PA 26-75—sSB 148
Environment Committee
Appropriations Committee

AN ACT CONCERNING REVISIONS TO AQUACULTURE-RELATED STATUTES AND PROVIDING FOR CERTAIN FARMING-RELATED PROGRAMS

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SUMMARY: This act makes various changes as described in the section-by-section analysis below.

EFFECTIVE DATE: Upon passage, except the provisions on the (1) dairy modernization grant program; (2) forest land values; and (3) agricultural land preservation program are effective July 1, 2026, and the farm investment tax credit program provision is applicable to income and tax years beginning on or after January 1, 2028 (PA 26-76, § 70, made the tax credit applicable to income and tax years beginning on or after January 1, 2027).

§ 1 — DAIRY MODERNIZATION GRANT PROGRAM

Creates a Dairy Modernization Grant Program to help Connecticut's dairy farmers invest in equipment, infrastructure, and operational upgrades; requires DoAg to set the program's parameters

The act creates the Dairy Modernization Grant Program within the Department of Agriculture (DoAg) to help Connecticut's dairy farmers invest in equipment, infrastructure, and operational upgrades. Under the act, DoAg must, by January 1, 2027, set the program's parameters, including:

1. eligibility criteria for farmers and projects,
2. rules to prioritize how the department uses program funds,
3. maximum grant amounts,
4. an application process, and
5. definitions for the terms "infrastructure" and "operational upgrades."

§ 2 — FARM INVESTMENT TAX CREDIT PROGRAM

Expands who qualifies as an eligible farmer under the farm investment tax credit program

PA 25-168 created a refundable corporate and income tax credit program for farmers' investments in eligible machinery, equipment, and buildings to use in specific types of agricultural production. The act expands who qualifies as an eligible farmer under this program to include Connecticut taxpayers whose federal gross income from farming for the income or tax year is at least $250,000. Under existing law, Connecticut taxpayers can qualify if their federal gross income from farming for the income or tax year is at least two-thirds of their federal gross income from all sources over $30,000.

§ 3 — DAIRY FARMING SUSTAINABILITY WORKING GROUP

Creates a Dairy Farming Sustainability Working Group to develop recommendations to give long-term support to Connecticut's dairy industry

The act creates a Dairy Farming Sustainability Working Group within DoAg to develop long-term support recommendations for Connecticut's dairy industry. The DoAg commissioner must submit the group's recommendations to the Appropriations; Environment; and Finance, Revenue and Bonding committees by January 1, 2027.

Support Recommendations

Under the act, the working group's recommendations must consider the following:

1. potential use and efficacy of a reimbursable tax credit program for dairy producers;
2. use of Community Investment Act funds for dairy sustainability;
3. in-state dairy processing capacity; and
4. use and efficacy of property tax exemptions, including mandatory and optional local exemptions, for dairy farmers.

Working Group's Composition

The working group's ex-officio members are the DoAg and Department of Revenue Services commissioners, Office of Policy and Management (OPM) secretary, and Connecticut Farm Bureau executive director, or their designee.

The working group also includes the following members appointed by the DoAg commissioner:

1. at least three dairy industry representatives,
2. one representative from each major Connecticut dairy cooperative,
3. an independent dairy producer, and
4. any other members the commissioner determines are necessary.

§ 4 — PA 490 FOREST LAND VALUES

Requires the OPM secretary to reinstate the October 2025 land use values for forestland until October 1, 2030

By law, the OPM secretary, in consultation with the DoAg commissioner, is required to develop a schedule of unit prices (land use values per acre) for property subject to the PA 490 program (see *Background — PA 490 Land Values*) every five years (CGS § 12-2b). These schedules are made available to the public, and municipalities may adopt them.

The act directs OPM to reinstate the land use value recommended on October 1, 2025, for forestland ($200 per acre), replacing the 2020 value ($390 per acre), which was reinstated by the governor on January 19, 2026. The 2025 value will remain in effect until October 1, 2030 (the next valuation date).

Background — PA 490 Land Values

On October 1, 2025, OPM released its PA 490 recommended land use values, which were generally significantly higher than the 2020 recommended land use values. OPM released new recommended land use values on January 5, 2026. However, on January 19, 2026, the governor released a letter to OPM directing OPM, in consultation with DoAg, to take the following actions: (1) revoke the 2025 values and reinstate the 2020 values; (2) notify all municipal tax assessors of the revocation and reinstatement; and (3) convene a working group to recommend alternative measures to improve data collection, review, and valuation processes.

§ 5 — NATURAL GAS RATE STUDY

Requires PURA to study natural gas rates, particularly how demand charges affect commercial and agricultural customers with intermittent peak monthly demand

The act requires the Public Utilities Regulatory Authority (PURA) to study natural gas rates. The study must include any applicable demand charges for commercial and agricultural natural gas customers who have intermittent peak monthly demand to determine if, due to the demand charge, a significant number of these customers are charged rates that do not fairly reflect their use. If PURA determines that the demand charges unfairly increase rates for these customers, it must make detailed recommendations to the Energy and Technology Committee by January 15, 2027, on how the charges can be recalculated or otherwise applied to these customers.

Background — Related Act

Special Act 26-4 imposes the same study requirements on the Department of Energy and Environmental Protection commissioner.

§ 6 — AGRICULTURAL LAND PRESERVATION PROGRAM

Removes the cap on the state's per acre contribution to individual landowners applying for the agricultural land preservation program and the requirement that the contribution for the joint purchase of development rights with municipalities increase accordingly

Existing law requires the DoAg commissioner, in consultation with the Farmland Preservation Advisory Board, to adopt regulations implementing a program for acquiring development rights to agricultural land. The act removes a requirement that (1) these regulations include a $20,000 per acre cap on the state's contribution to individual landowners applying for the program and (2) the contribution for the joint purchase of development rights with municipalities increase accordingly.

§§ 7 & 22 — SHELLFISHING

Changes notice requirements for areas closed to shellfishing; eliminates an obsolete law authorizing DoAg to appoint shellfish police

The act (1) changes the notice requirements for areas closed to shellfishing and (2) eliminates an obsolete law authorizing DoAg to appoint shellfish police.

By law, DoAg must classify areas for shellfish taking and may restrict or prohibit shellfishing from areas that fail to meet specified standards to minimize health risks. The act eliminates the requirement that DoAg post notices about shellfishing area closures in local newspapers and instead requires the department to post these notices on its website. By law, the department must also (1) file the notices with local municipal clerks and health directors in affected towns, cities, or boroughs, and (2) post signs on or near affected areas. The act specifies that the notices to municipal clerks and health directors may be filed in writing or electronically.

The act similarly eliminates the requirement that the commissioner notify the general public about shellfishing area closures due to a health emergency by publishing the notice in a local newspaper. It instead requires him to notify any applicable shellfish commission in the affected area. By law, he must also notify the local health authority about the closure. The act also makes technical changes.

Lastly, the act eliminates DoAg's authority to appoint and commission shellfish police to patrol privately owned oystering areas at the request of specified entities, including oyster businesses, associations, and property owners. In practice, environmental conservation officers serve this function through a memorandum of understanding with DoAg.

§§ 8–19 & 22 — FARMERS' MARKET NUTRITION PROGRAM

Makes various changes to DoAg's Farmers' Market Nutrition Program to conform with current practices and align with program modernizations, including a transition to electronic benefits and expansion of eligible benefit redemption locations

The act makes various changes to the DoAg Farmers' Market Nutrition Program (FMNP). By law, the FMNP generally gives (1) people eligible for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and (2) low-income people aged 60 or older funds to buy eligible Connecticut-grown fresh produce and chicken eggs. Under the act, FMNP participants may also use program benefits to buy honey.

The act makes many minor, technical, and conforming changes. Among other things, it changes specific FMNP statutory definitions and terminology to align with program modernizations, including a transition to electronic benefits and expansion of eligible benefit redemption locations, and DoAg's current practices. The act also eliminates a statutorily defined benefit amount of five $3 vouchers issued to each program participant in a distribution period and instead requires DoAg to annually set the benefit amount each FMNP participant will get based on the federal and state allocation for the given program year.

Transition to Electronic Benefits

The act makes changes to FMNP statutes to reflect the modern use of electronic benefits rather than paper vouchers, including replacing references to “vouchers” with “benefits.”

To align with DoAg’s current practice of coupling FMNP benefit distribution with WIC benefit distribution, made possible by the transition to electronic benefits, the act also changes the definition of a “local WIC agency” to be an entity that contracts with the Department of Public Health to administer the WIC program and distribute WIC benefits to participants (rather than an entity contracting with DoAg to distribute FMNP vouchers, as under prior law). Correspondingly, it eliminates obsolete procedures for the WIC agency to verify a program participant’s identity when distributing paper vouchers. The act also reduces, from four years to three years, the period that local WIC agencies must generally keep FMNP-related records.

The act also eliminates the requirement for authorized vendors to have a DoAg-issued certified vendor number and use a certified vendor identification stamp on deposited benefit vouchers, and it eliminates a process for vendors to deposit any vouchers they accepted. Similarly, it eliminates the requirement for program participants to countersign a voucher before using it.

Expanded Benefit Redemption Locations and Vender Certification Process

The act replaces “authorized farmers’ market” with “authorized benefit location” in FMNP statutes to reflect an expansion of approved benefit redemption locations to include farm stands and mobile markets, in addition to farmers’ markets. It also replaces “vendors” with “farmers.”

The act also makes changes to the requirements a vendor must meet to become certified to accept FMNP benefits. Under existing law, to become certified a vendor must attend a training on FMNP rules and procedures. The act adds the requirement that vendors also complete an annual online learning module and get a passing score on a knowledge test. Existing law also requires vendors to submit a completed application and crop plan before becoming certified to accept benefits. The act specifies that they must do so using a form and process DoAg creates. Lastly, the act eliminates the requirement for vendors to submit to DoAg a signed (1) receipt of a vendor certification handbook and (2) certified vendor agreement before accepting FMNP benefits.

The act also eliminates a process for the DoAg commissioner to determine whether to authorize a farmers’ market to accept FMNP benefits based on how many vendors apply to participate in the market. In practice, this process was made obsolete by the benefit redemption location expansion and transition to a system that allows individual vendors to accept FMNP benefits. Correspondingly, the act eliminates the obsolete law making it a violation for vendors to cash vouchers for a noncertified market, as this is not possible under the modern benefit redemption system.

§ 19 — FARM TRANSITION STUFF

Eliminates the requirement that the DoAg commissioner adopt regulations to administer the farm transition grant program

The act eliminates the requirement that the DoAg commissioner adopt regulations to administer the farm transition grant program, a competitive matching program to help Connecticut farmers diversify operations, build infrastructure, and develop new products. In practice, the department issues annual program guidance to administer the program instead.

§§ 20-22 — OBSOLETE PROGRAMS REPEALED

Repeals DoAg's obsolete (1) Connecticut Quality Seal program and (2) Apple Marketing Order program

The act repeals two obsolete DoAg programs: the (1) Connecticut Quality Seal Program, which ensured quality and authenticity of Connecticut-produced products, and (2) Apple Marketing Order program, which promoted the sale of apples and apple products and related market research in the state. In practice, both programs' goals were largely incorporated into DoAg's active CT Grown campaign.