

1 S.241

2 Introduced by Senators White and Benning

3 Referred to Committee on

4 Date:

5 Subject: Public safety; cannabis; regulation of cannabis establishments

6 Statement of purpose of bill as introduced: This bill proposes to:

- 7 1. Permit a person who is 21 years of age or older to possess and cultivate
8 limited amounts of cannabis for personal use; establish civil penalties
9 for possession and cultivation above the limits; and criminal penalties
10 for unauthorized dispensing or sale of cannabis.
- 11 2. Provide civil penalties for a person who is under 21 years of age who
12 possesses cannabis or attempts to procure cannabis from a registered
13 cannabis establishment and criminal penalties for a person who
14 furnishes or sells cannabis to a person who is under 21 years of age.
- 15 3. Establish a Cannabis Control Board within the Department of Public
16 Safety. The Board would be responsible for rulemaking,
17 administration, and enforcement concerning registered commercial
18 cannabis establishments.
- 19 4. Establish a regulatory structure for commercial cannabis, including six
20 types of cannabis establishments that may be registered to operate in
21 this State: cannabis cultivator; cannabis transporter; cannabis-infused

- 1 product manufacturer; cannabis testing laboratory; cannabis retailer;
2 and cannabis lounge.
- 3 5. Permit commercial manufacture and sale of cannabis-infused products
4 that are intended for topical use only and that are nonedible, while
5 directing further study of commercial production and sale of edible
6 cannabis products.
- 7 6. Permit municipalities to regulate or prohibit cannabis establishments,
8 but not personal possession and cultivation.
- 9 7. Prohibit consumption of cannabis in a public place and any other
10 location in which smoking a tobacco product is prohibited.
- 11 8. Establish a fund for depositing all monies collected by the State related
12 to commercial cannabis establishments and allocate monies first toward
13 implementation, administration, and enforcement of the act and youth
14 access prevention and education.
- 15 9. Establish the temporary Cannabis Program Review Commission for the
16 purpose of facilitating efficient and lawful implementation of this act
17 and making recommendations to the General Assembly and the
18 Governor concerning issues such as drugged driving and advisability of
19 permitting the manufacture and sale of edible cannabis products.

1 An act relating to personal possession and cultivation of cannabis and the
2 regulation of commercial cannabis establishments

3 It is hereby enacted by the General Assembly of the State of Vermont:

4 Sec. 1. FINDINGS

5 The General Assembly finds that Vermont lawmakers recognize legitimate
6 federal concerns about cannabis reform and seek through this legislation to
7 provide better control of access and distribution of cannabis in a manner that
8 prevents:

9 (1) distribution of cannabis to persons under 21 years of age;

10 (2) revenue from the sale of cannabis going to criminal enterprises;

11 (3) diversion of cannabis to states that do not permit possession
12 of cannabis;

13 (4) State-authorized cannabis activity from being used as a cover or
14 pretext for trafficking of other illegal drugs or activity;

15 (5) violence and the use of firearms in the cultivation and distribution
16 of cannabis;

17 (6) drugged driving and the exacerbation of any other adverse public
18 health consequences of cannabis use;

19 (7) growing of cannabis on public lands and the attendant public safety
20 and environmental dangers posed by cannabis production on public lands; and

21 (8) possession or use of cannabis on federal property.

22 Sec. 2. 20 V.S.A. chapter 119 is added to read:

1 CHAPTER 119. CANNABIS

2 Subchapter 1. General Provisions

3 § 2101. DEFINITIONS

4 As used in this chapter:

5 (1) “Board” means the Cannabis Control Board.

6 (2)(A) “Cannabis” means all parts of the plant Cannabis sativa L.,
7 except as provided by subdivision (B) of this subdivision (2), whether growing
8 or harvested, and includes:

9 (i) the seeds of the plant;

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

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

13 (B) “Cannabis” does not include:

14 (i) the mature stalks of the plant and fiber produced from
15 the stalks;

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

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

19 (iv) the sterilized seed of the plant that is incapable of
20 germination; or

21 (v) hemp as defined in 6 V.S.A. § 562.

1 (3) “Cannabis cultivator” or “cultivator” means a person registered with
2 the Board to engage in commercial cultivation of cannabis in accordance with
3 this chapter.

4 (4) “Cannabis establishment” means a cannabis cultivator, transporter,
5 product manufacturer, testing laboratory, retailer, or lounge registered with the
6 Board to engage in commercial cannabis activity in accordance with this
7 chapter.

8 (5) “Cannabis lounge” or “lounge” means a person registered with the
9 Board to engage in commercial sale of cannabis to consumers for on-site
10 consumption in accordance with this chapter.

11 (6) “Cannabis product manufacturer” or “product manufacturer” means
12 a person registered with the Board to engage in commercial manufacture and
13 sale of cannabis-infused products in accordance with this chapter.

14 (7) “Cannabis retailer” or “retailer” means a person registered with the
15 Board to engage in commercial sale of cannabis and cannabis-infused products
16 to consumers for off-site consumption in accordance with this chapter.

17 (8) “Cannabis testing laboratory” means a person registered with the
18 Board to engage in commercial testing of cannabis and cannabis-infused
19 products in accordance with this chapter.

1 (9) “Cannabis transporter” or “transporter” means a person registered
2 with the Board to engage in commercial transportation of cannabis and
3 cannabis products in accordance with this chapter.

4 (10) “Cannabis-infused products” means products that are composed of
5 cannabis and other ingredients and are intended for topical use only.

6 (11) “Commissioner” means the Commissioner of Public Safety.

7 (12) “Department” means the Department of Public Safety.

8 (13) “Dispensary” means a person registered under 18 V.S.A. § 4474e
9 which acquires, possesses, cultivates, manufactures, transfers, transports,
10 supplies, sells, or dispenses cannabis, cannabis-infused products, and
11 cannabis-related supplies and educational materials for or to a registered
12 patient who has designated it as his or her center and to his or her registered
13 caregiver for the registered patient’s use for symptom relief.

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

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

20 (B) Government employees performing their official duties.

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

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

9 (15) "Person" shall include any natural person, corporation,
10 municipality, the State of Vermont or any department, agency or subdivision of
11 the State, and any partnership, unincorporated association or other legal entity.

12 (16) "Possession limit" means the amount of cannabis that may be
13 possessed at any one time by a person 21 years of age or older. The possession
14 limit shall be:

15 (A) one ounce of cannabis;

16 (B) 100-square-foot plot of cannabis plants; and

17 (C) any additional cannabis produced by the person's cannabis
18 plants, provided that any amount of cannabis in excess of one ounce of
19 cannabis must be possessed in a secure indoor facility.

20 (17) "Public place" means any street, alley, park, sidewalk, public
21 building other than individual dwellings, any place of public accommodation

1 as defined in 9 V.S.A. § 4501, and any place where the possession of a lighted
2 tobacco product is prohibited pursuant to 18 V.S.A. § 1421 or 18 V.S.A.
3 chapter 37. This definition shall not include a cannabis lounge.

4 § 2102. USEABLE CANNABIS

5 For purposes of this chapter, ounces and pounds reference “useable
6 cannabis” which shall include only cannabis flowers, cannabis leaves, and any
7 mixture or preparation thereof.

8 § 2103. CANNABIS POSSESSED UNLAWFULLY SUBJECT TO SEIZURE
9 AND FORFEITURE

10 Cannabis possessed unlawfully in violation of this chapter may be seized by
11 law enforcement and is subject to forfeiture.

12 § 2104. NOT APPLICABLE TO THERAPEUTIC USE OF CANNABIS OR
13 HEMP

14 This chapter shall not apply to activities regulated by 18 V.S.A. chapter 86
15 (therapeutic use of cannabis) or 7 V.S.A. chapter 34 (hemp).

16 Subchapter 2. Personal Possession and Cultivation of Cannabis

17 § 2111. POSSESSION OF CANNABIS BY A PERSON 21 YEARS OF
18 AGE OR OLDER

19 (a) A person who is 21 years of age or older may possess cannabis in an
20 amount equal to or less than the possession limit.

1 (b) Except as otherwise provided in this chapter, a person who engages in
2 activity described in subsection (a) of this section shall not be penalized or
3 sanctioned in any manner by the State or any of its political subdivisions or
4 denied any right or privilege under State law.

5 (c) A person 21 years of age or older may possess, sell, or manufacture
6 cannabis-related supplies classified as drug paraphernalia under chapter 89 of
7 this title, and to distribute or sell cannabis paraphernalia to a person who is
8 21 years of age or older.

9 § 2112. PERSONAL CULTIVATION; RESTRICTIONS; PENALTIES

10 (a) A person 21 years of age or older may cultivate a plot of cannabis
11 plants that does not exceed 100 square feet in accordance with the provisions
12 of this section.

13 (b) Personal cultivation of cannabis only may occur:

14 (1) on property lawfully in possession of the cultivator or with the
15 consent of the person in lawful possession of the property; and

16 (2) in an enclosure that is secured and screened from public view.

17 (c) Personal cultivation of cannabis shall be limited to one 100-square-foot
18 plot per residence.

19 (d) A person who violates this section shall be assessed a civil penalty as
20 follows:

21 (1) not more than \$100.00 for a first offense;

1 (2) not more than \$200.00 for a second offense; and

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

3 (e) Subchapter 5 of this chapter (cannabis establishments) shall not apply to
4 personal cultivation and a registration shall not be required.

5 § 2113. APPLICABILITY

6 The provisions of this chapter do not:

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

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

13 (3) limit the authority of primary and secondary schools to impose
14 administrative penalties for the possession of cannabis on school property; or

15 (4) allow inmates of a correctional facility to possess or use cannabis or
16 to limit the authority of law enforcement, the courts, or the Department of
17 Corrections to impose penalties on inmates who use cannabis in violation of a
18 court order, conditions of furlough, or rules of a correctional facility.

19 § 2114. CONSUMING CANNABIS PROHIBITED IN A PUBLIC PLACE

20 A person shall not consume cannabis in a public place. A person who
21 violates this subsection shall be assessed a civil penalty as follows:

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

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

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

4 § 2115. NO ACCOMMODATION REQUIRED; EMPLOYERS

5 An employer shall not be required to accommodate the use or possession of
6 cannabis or being under the influence of cannabis in a place of employment.

7 § 2116. NO ACCOMMODATION REQUIRED; LANDLORDS

8 A landlord may prohibit possession and cultivation of cannabis in a lease
9 agreement.

10 Subchapter 3. Civil and Criminal Penalties

11 § 2131. CANNABIS POSSESSION OR PROCUREMENT BY A PERSON

12 UNDER 21 YEARS OF AGE

13 (a)(1) Offense. Except as provided in section 2132 of this chapter, a person
14 under 21 years of age who knowingly and unlawfully possesses cannabis in an
15 amount equal to or less than the possession limit for a person 21 years of age
16 or older or who falsely represents his or her age for the purpose of procuring or
17 attempting to procure cannabis commits a civil violation and shall be referred
18 to the Court Diversion Program for the purpose of enrollment in the Youth
19 Substance Abuse Safety Program. A person who fails to complete the program
20 successfully shall be subject to:

1 (A) a civil penalty of \$300.00 and suspension of the person's
2 operator's license and privilege to operate a motor vehicle for a period of
3 90 days, for a first offense; and

4 (B) a civil penalty of not more than \$600.00 and suspension of the
5 person's operator's license and privilege to operate a motor vehicle for a
6 period of 180 days, for a second offense.

7 (2) Offense. Except as provided in section 2132 of this chapter, a
8 person under 21 years of age who knowingly and unlawfully possesses
9 cannabis in an amount more than the possession limit for a person 21 years of
10 age or older shall be referred to the Court Diversion Program for the purpose
11 of enrollment in the Youth Substance Abuse Safety Program. A person who
12 fails to complete the program successfully shall be subject to a civil penalty of
13 not more than \$600.00 and suspension of the person's operator's license and
14 privilege to operate a motor vehicle for a period of 180 days, for a second
15 offense.

16 (b) Issuance of notice of violation. A law enforcement officer shall issue a
17 person under 21 years of age who violates this section with a notice of
18 violation, in a form approved by the Court Administrator. The notice of
19 violation shall require the person to provide his or her name and address and
20 shall explain procedures under this section, including that:

1 (1) the person shall contact the Diversion Program in the county where
2 the offense occurred within 15 days;

3 (2) failure to contact the Diversion Program within 15 days will result in
4 the case being referred to the Judicial Bureau, where the person, if found liable
5 for the violation, will be subject to a civil penalty and a suspension of the
6 person's operator's license and may face substantially increased insurance
7 rates;

8 (3) no money should be submitted to pay any penalty until after
9 adjudication; and

10 (4) the person shall notify the Diversion Program if the person's address
11 changes.

12 (c) Summons and complaint. When a person is issued a notice of violation
13 under this section, the law enforcement officer shall complete a summons and
14 complaint for the offense and send it to the Diversion Program in the county
15 where the offense occurred. The summons and complaint shall not be filed
16 with the Judicial Bureau at that time.

17 (d) Registration in Youth Substance Abuse Safety Program. Within
18 15 days after receiving a notice of violation, the person shall contact the
19 Diversion Program in the county where the offense occurred and register for
20 the Youth Substance Abuse Safety Program. If the person fails to do so, the
21 Diversion Program shall file the summons and complaint with the Judicial

1 Bureau for adjudication under 4 V.S.A. chapter 29. The Diversion Program
2 shall provide a copy of the summons and complaint to the law enforcement
3 officer who issued the notice of violation and shall provide two copies to the
4 person charged with the violation.

5 (e) Notice to report to diversion. Upon receipt from a law enforcement
6 officer of a summons and complaint completed under this section, the
7 Diversion Program shall send the person a notice to report to the Diversion
8 Program. The notice to report shall provide that:

9 (1) The person is required to complete all conditions related to the
10 offense imposed by the Diversion Program, including substance abuse
11 screening and, if deemed appropriate following the screening, substance abuse
12 education or substance abuse counseling, or both.

13 (2) If the person does not satisfactorily complete the substance abuse
14 screening, any required substance abuse education or substance abuse
15 counseling, or any other condition related to the offense imposed by the
16 Diversion Program, the case will be referred to the Judicial Bureau, where the
17 person, if found liable for the violation, shall be assessed a civil penalty, the
18 person's driver's license will be suspended, and the person's automobile
19 insurance rates may increase substantially.

20 (3) If the person satisfactorily completes the substance abuse screening,
21 any required substance abuse education or substance abuse counseling, and any

1 other condition related to the offense imposed by the Diversion Program, no
2 penalty shall be imposed and the person's operator's license shall not be
3 suspended.

4 (f)(1) Diversion Program requirements. Upon being contacted by a person
5 who has been issued a notice of violation, the Diversion Program shall register
6 the person in the Youth Substance Abuse Safety Program. Pursuant to the
7 Youth Substance Abuse Safety Program, the Diversion Program shall impose
8 conditions on the person. The conditions imposed shall include only
9 conditions related to the offense and in every case shall include a condition
10 requiring satisfactory completion of substance abuse screening using an
11 evidence-based tool and, if deemed appropriate following the screening,
12 substance abuse assessment and substance abuse education or substance abuse
13 counseling, or both. If the screener recommends substance abuse counseling,
14 the person shall choose a State-certified or State-licensed substance abuse
15 counselor or substance abuse treatment provider to provide the services.

16 (2) Substance abuse screening required under this subsection shall be
17 completed within 60 days after the Diversion Program receives a summons and
18 complaint. The person shall complete all conditions at his or her own expense.

19 (3) When a person has completed satisfactorily substance abuse
20 screening, any required substance abuse education or substance abuse

1 counseling, and any other condition related to the offense which the Diversion
2 Program has imposed, the Diversion Program shall:

3 (A) void the summons and complaint with no penalty due; and

4 (B) send copies of the voided summons and complaint to the Judicial
5 Bureau and to the law enforcement officer who completed them. Before
6 sending copies of the voided summons and complaint to the Judicial Bureau
7 under this subdivision, the Diversion Program shall redact all language
8 containing the person's name, address, Social Security number, and any other
9 information that identifies the person.

10 (4) If a person does not complete satisfactorily substance abuse
11 screening, any required substance abuse education or substance abuse
12 counseling, or any other condition related to the offense imposed by the
13 Diversion Program or if the person fails to pay the Diversion Program any
14 required Program fees, the Diversion Program shall file the summons and
15 complaint with the Judicial Bureau for adjudication under 4 V.S.A. chapter 29.
16 The Diversion Program shall provide a copy of the summons and complaint to
17 the law enforcement officer who issued the notice of violation and shall
18 provide two copies to the person charged with the violation.

19 (5) A person aggrieved by a decision of the Diversion Program or
20 alcohol counselor may seek review of that decision pursuant to Rule 75 of the
21 Vermont Rules of Civil Procedure.

1 (g) Failure to pay penalty. If a person fails to pay a penalty imposed under
2 this section by the time ordered, the Judicial Bureau shall notify the
3 Commissioner of Motor Vehicles, who shall suspend the person's operator's
4 license and privilege to operate a motor vehicle until payment is made.

5 (h) Record of adjudications. Upon adjudicating a person in violation of
6 this section, the Judicial Bureau shall notify the Commissioner of Motor
7 Vehicles, who shall maintain a record of all such adjudications which shall be
8 separate from the registry maintained by the Department for motor vehicle
9 driving records. The identity of a person in the registry shall be revealed only
10 to a law enforcement officer determining whether the person previously has
11 violated this section.

12 § 2132. CANNABIS POSSESSION OR PROCUREMENT BY A PERSON
13 UNDER 16 YEARS OF AGE; DELINQUENCY

14 No person under 21 years of age shall knowingly and unlawfully possess
15 cannabis. A person under 16 years of age who knowingly and unlawfully
16 possesses cannabis or who falsely represents his or her age for the purpose of
17 procuring or attempting to procure cannabis commits a delinquent act and shall
18 be subject to 33 V.S.A. chapter 52. The person shall be provided the
19 opportunity to participate in the Court Diversion Program unless the prosecutor
20 states on the record why a referral to the Court Diversion Program would not
21 serve the ends of justice.

1 § 2133. SALE OR FURNISHING TO A PERSON UNDER 21 YEARS
2 OF AGE

3 (a) No person shall:

4 (1) sell or furnish cannabis to a person under 21 years of age; or

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

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

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

12 (d) An employee of a registered cannabis establishment, who, in the course
13 of employment, violates subdivision (a)(1) of this section during a compliance
14 check conducted by a law enforcement officer shall be:

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

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

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

3 (1) the purchaser exhibited and the employee carefully viewed
4 photographic identification that indicated the purchaser to be 21 years of age or
5 older;

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

8 (3) the sale was made in good faith, based upon the reasonable belief
9 that the purchaser was of legal age to purchase cannabis.

10 (f) A person under 21 years of age who violates subsection (a) of this
11 section, while operating a motor vehicle on a public highway causes death or
12 serious bodily injury to himself or herself or to another person as a result of the
13 violation, shall be imprisoned not more than five years or fined not more than
14 \$10,000.00, or both.

15 § 2134. POSSESSION, CULTIVATION, DISPENSING, AND SALE;

16 PERSONS 21 YEARS OF AGE AND OLDER; CIVIL AND

17 CRIMINAL PENALTIES

18 (a) Possession and cultivation.

19 (1) A person who knowingly and unlawfully possesses or cultivates
20 cannabis in an amount that exceeds the possession limit commits a civil
21 violation and shall be assessed a civil penalty of not more than \$500.00.

1 (2) A person who knowingly and unlawfully possesses or cultivates five
2 times the possession limit or more commits a civil violation and shall be
3 assessed a civil penalty of not more than \$1,000.00.

4 (3) A person who knowingly and unlawfully possesses or cultivates 10
5 times the personal possession limit or more commits a civil violation and shall
6 be assessed a civil penalty of not more than \$10,000.00.

7 (b) Dispensing and selling.

8 (1) Except as otherwise provided in this chapter, a person who
9 knowingly and unlawfully sells cannabis or cannabis plants shall be
10 imprisoned not more than one year or fined not more than \$1,000.00, or both.

11 (2) A person who knowingly and unlawfully dispenses or sells
12 more than:

13 (A) two ounces of cannabis shall be imprisoned not more than
14 two years or fined not more than \$5,000.00, or both.

15 (B) six ounces of cannabis shall be imprisoned not more than
16 three years or fined not more than \$5,000.00, or both.

17 (C) one pound of cannabis shall be imprisoned not more than
18 five years or fined not more than \$25,000.00, or both.

19 (c) Trafficking. A person who knowingly and unlawfully possesses
20 25 pounds or more of cannabis with the intent to sell or dispense the cannabis

1 shall be imprisoned not more than 10 years or fined not more than
2 \$100,000.00, or both.

3 (d) Exemption. This section shall not apply to cultivators, product
4 manufacturers, testing laboratories, retailers, lounges, and their owners,
5 officers, staff members, and agents who are in compliance with State law
6 pursuant to this chapter.

7 § 2135. EXPUNGEMENT OF CRIMINAL HISTORY RECORDS

8 On or before December 31, 2016, the Civil Division of the Washington
9 County Superior Court shall issue an order to expunge all records and files
10 related to the arrest, citation, investigation, charge, adjudication of guilt,
11 criminal proceedings, and any sentence related to a misdemeanor conviction
12 for possession or cultivation of cannabis. Copies of the order shall be sent to
13 each agency, department, or official named therein. Thereafter, the courts, law
14 enforcement officers, agencies, and departments shall reply to any request for
15 information that no record exists with respect to such person upon inquiry in
16 the matter.

17 Subchapter 4. The Board of Cannabis Control

18 § 2141. BOARD OF CANNABIS CONTROL; MEMBERS; AUTHORITY

19 (a) There is created a Board of Cannabis Control within the Department of
20 Public Safety for the purpose of regulating cultivation, processing, packaging,

1 transportation, testing, purchase and sale of cannabis in accordance with this
2 chapter. The duties of the Board shall be:

3 (1) Rulemaking in accordance with this chapter and 3 V.S.A. chapter 25.

4 (2) Administration of a program for the registration of cannabis
5 establishments, which shall include compliance and enforcement.

6 (3) Submission of an annual budget to the Governor.

7 (b)(1) The Board shall consist of five members who shall be appointed by
8 the Governor in consultation with the Commissioner and approved by the
9 Senate. The Governor shall designate one of the members as Chair. A
10 member appointed by the Governor when the General Assembly is not in
11 session shall be subject to approval by the Senate at its next regular, special, or
12 adjourned session.

13 (2) Except as provided in subdivision (3) of this subsection, members
14 shall be appointed for three-year terms.

15 (3) Of the initial member appointments, the Governor shall appoint two
16 members for one-year terms, two members for two-year terms, and one
17 member for a three-year term who shall serve as Chair. These terms shall
18 commence on September 1, 2016.

19 (4) Any vacancy shall be filled by appointment for the unexpired term.
20 The members shall serve until their successors are appointed and qualified.

1 (c)(1) No Board member shall, during his or her term or terms on the
2 Board, be an officer of, director of, organizer of, employee of, consultant to, or
3 attorney for any person subject to regulation by the Board.

4 (2) No Board member shall participate in creating or applying any law,
5 rule, or policy or in making any other determination if the Board member,
6 individually or as a fiduciary, or the Board member's spouse, parent, or child
7 wherever residing or any other member of the Board member's family residing
8 in his or her household has an economic interest in the matter before the Board
9 or has any more than a de minimus interest that could be substantially affected
10 by the proceeding.

11 (d) The annual salary of the Chair of the Cannabis Control Board shall be
12 the same as for the Windham County Probate Court judge. The annual salary
13 of each of the other members of the Board, each of whom shall serve on a
14 part-time basis, shall be equal to two-thirds of that of the Chair.

15 (e) The Board shall appoint a Director. The Director shall be a full-time
16 Executive position and shall not be included in the plan of classification of
17 State employees. The Director shall be responsible for:

18 (1) supervising and administering the operation and implementation of
19 this chapter and the rules adopted by the Board as directed by the Board;

20 (2) assisting the Board in its duties and administering the registration
21 requirements of this chapter;

1 (3) acting as Secretary to the Board, but as a nonvoting member of the

2 Board;

3 (4) employing such staff as may be required to carry out the functions of
4 the Board; and

5 (5) preparing an annual a budget for submission to the Board.

6 § 2142. RULEMAKING

7 The Board shall adopt rules to implement this chapter on or before
8 March 15, 2017, in accordance with subdivisions (1)–(5) of this subsection.

9 (1) Rules applicable to all cannabis establishments shall include:

10 (A) the form and content of registration and renewal applications;

11 (B) required criteria for applicants, as well as factors that are
12 considered by the Board in issuing a registration, that are directly and
13 demonstrably related to the operation of a cannabis establishment in this State;

14 (C) procedures for the renewal of a registration, which shall allow
15 renewal applications to be submitted up to 90 days prior to the expiration of
16 the cannabis establishment's registration;

17 (D) oversight requirements;

18 (E) inspections requirements;

19 (F) records to be provided by applicants and kept by registrants,
20 including all financial records and access to the records by regulators for the
21 purpose of ensuring compliance with this chapter;

- 1 (G) requirements for a fingerprint-based criminal history record
2 check for all applicants, owners, officers , and employees and standards for
3 disqualifying a person based on the person’s criminal history record;
- 4 (H) employment and training requirements;
- 5 (I) security requirements, including lighting, physical security, video,
6 and alarm requirements;
- 7 (J) packaging requirements for cannabis and cannabis-infused
8 products to reduce the risk of diversion and limit access by minors;
- 9 (K) labeling requirements for cannabis and cannabis-infused products
10 to ensure that products are clearly identified and contain information about the
11 use, potency, and safety;
- 12 (L) restrictions on advertising, marketing, and signage, including a
13 prohibition on mass-market campaigns that have a high likelihood of reaching
14 minors;
- 15 (M) health and safety requirement;
- 16 (N) the prohibition or regulation of additives to cannabis and
17 cannabis-infused products, including those that are toxic, designed to make the
18 product more addictive, designed to make the product more appealing to
19 children, or designed to mislead consumers;
- 20 (O) regulation of the storage and transportation of cannabis and
21 cannabis-infused products; and

1 (P) sanitary requirements.

2 (2) Rules concerning cultivators shall include:

3 (A) restrictions on the use of pesticides that are injurious to human
4 health;

5 (B) standards for both the indoor and outdoor cultivation of cannabis,
6 including requirements that cultivators obtain all applicable permits from State
7 and local authorities; and

8 (C) regulation of visits to the establishments and record keeping
9 concerning visitors.

10 (3) Rules concerning production and sale of cannabis-infused products
11 shall include the establishment of standards for the safe manufacture of
12 cannabis-infused products and labeling that clearly advises that the product is
13 intended for topical use only.

14 (4) Rules concerning cannabis and cannabis-infused product testing
15 shall include:

16 (A) requirements for random sample testing to ensure quality control
17 and that cannabis and cannabis-infused products are accurately labeled; and

18 (B) standards for the operation of testing laboratories, including
19 requirements for equipment and qualifications for personnel.

20 (5) Rules concerning retailers and lounges shall include limitations
21 regarding the hours of operation.

1 Subchapter 5. Cannabis Establishments

2 § 2151. GENERAL PROVISIONS

3 (a) Except as otherwise permitted by this chapter, a person shall not engage
4 in the cultivation, processing, packaging, transportation, testing, or sale of
5 cannabis without obtaining a cannabis establishment registration from the
6 Board.

7 (b) To further the goal of preventing diversion of cannabis outside this
8 State, an applicant for a cannabis establishment registration shall be a Vermont
9 resident.

10 (c) Applications for registrations and renewals shall be submitted on forms
11 provided by the Board and shall be accompanied by a fee.

12 (d) Registrations shall be annual and may be renewed at the discretion of
13 the Board. The Board shall establish an annual registration fee for each type of
14 cannabis establishment.

15 (e) This subchapter shall not apply to personal cultivation and possession
16 as permitted under subchapter 2 of this chapter.

17 (f) Nothing in this chapter shall be construed to prevent a municipality
18 from:

19 (1) prohibiting cannabis establishments, or any class of cannabis
20 establishments, within its boundaries or from regulating cannabis

1 establishments that are located in the municipality through local ordinances or
2 land use bylaw; or

3 (2) requiring a cannabis establishment that is located in the municipality
4 to obtain a license, registration, or permit from the municipality prior to
5 beginning operations.

6 § 2152. PROHIBITIONS

7 A cannabis establishment registered under this subchapter shall not:

8 (1) dispense or sell cannabis or cannabis-infused products to a person
9 under 21 years of age;

10 (2) employ a person under 21 years of age; or

11 (3) sell or deliver cannabis or cannabis-infused products packaged to
12 appear to persons under 21 years of age.

13 § 2153. APPLICATION FOR REGISTRATIONS

14 (a)(1) On or before March 15, 2017, the Board shall begin accepting
15 applications for registrations for cannabis establishments.

16 (2) On or before June 15, 2017, the Board shall begin issuing
17 registrations to qualified applicants.

18 (b)(1) Prior to July 1, 2019, the Board shall issue a maximum of:

19 (A) 173 cultivator registrations as follows:

20 (i) a maximum of 100 registrations for plots of 1–6 units;

21 (ii) a maximum of 45 registrations for plots of 7–15 units; and

1 (iii) a maximum of 28 registrations for plots of 16–40 units;

2 (B) 84 retail registrations; and

3 (C) 42 lounge registrations.

4 (2) On or after July 1, 2019, the Board may issue registrations in a
5 number the Board finds appropriate.

6 (c) Application criteria for each type of registration issued pursuant to this
7 chapter shall be set forth by the Board in rule.

8 § 2154. CANNABIS CULTIVATOR REGISTRATION

9 (a) A cultivator registered under this subchapter may:

10 (1) cultivate, package, transport, and sell cannabis to a registered
11 product manufacturer, retailer, or lounge or another registered cultivator;

12 (2) transport cannabis to a testing laboratory; and

13 (3) purchase cannabis from another registered cultivator.

14 (b) Cultivation of cannabis pursuant to a cultivation registration shall occur
15 only in an enclosed, locked facility.

16 (c) The size of registered cultivation plots shall be calculated at increments
17 of 100 square feet. A registered plot may be a minimum of one unit
18 (100 square feet) and a maximum of 400 units (40,000 square feet.) The
19 annual registration fee shall be on a sliding scale that reflects the size of the
20 cultivation plot.

1 § 2155. CANNABIS TRANSPORTER REGISTRATION

2 A transporter registered under this subchapter may transport cannabis
3 among registered cannabis establishments.

4 § 2156. CANNABIS PRODUCT MANUFACTURER REGISTRATION

5 (a) A product manufacturer registered under this subchapter may:

6 (1) purchase cannabis from a registered cultivator;

7 (2) process, prepare, and package cannabis and cannabis-infused
8 products;

9 (3) transport cannabis and cannabis-infused products to a testing
10 laboratory; and

11 (4) transport and sell cannabis-infused products to a registered retailer.

12 (b) A registered product manufacturer may only manufacturer
13 cannabis-infused products in an enclosed, locked facility.

14 § 2157. CANNABIS RETAILER REGISTRATION

15 (a) A retailer registered under this subchapter may:

16 (1) transport, possess, and sell cannabis and cannabis-infused products
17 to the public for consumption off the registered premises; and

18 (2) purchase cannabis from a registered cultivator or a registered
19 product manufacturer.

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

1 (A) one ounce of cannabis to a person 21 years of age or older upon
2 verification of a valid Vermont-issued photograph identification card; or

3 (B) one-quarter of an ounce of cannabis to a person 21 years of age
4 or older upon verification of a valid government-issued photograph
5 identification card.

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

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

13 § 2158. CANNABIS LOUNGE

14 (a) A lounge registered under this subchapter may:

15 (1) transport, possess, and sell cannabis to the public for consumption on
16 the registered premises; and

17 (2) purchase cannabis from a registered cultivator or a registered
18 product manufacturer.

19 (b)(1) In a single transaction, a lounge may provide one-quarter of an ounce
20 of cannabis to a person 21 years of age or older upon verification of a valid
21 government-issued photograph identification card.

1 (2) A lounge shall not knowingly and willfully sell an amount of
2 cannabis to a person that causes the person to exceed the possession limit.

3 (3) A lounge shall be exempt from the restrictions of section 2114 of
4 this chapter and cannabis may be consumed on the premises.

5 (c) A lounge shall display a safety information flyer developed or approved
6 by the Board and supplied to the lounge free of charge. The flyer shall contain
7 information concerning the methods for administering cannabis, the potential
8 dangers of cannabis use, the symptoms of problematic usage, and how to
9 receive help for cannabis abuse.

10 Subchapter 6. Fees and Taxes

11 § 2161. CANNABIS FUND

12 (a) The Cannabis Fund is hereby created. The Fund shall be administered
13 by the Secretary of Administration and shall consist of:

14 (1) any application fees, registration fees, renewal fees, and civil fines,
15 collected by the Director of the Board pursuant to this chapter; and

16 (2) any taxes collected by the Commissioner of Taxes pursuant to this
17 chapter.

18 (b) The Board shall recommend to the Secretary of Administration the
19 appropriate allocation of funds from the Cannabis Fund for the purpose of
20 developing a State budget required to be submitted to the General Assembly
21 under 32 V.S.A. § 306.

1 (c) In making recommendations, the Board shall prioritize funding:

2 (1) implementation, administration, and enforcement of this chapter,

3 including the costs incurred by the Board for its administrative expenses;

4 (2) youth access prevention and education.

5 §§ 2162–2165. [RESERVED]

6 Subchapter 7. Cannabis Program Review Commission

7 § 2171. CANNABIS PROGRAM REVIEW COMMISSION

8 (a) Creation. There is created a temporary Cannabis Program Review

9 Commission for the purpose of facilitating efficient and lawful implementation

10 of this act.

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, who shall be appointed by the Speaker of the House;

15 (2) two current members of the Senate, not all from the same political

16 party, who shall be appointed by the Committee on Committees;

17 (3) two members of the public appointed by the Governor; and

18 (4) one person appointed by the Attorney General.

19 (c) Powers and duties. The Commission shall:

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

4 (2) communicate with other states that have legalized cannabis and
5 monitor those states regarding their implementation of regulation, policies, and
6 strategies that have been successful, and problems that have arisen;

7 (3) examine the issue of edible cannabis products and whether Vermont
8 safely can allow and regulate their manufacture and sale and, if so, how;

9 (4) keep updated on the latest information in Vermont and other
10 jurisdictions regarding the prevention and detection of drugged driving as it
11 relates to cannabis;

12 (5) examine whether Vermont should allow roadside farm stand sales of
13 cannabis and, if so, how; and

14 (6) report any recommendations to the General Assembly or the
15 Governor, or both, as needed.

16 (d) Assistance. The Commission shall have the administrative, technical,
17 and legal assistance of the Office of Legislative Council.

18 (e) Report. On or before September 30, 2018, the Commission shall issue a
19 final report to the General Assembly and the Governor regarding its findings
20 and any recommendations for legislative or administrative action.

21 (f) Meetings.

1 (1) The Office of Legislative Council shall call the first meeting of the
2 Commission to occur on or before July 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 to exist on October 1, 2018.

7 (g) Reimbursement.

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

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

16 Sec. 3. 4 V.S.A. § 1102 is amended to read:

17 § 1102. JUDICIAL BUREAU; JURISDICTION

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

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

21 * * *

1 (24) Violations of ~~18 V.S.A. §§ 4230a and 4230b, relating to possession~~
2 ~~of marijuana~~ 20 V.S.A. chapter 119, relating to cannabis.

3 Sec. 4. 18 V.S.A. § 4201 is amended to read:

4 § 4201. DEFINITIONS

5 As used in this chapter, unless the context otherwise requires:

6 * * *

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

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

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

11 (C) ~~hemp or hemp products, as defined in 6 V.S.A. § 562. [Repealed.]~~

12 * * *

13 Sec. 5. 18 V.S.A. § 4249 is amended to read:

14 § 4249. TRANSPORTATION OF ALCOHOL, CANNABIS, TOBACCO, OR
15 REGULATED DRUGS INTO PLACES OF DETENTION

16 (a) No person shall knowingly carry or introduce or cause to be carried or
17 introduced into a lockup, jail, prison, or correctional facility:

18 (1) alcohol, malt or vinous beverages, or spirituous liquor;

19 (2) ~~marijuana~~ cannabis as defined in 20 V.S.A. § 2101;

1 (3) a regulated drug, ~~other than marijuana~~, as defined in section 4201 of
2 this title, except upon the prescription or direction of a practitioner as that term
3 is defined in 26 V.S.A. chapter 36; or

4 (4) tobacco or tobacco products, except that an employee may possess
5 or store tobacco or tobacco products in a locked automobile parked on the
6 correctional facility grounds, store tobacco or tobacco products in a secure
7 place within the correctional facility which is designated for storage of
8 employee tobacco, and possess tobacco or tobacco products in a designated
9 smoking area.

10 * * *

11 Sec. 6. 18 V.S.A. § 4472 is amended to read:

12 § 4472. DEFINITIONS

13 As used in this subchapter:

14 * * *

15 (8) ~~“Marijuana”~~ “Cannabis” shall have the same meaning as provided in
16 ~~subdivision 4201(15) of this title~~ in 20 V.S.A. § 2101.

17 * * *

18 Sec. 7. CONFORMING REVISIONS

19 When preparing the cumulative supplements and replacement volumes of
20 the Vermont Statutes Annotated for publication, the Office of Legislative

1 Council shall replace the word “marijuana” wherever it appears with the word
2 “cannabis.”

3 Sec. 8. 10 V.S.A. § 6001(22) is amended to read:

4 (22)(A) “Farming” means:

5 ~~(A)(i)~~ the cultivation or other use of land for growing food, fiber,
6 Christmas trees, maple sap, or horticultural and orchard crops; ~~or~~

7 ~~(B)(ii)~~ the raising, feeding, or management of livestock, poultry,
8 fish, or bees; ~~or~~

9 ~~(C)(iii)~~ the operation of greenhouses; ~~or~~

10 ~~(D)(iv)~~ the production of maple syrup; ~~or~~

11 ~~(E)(v)~~ the on-site storage, preparation and sale of agricultural
12 products principally produced on the farm; ~~or~~

13 ~~(F)(vi)~~ the on-site storage, preparation, production, and sale of
14 fuel or power from agricultural products or wastes principally produced on the
15 farm; or

16 ~~(G)(vii)~~ the raising, feeding, or management of four or more
17 equines owned or boarded by the farmer, including training, showing, and
18 providing instruction and lessons in riding, training, and the management of
19 equines.

20 (B) Notwithstanding any contrary provision of subdivision (22)(A) of
21 this subsection, “farming” does not mean the commercial cultivation of

1 cannabis or the commercial preparation, production, or sale of cannabis or
2 cannabis products regulated under 20 V.S.A. chapter 119, subchapter 5.

3 Sec. 9. 24 V.S.A. § 4413 is amended to read:

4 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

5 * * *

6 (d) A bylaw under this chapter shall not regulate required agricultural
7 practices, including the construction of farm structures, as those practices are
8 defined by the Secretary of Agriculture, Food and Markets or accepted
9 silvicultural practices, as defined by the Commissioner of Forests, Parks and
10 Recreation, including practices which are in compliance with the Acceptable
11 Management Practices for Maintaining Water Quality on Logging Jobs in
12 Vermont, as adopted by the Commissioner of Forests, Parks and Recreation.

13 (1) ~~For purposes of~~ As used in this section, “farm structure” means a
14 building, enclosure, or fence for housing livestock, raising horticultural or
15 agronomic plants, or carrying out other practices associated with accepted
16 agricultural or farming practices, including a silo, as “farming” is defined in
17 10 V.S.A. § 6001(22), but excludes a dwelling for human habitation and any
18 structure for the commercial cultivation of cannabis or the commercial
19 preparation, production, or sale of cannabis or cannabis products regulated
20 under 20 V.S.A. chapter 119, subchapter 5.

1 (2) A person shall notify a municipality of the intent to build a farm
2 structure and shall abide by setbacks approved by the Secretary of Agriculture,
3 Food and Markets. No municipal permit for a farm structure shall be required.

4 (3) A municipality may enact a bylaw that imposes forest management
5 practices resulting in a change in a forest management plan for land enrolled in
6 the use value appraisal program pursuant to 32 V.S.A. chapter 124 only to the
7 extent that those changes are silviculturally sound, as determined by the
8 Commissioner of Forests, Parks and Recreation, and protect specific natural,
9 conservation, aesthetic, or wildlife features in properly designated zoning
10 districts. These changes also must be compatible with 32 V.S.A. § 3755.

11 * * *

12 (i) A bylaw under this chapter shall not regulate the personal cultivation of
13 cannabis as authorized under 20 V.S.A. chapter 119, subchapter 2.

14 Sec. 10. REPEAL

15 18 V.S.A. §§ 4230, 4230a–4230d (marijuana) are repealed.

16 Sec. 11. EFFECTIVE DATES

17 (a) The following shall take effect on passage:

18 (1) Secs. 1 and 7;

19 (2) Sec. 2, 20 V.S.A. chapter 119, subchapters 1 and 4; and

20 (3) this section.

21 (b) The following shall take effect on July 1, 2016:

- 1 (1) Sec. 2, 20 V.S.A. chapter 119, subchapters 2, 3, 5, 6; and
- 2 (2) Secs. 3–6 and 8–10.