

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Human Services to which was referred Senate Bill
3 No. 16 entitled “An act relating to expanding patient access to the Medical
4 Marijuana Registry” respectfully reports that it has considered the same and
5 recommends that the House propose to the Senate that the bill be amended by
6 striking out all after the enacting clause and inserting in lieu thereof the
7 following:

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

9 § 4472. DEFINITIONS

10 As used in this subchapter:

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

16 (B) The three-month requirement shall not apply if:

17 (i) a patient has been diagnosed with:

18 (I) a terminal illness;

19 (II) cancer; or

20 (III) acquired immune deficiency syndrome; ~~or~~

21 ~~(IV) is currently under hospice care.~~

1 (ii) a patient is currently under hospice care;

2 ~~(ii)~~(iii) a patient had been diagnosed with a debilitating medical
3 condition by a health care professional in another jurisdiction in which the
4 patient had been formerly a resident and the patient, now a resident of
5 Vermont, has the diagnosis confirmed by a health care professional in this
6 State or a neighboring state as provided in subdivision (6) of this section, and
7 the new health care professional has completed a full assessment of the
8 patient’s medical history and current medical condition, including a personal
9 physical examination;

10 ~~(iii)~~(iv) a patient who is already on the ~~registry~~ Registry changes
11 health care professionals three months or less prior to the annual renewal of the
12 patient’s registration, provided the patient’s new health care professional has
13 completed a full assessment of the patient’s medical history and current
14 medical condition, including a personal physical examination;

15 (v) a patient is referred by his or her health care professional to
16 another health care professional who has completed advanced education and
17 clinical training in specific debilitating medical conditions, and that health care
18 professional conducts a full assessment of the patient’s medical history and
19 current medical condition, including a personal physical examination;

20 (vi) a patient’s debilitating medical condition is of recent or
21 sudden onset.

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(4) “Debilitating medical condition;” ~~provided that, in the context of the specific disease or condition described in subdivision (A) or (B) of this subdivision (4), reasonable medical efforts have been made over a reasonable amount of time to relieve the symptoms,~~ means:

(A) cancer, multiple sclerosis, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, glaucoma, Crohn’s disease, Parkinson’s disease, or the treatment of these conditions, if the disease or the treatment results in severe, persistent, and intractable symptoms; ~~or~~

(B) post-traumatic stress disorder, provided the Department confirms the applicant who is undergoing psychotherapy or counseling with a mental health care provider; or

(C) a disease; or medical condition; or its treatment that is chronic, debilitating, and produces one or more of the following intractable symptoms: cachexia or wasting syndrome; chronic pain; severe nausea; or seizures.

(5) “Dispensary” means a ~~nonprofit entity~~ business organization registered under section 4474e of this title ~~which~~ that acquires, possesses, cultivates, manufactures, transfers, transports, supplies, sells, or dispenses marijuana, marijuana-infused products, and marijuana-related supplies and educational materials for or to a registered patient who has designated it as his

1 or her center and to his or her registered caregiver for the registered patient's
2 use for symptom relief. ~~A dispensary may provide marijuana for symptom~~
3 ~~relief to registered patients at only one facility or location, but may have a~~
4 ~~second location associated with the dispensary where the marijuana is~~
5 ~~cultivated or processed. Both locations are considered to be part of the same~~
6 ~~dispensary.~~ A dispensary may serve patients and caregivers at no more than
7 three locations, as approved by the Department in consideration of factors
8 provided in subsection 4474f(e) of this title, and may cultivate and process
9 marijuana at a separate location from where patients and caregivers are served.
10 All locations shall be considered part of the same dispensary operation under
11 one registration.

12 (6) “Financier” means a person, other than a financial institution as
13 defined in 8 V.S.A. § 11101, that makes an investment in, or a gift, loan, or
14 other financing to, another person with the expectation of a financial return. If
15 a financier is a business organization, as used in this chapter, the term
16 “financier” includes each owner and principal of that organization.

17 ~~(6)(7)(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, an individual certified as a
20 physician assistant under 26 V.S.A. chapter 31, or an individual licensed as an
21 advanced practice registered nurse under 26 V.S.A. chapter 28.

1 (B) This definition includes individuals who are professionally
2 licensed under substantially equivalent provisions in New Hampshire,
3 Massachusetts, or New York.

4 ~~(7)~~(8) “Immature marijuana plant” means a female marijuana plant that
5 has not flowered and which does not have buds that may be observed by visual
6 examination.

7 ~~(8)~~(9) “Marijuana” shall have the same meaning as provided in
8 subdivision 4201(15) of this title.

9 ~~(9)~~(10) “Mature marijuana plant” means a female marijuana plant that
10 has flowered and which has buds that may be observed by visual examination.

11 (11) “Mental health care provider” means a person licensed to practice
12 medicine pursuant to 26 V.S.A. chapter 23, 33, or 81 who specializes in the
13 practice of psychiatry; a psychologist, a psychologist-doctorate, or a
14 psychologist-master as defined in 26 V.S.A. § 3001; a clinical social worker as
15 defined in 26 V.S.A. § 3201; or a clinical mental health counselor as defined in
16 26 V.S.A. § 3261.

17 (12) “Ounce” means 28.35 grams.

18 (13) “Owner” means:

19 (A) a person that has a direct or beneficial ownership interest of ten
20 percent or more in a business organization, including attribution of the

1 ownership interests of a spouse or partner, parent, spouse’s or partner’s parent,
2 sibling, and children; or

3 (B) a person that has the power to direct, or cause the direction of, the
4 management and policies of a business organization, including through the
5 ownership of voting securities, by contract, or otherwise.

6 ~~(10)~~(14) “Possession limit” means the amount of marijuana collectively
7 possessed between the registered patient and the patient’s registered caregiver
8 ~~which~~ that is no more than two mature marijuana plants, seven immature
9 plants, and two ounces of usable marijuana.

10 (15) “Principal” means a person that has the authority to conduct,
11 manage, or supervise the operation of a business organization, and includes the
12 president, vice president, secretary, treasurer, manager, or similar executive
13 officer of a business organization; a director of a business corporation,
14 nonprofit corporation, or mutual benefit enterprise; a member of a nonprofit
15 corporation, cooperative, or member-managed limited liability company; a
16 manager of a manager-managed limited liability company; and a general
17 partner of a partnership, limited partnership, or limited liability partnership.

18 ~~(11)~~(16) “Registered caregiver” means a person who is at least 21 years
19 of age, has met eligibility requirements as determined by the Department in
20 accordance with this chapter, and who has agreed to undertake responsibility

1 for managing the well-being of a registered patient with respect to the use of
2 marijuana for symptom relief.

3 ~~(12)~~(17) “Registered patient” means a resident of Vermont who has
4 been issued a registration card by the Department of ~~Public Safety~~, identifying
5 the person as having a debilitating medical condition pursuant to the provisions
6 of this subchapter. “Resident of Vermont” means a person whose domicile is
7 Vermont.

8 ~~(13)~~(18) “Secure indoor facility” means a building or room equipped
9 with locks or other security devices that permit access only by a registered
10 caregiver; or registered patient; ~~or a principal officer or employee of a~~
11 ~~dispensary.~~

12 ~~(14)~~(19) “Transport” means the movement of marijuana and marijuana-
13 infused products from registered growing locations to their associated
14 dispensaries, between dispensaries, to registered patients and registered
15 caregivers in accordance with delivery protocols, or as otherwise allowed
16 under this subchapter.

17 ~~(15)~~(20) “Usable marijuana” means the dried leaves and flowers of
18 marijuana, and any mixture or preparation thereof, and does not include the
19 seeds, stalks, and roots of the plant.

20 ~~(16)~~(21) “Use for symptom relief” means the acquisition, possession,
21 cultivation, use, transfer, or transportation of marijuana; or ~~of~~ paraphernalia

1 relating to the administration of marijuana to alleviate the symptoms or effects
2 of a registered patient's debilitating medical condition ~~which~~ that is in
3 compliance with all the limitations and restrictions of this subchapter.

4 Sec. 2. 18 V.S.A. § 4473 is amended to read:

5 § 4473. REGISTERED PATIENTS; QUALIFICATION STANDARDS AND
6 PROCEDURES

7 * * *

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

10 (1) A patient with a debilitating medical condition shall submit a signed
11 application for registration to the Department. ~~A patient's initial application to~~
12 ~~the registry shall be notarized, but subsequent renewals shall not require~~
13 ~~notarization.~~ If the patient is under 18 years of age, the application must be
14 signed by both the patient and a parent or guardian. The application shall
15 require identification and contact information for the patient and the patient's
16 registered caregiver applying for authorization under section 4474 of this title,
17 if any, and the patient's designated dispensary under section 4474e of this title,
18 if any. The applicant shall attach to the application a medical verification form
19 developed by the Department pursuant to subdivision (2) of this subsection.

1 (2) The Department of Public Safety shall develop a medical
2 verification form to be completed by a health care professional and submitted
3 by a patient applying for registration in the program. The form shall include:

4 (A) A cover sheet ~~which~~ that includes the following:

5 (i) A statement of the penalties for providing false information.

6 (ii) Definitions of the following statutory terms:

7 (I) “Bona fide health care professional-patient relationship” as
8 defined in section 4472 of this title.

9 (II) “Debilitating medical condition” as defined in section 4472
10 of this title.

11 (III) “Health care professional” as defined in section 4472 of
12 this title.

13 (iii) A statement that the medical verification form is not
14 considered a prescription and that the only purpose of the medical verification
15 form is to confirm that the applicant patient has a debilitating medical
16 condition.

17 (B) A verification sheet ~~which~~ that includes the following:

18 (i) A statement that a bona fide health care professional-patient
19 relationship exists under section 4472 of this title; or that, under subdivision

20 (3)(A) of this subsection (b), the debilitating medical condition is of recent or

1 sudden onset, ~~and the patient has not had a previous health care professional~~
2 ~~who is able to verify the nature of the disease and its symptoms.~~

3 (ii) ~~A statement that reasonable medical efforts have been made~~
4 ~~over a reasonable amount of time without success to relieve the symptoms.~~

5 [Repealed.]

6 (iii) A statement that the patient has a debilitating medical
7 condition as defined in section 4472 of this title, including the specific disease
8 or condition ~~which~~ that the patient has and whether the patient meets the
9 criteria under section 4472.

10 (iv) A signature line ~~which~~ that provides in substantial part:
11 “I certify that I meet the definition of ‘health care professional’ under
12 18 V.S.A. § 4472, that I am a health care professional in good standing in the
13 State of , and that the facts stated above are accurate to the
14 best of my knowledge and belief.”

15 (v) The health care professional’s contact information, license
16 number, category of his or her health care profession as defined in subdivision
17 4472(6) of this title, and contact information for the out-of-state licensing
18 agency, if applicable. The Department of ~~Public Safety~~ shall adopt rules for
19 verifying the goodstanding of out-of-state health care professionals.

20 (vi) A statement that the medical verification form is not
21 considered a prescription and that the only purpose of the medical verification

1 form is to confirm that the applicant patient has a debilitating medical
2 condition.

3 (3)(A) The Department of ~~Public Safety~~ shall transmit the completed
4 medical verification form to the health care professional and contact him or her
5 for purposes of confirming the accuracy of the information contained in the
6 form. ~~The Department may approve an application, notwithstanding the six-~~
7 ~~month requirement in section 4472 of this title, if the Department is satisfied~~
8 ~~that the medical verification form confirms that the debilitating medical~~
9 ~~condition is of recent or sudden onset, and that the patient has not had a~~
10 ~~previous health care professional who is able to verify the nature of the disease~~
11 ~~and its symptoms.~~

12 (B) If the health care professional is licensed in another state as
13 provided section 4472 of this title, the Department shall verify that the health
14 care professional is in good standing in that state.

15 * * *

16 Sec. 3. 18 V.S.A. § 4474(c)(1) is amended to read:

17 (c)(1) Except as provided in subdivision (2) of this subsection, a registered
18 caregiver may serve only one registered patient at a time, and a registered
19 patient may have only one registered caregiver at a time. A registered patient
20 may serve as a registered caregiver for one other registered patient.

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

2 § 4474d. LAW ENFORCEMENT VERIFICATION OF INFORMATION;
3 RULEMAKING

4 * * *

5 (b) In response to a person-specific or property-specific inquiry by a law
6 enforcement officer or agency made in the course of a bona fide investigation
7 or prosecution, the Department may verify the identities and registered
8 property addresses of the registered patient and the patient's registered
9 caregiver, a dispensary, ~~and the principal officer, the Board members, and an~~
10 owner, a principal, a financier, and the employees of a dispensary.

11 (c) The Department shall maintain a separate secure electronic database
12 accessible to law enforcement personnel 24 hours a day that uses a unique
13 identifier system to allow law enforcement to verify that a person or entity is a
14 registered patient, a registered caregiver, a dispensary, ~~or the principal officer,~~
15 ~~a board member~~ an owner, a principal, a financier, or an employee of a
16 dispensary.

17 * * *

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

19 § 4474e. DISPENSARIES; CONDITIONS OF OPERATION

20 * * *

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~~ a secure, locked facility which is either indoors or ~~otherwise~~
6 outdoors, but not visible to the public, and which can only be accessed by
7 ~~principal officers~~ the owners, principals, financiers, and employees of the
8 dispensary who have valid ~~registry~~ Registry identification cards. An outdoor
9 facility is not required to have a roof provided all other requirements are met.
10 The Department ~~of Public Safety~~ shall perform an annual on-site assessment of
11 each dispensary and may perform on-site assessments of a dispensary without
12 limitation for the purpose of determining compliance with this subchapter and
13 any rules adopted pursuant to this subchapter and may enter a dispensary at
14 any time for such purpose. During an inspection, the Department may review
15 the dispensary's confidential records, including its dispensing records, which
16 shall track transactions according to registered patients' ~~registry~~ Registry
17 identification numbers to protect their confidentiality.

18 * * *

19 (f) A person may be denied the right to serve as an owner, a principal
20 officer, board member, financier, or employee of a dispensary because of the

1 person's criminal history record in accordance with section 4474g of this title
2 and rules adopted by the Department of Public Safety pursuant to that section.

3 (g)(1) A dispensary shall notify the Department of ~~Public Safety~~ within 10
4 days of when a ~~principal officer, board member,~~ an owner, principal, financier,
5 or employee ceases to be associated with or work at the dispensary. His or her
6 ~~registry~~ Registry identification card shall be deemed null and void, and the
7 person shall be liable for any penalties that may apply.

8 (2) A dispensary shall notify the Department of ~~Public Safety~~ in writing
9 of the name, address, and date of birth of any proposed new ~~principal officer,~~
10 ~~board member~~ owner, principal, financier, or employee and shall submit a fee
11 for a new ~~registry~~ Registry identification card before a new ~~principal officer,~~
12 ~~board member~~ owner, principal, financier, or employee begins his or her
13 official duties related to the dispensary and shall submit a complete set of
14 fingerprints for ~~the~~ each prospective ~~principal officer, board member~~ owner,
15 principal, financier, or employee who is a natural person.

16 * * *

17 (k)(1) No dispensary; ~~principal officer, board member~~ or owner, principal,
18 financier of a dispensary shall:

19 * * *

20 (B) acquire usable marijuana or marijuana plants from any source
21 other than registered dispensary ~~principal officers, board members~~ owners,

1 principals, financiers, or employees who cultivate marijuana in accordance
2 with this subchapter;

3 (C) dispense more than two ounces of usable marijuana to a
4 registered patient directly or through the qualifying patient's registered
5 caregiver during a 30-day period;

6 (D) dispense an amount of usable marijuana to a qualifying patient or
7 a designated caregiver that the ~~principal officer, board member~~ owner,
8 principal, financier, or employee knows would cause the recipient to possess
9 more marijuana than is permitted under this subchapter;

10 (E) dispense marijuana to a person other than a registered patient
11 who has designated the dispensary to provide for his or her needs or other than
12 the patient's registered caregiver.

13 (2) A person found to have violated subdivision (1) of this subsection
14 may no longer serve as a ~~principal officer, board member~~ an owner, principal,
15 financier, or employee of any dispensary, and such person's ~~registry~~ Registry
16 identification card shall be immediately revoked by the Department of ~~Public~~
17 Safety.

18 (1)(1) A registered dispensary shall not be subject to the following,
19 provided that it is in compliance with this subchapter:

20 (A) prosecution for the acquisition, possession, cultivation,
21 manufacture, transfer, transport, supply, sale, or dispensing of marijuana,

1 marijuana-infused products, or marijuana-related supplies for symptom relief
2 in accordance with the provisions of this subchapter and any rule adopted by
3 the Department of ~~Public Safety~~ pursuant to this subchapter;

4 (B) inspection and search, except pursuant to this subchapter or upon
5 a search warrant issued by a court or judicial officer;

6 (C) seizure of marijuana, marijuana-infused products, and
7 marijuana-related supplies, except upon a valid order issued by a court;

8 (D) imposition of any penalty or denied any right or privilege,
9 including imposition of a civil penalty or disciplinary action by an
10 occupational or professional licensing board or entity, solely for acting in
11 accordance with this subchapter to assist registered patients or registered
12 caregivers.

13 (2) No ~~principal officer, board member~~ owner, principal, financier, or
14 employee of a dispensary shall be subject to arrest, prosecution, search,
15 seizure, or penalty in any manner or denied any right or privilege, including
16 civil penalty or disciplinary action by an occupational or professional licensing
17 board or entity, solely for working for or with a dispensary to engage in acts
18 permitted by this subchapter.

19 * * *

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

2 § 4474f. DISPENSARY APPLICATION, APPROVAL, AND
3 REGISTRATION

4 * * *

5 (c) Each application for a dispensary registration certificate shall include
6 all of the following:

7 (1) a nonrefundable application fee in the amount of \$2,500.00 paid to
8 the Department of ~~Public Safety~~;

9 (2) the legal name, ~~articles of incorporation, and bylaws~~ of the
10 dispensary and the organizational documents that create the dispensary, govern
11 its operation and internal affairs, and govern relations between and among its
12 owners;

13 (3) the proposed physical address of the dispensary, if a precise address
14 has been determined or, if not, the general location where it would be located;

15 (4) a description of the ~~enclosed~~ secure, locked facility where marijuana
16 will be grown, cultivated, harvested, or otherwise prepared for distribution by
17 the dispensary;

18 (5) the name, address, and date of birth of each ~~principal officer and~~
19 ~~board member~~ owner, principal, and financier of the dispensary who is a
20 natural person and a complete set of fingerprints for each of them;

1 (6) proposed security and safety measures, which shall include at least
2 one security alarm system for each location and planned measures to deter and
3 prevent the unauthorized entrance into areas containing marijuana and the theft
4 of marijuana;

5 (7) proposed procedures to ensure accurate record-keeping.

6 (d) Any time one or more dispensary registration applications are being
7 considered, the Department of ~~Public Safety~~ shall solicit input from registered
8 patients and registered caregivers.

9 (e) Each time a dispensary certificate is granted, the decision shall be based
10 on the overall health needs of qualified patients. The following factors shall
11 weigh heavily in the consideration of an application:

12 (1) geographic convenience to patients from throughout the State of
13 Vermont to a dispensary if the applicant were approved;

14 (2) the entity's ability to provide an adequate supply to the registered
15 patients in the State;

16 (3) the entity's ability to demonstrate ~~its board members'~~ that its
17 owners, principals, and financiers have sufficient experience running a
18 ~~nonprofit organization or~~ business;

19 (4) the comments, if any, of registered patients and registered caregivers
20 regarding which applicant should be granted a registration certificate;

1 (5) the sufficiency of the applicant’s plans for record-keeping, which
2 records shall be considered confidential health care information under Vermont
3 law and are intended to be deemed protected health care information for
4 purposes of the federal Health Insurance Portability and Accountability Act of
5 1996, as amended;

6 (6) the sufficiency of the applicant’s plans for safety and security,
7 including the proposed location and security devices employed.

8 (f) The Department of ~~Public Safety~~ may deny an application for a
9 dispensary if it determines that an applicant’s criminal history record indicates
10 that the ~~person’s~~ association of an owner, principal, or financier with a
11 dispensary would pose a demonstrable threat to public safety.

12 (g) After a dispensary is approved but before it begins operations, it shall
13 submit the following to the Department:

14 (1) the legal name ~~and articles of incorporation~~ of the dispensary and the
15 organizational documents that create the dispensary, govern its operation and
16 internal affairs, and govern relations between and among its owners;

17 (2) the physical address of the dispensary;

18 (3) the name, address, and date of birth of each ~~principal officer and~~
19 ~~board member~~ owner, principal, and financier of the dispensary along with a
20 complete set of fingerprints for each;

1 (4) a registration fee of \$20,000.00 for the first year of operation, and an
2 annual fee of \$25,000.00 in subsequent years.

3 Sec. 7. 18 V.S.A. § 4474g is amended to read:

4 § 4474g. DISPENSARY REGISTRY IDENTIFICATION CARD;

5 CRIMINAL BACKGROUND CHECK

6 (a) Except as provided in subsection (b) of this section, the Department of
7 ~~Public Safety~~ shall issue each ~~principal officer, Board member~~ owner,
8 principal, financier, and employee of a dispensary a ~~registry~~ Registry
9 identification card or renewal card within 30 days of receipt of the person's
10 name, address, and date of birth and a fee of \$50.00. The fee shall be paid by
11 the dispensary and the cost shall not be passed on to a ~~principal officer, Board~~
12 ~~member~~ an owner, principal, financier, or employee. A person shall not serve
13 as ~~principal officer, Board member~~ an owner, principal, financier, or employee
14 of a dispensary until that person has received a ~~registry~~ Registry identification
15 card issued under this section. Each card shall specify whether the cardholder
16 is a ~~principal officer, Board member~~ an owner, principal, financier, or
17 employee of a dispensary and shall contain the following:

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

19 (2) the legal name of the dispensary with which the person is affiliated;

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

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

3 (5) a photograph of the person.

4 (b) Prior to acting on an application for a ~~registry~~ Registry identification
5 card, the Department of ~~Public Safety~~ shall obtain with respect to the applicant
6 a Vermont criminal history record, an out-of-state criminal history record, and
7 a 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 (c) When the Department of ~~Public Safety~~ obtains a criminal history
11 record, the Department shall promptly provide a copy of the record to the
12 applicant and to the ~~principal officer and Board~~ owner, principal, or financier
13 of the dispensary if the applicant is to be an employee. The Department shall
14 inform the applicant of the right to appeal the accuracy and completeness of
15 the record pursuant to rules adopted by the Department.

16 (d) The Department of ~~Public Safety~~ shall comply with all laws regulating
17 the release of criminal history records and the protection of individual privacy.
18 No person shall confirm the existence or nonexistence of criminal history
19 record information to any person who would not be eligible to receive the
20 information pursuant to this subchapter.

1 (e) The Department of ~~Public Safety~~ shall not issue a ~~registry~~ Registry
2 identification card to any applicant who has been convicted of a drug-related
3 offense or a violent felony or who has a pending charge for such an offense.

4 ~~For purposes of~~ As used in this subchapter, “violent felony” means a listed
5 crime as defined in 13 V.S.A. § 5301(7) or an offense involving sexual
6 exploitation of children in violation of 13 V.S.A. chapter 64.

7 (f) The Department of ~~Public Safety~~ shall adopt rules for the issuance of a
8 ~~registry~~ Registry identification card and shall set forth standards for
9 determining whether an applicant should be denied a ~~registry~~ Registry
10 identification card because his or her criminal history record indicates that the
11 person’s association with a dispensary would pose a demonstrable threat to
12 public safety. The rules shall consider whether a person who has a conviction
13 for an offense not listed in subsection (e) of this section has been rehabilitated.
14 A conviction for an offense not listed in subsection (e) of this section shall not
15 automatically disqualify a person for a ~~registry~~ Registry identification card. A
16 dispensary may deny a person the opportunity to serve as a Board member or
17 an employee based on his or her criminal history record. An applicant who is
18 denied a ~~registry~~ Registry identification card may appeal the ~~Department of~~
19 ~~Public Safety’s~~ Department’s determination in Superior Court in accordance
20 with Rule 75 of the Vermont Rules of Civil Procedure.

1 (g) A registration identification card of a ~~principal officer, Board member~~
2 an owner, principal, or financier, or employee shall expire one year after its
3 issuance or upon the expiration of the registered organization’s registration
4 certificate, whichever occurs first.

5 Sec. 8. 18 V.S.A. § 4474h is amended to read:

6 § 4474h. PATIENT DESIGNATION OF DISPENSARY

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

1 * * *

2 Sec. 9. AUTHORITY FOR CURRENTLY REGISTERED NONPROFIT
3 DISPENSARY TO CONVERT TO FOR-PROFIT BUSINESS

4 (a) Notwithstanding any contrary provision of Title 11B of the Vermont
5 Statutes Annotated, a nonprofit dispensary registered pursuant to 18 V.S.A.
6 chapter 86 may convert to a different type of business organization by
7 approving a plan of conversion pursuant to this section.

8 (b) A plan of conversion shall include:

9 (1) the name of the converting organization;

10 (2) the name and type of organization of the converted organization;

11 (3) the manner and basis for converting the assets of the converting
12 organization into interests in the converted organization or other consideration;

13 (4) the proposed organizational documents of the converted
14 organization; and

15 (5) the other terms and conditions of the conversion.

16 (c) A converting organization shall approve a plan of conversion by a
17 majority vote of its directors, and by a separate majority vote of its members if
18 it has members.

19 (d) A converting organization may amend or abandon a plan of conversion
20 before it takes effect in the same manner it approved the plan, if the plan does
21 not specify how to amend the plan.

1 (e) A converting organization shall sign a statement of conversion and
2 deliver it to the Secretary of State for filing. A statement of conversion shall
3 include:

4 (1) the name and type of organization prior to the conversion;

5 (2) the name and type of organization following the conversion;

6 (3) a statement that the converting organization approved the plan of
7 conversion in accordance with the provisions of this act; and

8 (4) the organizational documents of the converted organization.

9 (f) The conversion of a nonprofit dispensary takes effect when the
10 statement of conversion takes effect, and when the conversion takes effect:

11 (1) The converted organization is:

12 (A) organized under and subject to the governing statute of the
13 converted organization; and

14 (B) the same organization continuing without interruption as the
15 converting organization.

16 (2) Subject to the plan of conversion, the property of the converting
17 organization continues to be vested in the converted organization without
18 transfer, assignment, reversion, or impairment.

19 (3) The debts, obligations, and other liabilities of the converting
20 organization continue as debts, obligations, and other liabilities of the
21 converted organization.

1 (4) A court or other authority may substitute the name of the converted
2 organization for the name of the converting organization in any pending action
3 or proceeding.

4 (5) The organizational documents of the converted organization take
5 effect.

6 (6) The assets of the converting organization are converted pursuant to
7 the plan of conversion.

8 (g) When a conversion takes effect, a person that did not have personal
9 liability with respect to the converting organization and becomes subject to
10 personal liability with respect to the converted organization as a result of the
11 conversion has personal liability only to the extent provided by the governing
12 statute of the converted organization and only for those debts, obligations, and
13 other liabilities that the converted organization incurs after the conversion.

14 (h) When a conversion takes effect, a person that had personal liability for
15 a debt, obligation, or other liability of the converting organization but that does
16 not have personal liability with respect to the converted organization is subject
17 to the following rules:

18 (1) The conversion does not discharge any personal liability under this
19 title to the extent the personal liability was incurred before the conversion took
20 effect.

1 (2) The person does not have personal liability under this title for any
2 debt, obligation, or other liability that arises after the conversion takes effect.

3 (3) Title 11B of the Vermont Statutes Annotated continues to apply to
4 the release, collection, or discharge of any personal liability preserved under
5 subdivision (1) of this subsection as if the conversion had not occurred.

6 (i) A conversion does not require an organization to wind up its affairs and
7 does not constitute or cause the dissolution of the organization.

8 Sec. 10. MARIJUANA-INFUSED PRODUCT TESTING; REPORT

9 The General Assembly recognizes the importance of independent testing of
10 marijuana-infused products sold by dispensaries to determine proper labeling
11 of products in compliance with 18 V.S.A. § 4474e. Therefore, the Agency of
12 Agriculture, Food and Markets and the Department of Public Safety, in
13 consultation with registered dispensaries, shall report their recommendations to
14 the Joint Committee on Justice Oversight and the General Assembly no later
15 than October 15, 2017 on the following:

16 (1) Who should be responsible for testing marijuana-infused products.

17 (2) The approved methods and frequency of testing.

18 (3) Estimated costs associated with such testing and how these costs
19 should be funded.

20 (4) If testing will be done through an independent testing entity, the
21 process by which the State will certify such entities and oversee such testing.

1 (5) How to implement a weights and measures program for medical
2 marijuana dispensaries.

3 **Sec. 11. MEDICAL MARIJUANA REGISTRY; WEBSITE; FEES**

4 (a) The Department of Public Safety and the Agency of Digital Services
5 shall develop an independent website for the Medical Marijuana Registry,
6 separate from any other registry or program administered by the Department,
7 that is up-to-date and user-friendly on or before September 30, 2017 and shall
8 report to the General Assembly on activation of the website at such time.

9 (b) The Department of Public Safety shall report to the General Assembly
10 its recommendations for fees related to the Medical Marijuana Registry on or
11 before January 15, 2018.

12 **Sec. 12. EFFECTIVE DATE**

13 This act shall take effect on July 1, 2017.

14

15

16 (Committee vote: _____)

17

18

Representative _____

19

FOR THE COMMITTEE