

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred Senate Bill  
3 No. 247 entitled “An act relating to the regulation of medical marijuana  
4 dispensaries” respectfully reports that it has considered the same and  
5 recommends that the bill be amended by striking out all after the enacting  
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 18 V.S.A. § 4472 is amended to read:

8 § 4472. DEFINITIONS

9 As used in this subchapter:

10 (1) “Bona fide health care professional-patient relationship” means a  
11 treating or consulting relationship of not less than six months’ duration, in the  
12 course of which a health care professional has completed a full assessment of  
13 the registered patient’s medical history and current medical condition,  
14 including a personal physical examination. If a patient has a terminal illness,  
15 the six-month requirement shall not apply.

16 \* \* \*

17 (6) “Health care professional” means an individual licensed to practice  
18 medicine under 26 V.S.A. chapter 23 or 33, an individual licensed as a  
19 naturopathic physician under 26 V.S.A. chapter 81 who has a special license  
20 endorsement authorizing the individual to prescribe, dispense, and administer  
21 prescription medicines, an individual certified as a physician assistant under

1 26 V.S.A. chapter 31, or an individual licensed as an advanced practice  
2 registered nurse under 26 V.S.A. chapter 28. This definition includes  
3 individuals who are professionally licensed under substantially equivalent  
4 provisions in New Hampshire, Massachusetts, or New York.

5 \* \* \*

6 Sec. 2. 18 V.S.A. § 4474 is amended to read:

7 § 4474. REGISTERED CAREGIVERS; QUALIFICATION STANDARDS  
8 AND PROCEDURES

9 (a) A person may submit a signed application to the ~~department of public~~  
10 ~~safety~~ Department of Public Safety to become a registered patient's registered  
11 caregiver. The ~~department~~ Department shall approve or deny the application  
12 in writing within 30 days. The Department shall adopt rules for the issuance of  
13 a registry identification card which shall include standards for approval or  
14 denial of an application based on an individual's criminal history record. The  
15 rules shall address whether an applicant who has been convicted of an offense  
16 listed in subsection 4474g(e) of this title has been rehabilitated and should be  
17 otherwise eligible for a registry identification card. An applicant shall not be  
18 denied solely on the basis of a criminal conviction that is not listed in  
19 subsection 4474g(e) of this title. The ~~department~~ Department shall approve a  
20 registered caregiver's application and issue the person an authorization card,

1 including the caregiver's name, photograph, and a unique identifier,  
2 after verifying:

3 (1) the person will serve as the registered caregiver for one registered  
4 patient only; ~~and~~

5 (2) ~~the person has never been convicted of a drug-related crime.~~

6 (b) Prior to acting on an application, the ~~department~~ Department shall  
7 obtain from the Vermont ~~criminal information center~~ Crime Information  
8 Center a Vermont criminal record, an out-of-state criminal record, and a  
9 criminal record from the Federal Bureau of Investigation for the applicant. ~~For~~  
10 ~~purposes of~~ As used in this subdivision, "criminal record" means a record of  
11 whether the person has ever been convicted of a drug-related crime. Each  
12 applicant shall consent to release of criminal records to the ~~department~~  
13 Department on forms substantially similar to the release forms developed by  
14 the ~~center~~ Center pursuant to 20 V.S.A. § 2056c. The ~~department~~ Department  
15 shall comply with all laws regulating the release of criminal history records  
16 and the protection of individual privacy. The Vermont ~~criminal information~~  
17 ~~center~~ Crime Information Center shall send to the requester any record  
18 received pursuant to this section or inform the ~~department of public safety~~  
19 Department that no record exists. If the ~~department~~ Department disapproves  
20 an application, the ~~department~~ Department shall promptly provide a copy of  
21 any record of convictions and pending criminal charges to the applicant and

1 shall inform the applicant of the right to appeal the accuracy and completeness  
2 of the record pursuant to rules adopted by the Vermont ~~criminal information~~  
3 ~~center~~ Crime Information Center. No person shall confirm the existence or  
4 nonexistence of criminal record information to any person who would not be  
5 eligible to receive the information pursuant to this subchapter.

6 (c)(1) A Except as provided in subdivision (2) of this subsection, a  
7 registered caregiver may serve only one registered patient at a time, and a  
8 registered patient may have only one registered caregiver at a time.

9 (2) A registered patient who is under 18 years of age may have two  
10 registered caregivers.

11 Sec. 3. 18 V.S.A. § 4473(b) is amended to read:

12 (b) The ~~department of public safety~~ Department of Public Safety shall  
13 review applications to become a registered patient using the following  
14 procedures:

15 (1) A patient with a debilitating medical condition shall submit, ~~under~~  
16 ~~oath~~, a signed application for registration to the ~~department~~ Department. If the  
17 patient is under ~~the age of~~ 18 years of age, the application must be signed by  
18 both the patient and a parent or guardian. The application shall require  
19 identification and contact information for the patient and the patient's  
20 registered caregiver applying for authorization under section 4474 of this title,  
21 if any, and the patient's designated dispensary under section 4474e of this title,

1 if any. The applicant shall attach to the application a medical verification form  
2 developed by the ~~department~~ Department pursuant to subdivision (2) of this  
3 subsection.

4 \* \* \*

5 Sec. 4. 18 V.S.A. § 4474e is amended to read:

6 § 4474e. DISPENSARIES; CONDITIONS OF OPERATION

7 (a) A dispensary registered under this section may:

8 (1) Acquire, possess, cultivate, manufacture, transfer, transport, supply,  
9 sell, and dispense marijuana, marijuana-infused products, and  
10 marijuana-related supplies and educational materials for or to a registered  
11 patient who has designated it as his or her dispensary and to his or her  
12 registered caregiver for the registered patient's use for symptom relief. ~~For~~  
13 ~~purposes of~~ As used in this section, "transport" shall mean the movement of  
14 marijuana or marijuana-infused products from registered growing locations to  
15 their associated dispensaries, between dispensaries, to registered patients and  
16 registered caregivers in accordance with delivery protocols, or as otherwise  
17 allowed under this subchapter.

18 \* \* \*

19 (3) Cultivate and possess at any one time up to 28 mature marijuana  
20 plants, 98 immature marijuana plants, and 28 ounces of usable marijuana.

21 However, if a dispensary is designated by more than 14 registered patients, the

1 dispensary may cultivate and possess at any one time two mature marijuana  
2 plants, seven immature plants, and ~~two~~ four ounces of usable marijuana for  
3 every registered patient for which the dispensary serves as the designated  
4 dispensary.

5 \* \* \*

6 (d)(1) A dispensary shall implement appropriate security measures to deter  
7 and prevent the unauthorized entrance into areas containing marijuana and the  
8 theft of marijuana and shall ensure that each location has an operational  
9 security alarm system. All cultivation of marijuana shall take place in an  
10 enclosed, locked facility which is either indoors or otherwise not visible to the  
11 public and which can only be accessed by principal officers and employees of  
12 the dispensary who have valid registry identification cards. The ~~department of~~  
13 ~~public safety~~ Department of Public Safety shall perform an annual on-site  
14 assessment of each dispensary and may perform on-site assessments of a  
15 dispensary without limitation for the purpose of determining compliance with  
16 this subchapter and any rules adopted pursuant to this subchapter and may  
17 enter a dispensary at any time for such purpose. During an inspection, the  
18 ~~department~~ Department may review the dispensary's confidential records,  
19 including its dispensing records, which shall track transactions according to  
20 registered patients' registry identification numbers to protect  
21 their confidentiality.

1           (2)(A) A registered patient or registered caregiver may obtain marijuana  
2 from the dispensary ~~facility~~ by appointment only.

3                     (B) A dispensary may deliver marijuana to a registered patient or  
4 registered caregiver. The marijuana shall be transported in a locked container.  
5 The Department of Public Safety shall adopt rules establishing protocols for  
6 the safe delivery of marijuana to patients and caregivers.

7           (3) The operating documents of a dispensary shall include procedures  
8 for the oversight of the dispensary and procedures to ensure accurate  
9 record-keeping.

10           (4) A dispensary shall submit the results of ~~an annual~~ a biennial  
11 financial audit to the ~~department of public safety~~ Department of Public Safety  
12 no later than 60 days after the end of the dispensary's fiscal year. The ~~annual~~  
13 audit shall be conducted by an independent certified public accountant, and the  
14 costs of any such audit shall be borne by the dispensary. The ~~department~~  
15 Department may also periodically require, within its discretion, the audit of a  
16 dispensary's financial records by the ~~department~~ Department.

17           (5) A dispensary shall destroy or dispose of marijuana,  
18 marijuana-infused products, clones, seeds, parts of marijuana that are not  
19 usable for symptom relief or are beyond the possession limits provided by this  
20 subchapter, and marijuana-related supplies only in a manner approved by rules  
21 adopted by the ~~department of public safety~~ Department of Public Safety.

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Sec. 4a. 18 V.S.A. § 4474e(b) is amended to read:

(b)(1) A dispensary shall be operated on a nonprofit basis for the mutual benefit of its patients ~~but need~~. A dispensary does not need to be recognized as a tax-exempt organization by the Internal Revenue Service. Notwithstanding any other provision of law, a dispensary shall be exempt from taxes imposed by 32 V.S.A. §§ 5822 and 5832.

(2) A dispensary shall have a sliding-scale fee system that takes into account a registered patient's ability to pay.

Sec. 5. 18 V.S.A. § 4474f is amended to read:

§ 4474f. DISPENSARY APPLICATION, APPROVAL, AND  
REGISTRATION

\* \* \*

(b) Within 30 days of the adoption of rules, the ~~department~~ Department shall begin accepting applications for the operation of dispensaries. Within 365 days of the effective date of this section, the ~~department~~ Department shall grant registration certificates to four dispensaries, provided at least four applicants apply and meet the requirements of this section. No more than ~~four~~ six dispensaries shall hold valid registration certificates at one time. ~~The total statewide number of registered patients who have designated a dispensary shall not exceed 1,000 at any one time.~~ Any time a dispensary registration

1 certificate is revoked, is relinquished, or expires, the ~~department~~ Department  
2 shall accept applications for a new dispensary. ~~If at any time after one year~~  
3 ~~after the effective date of this section fewer than four dispensaries hold valid~~  
4 ~~registration certificates in Vermont, the department of public safety shall~~  
5 accept applications for a new dispensary.

6 \* \* \*

7 (g) After a dispensary is approved but before it begins operations, it shall  
8 submit the following to the ~~department of public safety~~ Department:

9 \* \* \*

10 (4) A registration fee of \$20,000.00 for the first year of operation, and  
11 an annual fee of \$30,000.00 in subsequent years that do not require a biennial  
12 audit and \$25,000.00 in subsequent years that require a biennial audit.

13 Sec. 6. EFFECTIVE DATES

14 (a) This section and Sec. 4a shall take effect on passage.

15 (b) All remaining sections shall take effect on July 1, 2014.

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1 (Committee vote: \_\_\_\_\_)

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Senator [surname]

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FOR THE COMMITTEE