

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, an individual certified as a
20 physician assistant under 26 V.S.A. chapter 31, or an individual licensed as an
21 advanced practice registered nurse under 26 V.S.A. chapter 28. This definition

1 includes individuals who are professionally licensed under substantially
2 equivalent provisions in New Hampshire, Massachusetts, or New York.

3 * * *

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

5 § 4474. REGISTERED CAREGIVERS; QUALIFICATION STANDARDS
6 AND PROCEDURES

7 (a) A person may submit a signed application to the ~~department of public~~
8 ~~safety~~ Department of Public Safety to become a registered patient's registered
9 caregiver. The ~~department~~ Department shall approve or deny the application
10 in writing within 30 days. The ~~department~~ Department shall approve a
11 registered caregiver's application and issue the person an authorization card,
12 including the caregiver's name, photograph, and a unique identifier,
13 after verifying:

14 (1) the person will serve as the registered caregiver for one registered
15 patient only; and

16 (2) ~~the person has never been convicted of a drug-related crime.~~ In its
17 discretion, the Department may consider whether a person has been convicted
18 of a drug-related crime when approving or denying a registered caregiver's
19 application.

20 (b) Prior to acting on an application, the ~~department~~ Department shall
21 obtain from the Vermont ~~criminal information center~~ Criminal Information

1 Center a Vermont criminal record, an out-of-state criminal record, and a
2 criminal record from the Federal Bureau of Investigation for the applicant for
3 the previous 10 years. ~~For purposes of~~ As used in this subdivision, “criminal
4 record” means a record of whether the person has ever been convicted of a
5 drug-related crime. Each applicant shall consent to release of criminal records
6 to the ~~department~~ Department on forms substantially similar to the release
7 forms developed by the ~~center~~ Center pursuant to 20 V.S.A. § 2056c. The
8 ~~department~~ Department shall comply with all laws regulating the release of
9 criminal history records and the protection of individual privacy. The Vermont
10 ~~criminal information center~~ Criminal Information Center shall send to the
11 requester any record received pursuant to this section or inform the ~~department~~
12 ~~of public safety~~ Department that no record exists. If the ~~department~~
13 Department disapproves an application, the ~~department~~ Department shall
14 promptly provide a copy of any record of convictions and pending criminal
15 charges to the applicant and shall inform the applicant of the right to appeal the
16 accuracy and completeness of the record pursuant to rules adopted by the
17 Vermont ~~criminal information center~~ Criminal Information Center. No person
18 shall confirm the existence or nonexistence of criminal record information to
19 any person who would not be eligible to receive the information pursuant to
20 this subchapter.

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

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

6 Sec. 3. 18 V.S.A. § 4473(b)(1) is amended to read:

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

10 (1) A patient with a debilitating medical condition shall submit, ~~under~~
11 ~~oath,~~ a signed application for registration to the department. If the patient is
12 under ~~the age of~~ 18 years of age, the application must be signed by both the
13 patient and a parent or guardian. The application shall require identification
14 and contact information for the patient and the patient's registered caregiver
15 applying for authorization under section 4474 of this title, if any, and the
16 patient's designated dispensary under section 4474e of this title, if any. The
17 applicant shall attach to the application a medical verification form developed
18 by the ~~department~~ Department pursuant to subdivision (2) of this subsection.

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

2 § 4474e. DISPENSARIES; CONDITIONS OF OPERATION

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

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

14 * * *

15 (3) Cultivate and possess at any one time up to 28 mature marijuana
16 plants, 98 immature marijuana plants, and 28 ounces of usable marijuana.
17 However, if a dispensary is designated by more than 14 registered patients, the
18 dispensary may cultivate and possess at any one time ~~two~~ four mature
19 marijuana plants, ~~seven~~ 14 immature plants, and ~~two~~ six ounces of usable
20 marijuana for every registered patient for which the dispensary serves as the
21 designated dispensary.

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

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

8 * * *

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

1 including its dispensing records, which shall track transactions according to
2 registered patients' registry identification numbers to protect
3 their confidentiality.

4 (2)(A) A registered patient or registered caregiver may obtain marijuana
5 from the dispensary ~~facility~~ by appointment only. The dispensary shall
6 schedule appointments so that no more than three patients or caregivers are
7 present at the dispensary at any one time. The dispensary shall provide private
8 appointments at the request of a registered patient.

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

13 (3) The operating documents of a dispensary shall include procedures
14 for the oversight of the dispensary and procedures to ensure accurate
15 record-keeping.

16 (4) ~~A dispensary shall submit the results of an annual financial audit to~~
17 ~~the department of public safety no later than 60 days after the end of the~~
18 ~~dispensary's fiscal year. The annual audit shall be conducted by an~~
19 ~~independent certified public accountant, and the costs of any such audit shall~~
20 ~~be borne by the dispensary. The department may also periodically require,~~

1 ~~within its discretion, the audit of a dispensary's financial records by the~~
2 ~~department.~~

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

8 * * *

9 Sec. 5. 18 V.S.A. § 4474f(b) is amended to read:

10 (b) Within 30 days of the adoption of rules, the ~~department~~ Department
11 shall begin accepting applications for the operation of dispensaries. Within
12 365 days of the effective date of this section, the ~~department~~ Department shall
13 grant registration certificates to four dispensaries, provided at least four
14 applicants apply and meet the requirements of this section. No more than **four**
15 **six** dispensaries shall hold valid registration certificates at one time. ~~The total~~
16 ~~statewide number of registered patients who have designated a dispensary shall~~
17 ~~not exceed 1,000 at any one time.~~ Any time a dispensary registration
18 certificate is revoked, is relinquished, or expires, the ~~department~~ Department
19 shall accept applications for a new dispensary. ~~If at any time after one year~~
20 ~~after the effective date of this section fewer than four dispensaries hold valid~~

1 ~~registration certificates in Vermont, the department of public safety shall~~
2 ~~accept applications for a new dispensary.~~

3 Sec. 6. 18 V.S.A. § 4474h(a) is amended to read:

4 (a) A registered patient may obtain marijuana only from the patient's
5 designated dispensary and may designate only one dispensary. ~~A registered~~
6 ~~patient and his or her caregiver may not grow marijuana for symptom relief if~~
7 ~~the patient designates a dispensary.~~ A registered patient who wishes to change
8 his or her dispensary shall notify the ~~department of public safety~~ Department
9 of Public Safety in writing on a form issued by the ~~department~~ Department and
10 shall submit with the form a fee of \$25.00. The ~~department~~ Department shall
11 issue a new identification card to the registered patient within 30 days of
12 receiving the notification of change in dispensary. The registered patient's
13 previous identification card shall expire at the time the new identification card
14 takes effect. A registered patient shall submit his or her expired identification
15 card to the ~~department~~ Department within 30 days of expiration. A registered
16 patient shall not change his or her designated dispensary more than once in any
17 90-day period.

18 Sec. 7. REPEAL

19 2011 Acts and Resolves No. 65, Sec. 1a (patient designation of dispensary)
20 is repealed.

21 Sec. 8. 2011 Acts and Resolves No. 65, Sec. 4 is amended to read:

1 Sec. 4. EFFECTIVE DATE

2 ~~Sec. 1a of this act shall take effect July on 1, 2014, and the remainder of the~~

3 This act shall take effect on passage.

4 Sec. 9. EFFECTIVE DATES

5 (a) This section and Secs. 7 (repeal) and 8 (amended effective date) shall
6 take effect on passage.

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

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14 (Committee vote: _____)

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Senator [surname]

FOR THE COMMITTEE