

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to  
3 which was referred House Bill No. 270 entitled “An act relating to  
4 miscellaneous amendments to the adult-use and medical cannabis programs”  
5 respectfully reports that it has considered the same and recommends that the  
6 Senate propose to the House that bill be amended by striking out all after the  
7 enacting clause and inserting in lieu thereof the following:

8 Sec. 1. 7 V.S.A. § 843 is amended to read:

9 § 843. CANNABIS CONTROL BOARD; DUTIES; MEMBERS

10 \* \* \*

11 (h) ~~Advisory committee.~~

12 ~~(1) There is an advisory committee established within the Board that~~  
13 ~~shall be composed of members with expertise and knowledge relevant to the~~  
14 ~~Board’s mission. The Board shall collaborate with the advisory committee on~~  
15 ~~recommendations to the General Assembly. The advisory committee shall be~~  
16 ~~composed of the following 14 members:~~

17 ~~(A) one member with an expertise in public health, appointed by the~~  
18 ~~Governor;~~

19 ~~(B) the Secretary of Agriculture, Food and Markets or designee;~~

20 ~~(C) one member with an expertise in laboratory science or~~  
21 ~~toxicology, appointed by the Governor;~~

1           ~~(D) one member with an expertise in systemic social justice and~~  
2           ~~equity issues, appointed by the Speaker of the House;~~

3           ~~(E) one member with an expertise in women and minority owned~~  
4           ~~business ownership, appointed by the Speaker of the House;~~

5           ~~(F) the Chair of the Substance Misuse Prevention Oversight and~~  
6           ~~Advisory Council or designee;~~

7           ~~(G) one member with an expertise in the cannabis industry, appointed~~  
8           ~~by the Senate Committee on Committees;~~

9           ~~(H) one member with an expertise in business management or~~  
10          ~~regulatory compliance, appointed by the Treasurer;~~

11          ~~(I) one member with an expertise in municipal issues, appointed by~~  
12          ~~the Senate Committee on Committees;~~

13          ~~(J) one member with an expertise in public safety, appointed by the~~  
14          ~~Attorney General;~~

15          ~~(K) one member with an expertise in criminal justice reform,~~  
16          ~~appointed by the Attorney General;~~

17          ~~(L) the Secretary of Natural Resources or designee;~~

18          ~~(M) the Chair of the Cannabis for Symptom Relief Oversight~~  
19          ~~Committee or designee; and~~

20          ~~(N) one member appointed by the Vermont Cannabis Trade~~  
21          ~~Association.~~



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(2) “Advertisement” means any written or verbal statement, illustration, or depiction that ~~is calculated to induce~~ would reasonably have the effect of inducing sales of cannabis or cannabis products, including any written, printed, graphic, or other material; billboard, sign, or other outdoor display; other periodical literature, publication, or in a radio or television broadcast; the Internet; or in any other media. The term does not include:

(A) any label affixed to any cannabis or cannabis product or any individual covering, carton, or other wrapper of that container that constitutes a part of the labeling under provisions of these standards;

(B) any editorial or other reading material, such as a news release, in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any cannabis establishment, and that is not written by or at the direction of the licensee;

(C) any educational, instructional, or otherwise noncommercial material that is not intended to induce sales and that does not propose an economic transaction, but that merely provides information to the public in an unbiased manner; or

(D) a sign attached to the premises of a cannabis establishment that merely identifies the location of the cannabis establishment.

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\* \* \*

(8) “Cannabis establishment” means a cannabis cultivator, propagation cultivator, wholesaler, product manufacturer, retailer, testing laboratory, or integrated licensee licensed by the Board to engage in commercial cannabis activity in accordance with this chapter.

\* \* \*

(31) “Cannabis propagation cultivator” or “propagation cultivator” means a person licensed by the Board to cultivate cannabis clones, immature plants, and mature plants in accordance with this chapter.

Sec. 5. 7 V.S.A. § 863 is amended to read:

§ 863. REGULATION BY LOCAL GOVERNMENT

\* \* \*

(b) A municipality that hosts any cannabis establishment may establish a cannabis control commission composed of commissioners who may be members of the municipal legislative body. The local cannabis control commission may issue and administer local control licenses under this subsection for cannabis establishments within the municipality but shall not assess a fee for a local control license issued to a cannabis establishment. The commissioners may condition the issuance of a local control license upon compliance with any bylaw adopted pursuant to 24 V.S.A. § 4414 or upon ordinances regulating signs or public nuisances adopted pursuant to 24 V.S.A.

1     § 2291, except that ordinances may not regulate public nuisances as applied to  
2     outdoor cultivators that are regulated in the same manner as the Required  
3     Agricultural Practices under subdivision 869(f)(2) of this title. The  
4     commission may suspend or revoke a local control license for a violation of  
5     any condition placed upon the license. The Board shall adopt rules relating to  
6     a municipality's issuance of a local control license in accordance with this  
7     subsection and the local commissioners shall administer the rules furnished to  
8     them by the Board as necessary to carry out the purposes of this section.

9           (c) Prior to issuing a license to a cannabis establishment under this  
10     chapter, the Board shall ensure that the applicant has obtained a local control  
11     license from the municipality, if required, unless the Board finds that the  
12     municipality has exceeded its authority under this section.

13           (d) A municipality shall not:

14           (1) prohibit the operation of a cannabis establishment within the  
15     municipality through an ordinance adopted pursuant to 24 V.S.A. § 2291 or a  
16     bylaw adopted pursuant to 24 V.S.A. § 4414, or regulate a cannabis  
17     establishment in a manner that has the effect of prohibiting the operation of a  
18     cannabis establishment;

19           (2) condition the operation of a cannabis establishment, or the issuance  
20     or renewal of a municipal permit to operate a cannabis establishment, on any  
21     basis other than the conditions in subsection (b) of this section; ~~and~~ or

1           (3) exceed the authority granted to it by law to regulate a cannabis  
2 establishment.

3           Sec. 6. 7 V.S.A. § 869 is amended to read:

4           § 869. CULTIVATION OF CANNABIS; ENVIRONMENTAL AND LAND  
5           USE STANDARDS; REGULATION OF ~~SMALL CULTIVATORS~~  
6           CULTIVATION

7           (a) A cannabis establishment shall not be regulated as “farming” under the  
8 Required Agricultural Practices, 6 V.S.A. chapter 215, or other State law, and  
9 cannabis produced from cultivation shall not be considered an agricultural  
10 product, farm crop, or agricultural crop for the purposes of 32 V.S.A. chapter  
11 124, 32 V.S.A. § 9741, or other relevant State law.

12           (b) The cultivation, processing, and manufacturing of cannabis regulated  
13 under this chapter shall comply with all applicable State, federal, and local  
14 environmental, energy, or public health law, unless otherwise provided under  
15 this chapter.

16           (c) A cannabis establishment regulated under this chapter shall be subject  
17 to regulation under 24 V.S.A. chapter 117 as authorized by this chapter, unless  
18 otherwise provided under this chapter.

19           (d)(1) The cultivation, processing, and manufacturing of cannabis by all  
20 cultivators regulated under this chapter shall comply with the following

1 sections of the Required Agricultural Practices as administered and enforced  
2 by the Board:

3 (A) section 6, regarding conditions, restriction, and operating  
4 standards;

5 (B) section 8, regarding groundwater quality and groundwater quality  
6 investigations; and

7 (C) section 12, regarding subsurface tile drainage.

8 (2) Application of or compliance with the Required Agricultural  
9 Practices under subdivision (1) of this subsection shall not be construed to  
10 provide a presumption of compliance with or exemption to any applicable  
11 State, federal, and local environmental, energy, public health, or land use law  
12 required under subsections (b) and (c) of this section.

13 (e) Persons cultivating cannabis or handling pesticides for the purposes of  
14 the manufacture of cannabis products shall comply with the worker protection  
15 standard of 40 C.F.R. Part 170.

16 (f) Notwithstanding subsection (a) of this section, a ~~small~~ cultivator  
17 licensed under this chapter who initiates cultivation of cannabis outdoors on a  
18 parcel of land ~~that was subject to the Required Agricultural Practices prior to~~  
19 ~~licensed cultivation of cannabis~~ shall:



1           (1) be regulated in the same manner as “farming” and not as  
2 “development” on the tract of land where cultivation occurs for the purposes of  
3 permitting under 10 V.S.A. chapter 151;

4           (2) not be regulated by a municipal bylaw adopted under 24 V.S.A.  
5 chapter 117 in the same manner that Required Agricultural Practices are not  
6 regulated by a municipal bylaw under 24 V.S.A. § 4413(d)(1)(A);

7           (3) be eligible to enroll in the Use Value Appraisal Program under 32  
8 V.S.A. chapter 124 for the cultivation of cannabis, ~~provided that the~~  
9 ~~agricultural land or farm building on the parcel where cannabis cultivation~~  
10 ~~occurs was enrolled in the Use Value Appraisal Program prior to~~  
11 ~~commencement of licensed cannabis cultivation and the parcel continues to~~  
12 ~~qualify for enrollment; and~~

13           (4) be exempt under 32 V.S.A. § 9741(3), (25), and (50) from the tax on  
14 retail sales imposed under 32 V.S.A. § 9771; and

15           (5) be entitled to the rebuttable presumption that cultivation does not  
16 constitute a nuisance under 12 V.S.A. chapter 195 in the same manner as  
17 “agricultural activities” are entitled to the rebuttable presumption, provided  
18 that, notwithstanding 12 V.S.A. § 5753(a)(1)(A), the cultivation is complying  
19 with subsections (b) and (d) of this section.

1 Sec. 7. 7 V.S.A. § 881 is amended to read:

2 § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

3 (a) The Board shall adopt rules to implement and administer this chapter in  
4 accordance with subdivisions (1)–~~(7)~~(8) of this subsection.

5 \* \* \*

6 (3) Rules concerning product manufacturers shall include:

7 (A) requirements that a single package of a cannabis product shall  
8 not contain more than ~~50~~ 100 milligrams of THC, except in the case of:

9 (i) cannabis products that are not consumable, including topical  
10 preparations;

11 (ii) solid concentrates, oils, and tinctures; and

12 (iii) cannabis products sold to a dispensary pursuant to 18 V.S.A.  
13 chapter 86 and rules adopted pursuant to that chapter;

14 \* \* \*

15 (5) Rules concerning retailers shall include:

16 \* \* \*

17 (E) ~~facility inspection~~ requirements and procedures for facility  
18 inspection to occur at least annually.

19 \* \* \*

20 (8) Rules concerning propagators shall include:

21 (A) requirements for proper verification of age of customers;



1           ~~(A) any record in an application for a license relating to security,~~  
2           ~~public safety, transportation, or trade secrets, including information provided~~  
3           ~~in an operating plan pursuant to subdivision 881(a)(1)(B) of this title; and~~

4           ~~(B) any licensee record relating to security, public safety,~~  
5           ~~transportation, trade secrets, or employees.~~

6           ~~(2) Notwithstanding 1 V.S.A. § 317(e), the Public Records Act~~  
7           ~~exemption created in this subsection shall continue in effect and shall not be~~  
8           ~~repealed through operation of 1 V.S.A. § 317(e). [Repealed.]~~

9           Sec. 9. 7 V.S.A. § 901a is added to read:

10           § 901a. ACCESSIBILITY AND CONFIDENTIALITY OF LICENSING  
11                           AND DISCIPLINARY MATTERS

12           (a) It is the purpose of this section to protect the reputation, security  
13           practices, and trade secrets of licensees from undue public disclosure while  
14           securing the public’s right to know of government licensing actions relevant to  
15           the public health, safety, and welfare.

16           (b) All meetings and hearings of the Board shall be subject to the Vermont  
17           Open Meeting Law.

18           (c) The following shall be exempt from public inspection and copying  
19           under the Public Records Act and shall be kept confidential:

1           (1) records related to licensee security, safety, transportation, or trade  
2           secrets, including information provided in an operating plan pursuant to  
3           subdivision 881(a)(1)(B) of this title; and

4           (2) records related to complaints, investigations, or proceedings, except  
5           as provided in subsection (d) of this section.

6           (d)(1) If a complaint or investigation results in formal action to revoke,  
7           suspend, condition, reprimand, warn, fine, or otherwise to penalize a licensee  
8           based on noncompliance with law or regulation, the case record, as defined by  
9           3 V.S.A. § 809(e), shall be available for public inspection and copying under  
10          Vermont’s Public Records Act.

11          (2) The Board shall prepare and maintain an aggregated list of all closed  
12          investigations into misconduct or noncompliance from whatever source  
13          derived. The information contained in the list shall be available for public  
14          inspection and copying under Vermont’s Public Records Act. The list shall  
15          contain the date, nature, and outcome of each complaint. The list shall not  
16          contain the identity of the subject licensee unless formal action resulted, as  
17          described in subdivision (1) of this subsection.

18          (e) Notwithstanding 1 V.S.A. § 317(e), the Public Records Act exemption  
19          created in this section shall continue in effect and shall not be repealed through  
20          operation of 1 V.S.A. § 317(e).

1 Sec. 10. 7 V.S.A. § 904 is amended to read:

2 § 904. CULTIVATOR LICENSE

3 (a) A cultivator licensed under this chapter may:

4 (1) cultivate, process, package, label, transport, test, and sell cannabis to  
5 a licensed wholesaler, product manufacturer, retailer, integrated licensee, and  
6 dispensary ~~and may~~;

7 (2) purchase and sell cannabis seeds and immature cannabis plants to  
8 another licensed cultivator and propagation cultivator; and

9 (3) possess and sell cannabis products to a licensed wholesaler, product  
10 manufacturer, retailer, integrated licensee, and dispensary.

11 \* \* \*

12 Sec. 11. 7 V.S.A. § 904b is added to read:

13 § 904b. PROPAGATION CULTIVATOR LICENSE

14 (a) A propagation cultivator licensed under this section may:

15 (1) cultivate not more than 3,500 square feet of cannabis clones,  
16 immature cannabis plants, or mature cannabis plants;

17 (2) test, transport, and sell cannabis clones and immature cannabis  
18 plants to licensed cultivators; and

19 (3) test, transport, and sell cannabis seeds that meet the federal  
20 definition of hemp to a licensed cultivator or retailer or to the public.

1        (b) A licensed propagation cultivator shall not cultivate mature cannabis  
2        plants for the purpose of producing, harvesting, transferring, or selling  
3        cannabis flower for or to any person.

4        Sec. 12. PROPAGATION CULTIVATOR LICENSE IMPLEMENTATION

5        The Cannabis Control Board shall begin issuing propagation cultivator  
6        licenses on or before July 1, 2024.

7        Sec. 13. 7 V.S.A. § 905 is amended to read:

8        § 905. WHOLESALER LICENSE

9        A wholesaler licensed under this chapter may:

10        (1) purchase cannabis ~~from a licensed cultivator and integrated licensee,~~  
11        and cannabis products from a licensed ~~product manufacturer, integrated~~  
12        ~~licensee, and dispensary~~ cannabis establishment;

13        (2) transport, process, package, and sell cannabis and cannabis products  
14        to a licensed ~~product manufacturer, retailer, integrated licensee, and dispensary~~  
15        cannabis establishment; and

16        (3) sell cannabis seeds or immature cannabis plants to a licensed  
17        cultivator.

18        Sec. 14. 7 V.S.A. § 906 is amended to read:

19        § 906. PRODUCT MANUFACTURER LICENSE

20        A product manufacturer licensed under this chapter may:







1 (A) All applicants for a cannabis establishment license shall be  
2 assessed an initial one-time application fee of \$1,000.00.

3 (B) An applicant may choose to be assessed an initial one-time  
4 intent-to-apply fee of \$500.00. If the applicant subsequently seeks a license  
5 within one year after paying the intent-to-apply fee, the initial one-time  
6 application fee of \$1,000.00 shall be reduced by \$500.00.

7 Sec. 17. 7 V.S.A. chapter 35 is amended to read:

8 CHAPTER 35. MEDICAL CANNABIS REGISTRY

9 § 951. DEFINITIONS

10 As used in this chapter:

11 \* \* \*

12 (8) “Qualifying medical condition” means:

13 (A) cancer, multiple sclerosis, positive status for human  
14 immunodeficiency virus, acquired immune deficiency syndrome, glaucoma,  
15 Crohn’s disease, Parkinson’s disease, post-traumatic stress disorder, or the  
16 treatment of these conditions, if the disease or the treatment results in severe,  
17 persistent, and intractable symptoms; or

18 (B) ~~post-traumatic stress disorder, provided the Department confirms~~  
19 ~~the applicant is undergoing psychotherapy or counseling with a licensed~~  
20 ~~mental health care provider; or~~



1 § 954. CAREGIVERS

2 (a) Pursuant to rules adopted by the Board, a person may register with the  
3 Board as a caregiver of a registered patient to obtain the benefits of the  
4 Registry as provided in section 952 of this title.

5 (b)(1) The Board shall ~~adopt rules that set forth standards for determining~~  
6 ~~whether an applicant should be denied a caregiver card because of his or her~~  
7 ~~criminal history record. An applicant shall not be denied solely on the basis of~~  
8 ~~a criminal conviction that is not listed in 13 V.S.A. chapter 25 or 28~~ conduct a  
9 name and date of birth Vermont criminal conviction record background check  
10 and obtain information from the Child Protection Registry maintained by the  
11 Department for Children and Families and from the Vulnerable Adult Abuse,  
12 Neglect, and Exploitation Registry maintained by the Department of  
13 Disabilities, Aging, and Independent Living (collectively, the Registries) for  
14 any person who applies to be a caregiver.

15 (2) ~~The Board shall obtain from the Vermont Crime Information Center~~  
16 ~~a copy of the caregiver applicant's fingerprint based Vermont criminal history~~  
17 ~~records, out of state criminal history records, and criminal history records from~~  
18 ~~the Federal Bureau of Investigation.~~

19 (c) The Board shall adopt rules that set forth standards for determining  
20 whether an applicant should be denied a ~~cannabis establishment license~~

1 caregiver card because of ~~his or her criminal history record~~ the applicant's  
2 criminal history record or status on either Registry.

3 (d)(1) Except as provided in subdivision (2) of this subsection, a caregiver  
4 ~~shall serve only one patient~~ may serve not more than two patients at a time,  
5 and a patient shall have only one registered caregiver at a time. A patient may  
6 serve as a caregiver for one other patient.

7 (2) A patient who is under 18 years of age may have two caregivers.  
8 Additional caregivers shall be at the discretion of the Board.

9 (e) Medicaid funds shall not be used to support a caregiver in the  
10 cultivation or distribution of cannabis on behalf of a patient.

11 § 955. REGISTRATION; FEES

12 (a) A registration card shall expire one year after the date of issuance for  
13 patients with a qualifying medical condition of chronic pain and the caregivers  
14 who serve those patients. For all other patients and the caregivers who serve  
15 those patients, a registration card shall expire three years after the date of  
16 issuance. A patient or caregiver may renew the card according to protocols  
17 adopted by the Board.

18 (b) The Board shall charge and collect a \$50.00 ~~annual~~ registration and  
19 renewal fee for patients and caregivers. Fees shall be deposited in the  
20 Cannabis Regulation Fund as provided in section 845 of this title.

1 § 956. RULEMAKING

2 The Board shall adopt rules for the administration of this chapter. ~~No rule~~  
3 ~~shall be more restrictive than any rule adopted by the Department of Public~~  
4 ~~Safety pursuant to 18 V.S.A. chapter 86.~~

5 Sec. 18. 33 V.S.A. § 4919 is amended to read:

6 § 4919. DISCLOSURE OF REGISTRY RECORDS

7 (a) The Commissioner may disclose a Registry record only as follows:

8 \* \* \*

9 (11) To the Cannabis Control Board, in accordance with the provisions  
10 of 7 V.S.A. § 954.

11 \* \* \*

12 Sec. 19. 33 V.S.A. § 6911 is amended to read:

13 § 6911. RECORDS OF ABUSE, NEGLECT, AND EXPLOITATION

14 \* \* \*

15 (c) The Commissioner or designee may disclose Registry information only  
16 to:

17 \* \* \*

18 (12) The Cannabis Control Board for the purpose of evaluating an  
19 individual's suitability to be a registered caregiver under 7 V.S.A. § 954.

20 \* \* \*

1 Sec. 20. 7 V.S.A. § 974 is amended to read:

2 § 974. RULEMAKING

3 (a)(1) The Board shall adopt rules to implement and administer this  
4 chapter. In adoption of rules, the Board shall strive for consistency with rules  
5 adopted for cannabis establishments pursuant to chapter 33 of this title where  
6 appropriate. ~~No rule shall be more restrictive than any rule adopted by the~~  
7 ~~Department of Public Safety pursuant to 18 V.S.A. chapter 86.~~

8 \* \* \*

9 Sec. 21. CANNABIS CONTROL BOARD REPORTING; MEDICAL

10 CANNABIS REGISTRY

11 (a) The Cannabis Control Board shall work with the Vermont Academic  
12 Detailing Program, Registry patients and caregivers, licensed medical cannabis  
13 dispensaries, and medical professional stakeholders to review the Medical  
14 Cannabis Registry. The review shall include:

15 (1) an assessment of the illnesses or symptoms most appropriately  
16 treated by cannabis;

17 (2) the strains of cannabis recommended for such treatment;

18 (3) the doses of active chemicals recommended for treatment;

19 (4) appropriate treatment protocols for patients, including whether  
20 ongoing medical oversight such as counseling or other services is needed for  
21 each condition being treated;

1           (5) how the use of cannabis is communicated to patients and patients’  
2           providers; and

3           (6) any other issues that will improve the Registry.

4           (b) The Board shall convene the working group not less than four times to  
5           complete its work.

6           (c) The Board shall provide recommendations for improvement to the  
7           Medical Cannabis Registry to the Senate Committee on Health and Welfare  
8           and the House Committees on Human Services and on Health Care on or  
9           before January 15, 2024.

10          Sec. 22. 7 V.S.A. § 1001(8) is amended to read:

11           (8) “Tobacco substitute” means products, including electronic cigarettes  
12           or other electronic or battery-powered devices, that contain or are designed to  
13           deliver nicotine or other substances into the body through the inhalation of  
14           vapor and that have not been approved by the U.S. Food and Drug  
15           Administration for tobacco cessation or other medical purposes. ~~Products~~  
16           Cannabis products as defined in section 831 of this title or products that have  
17           been approved by the U.S. Food and Drug Administration for tobacco  
18           cessation or other medical purposes shall not be considered to be tobacco  
19           substitutes.



1 Sec. 23. 32 V.S.A. § 7702(15) is amended to read:

2 (15) “Other tobacco products” means any product manufactured from,  
3 derived from, or containing tobacco that is intended for human consumption by  
4 smoking, chewing, or in any other manner, including products sold as a  
5 tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including any liquids,  
6 whether nicotine based or not, or delivery devices sold separately for use with  
7 a tobacco substitute, but shall not include cigarettes, little cigars, roll-your-own  
8 tobacco, snuff, ~~or~~ new smokeless tobacco as defined in this section, or  
9 cannabis products as defined in 7 V.S.A. § 831.

10 Sec. 24. TRANSFER AND APPROPRIATION

11 Notwithstanding 7 V.S.A. § 845(c), in fiscal year 2024:

12 (1) \$500,000.00 is transferred from the Cannabis Regulation Fund  
13 established pursuant to 7 V.S.A. § 845 to the Cannabis Business Development  
14 Fund established pursuant to 7 V.S.A. § 987; and

15 (2) \$500,000.00 is appropriated from the Cannabis Business  
16 Development Fund to the Agency of Commerce and Community Development  
17 to fund technical assistance and provide loans and grants pursuant to 7 V.S.A.  
18 § 987.

19 Sec. 25. EFFECTIVE DATE

20 This act shall take effect on passage.

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4 (Committee vote: \_\_\_\_\_)

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\_\_\_\_\_

6

Senator \_\_\_\_\_

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FOR THE COMMITTEE