

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 a sincere effort
17 to protect public health and safety. Criminal penalties for possession rose in
18 the 1940s and 50s to include harsh mandatory minimums, dropped in the
19 1960s and 70s, rose again in the 1980s and 90s, and dropped again in the
20 2000s. A study published in the American Journal of Public Health found that
21 no 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 that 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 (A) 25 percent to prevention of substance abuse;
2 (B) 25 percent to treatment of substance abuse;
3 (C) 25 to law enforcement and criminal justice agencies for efforts to
4 combat the illegal drug trade and drugged driving; and
5 (D) 25 percent to the General Fund for the implementation,
6 administration, and enforcement of this act with any remaining funds allocated
7 equally among subdivisions (A)–(C) of this subdivision (6).

8 * * * Prevention * * *

9 **Sec. 2. MARIJUANA YOUTH EDUCATION AND PREVENTION**

10 (a) The Department of Health shall develop and administer an education
11 and prevention program to address evidence that early and persistent use of
12 marijuana may be detrimental to the health and well-being of youth.

13 (b) To the extent funding permits, the Department shall establish a
14 Substance Abuse Youth Prevention and Education Program. The Program
15 shall be evidence-based and shall include:

16 (1) Community- and school-based youth and family focused prevention
17 initiatives that strive to:

18 (A) expand the number of school-based grants for substance abuse
19 services to enable each Supervisory Union to develop a plan for
20 comprehensive substance abuse prevention education in a flexible manner that
21 ensures the needs of individual communities are addressed;

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 hemp or~~
5 ~~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 ~~(f)~~(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 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 on publicly owned property
18 or parking lots.

19 (d) In accordance with section 4512 of this chapter, the Department shall
20 adopt regulations on marijuana establishment advertising that reflect the

1 policies of subsection (a) of this section and place restrictions on the time,
2 place, and manner, but not content, of the advertising.

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

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

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

10 Subchapter 2. Department of Public Safety

11 § 4511. AUTHORITY

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

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

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

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

19 § 4512. RULEMAKING

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

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

1 (K) procedures and standards for testing marijuana for contaminants
2 and potency;

3 (L) regulation of the storage and transportation of marijuana;

4 (M) sanitary requirements;

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

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

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

11 (2) Rules concerning cultivators shall include:

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

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

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

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

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

20 (3) Rules concerning retailers shall include:

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

1 (B) requirements for proper verification of age and residency of
2 customers;

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

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

8 (4) Rules concerning testing laboratories shall include:

9 (A) procedures for destruction of all samples;

10 (B) quality assurance and control;

11 (C) requirements of testing operating manual; and

12 (D) requirements for chain of custody recordkeeping.

13 § 4513. IMPLEMENTATION

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

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

1 (b)(1) On or before July 15, 2017, the Department shall begin accepting
2 applications for retail licenses. The initial application period shall remain open
3 for 30 days. The Department may reopen the application process for any
4 period of time at its discretion. On or before July 1, 2018, any restrictions on
5 the timing of applications shall end and the Department shall begin an ongoing,
6 open application process.

7 (2) On or before October 15, 2017, the Department shall begin issuing
8 retailer licenses to qualified applicants. A license shall not permit a licensee to
9 open the store to the public or sell marijuana to the public prior to January 1,
10 2018.

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

13 (A) a minimum of 10 and a maximum 20 cultivator licenses, which
14 shall include both small, medium, and large scale cultivators in accordance
15 with cultivation plot limitations set forth in section 4525 of this chapter; and

16 (B) a minimum of 20 and a maximum 40 retail licenses.

17 (2) On or after July 1, 2018, the Department may issue licenses in a
18 number the Department finds appropriate.

1 § 4514. CIVIL CITATIONS; SUSPENSION AND REVOCATION OF
2 LICENSES

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

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

10 Subchapter 3. Licenses

11 § 4521. GENERAL PROVISIONS

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

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

18 (c) Applications for licenses and renewals shall be submitted on forms
19 provided by the Department and shall be accompanied by the fees provided for
20 in section 4526 of this section.

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

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

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

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

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

19 (h) This subchapter shall not apply to possession regulated by section
20 4230a of this title.

1 § 4522. LICENSE QUALIFICATIONS AND APPLICATION PROCESS

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

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

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

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

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

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

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

16 (A) security;

17 (B) traceability;

18 (C) employee qualifications and training;

19 (D) transportation of product;

20 (E) destruction of waste product;

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

6 (G) testing procedures and protocols;

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

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

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

12 (A) security;

13 (B) traceability;

14 (C) employee qualifications and training;

15 (D) destruction of waste product;

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

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

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

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

2 (A) security;

3 (B) traceability;

4 (C) employee qualifications and training;

5 (D) destruction of waste product; and

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

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

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

14 (1) give priority to a qualified applicant that is a dispensary or
15 subsidiary of a dispensary;

16 (2) strive for geographic distribution of marijuana establishments based
17 on population.

18 § 4523. EDUCATION

19 (a) An applicant for a marijuana establishment license shall meet with a
20 Department designee for the purpose of reviewing Vermont laws and rules

1 pertaining to the possession, purchase, storage, and sale of marijuana prior to
2 receiving a license.

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

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

16 § 4524. IDENTIFICATION CARD; CRIMINAL BACKGROUND CHECK

17 (a) The Department shall issue each employee an identification card or
18 renewal card within 30 days of receipt of the person's name, address, and date
19 of birth and a fee of \$50.00. The fee shall be paid by the marijuana
20 establishment and shall not be passed on to an employee. A person shall not

1 work as an employee in until that person has received an identification card
2 issued under this section. Each card shall contain the following:

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

4 (2) the legal name of the marijuana establishment with which the person
5 is affiliated;

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

7 (4) the date of issuance and the expiration date of the identification
8 card; and

9 (5) a photograph of the person.

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

16 (c) When the Department obtains a criminal history record, the Department
17 shall promptly provide a copy of the record to the person and the marijuana
18 establishment. The Department shall inform the person of the right to appeal
19 the accuracy and completeness of the record pursuant to rules adopted by the
20 Department.

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

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

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

1 Department's determination in Superior Court in accordance with Rule 75 of
2 the Vermont Rules of Civil Procedure.

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

5 § 4525. CULTIVATOR LICENSE

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

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

10 (c) The maximum space for marijuana cultivation shall not exceed 30,000
11 square feet per license. An applicant shall designate on their operating plan the
12 size of the premises and the amount of actual square footage that will be
13 dedicated to plant canopy. The Department may use its discretion to license a
14 cultivator for less than 30,000 square feet of cultivation space and to proscribe
15 the ratio of indoor and outdoor cultivation based on an assessment of the
16 operating plan and proposed premises.

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

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

21 (1) Packaging shall include:

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

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

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

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

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

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

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

17 § 4526. RETAILER LICENSE

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

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

21 (2) purchase marijuana from a licensed cultivator.

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

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

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

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

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

13 (d)(1) Packaging shall include:

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

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

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

20 (D) A “produced on” date reflecting the date that the cultivator
21 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 §§ 4540–4545. RESERVED

12 Subchapter 5. Marijuana Program Review Commission

13 § 4546. PURPOSE; MEMBERS

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

18 (b) Membership. The Commission shall be composed of the following
19 members:

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

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

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

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

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

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

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

9 § 4547. POWERS; DUTIES

10 (a) The Commission shall:

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

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

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

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

4 (5) keep updated on the latest information in Vermont and other
5 jurisdictions regarding the prevention and detection of drugged driving as it
6 relates to marijuana;

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

9 (7) examine whether Vermont should allow additional types of
10 marijuana establishment licenses, including a processor license and product
11 manufacturer license; and

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

15 (9) monitor supply and demand of marijuana cultivated and sold
16 pursuant to this act for the purpose of assisting the Department and
17 policymakers with determining appropriate numbers of licenses and limitations
18 on the amount of marijuana cultivated and offered for retail sale in Vermont so
19 that the adult market is served without unnecessary surplus marijuana;

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

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

4 § 4548. ADMINISTRATION

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

7 (b) Meetings.

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

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

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

13 (4) The Commission shall cease meeting regularly after the issuance of
14 its final report, but members shall be available to meet with Administration
15 officials and the General Assembly until January 15, 2019 at which time the
16 Commission shall cease to exist.

17 (c) Reimbursement.

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

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

5 **Sec. 13. OFFICE OF LEGISLATIVE COUNCIL**

6 The sum of \$60,000.00 is appropriated in fiscal year 2017 to the Office of
7 Legislative Council to hire consultant services for the purpose of providing
8 staffing to the Marijuana Program Review Commission.

9 * * * Medical Marijuana Dispensaries * * *

10 **Sec. 14. LEGISLATIVE INTENT; DISPENSARIES**

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

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

15 § 4472. DEFINITIONS

16 * * *

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

1 ~~under this chapter is within the scope of his or her practice~~, an individual
2 certified as a physician assistant under 26 V.S.A. chapter 31, or an individual
3 licensed as an advanced practice registered nurse under 26 V.S.A. chapter 28.

4 (B) ~~Except for naturopaths, this~~ This definition includes individuals
5 who are professionally licensed under substantially equivalent provisions in
6 New Hampshire, Massachusetts, or New York.

7 * * *

8 (11) “Registered caregiver” means a person who is ~~at least 21 years old~~
9 ~~who has never been convicted of a drug-related crime~~ of age or older, has met
10 eligibility requirements as determined by the Department in accordance with
11 this chapter, and who has agreed to undertake responsibility for managing the
12 well-being of a registered patient with respect to the use of marijuana for
13 symptom relief.

14 * * *

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

19 (A) Employees, agents, or owners of the dispensary, all of whom
20 shall be 21 years of age or older.

21 (B) Government employees performing their official duties.

1 (C) Contractors performing labor that does not include marijuana
2 cultivation, packaging, or processing. Contractors shall be accompanied by an
3 employee, agent, or owner of the dispensary when they are in areas where
4 marijuana is being grown, processed, or stored.

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

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

10 § 4473. REGISTERED PATIENTS; QUALIFICATION STANDARDS AND
11 PROCEDURES

12 * * *

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

15 * * *

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

1 ~~All records relating to the appeal shall be kept confidential. An appeal shall be~~
2 ~~decided by majority vote of the members of the Board.~~ The Review Board shall
3 comprise three members:

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

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

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

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

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

18 Vacancies shall be filled in the same manner as the original appointment for
19 the unexpired portion of the term vacated.

20 (D) If an application under subdivision (1) of this subsection (b) is
21 denied, within seven days the patient may appeal the denial to the Board.

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

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

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

9 * * *

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

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

14 § 4474e. DISPENSARIES; CONDITIONS OF OPERATION

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

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

1 (3)(A) Cultivate and possess at any one time up to 28 mature marijuana
2 plants, 98 immature marijuana plants, and 28 ounces of usable marijuana.
3 However, if a dispensary is designated by more than 14 registered patients, the
4 dispensary may cultivate and possess at any one time two mature marijuana
5 plants, seven immature plants, and four ounces of usable marijuana for every
6 registered patient for which the dispensary serves as the designated dispensary.

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

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

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

21

* * *

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

16 * * *

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

19 (1) identify the particular strain of marijuana ~~contained therein.~~
20 Cannabis strains shall be either pure breeds or hybrid varieties of cannabis and
21 shall reflect properties of the plant. ~~The label also shall:~~

1 (4) the date of issuance and the expiration date of the registry
2 identification card; and

3 (5) a photograph of the person.

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

14 * * *

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

16 § 4474h. PATIENT DESIGNATION OF DISPENSARY

17 (a) A registered patient may obtain marijuana only from the patient's
18 designated dispensary and may designate only one dispensary. If a registered
19 patient designates a dispensary, the patient and his or her caregiver may not
20 grow marijuana or obtain marijuana or marijuana-infused products for
21 symptom relief from any source other than the designated dispensary. A

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

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

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

20 (1) A qualifying patient designates the dispensary to serve his or her
21 needs under this subchapter;

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

3 (3) ~~A~~ a registered patient who has designated the dispensary loses his or
4 her status as a registered patient under this subchapter.

5 * * * Impaired Driving * * *

6 Sec. 21. 23 V.S.A. § 1134 is amended to read:

7 § 1134. MOTOR VEHICLE OPERATOR; CONSUMPTION OR
8 POSSESSION OF ALCOHOL OR MARIJUANA

9 (a) A person shall not consume alcoholic beverages or marijuana while
10 operating a motor vehicle on a public highway. As used in this section,
11 “alcoholic beverages” shall have the same meaning as “intoxicating liquor” as
12 defined in section 1200 of this title.

13 (b) A person operating a motor vehicle on a public highway shall not
14 possess any open container which contains alcoholic beverages or marijuana in
15 the passenger area of the motor vehicle.

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

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

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

10 § 1134a. MOTOR VEHICLE PASSENGER; CONSUMPTION OR
11 POSSESSION OF ALCOHOL OR MARIJUANA

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

18 (b) As used in this section, “passenger area” shall mean the area designed
19 to seat the operator and passengers while the motor vehicle is in operation and
20 any area that is readily accessible to the operator or passengers while in their
21 seating positions, including the glove compartment, unless the glove

1 compartment is locked. In a motor vehicle that is not equipped with a trunk,
2 the term shall exclude the area behind the last upright seat or any area not
3 normally occupied by the operator or passengers.

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

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

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

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

20 (b)(1) The Agency of Transportation, through its Vermont Governor's
21 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 * * * Effective Dates * * *

16 Sec. 30. EFFECTIVE DATES

17 (a) This section and Secs. 1, 2, and 12 shall take effect on passage.

18 (b) Secs. 7, 11, and 13 through 29 shall take effect on July 1, 2016.

19 (c) Secs. 6 and 8 through 10 shall take effect on January 1, 2018.

20 and that after passage the title of the bill be amended to read:??? “An act
21 relating to the regulation of marijuana”

1
2
3
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6

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE

DRAFT