in agriculture-related activities on a farm (e.g., you-pick, corn maze) when the participant incurs damage or injury from the agritourism activity's inherent risks

The bill grants immunity from civil liability to agritourism businesses that offer the general public the opportunity to observe or participate in agriculture-related activities on a farm (e.g., you-pick operations, corn mazes, hay rides, farm markets), whether or not for a fee. Under the bill, an agritourism provider (i.e. an agritourism activity's owner, operator, or sponsor and their employees) is not civilly liable for a participant's property damage or personal injury resulting from an agritourism activity's inherent risks (see below).

The bill provides limitations on the immunity granted. Specifically, an agritourism provider will be liable for harm to a participant if the provider (1) acts negligently or with willful or wanton disregard for the participant's safety, (2) purposely causes a participant's personal injury or property damage, or (3) commits criminal conduct that causes a participant's personal injury or property damage.

EFFECTIVE DATE: October 1, 2025

Inherent Risks

Under the bill, a "risk inherent in an agritourism activity" is any danger or condition that is an integral part of the activity, including the following:

1. the land's surface and subsurface conditions;
2. the behavior or actions of wild animals that the agritourism provider does not keep or control;
3. the behavior or actions of livestock or domestic animals (other than damage by a dog when the dog is not provoked);
4. ordinary dangers associated with land, structures, animals, or

- equipment typically used in agriculture or agritourism activities;
5. the possibility of sustaining injury, property damage, or illness from being near to or having contact with structures, equipment, animals, animal feed, farm chemicals, or animal waste; and
 6. the possibility that an activity participant may act negligently, including by not (a) following the agritourism provider's instructions or (b) exercising reasonable care during the activity.

Background — Related Bill

sHB 6241 (File 645), favorably reported by the Environment and Judiciary committees, contains the same provisions.

§ 11 — SHELLFISH SANITATION

Eliminates state requirements that are not in line with the National Shellfish Sanitation Program Model Ordinance

By law, DoAg must allow shell fishermen to relay (i.e. transplant) shellfish from shellfish grounds classified as restricted (i.e. polluted) to other grounds, in keeping with the National Shellfish Sanitation Program Model Ordinance. The ordinance establishes sanitary controls over growing, harvesting, shucking, packing, and distributing shellfish.

The bill eliminates specific requirements under current law that no longer align with the ordinance or are otherwise unnecessary. These include provisions that (1) require identification tags with shellfish location information to be confidential, (2) prescribe the order of harvest and relay, and (3) require a harvester to notify DEEP of a planned relay. (In practice, DoAg's combined shellfish harvest and relay license requires market activity to occur before the movement of contaminated fish.)

EFFECTIVE DATE: Upon passage

Background — Related Bill

HB 7170 (§ 1) (File 630), favorably reported by the Environment Committee, contains the same provisions.

§§ 12-14 — SHELLFISH HARVEST SEASON

Shortens the state's commercial shellfish (e.g., oyster, clam, mussel) harvest season

The bill shortens the commercial shellfish harvest season by closing the natural beds sooner than allowed under current law. Specifically, it moves up the annual expiration date of shellfish licenses from July 20 to June 30.

It also revises the time period for assessing penalties for violating shellfishing restrictions. Currently, anyone who takes oysters or shells from natural beds beginning July 20 and through the end of an established period (which varies depending on location), is generally subject to a fine of up to \$250. The bill moves up the start of this period from July 20 to June 15.

EFFECTIVE DATE: Upon passage

Background — Related Bill

HB 7170 (§§ 2-4) (File 630), favorably reported by the Environment Committee, contains the same provisions.

§§ 15 & 16 — SHELLFISH TAX FILINGS AND APPEAL RIGHTS

Requires shellfish grounds owners and franchise holders to certify to DoAg that they complied with all required business and shellfish-related state tax filings for the prior year, and grants them appeal rights

The bill requires the owner of shellfish grounds or a franchise within the state's exclusive jurisdiction to certify to the DoAg commissioner that he or she completed all required business and shellfish-related state tax filings for the prior year.

The bill also grants appeal rights to shellfish grounds owners and franchise holders aggrieved by any DoAg commissioner actions under the state law that allows the taxation of shellfish grounds. Appeals must be made to the Superior Court in the judicial district where the franchise or ground is located or the owner appealing resides.

EFFECTIVE DATE: Upon passage

Background — Related Bill

HB 7170 (§§ 5 & 6) (File 630), favorably reported by the Environment Committee, contains the same provisions.

§ 17 — POWER DREDGE LIMIT

Increases the allowed power dredge limit, from 30 to 60 pounds, for gathering shellfish

The bill increases the allowed power dredge limit, from 30 to 60 pounds, for gathering shellfish. By law, dredges cannot be used for taking shellfish from public shellfish beds and no dredge can have a capacity of more than 1.5 bushels. (A 60-pound dredge conforms with industry practice and is compatible with the 1.5 bushel capacity limit.)

EFFECTIVE DATE: Upon passage

Background — Related Bill

HB 7170 (§ 7) (File 630), favorably reported by the Environment Committee, contains the same provisions.

§ 18 — MANURE MANAGEMENT GRANT PROGRAM

Creates a grant program to support farmers in adopting best practices for maintaining manure management systems; requires DoAg to set the program parameters

The bill establishes the Manure Management Grant Program within DoAg. The department must use program funds to support farmers in adopting best practices for maintaining manure management systems. The bill requires DoAg to set the program's parameters and post them on the agency's website. The parameters must include, at a minimum, eligibility criteria, funding prioritization rules, maximum reimbursement amounts, and the reimbursement application process.

EFFECTIVE DATE: July 1, 2025

§ 19 — HEARING ON CERTAIN PROGRAMS

Allows the Environment Committee to hold an informational hearing on the (1) CT Grown for CT Kids Grant Program, (2) local food for schools incentive program, and (3) Local Food Purchase Assistance Cooperative Agreement Program

The bill authorizes the Environment Committee to hold an informational hearing to get information on the funding and administration of the following programs:

1. the CT Grown for CT Kids Grant program, which helps local and regional boards of education develop farm-to-school programs;
2. the local food for schools incentive program, which reimburses

eligible boards of education for purchasing locally and regionally sourced food for eligible meal programs; and

3. the Local Food Purchase Assistance Cooperative Agreement Program, which is a statewide grant program funded through the U.S. Department of Agriculture to maintain and improve local food and agricultural supply chain resiliency.

Under the bill, the DoAg commissioner must testify at the hearing and answer committee members' questions on these programs.

EFFECTIVE DATE: July 1, 2025

§ 20 — SHIPPING CONTAINER FARMS GRANT PROGRAM

Requires DoAg to administer a shipping container farms grant program

The bill requires DoAg to administer a program to provide grants for purchasing and operating shipping container farms to grow fresh vegetables for schools and local food pantries. The program may be made a part of any other DoAg program for which the schools and pantries are eligible.

EFFECTIVE DATE: July 1, 2025

§§ 21 & 22 — FERTILIZERS AND SOIL AMENDMENTS WITH PFAS

Extends a ban on soil amendments with biosolids containing PFAS to fertilizers; requires the DoAg commissioner to enforce this provision and authorizes him to request certificates of compliance from manufacturers and suppliers; requires the DEEP commissioner to coordinate with DoAg, the Department of Consumer Protections, and the Department of Public Health to enforce the state's law regulating the sale of certain consumer products containing PFAS

Current law bans using, selling, or offering for sale as a soil amendment any biosolids (i.e. residue from treating domestic sewage) or wastewater sludge containing per- and polyfluoroalkyl substances (PFAS). The bill instead bans using, selling, or offering for sale any fertilizer intended to be applied to land or soil amendment that contains biosolids or wastewater sludge containing PFAS. Under current law, the DEEP commissioner may enforce this provision. The bill instead requires the DoAg commissioner to enforce it.

PFAS Law Enforcement

Further, current law authorizes the DEEP commissioner to coordinate with the DoAg, consumer protection, and public health commissioners to enforce the law that regulates the sale and use of certain consumer products containing PFAS (adopted as PA 24-59). The bill instead requires her to do so.

Certificate of Compliance

By law, upon DEEP's written request, a product's manufacturer or supplier must give DEEP a certificate of compliance stating that a product complies with the law's provisions. The law also requires anyone to give the DEEP commissioner, upon her request, any information that the person may have or can reasonably get that is relevant to show compliance.

The bill extends to DoAg the authority to request a certificate of compliance with respect to whether a product, fertilizer, or soil amendment complies with the law, and to receive information relevant to show compliance.

Under existing law and the bill, a manufacturer's or supplier's authorized official must sign a certificate of compliance. Additionally, the manufacturer or supplier must keep the certificate of compliance on file and may make it available on its website or through its authorized representative.

EFFECTIVE DATE: Upon passage

§ 23 — SHELLFISH RECOVERY VESSEL

Repeals requirements for DoAg's shellfish recovery vessel, which DoAg no longer owns

The bill repeals requirements for DoAg's shellfish recovery vessel, the John H. Volk, which DoAg no longer owns.

EFFECTIVE DATE: Upon passage

Background — Related Bill

HB 7170 (§ 8) (File 630), favorably reported by the Environment Committee, contains the same provisions.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 23 Nay 10 (03/24/2025)

Appropriations Committee

Joint Favorable

Yea 38 Nay 12 (05/05/2025)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 39 Nay 15 (05/12/2025)

Judiciary Committee

Joint Favorable

Yea 31 Nay 4 (05/27/2025)