

1 TO THE HONORABLE SENATE:

2 The Committee on Judiciary to which was referred Senate Bill No. 241  
3 entitled “An act relating to personal possession and cultivation of cannabis and  
4 the regulation of commercial cannabis establishments” respectfully reports that  
5 it has considered the same and recommends that the bill be amended by  
6 striking out all after the enacting clause and inserting in lieu thereof the  
7 following:

8 \* \* \* Findings \* \* \*

9 Sec. 1. LEGISLATIVE FINDINGS AND INTENT

10 The General Assembly finds the following:

11 (1) According to a 2014 study commissioned by the administration and  
12 conducted by the RAND Corporation, marijuana is commonly used in  
13 Vermont with an estimated 80,000 residents having used marijuana in the last  
14 month.

15 (2) For over 75 years, Vermont has debated the issue of marijuana  
16 regulation and amended its marijuana laws numerous times in an effort to  
17 protect public health and safety. Criminal penalties for possession rose in the  
18 1940s and 50s to include harsh mandatory minimums, dropped in the 1960s  
19 and 70s, rose again in the 1980s and 90s, and dropped again in the 2000s. A  
20 study published in the American Journal of Public Health found that no  
21 evidence supports the claim that criminalization reduces marijuana use.

1           (3) Vermont seeks to take a new comprehensive approach to marijuana  
2           use and abuse that incorporates prevention, education, regulation, treatment,  
3           and law enforcement which results in a net reduction in public harm and an  
4           overall improvement in public safety. Responsible use of marijuana by adults  
5           21 years of age or older should be treated the same as responsible use of  
6           alcohol, the abuse of either treated as a public health matter, and irresponsible  
7           use of either that causes harm to others sanctioned with penalties.

8           (4) Policymakers recognize legitimate federal concerns about marijuana  
9           reform and seek through this legislation to provide better control of access and  
10           distribution of marijuana in a manner that prevents:

11                   (A) distribution of marijuana to persons under 21 years of age;

12                   (B) revenue from the sale of marijuana going to criminal enterprises;

13                   (C) diversion of marijuana to states that do not permit possession of  
14           marijuana;

15                   (D) State-authorized marijuana activity from being used as a cover or  
16           pretext for the trafficking of other illegal drugs or activity;

17                   (E) violence and the use of firearms in the cultivation and distribution  
18           of marijuana;

19                   (F) drugged driving and the exacerbation of any other adverse public  
20           health consequences of marijuana use;

1           (G) growing of marijuana on public lands and the attendant public  
2           safety and environmental dangers posed by marijuana production on public  
3           lands; and

4           (H) possession or use of marijuana on federal property.

5           (5) In his 2016 State of the State address, the Governor identified five  
6           essential elements to a well-regulated framework for marijuana legalization,  
7           which the General Assembly believes have been addressed in this Act:

8           (A) Keeping marijuana and other drugs out of the hands of youth.

9           (B) Creating a regulated marijuana market that shifts demand away  
10           from the illegal market and the inherent public health and safety risks  
11           associated with the illegal market.

12           (C) Using revenue from commercial marijuana sales to expand drug  
13           prevention and treatment programs.

14           (D) Strengthening law enforcement’s capacity to improve the  
15           response to impaired drivers under the influence of marijuana or other drugs.

16           (E) Prohibiting the commercial production and sale of marijuana  
17           concentrates and edible marijuana products until other states that are currently  
18           permitting such products successfully develop consumer protections that are  
19           shown to prevent access by youth and potential misuse by adults.

20           (6) Revenue generated by this act shall be allotted in the following  
21           formula:



1           (B) improve the Screening, Brief Intervention and Referral to  
2           Treatment (SBIRT) practice model for professionals serving youth in schools  
3           and other settings; and

4           (C) expand family education programs.

5           (2) An information and counter-marketing campaign using a public  
6           website, printed materials, mass and social media, and advertisements for the  
7           purpose of preventing underage marijuana use.

8           (3) Education for parents and health care providers to encourage  
9           screening for substance use disorders and other related risks.

10           (4) Expansion of the use of SBIRT among the State’s pediatric practices  
11           and school-based health centers.

12           (c) On or before March 15, 2017, the Department shall adopt rules to  
13           implement this section.

14           Secs. 3–5. RESERVED

15           \* \* \* Legal Possession; Civil and Criminal Penalties \* \* \*

16           Sec. 6. LEGISLATIVE INTENT; CIVIL AND CRIMINAL PENALTIES

17           It is the intent of the General Assembly to eliminate all civil penalties for  
18           possession of one ounce or less of marijuana for a person who is 21 years of  
19           age or older while retaining the current criminal penalties for possession of  
20           larger amounts of marijuana and criminal penalties for unauthorized dispensing  
21           or sale of marijuana. This act also retains the current civil and criminal

1 penalties for possession of marijuana by a person under 21 years of age, which  
2 are the same as possession of alcohol by a person under 21 years of age.

3 Sec. 7. 18 V.S.A. § 4201(15) is amended to read:

4 (15)(A) “Marijuana” means ~~any plant material of the genus~~ any preparation, compound, or mixture thereof except:

6 ~~(A) sterilized seeds of the plant;~~

7 ~~(B) fiber produced from the stalks; or~~

8 ~~(C) hemp or hemp products, as defined in 6 V.S.A. § 562~~ all parts of  
9 the plant Cannabis sativa L., except as provided by subdivision (B) of this  
10 subdivision (15), whether growing or harvested, and includes:

11 (i) the seeds of the plant;

12 (ii) the resin extracted from any part of the plant; and

13 (iii) any compound, manufacture, salt, derivative, mixture, or  
14 preparation of the plant, its seeds, or resin.

15 (B) “Marijuana” does not include:

16 (i) the mature stalks of the plant and fiber produced from the  
17 stalks;

18 (ii) oil or cake made from the seeds of the plant;

19 (iii) any compound, manufacture, salt, derivative, mixture, or  
20 preparation of the mature stalks, fiber, oil, or cake; or

1                    (iv) the sterilized seed of the plant that is incapable of  
2                    germination.

3                    Sec. 8. 18 V.S.A. § 4230(b) is amended to read:

4                    (b) Selling or dispensing.

5                    (1) A person knowingly and unlawfully selling marijuana or hashish  
6                    shall be imprisoned not more than two years or fined not more than  
7                    \$10,000.00, or both.

8                    (2) A person knowingly and unlawfully selling or dispensing ~~one half~~  
9                    ~~ounce or~~ more than one ounce of marijuana or ~~2.5~~ five grams or more of  
10                    hashish shall be imprisoned not more than five years or fined not more than  
11                    \$100,000.00, or both.

12                    (3) A person knowingly and unlawfully selling or dispensing one pound  
13                    or more of marijuana or 2.8 ounces of hashish shall be imprisoned not more  
14                    than 15 years or fined not more than \$500,000.00, or both.

15                    Sec. 9. 18 V.S.A. § 4230a is amended to read:

16                    § 4230a. MARIJUANA POSSESSION BY A PERSON 21 YEARS OF AGE  
17                    OR OLDER; ~~CIVIL VIOLATION~~

18                    (a)(1) ~~A person 21 years of age or older who knowingly and unlawfully~~  
19                    ~~possesses one ounce or less of marijuana or five grams or less of hashish~~  
20                    ~~commits a civil violation and shall be assessed a civil penalty as follows:~~

21                    ~~(1) not more than \$200.00 for a first offense;~~

1           ~~(2) not more than \$300.00 for a second offense;~~

2           ~~(3) not more than \$500.00 for a third or subsequent offense.~~

3           ~~(b)(1)~~ Except as otherwise provided in this section, a person 21 years of  
4 age or older who possesses one ounce or less of marijuana or five grams or less  
5 of hashish or who possesses paraphernalia for marijuana use shall not be  
6 penalized or sanctioned in any manner by the State or any of its political  
7 subdivisions or denied any right or privilege under State law.

8           ~~(2)(A)~~ A violation of this section shall not result in the creation of a  
9 criminal history record of any kind A person shall not consume marijuana in a  
10 public place. "Public place" means any street, alley, park, sidewalk, public  
11 building other than individual dwellings, any place of public accommodation  
12 as defined in 9 V.S.A. § 4501, and any place where the possession of a lighted  
13 tobacco product is prohibited pursuant to section 1421 of this title or  
14 chapter 37 of this title.

15           (B) A person who violates this subdivision (a)(2) shall be assessed a  
16 civil penalty as follows:

17                   (i) not more than \$100.00 for a first offense;

18                   (ii) not more than \$200.00 for a second offense; and

19                   (iii) not more than \$500.00 for a third or subsequent offense.

20           ~~(e)(1)(b)~~ This section does not exempt any person from arrest or  
21 prosecution for being under the influence of marijuana while operating a

1 ~~vehicle of any kind and shall not be construed to repeal or modify existing~~  
2 ~~laws or policies concerning the operation of vehicles of any kind while under~~  
3 ~~the influence of marijuana.:~~

4 (1) permit a person to cultivate marijuana without a license from the  
5 Department of Public Safety;

6 (2) exempt a person from arrest, citation, or prosecution for being under  
7 the influence of marijuana while operating a vehicle of any kind or for  
8 consuming marijuana while operating a motor vehicle;

9 (3) repeal or modify existing laws or policies concerning the operation  
10 of vehicles of any kind while under the influence of marijuana or for  
11 consuming marijuana while operating a motor vehicle;

12 (4) limit the authority of primary and secondary schools to impose  
13 administrative penalties for the possession of marijuana on school property;

14 (5) prohibit a municipality from adopting a civil ordinance to provide  
15 additional penalties for consumption of marijuana in a public place;

16 (6) require an employer to accommodate the possession or use of  
17 marijuana or being under the influence of marijuana in a place of employment;

18 (7) prohibit a landlord from banning possession or use of marijuana in a  
19 lease agreement; or

20 (8) allow an inmate of a correctional facility to possess or use marijuana  
21 or to limit the authority of law enforcement, the courts, the Department of

1 Corrections, or the Parole Board to impose penalties on offenders who use  
2 marijuana in violation of a court order, conditions of furlough, parole, or rules  
3 of a correctional facility.

4 ~~(2) This section is not intended to affect the search and seizure laws~~  
5 ~~afforded to duly authorized law enforcement officers under the laws of this~~  
6 ~~State. Marijuana is contraband pursuant to section 4242 of this title and~~  
7 ~~subject to seizure and forfeiture unless possessed in compliance with chapter~~  
8 ~~86 of this title (therapeutic use of cannabis).~~

9 ~~(3) This section shall not be construed to prohibit a municipality from~~  
10 ~~regulating, prohibiting, or providing additional penalties for the use of~~  
11 ~~marijuana in public places.~~

12 ~~(d) If a person suspected of violating this section contests the presence of~~  
13 ~~cannabinoids within 10 days of receiving a civil citation, the person may~~  
14 ~~request that the State Crime Laboratory test the substance at the person's~~  
15 ~~expense. If the substance tests negative for the presence of cannabinoids, the~~  
16 ~~State shall reimburse the person at state expense.~~

17 ~~(e)(c)(1)~~ A law enforcement officer is authorized to detain a person if:

18 (A) the officer has reasonable grounds to believe the person has  
19 violated subsection (b) of this section; and

20 (B) the person refuses to identify himself or herself satisfactorily to  
21 the officer when requested by the officer.

1           (2) The person may be detained only until the person identifies himself  
2           or herself satisfactorily to the officer or is properly identified. If the officer is  
3           unable to obtain the identification information, the person shall forthwith be  
4           brought before a judge in the Criminal Division of the Superior Court for that  
5           purpose. A person who refuses to identify himself or herself to the Court on  
6           request shall immediately and without service of an order on the person be  
7           subject to civil contempt proceedings pursuant to 12 V.S.A. § 122.

8           ~~(d)~~ Fifty percent of the civil penalties imposed by the Judicial Bureau for  
9           violations of this section shall be deposited in the Drug Task Force Special  
10          Fund, hereby created to be managed pursuant to 32 V.S.A. chapter 7,  
11          subchapter 5, and available to the Department of Public Safety for the funding  
12          of law enforcement officers on the Drug Task Force, except for a \$12.50  
13          administrative charge for each violation which shall be deposited in the Court  
14          Technology Special Fund, in accordance with 13 V.S.A. § 7252. The  
15          remaining 50 percent shall be deposited in the Youth Substance Abuse Safety  
16          Program Special Fund, hereby created to be managed pursuant to 32 V.S.A.  
17          chapter 7, subchapter 5, and available to the Court Diversion Program for  
18          funding of the Youth Substance Abuse Safety Program as required by section  
19          4230b of this title.

1 Sec. 10. 18 V.S.A. § 4230e is added to read:

2 § 4230e. SALE OR FURNISHING MARIJUANA TO A PERSON UNDER  
3 21 YEARS OF AGE

4 (a) No person shall:

5 (1) sell or furnish marijuana to a person under 21 years of age; or

6 (2) knowingly enable the consumption of marijuana by a person under  
7 21 years of age.

8 (b) As used in this section, “enable the consumption of marijuana” means  
9 creating a direct and immediate opportunity for a person to consume  
10 marijuana.

11 (c)(1) Except as provided in subdivision (2) of this subsection (c) and  
12 subsection (d) of this section, a person who violates subsection (a) of this  
13 section shall be imprisoned not more than two years or fined not more than  
14 \$2,000.00, or both.

15 (2) A person who violates subdivision (a)(1) of this section by selling or  
16 furnishing marijuana to a person under 18 years of age shall be imprisoned not  
17 more than four years or fined not more than \$4,000.00, or both.

18 (d) An employee of a marijuana establishment licensed pursuant to chapter  
19 87 of this title, who, in the course of employment, violates subdivision (a)(1)  
20 of this section during a compliance check conducted by a law enforcement  
21 officer shall be:

1           (1) assessed a civil penalty of not more than \$100.00 for the first  
2           violation and a civil penalty of not less than \$100.00 nor more than \$500.00 for  
3           a second violation that occurs more than one year after the first violation; and

4           (2) subject to the criminal penalties provided in subsection (c) of this  
5           section for a second violation within a year of the first violation, and for a third  
6           or subsequent violation within three years of the first violation.

7           (e) An employee alleged to have committed a violation of subsection (d) of  
8           this section may plead as an affirmative defense that:

9           (1) the purchaser exhibited and the employee carefully viewed  
10           photographic identification that indicated the purchaser to be 21 years of age or  
11           older;

12           (2) an ordinary prudent person would believe the purchaser to be of  
13           legal age to make the purchase; and

14           (3) the sale was made in good faith, based upon the reasonable belief  
15           that the purchaser was of legal age to purchase marijuana.

16           (f) A person who violates subsection (a) of this section, where the person  
17           under 21 years of age, while operating a motor vehicle on a public highway,  
18           causes death or serious bodily injury to himself or herself or to another person  
19           as a result of the violation, shall be imprisoned not more than five years or  
20           fined not more than \$10,000.00, or both.

1        (g) This section shall not apply to:

2            (1) A person under 21 years of age who sells or furnishes marijuana to a  
3            person under 21 years of age or who knowingly enables the consumption of  
4            marijuana by a person under 21 years of age. Possession of an ounce or less of  
5            marijuana by a person under 21 years of age shall be punished in accordance  
6            with sections 4230b–4230d of this title and dispensing or selling marijuana  
7            shall be punished in accordance with sections 4230 and 4237 of this title.

8            (2) A dispensary registered pursuant to chapter 86 of this title.

9        Sec. 11. 18 V.S.A. § 4230f is added to read:

10       § 4230f. CHEMICAL EXTRACTION PROHIBITED

11       (a) No person shall manufacture concentrated marijuana by chemical  
12       extraction or chemical synthesis using a solvent such as butane, hexane,  
13       isopropyl alcohol, ethanol, or carbon dioxide unless authorized as a dispensary  
14       pursuant to a registration issued by the Department of Public Safety pursuant  
15       to chapter 86 of this title. This section does not preclude extraction by  
16       vegetable glycerin.

17       (b) A person who violates subsection (a) of this section shall be imprisoned  
18       not more than two years or fined not more than \$2,000.00, or both. A person  
19       who violates subsection (a) of this section and causes serious bodily injury to  
20       another person shall be imprisoned not more than five years or fined not more  
21       than \$5,000.00, or both.

1                                   \* \* \* Commercial Marijuana Regulation \* \* \*

2           Sec. 12. 18 V.S.A. chapter 87 is added to read:

3                                   CHAPTER 87. MARIJUANA ESTABLISHMENTS

4   Subchapter 1. General Provisions

5           § 4501. DEFINITIONS

6           As used in this chapter:

7                           (1) “Applicant” means:

8   (A) an individual who has a ten percent or greater ownership interest  
9   in a business entity that seeks to operate a marijuana establishment pursuant to  
10   this chapter;

11   (B) a director, officer, or manager of a business entity that seeks to  
12   operate a marijuana establishment pursuant to this chapter;

13   (C) if the business entity that seeks to operate a marijuana  
14   establishment pursuant to this chapter is a subsidiary of a parent entity, an  
15   individual who has a ten percent or greater ownership interest in the parent  
16   entity; or

17   (D) a principal officer or board member of a dispensary.

18   (2) “Child care facility” means a child care facility or family day care  
19   home licensed or registered under 33 V.S.A. chapter 35.

20   (3) “Commissioner” means the Commissioner of Public Safety.

21   (4) “Department” means the Department of Public Safety.

1           (5) “Dispensary” means a person registered under section 4474e of this  
2 title that acquires, possesses, cultivates, manufactures, transfers, transports,  
3 supplies, sells, or dispenses marijuana, marijuana-infused products, and  
4 marijuana-related supplies and educational materials for or to a registered  
5 patient who has designated it as his or her center and to his or her registered  
6 caregiver for the registered patient’s use for symptom relief.

7           (6) “Enclosed, locked facility” shall be either indoors or outdoors, not  
8 visible to the public, and may include a building, room, greenhouse, fully  
9 enclosed fenced-in area, or other location enclosed on all sides and equipped  
10 with locks or other security devices that permit access only by:

11           (A) Employees, agents, or owners of the cultivator, all of whom shall  
12 be 21 years of age or older.

13           (B) Government employees performing their official duties.

14           (C) Contractors performing labor that does not include marijuana  
15 cultivation, packaging, or processing. Contractors shall be accompanied by an  
16 employee, agent, or owner of the cultivator when they are in areas where  
17 marijuana is being grown, processed, or stored.

18           (D) Registered employees of other cultivators, members of the  
19 media, elected officials, and other individuals 21 years of age or older visiting  
20 the facility, provided they are accompanied by an employee, agent, or owner of  
21 the cultivator.

1           (7) “Financier” means any person other than a banking institution that  
2           has made or will make an investment in the licensed business. A financier can  
3           be a person that provides money as a gift, loans money to the applicant and  
4           expects to be paid back the amount of the loan with or without interest, or  
5           expects any percentage of the profits from the business in exchange for a loan  
6           or expertise.

7           (8) “Handbill” means a flyer, leaflet, or sheet that advertises marijuana  
8           or a marijuana establishment.

9           (9) “Marijuana” shall have the same meaning as provided in section  
10          4201 of this title.

11          (10) “Marijuana cultivator” or “cultivator” means a person registered  
12          with the Department to engage in commercial cultivation of marijuana in  
13          accordance with this chapter.

14          (11) “Marijuana establishment” means a marijuana cultivator, retailer,  
15          or testing laboratory licensed by the Department to engage in commercial  
16          marijuana activity in accordance with this chapter.

17          (12) “Marijuana retailer” or “retailer” means a person licensed by the  
18          Department to sell marijuana to consumers for off-site consumption in  
19          accordance with this chapter.

1           (13) “Marijuana testing laboratory” or “testing laboratory” means a  
2           person licensed by the Department to test marijuana for cultivators and  
3           retailers in accordance with this chapter.

4           (14) “Person” shall include any natural person; corporation;  
5           municipality; the State of Vermont or any department, agency or subdivision  
6           of the State; and any partnership, unincorporated association, or other legal  
7           entity.

8           (15) “Plant canopy” means the square footage dedicated to live plant  
9           production and does not include areas such as office space or areas used for the  
10           storage of fertilizers, pesticides, or other products.

11           (16) “Public place” means any street, alley, park, sidewalk, public  
12           building other than individual dwellings, any place of public accommodation  
13           as defined in 9 V.S.A. § 4501, and any place where the possession of a lighted  
14           tobacco product is prohibited pursuant to section 1421 of this title or  
15           chapter 37 of this title.

16           (17) “Resident” means a person who is domiciled in Vermont. For  
17           purposes of licensing under this chapter, the process for determining domicile  
18           shall be the same as that required by rules adopted by the Department of Taxes  
19           related to determining domicile for the purpose of the interpretation and  
20           administration of 32 V.S.A. § 5401(14).

1           (18) “School” means a public school, independent school, or facility that  
2           provides early childhood education as those terms are defined in 16 V.S.A.  
3           § 11.

4           § 4502. MARIJUANA POSSESSED UNLAWFULLY SUBJECT TO  
5           SEIZURE AND FORFEITURE

6           Marijuana possessed unlawfully in violation of this chapter may be seized  
7           by law enforcement and is subject to forfeiture.

8           § 4503. NOT APPLICABLE TO HEMP OR THERAPEUTIC USE OF  
9           CANNABIS

10           This chapter shall not apply to activities regulated by 7 V.S.A. chapter 34  
11           (hemp) or chapter 86 (therapeutic use of cannabis) of this title.

12           § 4504. CONSUMPTION OF MARIJUANA IN A PUBLIC PLACE  
13           PROHIBITED

14           This chapter shall not be construed to permit consumption of marijuana in a  
15           public place. Violations shall be punished in accordance with section 4230 of  
16           this title.

17           § 4505. REGULATION BY LOCAL GOVERNMENT

18           (a)(1) A marijuana establishment shall obtain a permit from a town, city, or  
19           incorporated village prior to beginning operations within the municipality.

20           (2) A municipality that hosts a marijuana establishment may establish a  
21           board of marijuana control commissioners, who shall be the members of the

1 municipal legislative body. The board shall administer the municipal permits  
2 for the marijuana establishments within the municipality.

3 (b) Nothing in this chapter shall be construed to prevent a town, city, or  
4 incorporated village from regulating marijuana establishments through local  
5 ordinances as set forth in 24 V.S.A. § 2291 or through land use bylaws as set  
6 forth in 24 V.S.A. § 4414.

7 (c)(1) A town, city, or incorporated village, by majority vote of those  
8 present and voting at annual or special meeting warned for the purpose, may  
9 prohibit the operation of a marijuana establishment within the municipality.  
10 The provisions of this subdivision shall not apply to a marijuana establishment  
11 that is operating within the municipality at the time of the vote.

12 (2) A vote to prohibit the operation of a marijuana establishment within  
13 the municipality shall remain in effect until rescinded by majority vote of those  
14 present and voting at an annual or special meeting warned for the purpose.

15 § 4506. YOUTH RESTRICTIONS

16 (a) A marijuana establishment shall not dispense or sell marijuana to a  
17 person under 21 years of age or employ a person under 21 years of age.

18 (b) A marijuana establishment shall not be located within 1,000 feet of a  
19 preexisting public or private school or licensed or regulated child care facility.

20 (c) A marijuana establishment shall not permit a person under 21 years of  
21 age to enter a building or enclosure on the premises where marijuana is

1 located. This subsection shall not apply to a registered patient visiting his or  
2 her designated dispensary even if that dispensary is located in a building that is  
3 located on the same premises of a marijuana establishment.

4 § 4507. ADVERTISING

5 (a) Marijuana advertising shall not contain any statement or illustration  
6 that:

7 (1) is false or misleading;

8 (2) promotes overconsumption;

9 (3) represents that the use of marijuana has curative or therapeutic  
10 effects;

11 (4) depicts a person under 21 years of age consuming marijuana; or

12 (5) is designed to be appealing to children or persons under 21 years  
13 of age.

14 (b) Outdoor marijuana advertising shall not be located within 1,000 feet of  
15 a preexisting public or private school or licensed or regulated child care  
16 facility.

17 (c) Handbills shall not be posted or distributed.

18 (d) In accordance with section 4512 of this chapter, the Department shall  
19 adopt regulations on marijuana establishment advertising that reflect the  
20 policies of subsection (a) of this section and place restrictions on the time,  
21 place, and manner, but not content, of the advertising.

1       (e) All advertising shall contain the following warnings:

2           (1) For use only by adults 21 years of age or older. Keep out of the  
3 reach of children.

4           (2) Marijuana has intoxicating effects and may impair concentration,  
5 coordination, and judgment. Do not operate a motor vehicle or heavy  
6 machinery or enter into any contractual agreement under the influence of  
7 marijuana.

8                           Subchapter 2. Department of Public Safety

9       § 4511. AUTHORITY

10       For the purpose of regulating the cultivation, processing, packaging,  
11 transportation, testing, purchase, and sale of marijuana in accordance with this  
12 chapter, the Department shall have the following authority and duties:

13           (1) rulemaking in accordance with this chapter and 3 V.S.A. chapter 25;

14           (2) administration of a program for the licensure of marijuana  
15 establishments, which shall include compliance and enforcement; and

16           (3) submission of an annual budget to the Governor.

17       § 4512. RULEMAKING

18       The Department shall adopt rules to implement this chapter on or before  
19 March 15, 2017, in accordance with subdivisions (1)–(3) of this section.

20           (1) Rules concerning any marijuana establishment shall include:

21           (A) the form and content of license and renewal applications;

- 1           (B) qualifications for licensure that are directly and demonstrably  
2           related to the operation of a marijuana establishment, including submission of  
3           an operating plan and the requirement for a fingerprint-based criminal history  
4           record check and regulatory record check for all principals and financiers of  
5           the proposed marijuana establishment;
- 6           (C) oversight requirements;
- 7           (D) inspection requirements;
- 8           (E) records to be kept by licensees and the required availability of the  
9           records;
- 10           (F) employment and training requirements, including requiring that  
11           each marijuana establishment create an identification badge for each employee;
- 12           (G) security requirements, including lighting, physical security,  
13           video, and alarm requirements;
- 14           (H) restrictions on advertising, marketing, and signage;
- 15           (I) health and safety requirements;
- 16           (J) regulation of additives to marijuana, including those that are toxic  
17           or designed to make the product more addictive, more appealing to children, or  
18           to mislead consumers;
- 19           (K) procedures and standards for testing marijuana for contaminants  
20           and potency;
- 21           (L) regulation of the storage and transportation of marijuana;

1           (M) sanitary requirements;

2           (N) pricing guidelines with a goal of ensuring marijuana is  
3 sufficiently affordable to undercut the illegal market;

4           (O) procedures for the renewal of a license, which shall allow  
5 renewal applications to be submitted up to 90 days prior to the expiration of  
6 the marijuana establishment’s license; and

7           (P) procedures for suspension and revocation of a license.

8           (2) Rules concerning cultivators shall include:

9           (A) seed to sale tracking of marijuana plants;

10           (B) restrictions on the use of pesticides that are injurious to human  
11 health;

12           (C) standards for both the indoor and outdoor cultivation of  
13 marijuana, including environmental protection requirements;

14           (D) labeling requirements for products sold to retailers; and

15           (E) regulation of visits to the establishments, including the number of  
16 visitors allowed at any one time and recordkeeping concerning visitors.

17           (3) Rules concerning retailers shall include:

18           (A) labeling requirements for products sold to customers;

19           (B) requirements for proper verification of age and residency of  
20 customers;

1           (C) restrictions that marijuana shall be stored behind a counter or  
2           other barrier to ensure a customer does not have direct access to the  
3           marijuana; and

4           (D) regulation of visits to the establishments, including the number of  
5           customers allowed at any one time and recordkeeping concerning visitors.

6           (4) Rules concerning testing laboratories shall include:

7                   (A) procedures for destruction of all samples;

8                   (B) quality assurance and control;

9                   (C) requirements of testing operating manual; and

10                   (D) requirements for chain of custody recordkeeping.

11           § 4513. IMPLEMENTATION

12           (a)(1) On or before March 15, 2017, the Department shall begin accepting  
13           applications for cultivator licenses and testing laboratory licenses. The initial  
14           application period shall remain open for 30 days. The Department may reopen  
15           the application process for any period of time at its discretion. On or before  
16           July 1, 2018, any restrictions on the timing of applications shall end and the  
17           Department shall begin an ongoing, open application process.

18           (2) On or before July 15, 2017, the Department shall begin issuing  
19           cultivator licenses and testing laboratory licenses to qualified applicants.

20           (b)(1) On or before July 15, 2017, the Department shall begin accepting  
21           applications for retail licenses. The initial application period shall remain open

1 for 30 days. The Department may reopen the application process for any  
2 period of time at its discretion. On or before July 1, 2018, any restrictions on  
3 the timing of applications shall end and the Department shall begin an ongoing,  
4 open application process.

5 (2) On or before October 15, 2017, the Department shall begin issuing  
6 retailer licenses to qualified applicants. A license shall not permit a licensee to  
7 open the store to the public or sell marijuana to the public prior to January 1,  
8 2018.

9 (c)(1) Prior to July 1, 2018, provided applicants meet the requirements of  
10 this chapter, the Department shall issue:

11 (A) up to 15 cultivator licenses that permit a cultivation space of not  
12 more than 5,000 square feet;

13 (B) up to 10 cultivator licenses that permit a cultivation space of  
14 5,001–10,000 square feet; and

15 (C) up to five cultivator licenses that permit a cultivation space of  
16 10,001–20,000 square feet.

17 (2) On or after July 1, 2018, the limitations in subdivision (1) of this  
18 subsection shall not apply and the Department shall use its discretion to issue  
19 cultivator licenses in a number and size that provides sufficient amounts of  
20 marijuana to licensed retailers. A cultivator licensed under the limitations of

1 subdivision (1) of this subsection may apply to the Department to modify its  
2 license to expand its cultivation space.

3 § 4514. CIVIL CITATIONS; SUSPENSION AND REVOCATION OF  
4 LICENSES

5 (a) The Department shall have the authority to adopt rules for the issuance  
6 of civil citations for violations of this chapter and the rules adopted pursuant to  
7 section 4512 of this title. Any proposed rule under this section shall include  
8 the full, minimum, and waiver penalty amounts for each violation.

9 (b) The Department shall have the authority to suspend or revoke a license  
10 for violations of this chapter in accordance with rules adopted pursuant to  
11 section 4512 of this title.

12 Subchapter 3. Licenses

13 § 4521. GENERAL PROVISIONS

14 (a) Except as otherwise permitted by this chapter, a person shall not engage  
15 in the cultivation, preparation, processing, packaging, transportation, testing, or  
16 sale of marijuana without obtaining a license from the Department.

17 (b) All licenses shall expire at midnight, April 30, of each year beginning  
18 no earlier than 10 months after the original license was issued to the marijuana  
19 establishment.

1       (c) Applications for licenses and renewals shall be submitted on forms  
2       provided by the Department and shall be accompanied by the fees provided for  
3       in section 4526 of this chapter.

4       (d)(1) Except as provided in subdivision (2) of this subsection, a person  
5       may obtain only one license, either a cultivator license, a retailer license, or a  
6       testing laboratory license under this chapter.

7       (2) A dispensary or a subsidiary of a dispensary may obtain one of each  
8       type of license under this chapter, provided that a dispensary or its subsidiary  
9       obtain no more than one cultivator license, one retailer license, and one testing  
10       laboratory license total.

11       (e) Each license shall permit only one location of the establishment.

12       (f) A dispensary that obtains a retailer license pursuant to this chapter shall  
13       maintain the dispensary and retail operations in a manner that protects patient  
14       and caregiver privacy in accordance with rules adopted by the Department. If  
15       the dispensary and retail establishment are located on the same premises, the  
16       dispensary and retail establishment shall provide separate entrances and  
17       common areas designed to serve patients and caregivers and customers.

18       (g) Each licensee shall obtain and maintain commercial general liability  
19       insurance in accordance with rules adopted by the Department. Failure to  
20       provide proof of insurance to the Department, as required, may result in  
21       revocation of the license.

1       (h) This subchapter shall not apply to possession regulated by section  
2       4230a of this title.

3       § 4522. LICENSE QUALIFICATIONS AND APPLICATION PROCESS

4       (a) To be eligible for a marijuana establishment license, an applicant shall:

5               (1) be 21 years of age or older;

6               (2) be a resident of this State for at least two years immediately prior to  
7       applying for a license; and

8               (3) consent to the release of his or her criminal and administrative  
9       history records.

10       (b) A financier of a marijuana establishment shall be a resident of this State  
11       for at least two years immediately prior to filing of the application for a license  
12       for which the person is serving as a financier.

13       (c) As part of the application process, each applicant shall submit, in a  
14       format proscribed by the Department, an operating plan. The plan shall  
15       include a floor plan or site plan drawn to scale that illustrates the entire  
16       operation being proposed. The plan shall also include the following:

17               (1) For a cultivator license, information concerning:

18                       (A) security;

19                       (B) traceability;

20                       (C) employee qualifications and training;

21                       (D) transportation of product;

1           (E) destruction of waste product;

2           (F) description of growing operation, including growing media, size  
3 of grow space allocated for plant production, space allowed for any other  
4 business activity, description of all equipment to be used in the cultivation  
5 process, and a list of soil amendments, fertilizers, or other crop production  
6 aids, or pesticides, utilized in the production process;

7           (G) testing procedures and protocols;

8           (H) description of packaging and labeling of products transported to  
9 retailers; and

10           (I) any additional requirements contained in rules adopted by the  
11 Department in accordance with this chapter.

12           (2) For a retailer license, information concerning:

13           (A) security;

14           (B) traceability;

15           (C) employee qualifications and training;

16           (D) destruction of waste product;

17           (E) description of packaging and labeling of products sold to  
18 customers;

19           (F) the products to be sold and how they will be displayed to  
20 customers; and

1           (G) any additional requirements contained in rules adopted by the  
2 Department in accordance with this chapter.

3           (3) For a testing laboratory license, information concerning:

4           (A) security;

5           (B) traceability;

6           (C) employee qualifications and training;

7           (D) destruction of waste product; and

8           (E) the types of testing to be offered.

9           (d) For each applicant and financier, the Department shall obtain a  
10 Vermont criminal history record, an out-of-state criminal history record, a  
11 criminal history record from the Federal Bureau of Investigation, and any  
12 regulatory records relating to the person’s operation of a business in this State  
13 or any other jurisdiction.

14           (e) When considering applications for a marijuana establishment license,  
15 the Department shall:

16           (1) give priority to a qualified applicant that is a dispensary or  
17 subsidiary of a dispensary; and

18           (2) strive for geographic distribution of marijuana establishments based  
19 on population.

1     § 4523. EDUCATION

2           (a) An applicant for a marijuana establishment license shall meet with a  
3     Department designee for the purpose of reviewing Vermont laws and rules  
4     pertaining to the possession, purchase, storage, and sale of marijuana prior to  
5     receiving a license.

6           (b) A licensee shall complete an enforcement seminar every three years  
7     conducted by the Department. A license shall not be renewed unless the  
8     records of the Department show that the licensee has complied with the terms  
9     of this subsection.

10          (c) A licensee shall ensure that each employee involved in the sale of  
11     marijuana completes a training program approved by the Department prior to  
12     selling marijuana and at least once every 24 months thereafter. A licensee  
13     shall keep a written record of the type and date of training for each employee,  
14     which shall be signed by each employee. A licensee may comply with this  
15     requirement by conducting its own training program on its premises, using  
16     information and materials furnished by the Department. A licensee that fails to  
17     comply with the requirements of this section shall be subject to a suspension of  
18     no less than one day of the license issued under this chapter.

19     § 4524. IDENTIFICATION CARD; CRIMINAL BACKGROUND CHECK

20           (a) The Department shall issue each employee an identification card or  
21     renewal card within 30 days of receipt of the person's name, address, and date

1 of birth and a fee of \$50.00. The fee shall be paid by the marijuana  
2 establishment and shall not be passed on to an employee. A person shall not  
3 work as an employee in until that person has received an identification card  
4 issued under this section. Each card shall contain the following:

5 (1) the name, address, and date of birth of the person;

6 (2) the legal name of the marijuana establishment with which the person  
7 is affiliated;

8 (3) a random identification number that is unique to the person;

9 (4) the date of issuance and the expiration date of the identification  
10 card; and

11 (5) a photograph of the person.

12 (b) Prior to acting on an application for an identification card, the  
13 Department shall obtain the person's Vermont criminal history record,  
14 out-of-state criminal history record, and criminal history record from the  
15 Federal Bureau of Investigation. Each person shall consent to the release of  
16 criminal history records to the Department on forms developed by the Vermont  
17 Crime Information Center.

18 (c) When the Department obtains a criminal history record, the Department  
19 shall promptly provide a copy of the record to the person and the marijuana  
20 establishment. The Department shall inform the person of the right to appeal

1 the accuracy and completeness of the record pursuant to rules adopted by the  
2 Department.

3 (d) The Department shall comply with all laws regulating the release of  
4 criminal history records and the protection of individual privacy. No person  
5 shall confirm the existence or nonexistence of criminal history record  
6 information to any person who would not be eligible to receive the information  
7 pursuant to this chapter.

8 (e) The Department shall not issue an identification card to any person who  
9 has been convicted of a drug-related offense or a violent felony or who has a  
10 pending charge for such an offense. As used in this subchapter, “violent  
11 felony” means a listed crime as defined in 13 V.S.A. § 5301(7) or an offense  
12 involving sexual exploitation of children in violation of 13 V.S.A. chapter 64.

13 (f) The Department shall adopt rules for the issuance of an identification  
14 card and shall set forth standards for determining whether a person should be  
15 denied a registry identification card because his or her criminal history record  
16 indicates that the person’s association with a marijuana establishment would  
17 pose a demonstrable threat to public safety. The rules shall consider whether a  
18 person who has a conviction for an offense not listed in subsection (e) of this  
19 section has been rehabilitated. A conviction for an offense not listed in  
20 subsection (e) of this section shall not automatically disqualify a person for a  
21 registry identification card. A marijuana establishment may deny a person the

1 opportunity to serve as an employee based on his or her criminal history  
2 record. A person who is denied an identification card may appeal the  
3 Department's determination in Superior Court in accordance with Rule 75 of  
4 the Vermont Rules of Civil Procedure.

5 (g) An identification card shall expire one year after its issuance or upon  
6 the expiration of the marijuana establishment's license, whichever occurs first.

7 § 4525. CULTIVATOR LICENSE

8 (a) A cultivator licensed under this chapter may cultivate, package, label,  
9 transport, test, and sell marijuana to a licensed retailer.

10 (b) Cultivation of marijuana shall occur only in an enclosed, locked  
11 facility.

12 (c) An applicant shall designate on their operating plan the size of the  
13 premises and the amount of actual square footage that will be dedicated to  
14 plant canopy.

15 (d) Representative samples of each lot or batch of marijuana intended for  
16 human consumption shall be tested for safety and potency in accordance with  
17 rules adopted by the Department.

18 (e) Each cultivator shall create packaging for its marijuana.

19 (1) Packaging shall include:

20 (A) The name and registration number of the cultivator.

1           (B) The strain of marijuana contained. Marijuana strains shall be  
2           either pure breeds or hybrid varieties of marijuana and shall reflect properties  
3           of the plant.

4           (C) The potency of the marijuana represented by the percentage of  
5           tetrahydrocannabinol and cannabidiol by mass.

6           (D) A “produced on” date reflecting the date that the cultivator  
7           finished producing the marijuana.

8           (E) Warnings, in substantially the following form, stating,  
9           “Consumption of marijuana impairs your ability to drive a car and operate  
10           machinery,” “Keep away from children,” and “Possession of marijuana is  
11           illegal under federal law.”

12           (F) Any additional requirements contained in rules adopted by the  
13           Department in accordance with this chapter.

14           (2) Packaging shall not be designed to appeal to persons under 21 years  
15           of age.

16           § 4526. RETAILER LICENSE

17           (a) A retailer licensed under this chapter may:

18           (1) transport, possess, and sell marijuana to the public for consumption  
19           off the registered premises; and

20           (2) purchase marijuana from a licensed cultivator.

21           (b)(1) In a single transaction, a retailer may provide:

1           (A) one ounce of marijuana to a person 21 years of age or older upon  
2           verification of a valid government-issued photograph identification card that  
3           indicates the person is domiciled in Vermont; or

4           (B) one-quarter of an ounce of marijuana to a person 21 years of age  
5           or older upon verification of a valid government-issued photograph  
6           identification card that indicates the person is domiciled outside Vermont.

7           (2) A retailer shall not knowingly and willfully sell an amount of  
8           marijuana to a person that causes the person to exceed the possession limit.

9           (c) A retailer may only sell “useable marijuana” which means the dried  
10          flowers of marijuana and does not include the seeds, stalks, leaves, and roots of  
11          the plant.

12          (d)(1) Packaging shall include:

13               (A) The name and registration number of the retailer.

14               (B) The strain of marijuana contained. Marijuana strains shall be  
15               either pure breeds or hybrid varieties of marijuana and shall reflect properties  
16               of the plant.

17               (C) The potency of the marijuana represented by the percentage of  
18               tetrahydrocannabinol and cannabidiol by mass.

19               (D) A “produced on” date reflecting the date that the cultivator  
20               finished producing marijuana.

1           (E) Warnings, in substantially the following form, stating,  
2           “Consumption of marijuana impairs your ability to drive a car and operate  
3           machinery,” “Keep away from children,” and “Possession of marijuana is  
4           illegal under federal law.”

5           (F) Any additional requirements contained in rules adopted by the  
6           Department in accordance with this chapter.

7           (2) Packaging shall not be designed to appeal to persons under 21 years  
8           of age.

9           (e) A retailer shall display a safety information flyer developed or approved  
10          by the Board and supplied to the retailer free of charge. The flyer shall contain  
11          information concerning the methods for administering marijuana, the potential  
12          dangers of marijuana use, the symptoms of problematic usage, and how to  
13          receive help for marijuana abuse.

14          (f) Internet sales and delivery of marijuana to customers are prohibited.

15          § 4527. MARIJUANA TESTING LABORATORY

16          (a) A testing laboratory licensed under this chapter may acquire, possess,  
17          analyze, test, and transport marijuana samples obtained from a licensed  
18          marijuana establishment.

19          (b) Testing may address the following:

20                  (1) residual solvents;

21                  (2) poisons or toxins;

- 1           (3) harmful chemicals;  
2           (4) dangerous molds, mildew, or filth;  
3           (5) harmful microbials, such as E.coli or salmonella;  
4           (6) pesticides; and  
5           (7) tetrahydrocannabinol and cannabidiol potency.

6           (c) A testing laboratory shall have a written procedural manual made  
7           available to employees to follow meeting the minimum standards set forth in  
8           rules detailing the performance of all methods employed by the facility used to  
9           test the analytes it reports.

10          (d) In accordance with rules adopted pursuant to this chapter, a testing  
11          laboratory shall establish a protocol for recording the chain of custody of all  
12          marijuana samples.

13          (e) A testing laboratory shall establish, monitor, and document the ongoing  
14          review of a quality assurance program that is sufficient to identify problems in  
15          the laboratory systems when they occur.

16          § 4528. FEES. RESERVED

17          § 4529. MARIJUANA REGULATION FUND

18          (a) The Marijuana Regulation Fund is hereby created. The Fund shall be  
19          maintained by the Department.

1       (b) The Fund shall be composed of all application fees, license fees,  
2       renewal fees, and civil penalties collected by the Department pursuant to this  
3       chapter.

4       (c) All balances in the Fund at the end of any fiscal year shall be carried  
5       forward and remain part of the Fund. Interest earned by the Fund shall be  
6       deposited into the Fund.

7       (d) All monies within the Fund shall be allocated to the Department solely  
8       for the purposes of implementing, administering, and enforcing this chapter,  
9       including the costs incurred by the Department for its administrative expenses.

10                               Subchapter 4. Taxes on Marijuana

11       § 4541. MARIJUANA TAX FUND

12       (a) The Marijuana Tax Fund is hereby created. The Fund shall be  
13       administered by the Commissioner of Taxes and comprise all taxes collected  
14       by the Commissioner pursuant to this chapter.

15       (b) By the 30th day after the end of each fiscal quarter, the monies  
16       deposited in the Fund during the prior fiscal quarter shall be allocated by the  
17       Commissioner of Finance and Management as follows:

18               (1) 25 percent to prevention of substance abuse;

19               (2) 25 percent to treatment of substance abuse;

20               (3) 25 percent to criminal justice efforts to combat the illegal drug trade  
21       and impaired driving; and

1           (4) 25 percent to the General Fund for the implementation,  
2           administration, and enforcement of this act with any remaining funds allocated  
3           equally among subdivisions (1)–(3) of this subsection.

4           §§ 4542–4545. RESERVED

5                           Subchapter 5. Marijuana Program Review Commission

6           § 4546. PURPOSE; MEMBERS

7           (a) Creation. There is created a temporary Marijuana Program Review  
8           Commission for the purpose of facilitating efficient and lawful implementation  
9           of this act and examination of issues important to the future of marijuana  
10           regulation in Vermont.

11           (b) Membership. The Commission shall be composed of the following  
12           members:

13                   (1) two current members of the House of Representatives, not all from  
14           the same political party, appointed by the Speaker of the House;

15                   (2) one member of the public appointed by the Speaker of the House;

16                   (3) two current members of the Senate, not all from the same political  
17           party, who shall be appointed by the Committee on Committees;

18                   (4) one member of the public appointed by the Committee on  
19           Committees;

20                   (5) two members of the public appointed by the Governor; and

21                   (6) the Attorney General or his or her designee.

1        (c) Legislative members shall serve only while in office.

2        § 4547. POWERS; DUTIES

3        (a) The Commission shall:

4                (1) collect information about the implementation, operation, and effect  
5        of this act from members of the public, State agencies, and private and public  
6        sector businesses and organizations;

7                (2) communicate with other states that have legalized marijuana and  
8        monitor those states regarding their implementation of regulation, policies, and  
9        strategies that have been successful and problems that have arisen;

10               (3) consider the issue of personal cultivation of a small number of  
11        marijuana plants and whether Vermont could permit home grow in a manner  
12        that would not create diversion or enforcement issues that hinder efforts to  
13        divert the marijuana economy from the illegal to the regulated market;

14               (4) examine the issue of marijuana concentrates and edible marijuana  
15        products and whether Vermont safely can allow and regulate their manufacture  
16        and sale and, if so, how;

17               (5) keep updated on the latest information in Vermont and other  
18        jurisdictions regarding the prevention and detection of impaired driving as it  
19        relates to marijuana;

20               (6) study the opportunity for a cooperative agriculture business model  
21        and licensure and community supported agriculture;

1           (7) examine whether Vermont should allow additional types of  
2           marijuana establishment licenses, including a processor license and product  
3           manufacturer license; and

4           (8) review the statutes and rules for the therapeutic marijuana program  
5           and dispensaries and determine whether additional amendments are necessary  
6           to maintain patient access to marijuana and viability of the dispensaries.

7           (9) monitor supply and demand of marijuana cultivated and sold  
8           pursuant to this chapter for the purpose of assisting the Department and  
9           policymakers with determining appropriate numbers of licenses and limitations  
10           on the amount of marijuana cultivated and offered for retail sale in Vermont so  
11           that the adult market is served without unnecessary surplus marijuana;

12           (10) report any recommendations to the General Assembly or the  
13           Governor, or both, as needed.

14           (b) On or before October 15, 2018, the Commission shall issue a final  
15           report to the General Assembly and the Governor regarding its findings and  
16           any recommendations for legislative or administrative action.

17           § 4548. ADMINISTRATION

18           (a) Assistance. The Commission shall have the administrative, technical,  
19           and legal assistance of the Office of Legislative Council.

20           (b) Meetings.

1           (1) The Office of Legislative Council shall call the first meeting of the  
2           Commission to occur on or before August 1, 2016.

3           (2) The Commission shall select a chair from among its members at the  
4           first meeting.

5           (3) A majority of the membership shall constitute a quorum.

6           (4) The Commission shall cease meeting regularly after the issuance of  
7           its final report, but members shall be available to meet with Administration  
8           officials and the General Assembly until July 1, 2019 at which time the  
9           Commission shall cease to exist.

10           (c) Reimbursement.

11           (1) For attendance at meetings during adjournment of the General  
12           Assembly, legislative members of the Commission shall be entitled to per diem  
13           compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for  
14           as many meetings as the Chair deems necessary.

15           (2) Other members of the Commission who are not employees of the  
16           State of Vermont and who are not otherwise compensated or reimbursed for  
17           their attendance shall be entitled to per diem compensation and reimbursement  
18           of expenses pursuant to 32 V.S.A. § 1010.

19           Sec. 13. OFFICE OF LEGISLATIVE COUNCIL

20           The sum of \$60,000.00 is appropriated in fiscal year 2017 to the Office of  
21           Legislative Council for the purpose of providing staffing to the Marijuana

1 Program Review Commission which may include hiring a consultant to  
2 accomplish appropriate staffing. The Director of the Office of Legislative  
3 Council shall obtain approval from the Legislative Council for the staffing  
4 plan.

5 \* \* \* Medical Marijuana Dispensaries \* \* \*

6 Sec. 14. LEGISLATIVE INTENT; DISPENSARIES

7 The continued viability of medical marijuana dispensaries in a regulated  
8 retail market is critical to ensure appropriate services and products to  
9 Vermonters with qualifying debilitating medical conditions.

10 Sec. 15. 18 V.S.A. § 4472 is amended to read:

11 § 4472. DEFINITIONS

12 \* \* \*

13 (6)(A) “Health care professional” means an individual licensed to  
14 practice medicine under 26 V.S.A. chapter 23 or 33, an individual licensed as a  
15 naturopathic physician under 26 V.S.A. chapter 81 ~~who has a special license~~  
16 ~~endorsement authorizing the individual to prescribe, dispense, and administer~~  
17 ~~prescription medicines to the extent that a diagnosis provided by a naturopath~~  
18 ~~under this chapter is within the scope of his or her practice, an individual~~  
19 certified as a physician assistant under 26 V.S.A. chapter 31, or an individual  
20 licensed as an advanced practice registered nurse under 26 V.S.A. chapter 28.



1 employee, agent, or owner of the dispensary when they are in areas where  
2 marijuana is being grown, processed, or stored.

3 (D) Registered employees of another dispensary, members of the  
4 media, elected officials, and other individuals 21 years of age or older visiting  
5 the facility, provided they are accompanied by an employee, agent, or owner of  
6 the dispensary.

7 Sec. 16. 18 V.S.A. § 4473 is amended to read:

8 § 4473. REGISTERED PATIENTS; QUALIFICATION STANDARDS AND  
9 PROCEDURES

10 \* \* \*

11 (b) The Department of Public Safety shall review applications to become a  
12 registered patient using the following procedures:

13 \* \* \*

14 (5)(A) A Review Board is established. ~~The Medical Practice Board~~  
15 ~~shall appoint three physicians licensed in Vermont to constitute the Review~~  
16 ~~Board. If an application under subdivision (1) of this subsection is denied,~~  
17 ~~within seven days the patient may appeal the denial to the Board. Review shall~~  
18 ~~be limited to information submitted by the patient under subdivision (1) of this~~  
19 ~~subsection, and consultation with the patient's treating health care professional.~~  
20 ~~All records relating to the appeal shall be kept confidential. An appeal shall be~~

1 ~~decided by majority vote of the members of the Board~~ The Review Board shall  
2 comprise three members:

3 (i) a physician appointed by the Medical Practice Board;

4 (ii) a naturopathic physician appointed by the Office of  
5 Professional Regulation; and

6 (iii) an advanced practice registered nurse appointed by the Office  
7 of Professional Regulation.

8 (B) The Board shall meet periodically to review studies, data, and  
9 any other information relevant to the use of marijuana for symptom relief. The  
10 Board may make recommendations to the General Assembly for adjustments  
11 and changes to this chapter.

12 (C) Members of the Board shall serve for three-year terms, beginning  
13 February 1 of the year in which the appointment is made, except that the first  
14 members appointed shall serve as follows: one for a term of two years, one for  
15 a term of three years, and one for a term of four years. Members shall be  
16 entitled to per diem compensation authorized under 32 V.S.A. § 1010.  
17 Vacancies shall be filled in the same manner as the original appointment for  
18 the unexpired portion of the term vacated.

19 (D) If an application under subdivision (1) of this subsection (b) is  
20 denied, within seven days the patient may appeal the denial to the Board.  
21 Review shall be limited to information submitted by the patient under

1 subdivision (1) of this subsection, and consultation with the patient’s treating  
2 health care professional. All records relating to the appeal shall be kept  
3 confidential. An appeal shall be decided by majority vote of the members of  
4 the Board.

5 Sec. 17. 18 V.S.A. § 4474 is amended to read:

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

8 \* \* \*

9 (d) A registered caregiver of a patient who is under 18 years of age and  
10 suffers from seizures may cultivate hemp upon notifying the Department and  
11 shall not be required to comply with the provisions of 6 V.S.A. chapter 34.

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

13 § 4474e. DISPENSARIES; CONDITIONS OF OPERATION

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

15 (1) Acquire, possess, cultivate, manufacture, transfer, transport, supply,  
16 sell, and dispense marijuana, marijuana-infused products, and  
17 marijuana-related supplies and educational materials for or to a registered  
18 patient who has designated it as his or her dispensary and to his or her  
19 registered caregiver for the registered patient’s use for symptom relief.

20 (A) Marijuana-infused products shall include tinctures, oils, solvents,  
21 and edible or potable goods. Only the portion of any marijuana-infused

1 product that is attributable to marijuana shall count toward the possession  
2 limits of the dispensary and the patient. The Department of Public Safety shall  
3 establish by rule the appropriate method to establish the weight of marijuana  
4 that is attributable to marijuana-infused products. A dispensary shall dispense  
5 marijuana-infused products in child-resistant packaging as defined in 7 V.S.A.  
6 § 1012.

7 \* \* \*

8 (2)(A) Acquire marijuana seeds or parts of the marijuana plant capable  
9 of regeneration from or dispense them to registered patients or their caregivers  
10 or acquire them from another registered Vermont dispensary, provided that  
11 records are kept concerning the amount and the recipient.

12 (B) Acquire, purchase, or borrow marijuana, marijuana-infused  
13 products, or services from another registered Vermont dispensary or give, sell,  
14 or lend marijuana, marijuana-infused products, or services to another registered  
15 Vermont dispensary, provided that records are kept concerning the product, the  
16 amount, and the recipient. Each Vermont dispensary is required to adhere to  
17 all possession limits pertaining to cultivation as determined by the number of  
18 patients designating that dispensary and may not transfer eligibility to another  
19 dispensary.

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

1 However, if a dispensary is designated by more than 14 registered patients, the  
2 dispensary may cultivate and possess at any one time two mature marijuana  
3 plants, seven immature plants, and four ounces of usable marijuana for every  
4 registered patient for which the dispensary serves as the designated dispensary.

5 (B) Notwithstanding subdivision (A) of this subdivision, if a  
6 dispensary is designated by a registered patient under 18 years of age who  
7 qualifies for the registry because of seizures, the dispensary may apply to the  
8 Department for a waiver of the limits in subdivision (A) of this subdivision (3)  
9 if additional capacity is necessary to develop and provide an adequate supply  
10 of a product for symptom relief for the patient. The Department shall have  
11 discretion whether to grant a waiver and limit the possession amounts in excess  
12 of subdivision (A) of this subdivision (3) in accordance with rules adopted  
13 pursuant to section 4474d of this title.

14 (C) The plant limitations in subdivision (3)(A) of this subsection (a)  
15 shall not be construed to restrict a dispensary's cultivation of marijuana  
16 pursuant to a cultivation license issued under chapter 87 of this title.

17 (4) With approval from the Department, transport and transfer marijuana  
18 to a Vermont academic institution for the purpose of research.

19 \* \* \*

20 (d)(1) A dispensary shall implement appropriate security measures to deter  
21 and prevent the unauthorized entrance into areas containing marijuana and the

1 theft of marijuana and shall ensure that each location has an operational  
2 security alarm system. All cultivation of marijuana shall take place in an  
3 enclosed, locked facility ~~which is either indoors or otherwise not visible to the~~  
4 ~~public and which can only be accessed by principal officers and employees of~~  
5 ~~the dispensary who have valid registry identification cards.~~ The Department of  
6 Public Safety shall perform an annual on-site assessment of each dispensary  
7 and may perform on-site assessments of a dispensary without limitation for the  
8 purpose of determining compliance with this subchapter and any rules adopted  
9 pursuant to this subchapter and may enter a dispensary at any time for such  
10 purpose. During an inspection, the Department may review the dispensary's  
11 confidential records, including its dispensing records, which shall track  
12 transactions according to registered patients' registry identification numbers to  
13 protect their confidentiality.

14 \* \* \*

15 (h) A dispensary shall include a label on the packaging of all marijuana that  
16 is dispensed. The label shall:

17 (1) identify the particular strain of marijuana contained therein.

18 Cannabis strains shall be either pure breeds or hybrid varieties of cannabis and  
19 shall reflect properties of the plant. ~~The label also shall:~~

20 (2) identify the amount of tetrahydrocannabinol in each single dose  
21 marijuana-infused edible or potable product; and



1 (5) a photograph of the person.

2 (b) Prior to acting on an application for a registry identification card, the  
3 Department of Public Safety shall obtain with respect to the applicant a  
4 Vermont criminal history record, an out-of-state criminal history record, and a  
5 criminal history record from the Federal Bureau of Investigation. Each  
6 applicant shall consent to the release of criminal history records to the  
7 Department on forms developed by the Vermont Crime Information Center.  
8 A fingerprint-supported, out-of-state criminal history record and a criminal  
9 history record from the Federal Bureau of Investigation shall be required only  
10 every three years for renewal of a card for a dispensary principal or Board  
11 member.

12 \* \* \*

13 Sec. 20. 18 V.S.A. § 4474h is amended to read:

14 § 4474h. PATIENT DESIGNATION OF DISPENSARY

15 (a) A registered patient may obtain marijuana only from the patient's  
16 designated dispensary and may designate only one dispensary. If a registered  
17 patient designates a dispensary, the patient and his or her caregiver may not  
18 grow marijuana or obtain marijuana or marijuana-infused products for  
19 symptom relief from any source other than the designated dispensary. A  
20 registered patient who wishes to change his or her dispensary shall notify the  
21 ~~department of public safety~~ Department of Public Safety in writing on a form

1 issued by the ~~department~~ Department and shall submit with the form a fee of  
2 \$25.00. The ~~department~~ Department shall issue a new identification card to  
3 the registered patient within 30 days of receiving the notification of change in  
4 dispensary. The registered patient's previous identification card shall expire at  
5 the time the new identification card takes effect. A registered patient shall  
6 submit his or her expired identification card to the ~~department~~ Department  
7 within 30 days of expiration. A registered patient shall not change his or her  
8 designated dispensary more than once in any ~~90-day~~ 30-day period.

9 (b) The ~~department of public safety~~ Department of Public Safety shall track  
10 the number of registered patients who have designated each dispensary. The  
11 ~~department~~ Department shall issue a monthly written statement to the  
12 dispensary identifying the number of registered patients who have designated  
13 that dispensary and the registry identification numbers of each patient and each  
14 patient's designated caregiver, if any.

15 (c) In addition to the monthly reports, the ~~department of public safety~~  
16 Department of Public Safety shall provide written notice to a dispensary  
17 whenever any of the following events occurs:

18 (1) ~~A~~ a qualifying patient designates the dispensary to serve his or her  
19 needs under this subchapter;

20 (2) ~~An~~ an existing registered patient revokes the designation of the  
21 dispensary because he or she has designated a different dispensary; or



1 (d) A person who violates subsection (a) of this section shall be assessed a  
2 civil penalty of not more than \$500.00. A person who violates subsection (b)  
3 of this section shall be assessed a civil penalty of not more than ~~\$25.00~~ \$50.00.

4 A person adjudicated and assessed a civil penalty for an offense under  
5 subsection (a) of this section shall not be subject to a civil violation for the  
6 same actions under subsection (b) of this section.

7 Sec. 22. 23 V.S.A. § 1134a is amended to read:

8 § 1134a. MOTOR VEHICLE PASSENGER; CONSUMPTION OR  
9 POSSESSION OF ALCOHOL OR MARIJUANA

10 (a) Except as provided in subsection (c) of this section, a passenger in a  
11 motor vehicle shall not consume alcoholic beverages or marijuana or possess  
12 any open container which contains alcoholic beverages or marijuana in the  
13 passenger area of any motor vehicle on a public highway. As used in this  
14 section, “alcoholic beverages” shall have the same meaning as “intoxicating  
15 liquor” as defined in section 1200 of this title.

16 (b) As used in this section, “passenger area” shall mean the area designed  
17 to seat the operator and passengers while the motor vehicle is in operation and  
18 any area that is readily accessible to the operator or passengers while in their  
19 seating positions, including the glove compartment, unless the glove  
20 compartment is locked. In a motor vehicle that is not equipped with a trunk,

1 the term shall exclude the area behind the last upright seat or any area not  
2 normally occupied by the operator or passengers.

3 (c) A person, other than the operator, may possess an open container which  
4 contains alcoholic beverages or marijuana in the passenger area of a motor  
5 vehicle designed, maintained, or used primarily for the transportation of  
6 persons for compensation or in the living quarters of a motor home or trailer  
7 coach.

8 (d) A person who violates this section shall be fined not more than \$25.00.

9 Sec. 23. VERMONT GOVERNOR'S HIGHWAY SAFETY PROGRAM

10 (a) Impaired driving, operating a motor vehicle while under the influence  
11 of alcohol or drugs, is a significant concern for the General Assembly. While  
12 Vermont has made a meaningful effort to educate the public about the dangers  
13 of drinking alcohol and driving, the public seems to be less aware of the  
14 inherent risks of driving while under the influence of drugs, whether it is  
15 marijuana, a validly prescribed medication, or other drugs. It is the intent of  
16 the General Assembly that the State reframe the issue of drunk driving as  
17 impaired driving in an effort to comprehensively address the risks of such  
18 behavior through prevention, education, and enforcement.

19 (b)(1) The Agency of Transportation, through its Vermont Governor's  
20 Highway Safety Program, shall expand its public education and prevention

1 campaign on drunk driving to impaired driving, which shall include drugged  
2 driving.

3 (2) The Agency shall report to the Senate and House Committees on  
4 Judiciary and on Transportation on or before January 15, 2017 regarding  
5 implementation of this section.

6 Sec. 24. COMMISSIONER OF PUBLIC SAFETY

7 The Commissioner of Public Safety shall report to the Senate and House  
8 Committees on Judiciary and on Transportation on or before January 15 each  
9 year regarding the following issues concerning impaired driving:

10 (1) the previous year's data in Vermont,

11 (2) the latest information regarding best practices on prevention and  
12 enforcement, and

13 (3) his or her recommendations for legislative action.

14 Sec. 25. DRUG RECOGNITION EXPERT TRAINING

15 (a) In fiscal year 2017, \$42,000.00 is appropriated from the General Fund  
16 to the Department of Public Safety, these funds provide drug recognition  
17 expert training to a minimum of ten sworn law enforcement officers statewide.

18 (b) The Department shall develop a process for approving funding for drug  
19 recognition expert training for law enforcement agencies in the State. In  
20 awarding funding, the Department shall consider the State's interest in

1 achieving sufficient geographic distribution of drug recognition experts to  
2 provide adequate statewide coverage.

3 (c) The Department shall work collaboratively with the Agency of  
4 Transportation to ensure federal Governor’s Highway Safety Program funds  
5 are applied where appropriate for the cost of this training.

6 Sec. 26. CREATION AND FUNDING OF NEW TROOPER POSITIONS

7 (a) Position creation. Within the Department of Public Safety, the  
8 following positions are created:

9 (1) effective July 1, 2016, nine classified trooper positions;

10 (2) effective July 1, 2017, eight classified trooper positions; and

11 (3) effective July 1, 2018, eight classified trooper positions.

12 (b) Position funding.

13 (1) In fiscal year 2017, \$1,500,000.00 is appropriated from the General  
14 Fund to the Department of Public Safety for the trooper positions, including  
15 required equipment.

16 (2) It is the intent of the General Assembly that funding be appropriated  
17 as needed to fund the new trooper positions created in fiscal years 2018 and  
18 2019.

1       Sec. 27. DEPARTMENT OF PUBLIC SAFETY LABORATORY  
2                   POSITIONS, EQUIPMENT, AND FUNDING

3           (a) Position creation. Within the Department of Public Safety, six  
4       classified positions are established, as follows:

5                   (1) two forensic chemists;

6                   (2) two program technicians; and

7                   (3) two administrative assistants.

8           (b) Position funding. In fiscal year 2107, \$612,000.00 is appropriated from  
9       the General Fund to the Department of Public Safety, of which \$362,000.00  
10       shall fund the positions created in this section, and \$250,000.00 shall fund  
11       laboratory equipment.

12                                   \* \* \* Miscellaneous \* \* \*

13       Sec. 28. 24 V.S.A. § 2291 is amended to read:

14       § 2291. ENUMERATION OF POWERS

15           For the purpose of promoting the public health, safety, welfare, and  
16       convenience, a town, city, or incorporated village shall have the following  
17       powers:

18                                   \* \* \*

19           (29) To prohibit or regulate, by means of a civil ordinance adopted  
20       pursuant to chapter 59 of this title, the number, time, place, manner, or  
21       operation of a marijuana establishment, or any class of marijuana

1 establishments, located in the municipality; provided, however, that  
2 amendments to such an ordinance shall not apply to restrict further a marijuana  
3 establishment in operation within the municipality at the time of the  
4 amendment. As used in this subdivision, “marijuana establishment” is as  
5 defined in 18 V.S.A. chapter 87.

6 Sec. 29. 24 V.S.A. § 4414 is amended to read:

7 § 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

8 Any of the following types of regulations may be adopted by a municipality  
9 in its bylaws in conformance with the plan and for the purposes established in  
10 section 4302 of this title.

11 \* \* \*

12 (16) Marijuana establishments. A municipality may adopt bylaws for  
13 the purpose of regulating marijuana establishments as defined in 18 V.S.A.  
14 chapter 87.

15 Sec. 30. 4 V.S.A. § 1102 is amended to read:

16 § 1102. JUDICIAL BUREAU; JURISDICTION

17 (a) A Judicial Bureau is created within the Judicial Branch under the  
18 supervision of the Supreme Court.

19 (b) The Judicial Bureau shall have jurisdiction of the following matters:

20 \* \* \*

