

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Government Operations to which was referred Senate
3 Bill No. 54 entitled “An act relating to the regulation of cannabis” respectfully
4 reports that it has considered the same and recommends that the House propose
5 to the Senate that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 * * * Title Redesignation * * *

8 Sec. 1. Title 7 of the V.S.A. is redesignated to read:

9 7. ALCOHOLIC BEVERAGES, CANNABIS, AND TOBACCO

10 * * * Cannabis Generally; Cannabis Control Board * * *

11 Sec. 2. 7 V.S.A. chapter 31 is added to read:

12 CHAPTER 31. CANNABIS

13 Subchapter 1. General Provisions

14 § 831. DEFINITIONS

15 As used in this chapter:

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

17 (2)(A) “Cannabis” means all parts of the plant Cannabis sativa L.,

18 except as provided by subdivision (B) of this subdivision (2), whether growing

19 or harvested, and includes:

20 (i) the seeds of the plant;

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

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

3 (B) “Cannabis” does not include:

4 (i) the mature stalks of the plant and fiber produced from the
5 stalks;

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

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

9 (iv) the sterilized seed of the plant that is incapable of
10 germination; or

11 (v) hemp or hemp products, as defined in 6 V.S.A. § 562.

12 (3) “Cannabis product” means concentrated cannabis and a product that
13 is composed of cannabis and other ingredients and is intended for use or
14 consumption, including an edible product, ointment, and tincture. Cannabis
15 product shall include a vaporizer cartridge containing cannabis oil that is
16 intended for use with a battery-powered device.

17 (4) “Chair” means the chair of the Cannabis Control Board.

18 (5) “Criminal history record” shall have the same meaning as in
19 20 V.S.A. § 2056a(a).

20 (6) “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 use or possession of a
2 lighted tobacco product, tobacco product, or tobacco substitute is prohibited by
3 law pursuant to 18 V.S.A. chapter 37.

4 § 832. CANNABIS POSSESSED UNLAWFULLY SUBJECT TO
5 SEIZURE AND FORFEITURE

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

8 § 833. CONSUMPTION OF CANNABIS IN A PUBLIC PLACE

9 No person shall consume cannabis in a public place unless specifically
10 authorized by law. Violations shall be punished in accordance with 18 V.S.A.
11 § 4230a.

12 Subchapter 2. Cannabis Control Board

13 § 841. CANNABIS CONTROL BOARD; APPOINTMENT

14 (a) When a vacancy occurs on the Cannabis Control Board, the Governor
15 shall make a public announcement about the vacancy. The Governor shall
16 submit at least 10 names of potential nominees to the Cannabis Control Board
17 Nominating Committee for review.

18 (b) The Committee shall review the candidates to determine which
19 candidates are well-qualified for appointment to the Board and shall
20 recommend those candidates to the Governor.

1 (c) The Governor shall appoint a chair and four members of the Board from
2 the list of well-qualified candidates sent to the Governor by the Committee.

3 (d) The names of candidates shall be confidential.

4 § 842. CANNABIS CONTROL BOARD NOMINATING COMMITTEE

5 (a) Creation. The Cannabis Control Board Nominating Committee is
6 created for the purpose of assessing the qualifications of applicants for
7 appointment to the Cannabis Control Board in accordance with section 841 of
8 this title.

9 (b) Members. The Committee shall consist of seven members who shall be
10 selected as follows:

11 (1) The Governor shall appoint three members from the Executive
12 Branch.

13 (2) The Speaker of the House of Representatives shall appoint two
14 members from the House of Representatives.

15 (3) The Senate Committee on Committees shall appoint two members
16 from the Senate.

17 (c) Duties. When the Governor submits the names of candidates for
18 appointment to the Cannabis Control Board in accordance with section 841 of
19 this title, the Committee shall review candidates to determine which candidates
20 are well-qualified for the Board and submit those names to the Governor.

1 (d) Terms. The members of the Committee shall serve for terms of two
2 years. The appointments shall be between June 1 and July 1 of each even-
3 numbered year, except to fill a vacancy. Members shall serve until their
4 successors are appointed. Members shall serve not more than three
5 consecutive terms in any capacity. A legislative member who is appointed as a
6 member of the Committee shall retain the position for the term for which he or
7 she was appointed to the Committee even if the member is subsequently not re-
8 elected to the General Assembly during the member's term on the Committee.

9 (e) Chair. The members shall elect their own chair.

10 (f) Quorum. A quorum of the Committee shall consist of four members.

11 (g) Staff and services. The Committee is authorized to use the staff and
12 services of appropriate State agencies and departments as necessary to conduct
13 investigations of applicants.

14 (h) Confidentiality. Except as provided in subsection (i) of this section,
15 proceedings of the Committee, including the names of candidates considered
16 by the Committee and information about any candidate submitted by the
17 Governor, shall be confidential. The provisions of 1 V.S.A. 317(e) (expiration
18 of Public Records Act exemptions) shall not apply to the exemptions or
19 confidentiality provisions in this subsection.

20 (i) Public information. The following shall be public:

21 (1) operating procedures of the Committee;

1 (2) standard application forms and any other forms used by the
2 Committee, provided they do not contain personal information about a
3 candidate or confidential proceedings;

4 (3) all proceedings of the Committee prior to the Board’s receipt of the
5 first candidate’s completed application; and

6 (4) at the time the Committee sends the names of the candidates to the
7 Governor, the total number of applicants for the vacancies and the total number
8 of candidates sent to the Governor.

9 (j) Reimbursement. Legislative members of the Committee shall be
10 entitled to per diem compensation and reimbursement for expenses in
11 accordance with 2 V.S.A. § 406. Compensation and reimbursement shall be
12 paid from the legislative appropriation.

13 § 843. CANNABIS CONTROL BOARD; DUTIES; MEMBERS

14 (a) Creation. There is created within the Executive Branch an independent
15 commission named the Cannabis Control Board for the purpose of safely,
16 equitably, and effectively implementing and administering the laws enabling
17 access to adult-use cannabis in Vermont.

18 (b) Duties. The duties of the Board shall be:

19 (1) rulemaking in accordance with this chapter, chapter 33 of this title,
20 and 3 V.S.A. chapter 25;

1 (2) administration of a program for licensed cannabis establishments,
2 which shall include compliance and enforcement; and

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

4 (c) Membership.

5 (1) The Board shall be composed of a chair and four members appointed
6 by the Governor in accordance with sections 841 and 842 of this title.

7 (2) All Board members shall serve for a term of three years or until a
8 successor is appointed and shall be eligible for reappointment, provided that no
9 member may serve more than three terms.

10 (3) A vacancy created before the expiration of a term shall be filled in
11 the same manner as the original appointment for the unexpired portion of the
12 term. A member appointed to fill a vacancy created before the expiration of a
13 term shall not be deemed to have served a term for the purpose of subdivision
14 (2) of this subsection.

15 (4) A member may be removed only for cause by the remaining
16 members of the Commission in accordance with the Vermont Administrative
17 Procedure Act.

18 (d)(1) Conflicts of interest. No Board member shall, during his or her term
19 or terms on the Board, be an officer of, director of, organizer of, employee of,
20 consultant to, or attorney for any person subject to regulation by the Board.

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

8 (3) No Board member shall, during his or her term or terms on the
9 Board, solicit, engage in negotiations for, or otherwise discuss future
10 employment or a future business relationship of any kind with any person
11 subject to supervision or regulation by the Board.

12 (4) No Board member may appear before the Board or any other State
13 agency on behalf of a person subject to supervision or regulation by the Board
14 for a period of one year following his or her last day as a member of the
15 Cannabis Control Board.

16 (e) Salaries. The Chair and all members of the Board shall be full-time
17 State employees and shall be exempt from the State classified system. The
18 Chair shall receive compensation equal to two-thirds that of a Superior Court
19 Judge and other members shall receive compensation equal to one-half that of
20 a Superior Court Judge.

1 (f) Executive Director. The Board shall appoint an Executive Director who
2 shall be an attorney with experience in legislative or regulatory matters. The
3 Director shall be a full-time State employee, shall be exempt from the State
4 classified system, and shall serve at the pleasure of the Board. The Director
5 shall be responsible for:

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

8 (2) assisting the Board in its duties and administering the licensing
9 requirements of this chapter;

10 (3) acting as Secretary to the Board, but as a nonvoting member of the
11 Board;

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

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

15 (g) Consultant. The Board is authorized to hire a consultant as needed to
16 assist with its duties under this section.

17 (h) Advisory committee.

18 (1) There is an advisory committee established within the Board that
19 shall be comprised of members with expertise and knowledge relevant to the
20 Board's mission. The advisory committee shall include, at a minimum:

1 (A) one member with an expertise in public health appointed by the
2 Governor;

3 (B) one member with an expertise in agriculture, horticulture, or
4 plant science appointed by the Governor;

5 (C) one member with an expertise in laboratory science or toxicology
6 appointed by the Governor;

7 (D) one member with an expertise in systemic social justice and
8 equity issues appointed by the Speaker of the House;

9 (E) one member with an expertise in women and minority-owned
10 business ownership appointed by the Speaker of the House;

11 (F) one member with an expertise in substance misuse prevention
12 appointed by the Senate Committee on Committees;

13 (G) one member with an expertise in the cannabis industry appointed
14 by the Senate Committee on Committees;

15 (H) one member with an expertise in business management or
16 regulatory compliance appointed by the Treasurer;

17 (I) one member with an expertise in municipal issues appointed by
18 the Treasurer;

19 (J) one member with an expertise in public safety appointed by the
20 Attorney General;

1 (K) one member with an expertise in criminal justice reform
2 appointed by the Attorney General; and

3 (L) the Secretary of Agriculture, Food and Markets or designee; and

4 (M) the Secretary of Natural Resources or designee.

5 (2) Initial appointments to the advisory committee as provided in
6 subdivision (1) of this subsection (h) shall be made on or before December 1,
7 2020.

8 (3) The Board may appoint members to the advisory committee in
9 addition to those identified in subdivision (1) of this subsection (h), and this
10 subsection shall not be construed to limit the Board in any way regarding
11 whom it may consult with in an effort to execute its duties.

12 (4) The Board may establish subcommittees within the advisory
13 committee to accomplish its work.

14 **§ 844. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS**

15 The Board shall establish a user agreement with the Vermont Crime
16 Information Center in accordance with 20 V.S.A. chapter 117 for the purpose
17 of obtaining Vermont criminal history records, out-of-state criminal history
18 records, and criminal history records from the Federal Bureau of Investigation
19 as required by chapter 33 of this title.

1 § 845. CANNABIS REGULATION FUND

2 (a) There is established the Cannabis Regulation Fund, which shall be
3 managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund
4 shall be maintained by the Cannabis Control Board.

5 (b) The Fund shall be composed of all application fees, annual license fees,
6 renewal fees, advertising review fees, and civil penalties collected by the
7 Board pursuant to chapter 33 of this title.

8 (c) Monies from the fund shall only be appropriated for the purposes of
9 implementation, administration, and enforcement of this chapter and chapter
10 33 of this title.

11 § 846. FEES

12 (a) The Board shall have the authority to charge and collect fees as
13 provided by this chapter and chapter 33 of this title.

14 (b) Fees shall be deposited in the Cannabis Regulation Fund.

15 § 847. APPEALS

16 (a)(1) A party aggrieved by a final decision of the Board may, within 30
17 days of the decision, appeal that decision by filing a notice of appeal with the
18 Executive Director who shall assign the case to an appellate officer.

19 (2)(A) The review shall be conducted on the basis of the record created
20 before the Board.

1 (B) In cases of alleged irregularities in procedure before the Board,
2 not shown in the record, proof on that issue may be taken by the appellate
3 officer.

4 (b) The appellate officer shall not substitute his or her judgment for that of
5 the Board as to the weight of the evidence on questions of fact. The appellate
6 officer may affirm the decision, or may reverse and remand the matter with
7 recommendations if substantial rights of the appellant have been prejudiced
8 because the Board’s finding, inferences, conclusions, or decisions are:

9 (1) in violation of constitutional or statutory provisions;

10 (2) in excess of the statutory authority of the Board;

11 (3) made upon unlawful procedure;

12 (4) affected by other error of law;

13 (5) clearly erroneous in view of the evidence on the record as a whole;

14 (6) arbitrary or capricious; or

15 (7) characterized by abuse of discretion or clearly unwarranted exercise
16 of discretion.

17 (c) A party aggrieved by a decision of the appellate officer may appeal to
18 the Supreme Court, which shall review the matter on the basis of the records
19 created before the Board.

20 (d) The Board shall have the authority to contract for the services of an
21 appellate officer.

1 Sec. 3. IMPLEMENTATION OF THE CANNABIS CONTROL BOARD

2 (a) The Cannabis Control Board, created in Sec. 2 of this act, is established
3 on July 1, 2020.

4 (b) Members of the Board shall be appointed on or before
5 September 1, 2020 and terms of members shall officially begin on such date.

6 (c)(1) In order to stagger the terms of the members of the Board, the initial
7 terms of those members shall be as follows:

8 (A) the Chair shall serve for a three-year term;

9 (B) two members shall serve for a two-year term; and

10 (C) two members shall serve for a one-year term.

11 (2) After the expiration of the initial terms set forth in subdivision (1) of
12 this subsection, Board member terms shall be as set forth in 7 V.S.A. § 843.

13 Sec. 4. IMPLEMENTATION OF RULEMAKING BY THE CANNABIS
14 CONTROL BOARD

15 On or before March 1, 2021 the Cannabis Control Board shall initiate
16 rulemaking for cannabis establishments pursuant to chapter 33 of this title as
17 provided in Sec. 7 of this act.

18 Sec. 5. CANNABIS CONTROL BOARD REPORT TO THE GENERAL
19 ASSEMBLY; PROPOSAL FOR POSITIONS, FEES, AND
20 APPROPRIATIONS FOR FISCAL YEARS 2022 AND 2023; LAND
21 USE, ENVIRONMENTAL, ENERGY, AND EFFICIENCY

1 REQUIREMENTS OR STANDARDS; OUTREACH, TRAINING,
2 AND EMPLOYMENT PROGRAMS; ONLINE ORDERING AND
3 DELIVERY; ADDITIONAL TYPES OF LICENSES

4 (a) On or before January 15, 2021, the Executive Director of the Cannabis
5 Control Board shall provide recommendations to the General Assembly on the
6 following:

7 (1) Resources necessary for implementation of this act for fiscal years
8 2022 and 2023, including positions and funding. The Board shall consider
9 utilization of current expertise and resources within State government and
10 cooperation with other State departments and agencies where there may be an
11 overlap in duties.

12 (2) Fees to be charged and collected in accordance with the Board's
13 authority pursuant to 7 V.S.A. § 847. The recommendations shall be
14 accompanied by information justifying the recommended rate as required by
15 32 V.S.A. § 605(d). The fees submitted in accordance with this subdivision
16 are projected, at a minimum, to equal the cost of application and license fees
17 for marijuana establishments in the Commonwealth of Massachusetts that are
18 collected by the Cannabis Control Commission. The Board may recommend
19 fees that are lower or higher, provided they are designed to provide sufficient
20 funding to meet the duties of the Cannabis Control Board as provided in 7
21 V.S.A. § 843).

1 (A) Application fees, initial annual license fees, and annual license
2 renewal fees for each type of cannabis establishment license as provided in
3 7 V.S.A. § 910: cultivator, product manufacturer, wholesaler, retailer, testing
4 laboratory, and integrated. If the Board establishes tiers within a licensing
5 category, it shall provide a fee recommendation for each tier.

6 (B) Fee for a cannabis establishment identification card as provided
7 in 7 V.S.A. § 884.

8 (C) Fee for advertisement review for a cannabis establishment
9 licensee as provided in 7 V.S.A. § 865.

10 (3) Whether monies expected to be generated by fees identified in
11 subdivision (2) of this subsection are sufficient to support the statutory duties
12 of the Board and whether any portion of the tax established pursuant to 32
13 V.S.A. § 7901 should be allocated to the Cannabis Regulation Fund to ensure
14 these duties are met.

15 (4) Whether monies collected pursuant to a local option tax should be
16 shared with municipalities that host a cannabis establishment that is not a
17 licensed retailer or integrated licensee and, if so, a recommended formula for
18 sharing the revenue.

19 (b) On or before January 15, 2021, the Executive Director of the Cannabis
20 Control Board, after consultation with the Secretary of Natural Resources, the
21 Chair of the Natural Resources Board, and the Secretary of Agriculture, Food

1 and Markets, shall recommend to the General Assembly exemptions, specific
2 criteria, or additional requirements under applicable State or local
3 environmental or land use law for cannabis establishments in the State. The
4 recommendations shall address whether additional groundwater quality
5 requirements or regulations are required for the cultivation of cannabis in order
6 to protect the groundwater resources of the State from overuse. The Executive
7 Director may provide the recommendations based on a tier, type, or category
8 of cannabis cultivation or cannabis establishment;

9 (c) On or before January 15, 2021, the Executive Director of the Cannabis
10 Control Board, after consultation with the Commissioner of Public Service and
11 the Chair of the Public Utility Commission, shall recommend to the General
12 Assembly energy or efficiency requirements or standards for the operation of
13 cannabis establishments in the State. The recommendations shall include:

14 (1) recommended building energy standards for cannabis establishment
15 if different from existing commercial building standards;

16 (2) recommended energy audits for cannabis establishments, including
17 the recommended frequency of audits and who should perform the audits; and

18 (3) energy efficiency and conservation measures applicable to cannabis
19 establishments.

20 (d) In making the recommendations required under subsections (b) and (c)
21 of this section, the Executive Director of the Cannabis Control Board shall

1 recommend the permits, licenses, or standards that a licensed cannabis
2 cultivator or cannabis product manufacturer shall demonstrate, as a condition
3 of licensure, or as a condition for licensure renewal if such standards are not
4 established prior to initial licensure.

5 (e) On or before March 1, 2021, the Executive Director of the Cannabis
6 Control Board shall submit to the General Assembly the Board's
7 recommendation whether licensed cannabis product manufacturers should be
8 considered a food manufacturing establishment or food processor pursuant to
9 18 V.S.A. § 4301(7) for the purpose of licensing and regulation by the
10 Department of Health.

11 (f) On or before November 15, 2021, the Executive Director of the
12 Cannabis Control Board shall submit to the General Assembly:

13 (1) a proposal to work with the Department of Labor, Agency of
14 Commerce and Community Development, and the Department of Corrections
15 to develop outreach, training, and employment programs focused on providing
16 economic opportunities to individuals who historically have been
17 disproportionately impacted by cannabis prohibition;

18 (2) a summary of the experience of other jurisdictions with regulated
19 cannabis markets that allow licensed retail cannabis establishments to accept
20 online ordering for in-store pick-up of items and to deliver to customers and
21 the advantages and disadvantages of allowing such services in Vermont;

1 (3) recommendations as to whether the General Assembly should
2 consider adding additional types of cannabis licenses, including a craft
3 cooperative license, delivery license, or special event license;

4 (4) recommendations as to whether cannabis and cannabis products
5 should have a minimum amount of cannabidiol to aid in the prevention of the
6 cannabis-induced psychosis that occurs in some users of cannabis and cannabis
7 products; and

8 (5) recommendations regarding the display and sale of cannabis-related
9 paraphernalia that is sold by persons who are not licensed as a cannabis
10 establishment or a dispensary.

11 Sec. 6. CANNABIS CONTROL BOARD; POSITIONS

12 The following new permanent positions are created in the Cannabis Control
13 Board:

14 (1) five full-time, exempt members of the Board;

15 (2) one full-time, exempt Executive Director of the Board; and

16 (3) one full-time, classified Administrative Assistant.

17 Sec. 6a. BUILDINGS AND GENERAL SERVICES; SPACE ALLOCATION

18 The Commissioner of Buildings and General Services shall allocate space
19 for the Cannabis Control Board established in Sec. 2 of this act. This space
20 shall be allocated on or before September 1, 2020.

1 Sec. 6b. APPROPRIATION

2 In fiscal year 2021, \$810,000.00 is appropriated from the Cannabis
3 Regulation Fund to the Cannabis Control Board. This appropriation is made in
4 anticipation of receipts in the Fund.

5 Sec. 6c. CONTINGENT CANNABIS REGULATION FUND DEFICIT

6 OFFSET

7 To the extent that the Cannabis Regulation Fund has a negative balance at
8 the close of the fiscal year 2022, proceeds in that amount from the tax
9 established in 32 V.S.A. § 7901 in fiscal year 2023 shall be deposited into the
10 Cannabis Regulation Fund.

11 Sec. 6d. AUDITOR OF ACCOUNTS REPORT

12 On or before November 15, 2023, the Auditor of Accounts shall report to
13 the General Assembly regarding the organizational structure and membership
14 of the Cannabis Control Board and whether the structure continues to be the
15 most efficient for carrying out the statutory duties of the Board.

16 * * * Cannabis Establishments * * *

17 Sec. 7. 7 V.S.A. chapter 33 is added to read:

18 CHAPTER 33. CANNABIS ESTABLISHMENTS

19 Subchapter 1. General Provisions

20 § 861. DEFINITIONS

21 As used in this chapter:

1 (1) “Advertise” means the publication or dissemination of an
2 advertisement.

3 (2) “Advertisement” means any written or verbal statement, illustration,
4 or depiction that is calculated to induce sales of cannabis or cannabis products,
5 including any written, printed, graphic, or other material, billboard, sign, or
6 other outdoor display, other periodical literature, publication, or in a radio or
7 television broadcast, the Internet, or in any other media. The term does not
8 include:

9 (A) any label affixed to any cannabis or cannabis product, or any
10 individual covering, carton, or other wrapper of that container that constitutes a
11 part of the labeling under provisions of these standards;

12 (B) any editorial or other reading material, such as a news release, in
13 any periodical or publication or newspaper for the publication of which no
14 money or valuable consideration is paid or promised, directly or indirectly, by
15 any cannabis establishment, and that is not written by or at the direction of the
16 licensee;

17 (C) any educational, instructional, or otherwise noncommercial
18 material that is not intended to induce sales and that does not propose an
19 economic transaction, but that merely provides information to the public in an
20 unbiased manner; or

1 (D) a sign attached to the premises of a cannabis establishment that
2 merely identifies the location of the cannabis establishment.

3 (3) “Affiliate” means a person that directly or indirectly owns or
4 controls, is owned or controlled by, or is under common ownership or control
5 with another person.

6 (4) “Applicant” means a person that applies for a license to operate a
7 cannabis establishment pursuant to this chapter.

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

9 (6) “Cannabis” shall have the same meaning as provided in section 831
10 of this title.

11 (7) “Cannabis cultivator” or “cultivator” means a person licensed by the
12 Board to engage in the cultivation of cannabis in accordance with this chapter.

13 (8) “Cannabis establishment” means a cannabis cultivator, wholesaler,
14 product manufacturer, retailer, or testing laboratory licensed by the Board to
15 engage in commercial cannabis activity in accordance with this chapter.

16 (9) “Cannabis product” shall have the same meaning as provided in
17 section 831 of this title.

18 (10) “Cannabis product manufacturer” or “product manufacturer” means
19 a person licensed by the Board to manufacture cannabis products in accordance
20 with this chapter.

1 (11) “Cannabis retailer” or “retailer” means a person licensed by the
2 Board to sell cannabis and cannabis products to adults 21 years of age and
3 older for off-site consumption in accordance with this chapter.

4 (12) “Cannabis testing laboratory” or “testing laboratory” means a
5 person licensed by the Board to test cannabis and cannabis products in
6 accordance with this chapter.

7 (13) “Cannabis wholesaler” or “wholesaler” means a person licensed by
8 the Board to purchase, process, transport, and sell cannabis and cannabis
9 products in accordance with this chapter.

10 (14) “Chair” means the Chair of the Cannabis Control Board.

11 (15) “Characterizing flavor” means a taste or aroma, other than the taste
12 or aroma of cannabis, imparted either prior to or during consumption of a
13 cannabis product. The term includes tastes or aromas relating to any fruit,
14 chocolate, vanilla, honey, maple, candy, cocoa, dessert, alcoholic beverage,
15 mint, menthol, wintergreen, herb or spice, or other food or drink, or to any
16 conceptual flavor that imparts a taste or aroma that is distinguishable from
17 cannabis flavor but may not relate to any particular known flavor.

18 (16) “Child-resistant packaging” means packaging that is designed or
19 constructed to be significantly difficult for children under five years of age to
20 open or obtain a toxic or harmful amount of the substance in the container
21 within a reasonable time and not difficult for normal adults to use properly, but

1 does not mean packaging that all children under five years of age cannot open
2 or obtain a toxic or harmful amount of the substance in the container within a
3 reasonable time.

4 (17) “Controls,” “is controlled by,” and “under common control” mean
5 the power to direct, or cause the direction or management and policies of a
6 person, whether through the direct or beneficial ownership of voting securities,
7 by contract, or otherwise. A person who directly or beneficially owns
8 10 percent or more equity interest, or the equivalent thereof, of another person
9 shall be deemed to control the person.

10 (18) “Dispensary” means a business organization licensed pursuant to
11 18 V.S.A. chapter 86.

12 (19) “Enclosed, locked facility” means a building, room, greenhouse,
13 outdoor fenced-in area, or other location that is enclosed on all sides and
14 prevents cannabis from easily being viewed by the public. The facility shall be
15 equipped with locks or other security devices that permit access only by:

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

18 (B) Government employees performing their official duties.

19 (C) Contractors performing labor that does not include cannabis
20 cultivation, packaging, or processing. Contractors shall be accompanied by an

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

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

7 (20) “Flavored oil cannabis product” means any oil cannabis product
8 that contains an additive to give it a characterizing flavor. “Characterizing
9 flavor” means a taste or aroma, other than the taste or aroma of cannabis,
10 imparted either prior to or during consumption of a cannabis product. The
11 term includes tastes or aromas relating to any fruit, chocolate, vanilla, honey,
12 maple, candy, cocoa, dessert, alcoholic beverage, mint, menthol, wintergreen,
13 herb or spice, or other food or drink, or to any conceptual flavor that imparts a
14 taste or aroma that is distinguishable from cannabis flavor but may not relate to
15 any particular known flavor.

16 (21) “Integrated licensee” means a person licensed by the Board to
17 engage in the activities of a cultivator, wholesaler, product manufacturer,
18 retailer, and testing laboratory in accordance with this chapter.

19 (22) “Municipality” means a town, city, or incorporated village.

20 (23) “Person” shall include any natural person; corporation;
21 municipality; the State of Vermont or any department, agency, or subdivision

1 of the State; and any partnership, unincorporated association, or other legal
2 entity.

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

6 (25) “Principal” means an individual vested with the authority to
7 conduct, manage, or supervise the business affairs of a person, and may
8 include the president, vice president, secretary, treasurer, manager, or similar
9 executive officer of a business; a director of a corporation, nonprofit
10 corporation, or mutual benefit enterprise; a member of a nonprofit corporation,
11 cooperative, or member-managed limited liability company; and a partner of a
12 partnership.

13 § 862. NOT APPLICABLE TO HEMP OR MEDICAL USE OF

14 CANNABIS

15 This chapter applies to the regulation of cannabis establishments by the
16 Board and shall not apply to activities regulated by 6 V.S.A. chapter 34 (hemp)
17 or 18 V.S.A. chapter 86 (therapeutic use of cannabis).

18 § 863. REGULATION BY LOCAL GOVERNMENT

19 (a)(1) Prior to a cannabis retailer operating within a municipality, the
20 municipality shall affirmatively permit the operation of such retailers by

1 majority vote of those present and voting by Australian ballot at an annual or
2 special meeting warned for that purpose.

3 (2) A vote to permit the operation of a licensed cannabis retailer within
4 the municipality shall remain in effect until rescinded by majority vote of those
5 present and voting by Australian ballot at a subsequent annual or special
6 meeting warned for that purpose. A rescission of the permission to operate a
7 licensed cannabis retailer within the municipality under this subdivision shall
8 not apply to a licensed cannabis retailer that is operating within the
9 municipality at the time of the vote.

10 (b) A municipality that hosts a cannabis establishment may establish a
11 cannabis control commission composed of commissioners who may be
12 members of the municipal legislative body. The local cannabis control
13 commission may issue and administer local control licenses under this
14 subsection for cannabis establishments within the municipality. The
15 commissioners may condition the issuance of a local control license upon
16 compliance with any bylaw adopted pursuant to 24 V.S.A. § 4414 or
17 ordinances regulating signs or public nuisances adopted pursuant to 24 V.S.A.
18 § 2291. The commission may suspend or revoke a local control license for a
19 violation of any condition placed upon the license. The Board shall adopt rules
20 relating to a municipality's issuance of a local control license in accordance
21 with this subsection and the local commissioners shall administer the rules

1 furnished to them by the Board as necessary to carry out the purposes of this
2 section.

3 (c) Prior to issuing a license to a cannabis establishment under this chapter,
4 the Board shall ensure that the applicant has obtained a local control license
5 from the municipality, if required.

6 (d) A municipality shall not:

7 (1) prohibit the operation of a cannabis establishment within the
8 municipality through an ordinance adopted pursuant to 24 V.S.A. § 2291 or a
9 bylaw adopted pursuant to 24 V.S.A. § 4414;

10 (2) condition the operation of a cannabis establishment, or the issuance
11 or renewal of a municipal permit to operate a cannabis establishment, on any
12 basis other than the conditions in subsection (b) of this section; and

13 (3) exceed the authority granted to it by law to regulate a cannabis
14 establishment.

15 § 864. ADVERTISING

16 (a) “Advertise” and “advertisement” have the same meaning as in section
17 831 of this title.

18 (b) A cannabis establishment advertisement shall not contain any statement
19 or illustration that:

20 (1) is deceptive, false or misleading;

21 (2) promotes overconsumption;

1 (3) represents that the use of cannabis has curative effects;

2 (4) offers a prize, award, or inducement for purchasing cannabis or a
3 cannabis product, except that price discounts are allowed;

4 (5) offers free samples of cannabis or cannabis products;

5 (6) depicts a person under 21 years of age consuming cannabis or
6 cannabis products; or

7 (7) is designed to be or has the effect of being particularly appealing to
8 persons under 21 years of age.

9 (c) Cannabis establishments shall not advertise their products via any
10 medium unless the licensee can show that not more than 15 percent of the
11 audience is reasonably expected to be under 21 years of age.

12 (d) All advertisements shall contain health warnings adopted by rule by the
13 Board in consultation with the Department of Health.

14 (e) All advertisements shall be submitted to the Board on a form or in a
15 format prescribed by the Board, prior to the dissemination of the
16 advertisement. The Board may:

17 (1) require a specific disclosure be made in the advertisement in a clear
18 and conspicuous manner if the Board determines that the advertisement would
19 be false or misleading without such a disclosure; or

1 (2) require changes that are necessary to protect the public health,
2 safety, and welfare or consistent with dispensing information for the product
3 under review.

4 (f) The Board may charge and collect fees for review of advertisements.

5 § 865. EDUCATION

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

10 (b) A licensee shall ensure that each employee involved in the sale of
11 cannabis or cannabis products to the public completes a training program
12 approved by the Board prior to selling cannabis or cannabis products and at
13 least once every 24 months thereafter. The training shall include information
14 about the health effects of the use of cannabis and cannabis products. A
15 licensee shall keep a written record of the type and date of training for each
16 employee, which shall be signed by each employee. A licensee may comply
17 with this requirement by conducting its own training program on its premises,
18 using information and materials furnished by the Board. A licensee who fails

1 to comply with the requirements of this section shall be subject to a suspension
2 of not less than one day of the license issued under this chapter.

3 § 866. YOUTH

4 (a) A cannabis establishment licensed pursuant to this chapter shall not
5 dispense or sell cannabis to a person under 21 years of age or employ a person
6 under 21 years of age. The Board may assess civil penalties against or suspend
7 or revoke the license of a cannabis establishment that dispenses or sells
8 cannabis or cannabis products to a person under 21 years of age.

9 (b) A cannabis establishment shall not permit a person under 21 years of
10 age to enter a building or enclosure on the premises where cannabis is located.
11 This subsection shall not apply to a registered patient visiting a dispensary
12 even if that dispensary is located in a building that is located on the same
13 premises of a cannabis establishment.

14 (c) In accordance with section 864 of this title, advertising by a cannabis
15 establishment shall not depict a person under 21 years of age consuming
16 cannabis or cannabis products or be designed to be or has the effect of being
17 particularly appealing to persons under 21 years of age. Cannabis
18 establishments shall not advertise their products via any medium unless the

1 licensee can show that not more than 15 percent of the audience is reasonably
2 expected to be under 21 years of age.

3 (d) The Board, in consultation with the Department of Health, shall adopt
4 rules in accordance with section 881 of this title to:

5 (1) prohibit cannabis products or the packaging of such products that are
6 designed to make the product more appealing to persons under 21 years of age;

7 (2) prohibit the packaging of cannabis that is designed to make the
8 product more appealing to persons under 21 years of age;

9 (3) require that cannabis products sold by licensed retailers and
10 integrated licensees are contained in child-resistant packaging; and

11 (4) require that cannabis and cannabis products sold by licensed retailers
12 and integrated licensees are packaged with labels that clearly indicate that the
13 contents of the package contains cannabis and should be kept away from
14 persons under 21 years of age.

15 § 867. STANDARD SYMBOL FOR CANNABIS

16 The Board shall create a standard symbol that shall be used on all
17 cannabis and cannabis products sold by a licensed cannabis retailer to indicate
18 that the contents of a package contains cannabis.

1 § 868. PROHIBITED PRODUCTS

2 (a) The following are prohibited products and may not be cultivated,
3 produced or sold pursuant to a license issued under this chapter:

4 (1) cannabis flower with greater than 30 percent tetrahydrocannabinol;

5 (2) solid concentrate cannabis products with greater than 60 percent
6 tetrahydrocannabinol;

7 (3) oil cannabis products except for those that are sold prepackaged for
8 use with battery-powered devices;

9 (4) flavored oil cannabis products sold prepackaged for use with battery-
10 powered devices and any cannabis flower that contains characterizing flavor
11 that is not naturally occurring in the cannabis;

12 (5) cannabis products that contain delta-9 tetrahydrocannabinol and
13 nicotine or alcoholic beverages;

14 (6) any cannabis or cannabis products that are designed to make the
15 product more appealing to persons under 21 years of age.

16 § 869. CULTIVATION OF CANNABIS; ENVIRONMENTAL AND LAND

17 USE STANDARDS

18 (a) A cannabis establishment shall not be regulated as “farming” under the
19 Required Agricultural Practices, 6 V.S.A. chapter 215, or other State law, and
20 cannabis produced from cultivation shall not be considered an agricultural

1 product or agricultural crop for the purposes of 32 V.S.A. chapter 124, 32
2 V.S.A. § 9741, or other relevant State law.

3 (b) The cultivation, processing, and manufacturing of cannabis regulated
4 under this chapter shall comply with all applicable State, federal, and local
5 environmental, energy, or public health law, unless otherwise provided under
6 this chapter or rules adopted under this chapter.

7 (c) A cannabis establishment regulated under this chapter shall be subject
8 to regulation under 24 V.S.A. chapter 117 as authorized by this chapter.

9 (d)(1) The cultivation, processing, and manufacturing of cannabis regulated
10 under this chapter shall comply with the following sections of the Required
11 Agricultural Practices:

12 (A) section 6, regarding conditions, restriction, and operating
13 standards;

14 (B) section 8, regarding groundwater quality and groundwater quality
15 investigations; and

16 (C) section 12, regarding subsurface tile drainage.

17 (2) Application of or compliance with the Required Agricultural
18 Practices under subdivision (1) of this subsection shall not be construed to
19 provide a presumption of compliance with or exemption to any applicable
20 State, federal, and local environmental, energy, public health, or land use law
21 required under subsections (b) and (c) of this section.

1 Subchapter 2. Administration

2 § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

3 (a) The Board shall adopt rules to implement and administer this chapter in
4 accordance with subdivisions (1)–(7) of this subsection.

5 (1) Rules concerning any cannabis establishment shall include:

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

7 (B) qualifications for licensure that are directly and demonstrably
8 related to the operation of a cannabis establishment, including:

9 (i) a requirement to submit an operating plan, which shall include
10 information concerning:

11 (I) the type of business organization; the identity of its
12 controlling owners and principals; and the identity of the controlling owners
13 and principals of its affiliates; and

14 (II) the sources, amount, and nature of its capital, assets, and
15 financing; the identity of its financiers; and the identity of the controlling
16 owners and principals of its financiers;

17 (ii) a requirement to file an amendment to its operating plan in the
18 event of a significant change in organization, operation, or financing; and

19 (iii) the requirement for a fingerprint-based criminal history record
20 check and regulatory record check pursuant to section 883 of this title;

1 (C) oversight requirements, including provisions to ensure that a
2 licensed establishment complies with State and federal regulatory requirements
3 governing insurance, securities, workers' compensation, unemployment
4 insurance, and occupational health and safety;

5 (D) inspection requirements;

6 (E) records to be kept by licensees and the required availability of the
7 records;

8 (F) employment and training requirements;

9 (G) security requirements, including any appropriate lighting,
10 physical security, video, and alarm requirements;

11 (H) restrictions on advertising, marketing, and signage;

12 (I) health and safety requirements;

13 (J) regulation of additives to cannabis and cannabis products,
14 including those that are toxic or designed to make the product more addictive,
15 more appealing to persons under 21 years of age, or to mislead consumers;

16 (K) procedures for seed-to-sale traceability of cannabis, including
17 any requirements for tracking software;

18 (L) regulation of the storage and transportation of cannabis;

19 (M) sanitary requirements;

- 1 (N) procedures for the renewal of a license, which shall allow
2 renewal applications to be submitted up to 90 days prior to the expiration of
3 the cannabis establishment’s license;
- 4 (O) procedures for suspension and revocation of a license;
- 5 (P) requirements for banking and financial transactions, including
6 provisions to ensure that the Board, the Department of Financial Regulation,
7 and financial institutions have access to relevant information concerning
8 licensed establishments to comply with State and federal regulatory
9 requirements;
- 10 (Q) disclosure or eligibility requirements for a financier, its owners
11 and principals, and its affiliates, which may include:
- 12 (i) requirements to disclose information to a licensed
13 establishment, the Board, or the Department of Financial Regulation;
- 14 (ii) a minimum age requirement and a requirement to conduct a
15 background check for natural persons;
- 16 (iii) requirements to ensure that a financier complies with
17 applicable State and federal laws governing financial institutions, licensed
18 lenders, and other financial service providers; and
- 19 (iv) any other requirements, conditions, or limitations on the type
20 or amount of loans or capital investments made by a financier or its affiliates,
21 which the Board, in consultation with the Department of Financial Regulation,

1 determines is necessary to protect the public health, safety, and general
2 welfare; and

3 (R) policies and procedures for conducting outreach and promoting
4 participation in the regulated cannabis market by diverse groups of individuals,
5 including those who have been disproportionately harmed by cannabis
6 prohibition.

7 (2)(A) Rules concerning cultivators shall include:

8 (i) creation of a tiered system of licensing based on the plant
9 canopy size of the cultivation operation or plant count for breeding stock;

10 (ii) pesticides or classes of pesticides that may not be used by
11 cultivators;

12 (iii) standards for indoor cultivation of cannabis, including
13 environmental protection requirements and standards for outdoor cultivation
14 of cannabis that are in addition to those adopted by the AAFM;

15 (iv) procedures and standards for testing cannabis for
16 contaminants, potency, and quality assurance and control;

17 (v) labeling requirements for cannabis sold to retailers and
18 integrated licensee that include health warnings developed in consultation with
19 the Department of Health;

1 (vi) regulation of visits to the establishments, including the
2 number of visitors allowed at any one time and record keeping concerning
3 visitors; and

4 (vii) facility inspection requirements and procedures.

5 (B) The Board shall consider the different needs and risks of small
6 cultivators when adopting rules and shall make an exception or
7 accommodation to such rules for cultivators of this size where appropriate.

8 (3) Rules concerning product manufacturers shall include:

9 (A) requirements that a single package of a cannabis product shall
10 not contain more than 100 milligrams of THC, except in the case of:

11 (i) cannabis products that are not consumable, including topical
12 preparations; and

13 (ii) cannabis products sold to a dispensary pursuant to 18 V.S.A.
14 chapter 86 and regulations issued pursuant to that chapter;

15 (B) requirements that cannabis products are labeled in a manner that
16 states the number of servings of tetrahydrocannabinol in the product, measured
17 in servings of a maximum of 5 milligrams per serving, except:

18 (i) cannabis products that are not consumable, including topical
19 preparations; and

20 (ii) cannabis products sold to a dispensary pursuant to 18 V.S.A.
21 chapter 86 and regulations issued pursuant to that chapter;

1 (C) requirements that cannabis products are labeled with a date the
2 product was manufactured, the date the product is best used by, the ingredients
3 contained in the product, information on the length of time it typically takes for
4 products to take effect and health warnings developed in consultation with the
5 Department of Health;

6 (D) requirements that a cannabis product is clearly identifiable
7 with a standard symbol adopted by the Board indicating that it contains
8 cannabis;

9 (E) procedures and standards for testing cannabis products for
10 contaminants, potency, and quality assurance and control;

11 (F) requirements for opaque, child-resistant packaging; and

12 (G) a prohibition on:

13 (i) products or packaging that are designed to make the product
14 more appealing to persons under 21 years of age; and

15 (ii) the inclusion of nicotine or alcoholic beverages in a cannabis
16 product.

17 (4) Rules concerning wholesalers shall include any provisions the Board
18 has not addressed in subdivision (a)(1) of this section that are appropriate for
19 safe regulation of wholesalers in accordance with this chapter.

20 (5) Rules concerning retailers shall include:

21 (A) requirements for proper verification of age of customers;

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

3 (C) requirements that if the retailer sells hemp or hemp products, the
4 hemp and hemp products are clearly labeled as such and displayed separately
5 from cannabis and cannabis products;

6 (D) requirements for opaque, child-resistant packaging of cannabis
7 and cannabis products at point of sale to customer; and

8 (E) facility inspection requirements and procedures.

9 (6) Rules concerning testing laboratories shall include:

10 (A) procedures and standards for testing cannabis and cannabis
11 products for contaminants, potency, and quality assurance and control;

12 (B) reporting requirements, including requirements for chain-of-
13 custody record keeping; and

14 (C) procedures for destruction of all cannabis and cannabis products
15 samples.

16 (7) Rules concerning integrated licensees shall include the provisions
17 provided in subdivisions (a)(1)–(6) of this section and any additional
18 provisions the Board deems appropriate for safe regulation of integrated
19 licensees in accordance with this chapter.

1 (b) The Board shall consult with other State agencies and departments as
2 necessary in the development and adoption of rules where there is shared
3 expertise and duties.

4 § 882. SUSPENSION AND REVOCATION OF LICENSES; CIVIL

5 PENALTIES

6 (a) The Board shall have the authority to suspend or revoke a cannabis
7 establishment license for violations of this chapter in accordance with rules
8 adopted pursuant to this chapter.

9 (b) The Board shall have authority to issue civil citations for violations of
10 this chapter in accordance with rules adopted pursuant to this chapter. Any
11 proposed rule under this section shall include the full, minimum, and waiver
12 penalty amounts for each violation.

13 § 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

14 (a) The Board shall obtain from the Vermont Crime Information Center a
15 copy of a license applicant's fingerprint-based Vermont criminal history
16 records, out-of-state criminal history records, and criminal history records from
17 the Federal Bureau of Investigation.

18 (b) The Board shall adopt rules that set forth standards for determining
19 whether an applicant should be denied a cannabis establishment license
20 because of his or her criminal history record based on factors that demonstrate
21 whether the applicant presently poses a threat to public safety or the proper

1 functioning of the regulated market. Nonviolent drug offenses shall not
2 automatically disqualify an applicant.

3 § 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

4 (a) Every owner, principal, and employee of a cannabis establishment shall
5 obtain an identification card issued by the Board.

6 (b)(1) Prior to issuing the identification card, the Board shall obtain from
7 the Vermont Crime Information Center a copy of the person's Vermont
8 fingerprint-based criminal history records, out-of-state criminal history
9 records, and criminal history records from the Federal Bureau of Investigation.

10 (2) The Board shall adopt rules that set forth standards for determining
11 whether a person should be denied a cannabis establishment identification card
12 because of his or her criminal history record based on factors that demonstrate
13 whether the applicant presently poses a threat to public safety or the proper
14 functioning of the regulated market. Nonviolent drug offenses shall not
15 automatically disqualify an applicant.

16 (c) Once an identification card application has been submitted, a person
17 may serve as an employee of a cannabis establishment pending the background
18 check, provided the person is supervised in his or her duties by someone who
19 is a cardholder. The Board shall issue a temporary permit to the person for this
20 purpose, which shall expire upon the issuance of the identification card or
21 disqualification of the person in accordance with this section.

1 (d) An identification card shall expire one year after its issuance or upon
2 the expiration of the cannabis establishment’s license, whichever occurs first.

3 Subchapter 3. Licenses

4 § 901. GENERAL PROVISIONS

5 (a) Except as otherwise permitted by law, a person shall not engage in the
6 cultivation, preparation, processing, packaging, transportation, testing, or sale
7 of cannabis or cannabis products without obtaining a license from the Board.

8 (b) All licenses shall be valid for one year and expire at midnight on the
9 eve of the anniversary of the date the license was issued. A licensee may apply
10 to renew the license annually.

11 (c) Applications for licenses and renewals shall be submitted on forms
12 provided by the Board and shall be accompanied by the fees provided for in
13 section 909 of this title.

14 (d)(1) There shall be six types of licenses available:

15 (A) a cultivator license;

16 (B) a wholesaler license;

17 (C) a product manufacturer license;

18 (D) a retailer license;

19 (E) a testing laboratory license; and

20 (F) an integrated license.

21 (2)(A) The Board shall develop tiers for:

1 (i) cultivator licenses based on the plant canopy size of the
2 cultivation operation or plant count for breeding stock.

3 (ii) retailer licenses.

4 (B) The Board may develop tiers for other types of licenses.

5 (3)(A) Except as provided in subdivision (3)(B) of this subsection (d),
6 an applicant and its affiliates may obtain a maximum of one type of each type
7 of license as provided in subdivision (d)(1)(A)–(E) of this title. Each license
8 shall permit only one location of the establishment.

9 (B) An applicant and its affiliates that are a dispensary registered
10 pursuant to 18 V.S.A. chapter 86 may obtain one integrated license provided in
11 subdivision (d)(1)(F) of this title or a maximum of one of each type of license
12 provided in subdivision (d)(1)(A)–(E) of this title. An integrated licensee may
13 not hold a separate cultivator, wholesaler, product manufacturer, retailer, or
14 testing laboratory license. An integrated license shall permit only one location
15 for each of the types of activities permitted by the license: cultivation,
16 wholesale operations, product manufacturing, retail sales, and testing.

17 (e) A dispensary that obtains a retailer license or an integrated license
18 pursuant to this chapter shall maintain the dispensary and retail operations in a
19 manner that protects patient and caregiver privacy in accordance with rules
20 adopted by the Board.

1 (f) Each licensee shall obtain and maintain commercial general liability
2 insurance in accordance with rules adopted by the Board. Failure to provide
3 proof of insurance to the Board, as required, may result in revocation of the
4 license.

5 (g) All licenses may be renewed according to procedures adopted through
6 rulemaking by the Board.

7 (h)(1) The following records shall be exempt from public inspection and
8 copying under the Public Records Act and shall be confidential:

9 (A) any record in an application for a license relating to security,
10 public safety, transportation, or trade secrets, including information provided
11 in an operating plan pursuant to subdivision 881(a)(1)(B) of this title; and

12 (B) any licensee record relating to security, public safety,
13 transportation, trade secrets, or employees.

14 (2) Notwithstanding 1 V.S.A. § 317(e), the Public Records Act
15 exemption created in this subsection shall continue in effect and shall not be
16 repealed through operation of 1 V.S.A. § 317(e).

17 § 902. LICENSE QUALIFICATIONS AND APPLICATION PROCESS

18 (a) An applicant, principal of an applicant, and person who owns or
19 controls an applicant, who is a natural person:

20 (1) shall be 21 years of age or older; and

1 (2) shall consent to the release of his or her criminal and administrative
2 history records.

3 (b) As part of the application process, each applicant shall submit, in a
4 format prescribed by the Board, an operating plan. The Board shall adopt rules
5 regarding the required components of an application for each type of license.

6 (c) The Board shall obtain a fingerprint-based Vermont criminal history
7 record, an out-of-state criminal history record, a criminal history record from
8 the Federal Bureau of Investigation, and any regulatory records relating to the
9 operation of a business in this State or any other jurisdiction for each of the
10 following who is a natural person:

11 (1) the applicant;

12 (2) each proposed principal;

13 (3) each individual who would control the business.

14 (d) An applicant who is denied a license may appeal the Board's
15 determination in accordance with **section 847** of this title.

16 § 903. PRIORITIES; BUSINESS AND TECHNICAL ASSISTANCE

17 (a) The Board shall issue licenses pursuant to this chapter as determined
18 according to a system of priorities adopted by rule by the Board. The system
19 of priorities shall require consideration of criteria, including:

20 (1) whether the applicants have an existing medical cannabis dispensary
21 license in good standing;

1 (2) whether the applicants would foster social justice and equity in the
2 cannabis industry by being a minority or women-owned business;

3 (3) whether the applicants propose specific plans to recruit, hire, and
4 implement a development ladder for minorities, women, or individuals who
5 have historically been disproportionately impacted by cannabis prohibition;

6 (4) whether applicants propose specific plans to pay employees a living
7 wage and offer benefits;

8 (5) whether the project incorporates principles of environmental
9 resiliency or sustainability, including energy efficiency; and

10 (6) the geographic distribution of cannabis establishments based on
11 population and market needs.

12 (b) The Agency of Commerce and Community Development, in
13 collaboration with the Agency of Agriculture, Food and Markets, shall provide
14 business and technical assistance to Vermont applicants with priority for
15 services based on criteria adopted by the Board in accordance with subsection

16 (a) of this section.

17 § 904. CULTIVATOR LICENSE

18 (a) A cultivator licensed under this chapter may cultivate, process, package,
19 label, transport, test, and sell cannabis to a licensed wholesaler, product
20 manufacturer, retailer, integrated licensee, and dispensary.

21 (b) Cultivation of cannabis shall occur only in an enclosed, locked facility.

1 (c) Representative samples of each lot or batch of cannabis intended for
2 human consumption shall be tested for safety and potency in accordance with
3 rules adopted by the Board.

4 (d) Each cultivator shall create packaging for its cannabis.

5 (1) Packaging shall include:

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

7 (B) The strain and variety of cannabis contained.

8 (C) The potency of the cannabis represented by the amount of
9 tetrahydrocannabinol and cannabidiol in milligrams total and per serving.

10 (D) A “produced on” date reflecting the date that the cultivator
11 finished producing the cannabis.

12 (E) Appropriate warnings as prescribed by the Board in rule.

13 (F) Any additional requirements contained in rules adopted by the
14 Board in accordance with this chapter. Rules shall take into consideration that
15 different labeling requirements may be appropriate depending on whether the
16 cannabis is sold to a wholesaler, product manufacturer, or retailer.

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

19 (e)(1) Only unadulterated cannabis shall be offered for sale. If, upon
20 inspection, the Board finds any violative pesticide residue or other

1 contaminants of concern, the Board shall order the cannabis, either
2 individually or in blocks, to be:

3 (A) put on stop-sale;

4 (B) treated in a particular manner; or

5 (C) destroyed according to the Board’s instructions.

6 (2) Cannabis ordered destroyed or placed on stop-sale shall be clearly
7 separable from salable cannabis. Any order shall be confirmed in writing
8 within seven days. The order shall include the reason for action, a description
9 of the cannabis affected, and any recommended treatment.

10 (3) A person may appeal an order issued pursuant to this section within
11 15 days after receiving the order. The appeal shall be made in writing and in
12 accordance with section 847 of this title and shall clearly identify the cannabis
13 affected and the basis for the appeal.

14 § 904a. SMALL CULTIVATORS

15 (a) It is the intent of the General Assembly to move as much of the illegal
16 cannabis market as possible into the regulated market for the purposes of
17 consumer protection and public safety. It is also the intent of the General
18 Assembly to encourage participation in the regulated cannabis market by
19 small, local farmers. In furtherance of these goals, the Board shall consider
20 policies to promote small cultivators. As used in this section, “small
21 cultivator” means a cultivator of not more than 500 square feet.

1 (b) During the initial application period for cultivator licenses, the
2 Board shall prioritize licenses for small cultivators.

3 (c) In accordance with subdivision 881(a)(2)(B) of this chapter, the Board
4 shall consider the different needs and risks of small cultivators when adopting
5 rules and shall make an exception or accommodation to such rules for
6 cultivators of this size where appropriate.

7 (d) Upon licensing, a small cultivator may sell cannabis to a licensed
8 dispensary at any time, for sale to patients and caregivers pursuant to the
9 dispensary license or to the public pursuant to an integrated license, including
10 the time period before retail sales are permitted for licensed cannabis retailers.

11 § 905. WHOLESALER LICENSE

12 A wholesaler licensed under this chapter may:

13 (1) purchase cannabis from a licensed cultivator and integrated licensee,
14 and cannabis products from a licensed product manufacturer, integrated
15 licensee, and dispensary; and

16 (2) transport, process, package, and sell cannabis and cannabis products
17 to a licensed product manufacturer, retailer, integrated licensee, and
18 dispensary.

19 § 906. PRODUCT MANUFACTURER LICENSE

20 A product manufacturer licensed under this chapter may:

1 (1) purchase cannabis from a licensed cultivator, wholesalers, or
2 integrated licensee, and cannabis products from a licensed wholesaler, product
3 manufacturer, integrated licensee, and dispensary;

4 (2) use cannabis and cannabis products to produce cannabis products;
5 and

6 (3) transport, process, package, and sell cannabis products to a licensed
7 wholesaler, product manufacturer, retailer, integrated licensee, and dispensary.

8 § 907. RETAILER LICENSE

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

10 (1) purchase cannabis from a licensed cultivator, wholesaler, or
11 integrated licensee, and cannabis products from a licensed wholesaler, product
12 manufacturer, integrated licensee, and dispensary; and

13 (2) transport, possess, and sell cannabis and cannabis products to the
14 public for consumption off the registered premises.

15 (b) In a single transaction, a retailer may provide one ounce of cannabis or
16 the equivalent in cannabis products, or a combination thereof, to a person 21
17 years of age or older upon verification of a valid government-issued
18 photograph identification card.

19 (c)(1) Packaging shall include:

20 (A) The strain and variety of cannabis contained.

1 (B) The potency of the cannabis represented by the amount of
2 tetrahydrocannabinol and cannabidiol in milligrams total and per serving.

3 (C) A “produced on” date reflecting the date that the cultivator
4 finished producing the cannabis.

5 (D) Appropriate warnings as prescribed by the Board in rule.

6 (E) Any additional requirements contained in rules adopted by the
7 Board in accordance with this chapter.

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

10 (d) A retailer shall display a safety information flyer at the point of
11 purchase and offer a customer a copy of the flyer with each purchase. A
12 retailer shall inform the customer that if the customer elects not to receive the
13 flyer, the information contained in the flyer is available on the website for the
14 Board. The flyer shall be developed by the Board in consultation with the
15 Department of Health, posted on the Board’s website, and supplied to the
16 retailer free of charge. At a minimum, the flyer or flyers shall contain
17 information concerning the methods for administering cannabis, the amount of
18 time it may take for cannabis products to take effect, the risks of driving under
19 the influence of cannabis, the potential health risks of cannabis use, the
20 symptoms of problematic usage, how to receive help for cannabis abuse, and a
21 warning that cannabis possession is illegal under federal law.

1 (e) Internet ordering and delivery of cannabis to customers are prohibited.

2 § 908. TESTING LABORATORY LICENSE

3 (a) A testing laboratory licensed under this chapter may acquire, possess,
4 analyze, test, and transport cannabis and cannabis products obtained from a
5 licensed cannabis establishment, dispensary, or a member of the public.

6 (b) Testing may address the following:

7 (1) residual solvents;

8 (2) poisons or toxins;

9 (3) harmful chemicals;

10 (4) dangerous molds, mildew, or filth;

11 (5) harmful microbials, such as E. coli or salmonella;

12 (6) pesticides; and

13 (7) tetrahydrocannabinol and cannabidiol potency.

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

18 (d) In accordance with rules adopted pursuant to this chapter, a testing
19 laboratory shall establish a protocol for recording the chain of custody of all
20 cannabis samples.

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

4 (f) A cannabis establishment that is subject to testing requirements under
5 this chapter or rules adopted pursuant to this chapter shall have its cannabis or
6 cannabis products tested by an independent licensed testing laboratory and not
7 a licensed testing laboratory owned or controlled by the license holder of the
8 cannabis establishment.

9 § 909. INTEGRATED LICENSE

10 (a) An integrated license shall allow the licensee to engage in the activities
11 of a cultivator, wholesaler, product manufacturer, retailer, and testing
12 laboratory as provided in sections 904–908 of this title.

13 (b) An integrated license is only available to an applicant and its affiliates
14 that hold a dispensary registration pursuant 18 V.S.A. chapter 86 on July 1,
15 2021. There shall be nor more than five total integrated licenses, one for each
16 registered dispensary. Upon compliance with all application procedures and
17 requirements, the Board shall issue an integrated license to the applicant. The

1 licensee shall have the right to renew the license in accordance with rules
2 adopted by the Board.

3 § 910. FEES

4 (a) The Board shall charge and collect license application fees, initial
5 annual license fees, and annual license renewal fees for each type of cannabis
6 establishment license under this chapter. Fees shall be due and payable at the
7 time of license application, annual license, or renewal.

8 (b) Fees shall be deposited in the Cannabis Regulation Fund.

9 Sec. 8. IMPLEMENTATION OF LICENSING CANNABIS

10 ESTABLISHMENTS

11 (a)(1) The cannabis plant, cannabis product, and useable cannabis
12 possession limits for a registered dispensary set forth in 18 V.S.A. chapter 86
13 shall no longer apply on and after September 1, 2021. A dispensary shall be
14 permitted to cultivate cannabis and manufacture cannabis products for the
15 purpose of transferring or selling them to an integrated licensee on or after
16 January 15, 2022 and engaging in the activities permitted by 7 V.S.A. chapter
17 33.

18 (2) On or before January 15, 2022, the Board shall begin accepting
19 applications for integrated licenses.

20 (3) On or before February 15, 2022, the Board shall begin issuing
21 integrated licenses to qualified applicants. An integrated licensee may begin

1 selling cannabis and cannabis products transferred or purchased from a
2 dispensary immediately.

3 (b)(1) On or before January 15, 2022, the Board shall begin accepting
4 applications for cultivator licenses. During this initial application period, the
5 Board shall give priority to applications for small cultivator licenses. The
6 initial application period shall remain open for 30 days. The Board may
7 reopen the application process for any period of time at its discretion.

8 (2) On or before February 15, 2022, the Board shall begin issuing
9 cultivator licenses to qualified applicants. Upon licensing, cultivators shall be
10 permitted to sell cannabis to an integrated licensee and a dispensary licensed
11 pursuant to 18 V.S.A. chapter 86 prior to other types of cannabis establishment
12 licensees beginning operations.

13 (c)(1) On or before February 15, 2022, the Board shall begin accepting
14 applications for testing laboratory licenses. The initial application period shall
15 remain open for 30 days. The Board may reopen the application process for
16 any period of time at its discretion.

17 (2) On or before April 1, 2022, the Board shall begin issuing testing
18 laboratory licenses to qualified applicants.

19 (d)(1) On or before April 1, 2022, the Board shall begin accepting
20 applications for product manufacturer licenses and wholesaler licenses. The

1 initial application period shall remain open for 30 days. The Board may
2 reopen the application process for any period of time at its discretion.

3 (2) On or before May 15, 2022, the Board shall begin issuing product
4 manufacturer and wholesaler licenses to qualified applicants.

5 (c)(1) On or before June 1, 2022, the Board shall begin accepting
6 applications for retailer licenses. The initial application period shall remain
7 open for 30 days. The Board may reopen the application process for any
8 period of time at its discretion.

9 (2) On or before July 15, 2022, the Board shall begin issuing retailer
10 licenses to qualified applicants and sales of cannabis and cannabis products by
11 licensed retailers to the public shall be allowed immediately.

12 * * * Medical Cannabis Registry * * *

13 Sec. 9. [Deleted.]

14 Sec. 10. [Deleted.]

15 Sec. 11. [Deleted.]

16 * * * Medical Cannabis Dispensaries * * *

17 Sec. 12. [Deleted.]

18 Sec. 13. [Deleted.]

19 * * * Creation of Excise and Local Option Tax * * *

20 Sec. 14. 32 V.S.A. chapter 207 is added to read:

21 CHAPTER 207. CANNABIS TAXES

1 § 7900. DEFINITIONS

2 As used in this chapter:

3 (1) “Cannabis” has the same meaning as in 7 V.S.A. § 831.

4 (2) “Cannabis cultivator” has the same meaning as in 7 V.S.A. § 861.

5 (3) “Cannabis product” has the same meaning as in 7 V.S.A. § 831.

6 (4) “Cannabis product manufacturer” has the same meaning as in 7
7 V.S.A. § 831.

8 (5) “Cannabis retailer” has the same meaning as in 7 V.S.A. § 861.

9 (6) “Cannabis wholesaler” has the same meaning as in 7 V.S.A. § 861.

10 (7) “Integrated licensee” has the same meaning as in 7 V.S.A. § 861.

11 (8) “Retail sale” or “sold at retail” means any sale, lease, or rental for
12 any purpose other than for resale by a cannabis retailer or integrated licensee.

13 (9) “Sales price” has the same meaning as in section 9701 of this title.

14 § 7901. CANNABIS EXCISE TAX

15 (a) There is imposed a cannabis excise tax equal to 16 percent of the sales
16 price of each retail sale in this State of cannabis and cannabis products,
17 including food or beverages.

18 (b) The tax imposed by this section shall be paid by the purchaser to the
19 retailer or integrated licensee. Each retailer or integrated licensee shall collect
20 from the purchaser the full amount of the tax payable on each taxable sale.

1 (c) The tax imposed by this section is separate from and in addition to the
2 cannabis local option tax authorized under section 7902 of this title. The tax
3 imposed by this section shall not be part of the sales price to which the
4 cannabis local option tax applies. The cannabis excise tax shall be separately
5 itemized from the cannabis local option tax on the receipt provided to the
6 purchaser.

7 (d) The following sales shall be exempt from the tax imposed under this
8 section:

9 (1) sales under any circumstances in which the State is without power to
10 impose the tax;

11 (2) sales made by any dispensary as authorized under 18 V.S.A.
12 chapter 86, provided that the cannabis or cannabis product is sold only to
13 registered qualifying patients directly or through their registered caregivers;
14 and

15 (3) sales from a cannabis cultivator, cannabis product manufacturer,
16 cannabis wholesaler, or integrated licensee to a cannabis product manufacturer,
17 cannabis retailer, cannabis wholesaler, or integrated licensee.

18 § 7902. CANNABIS LOCAL OPTION TAX

19 (a) Notwithstanding 24 V.S.A. § 138, any municipality may collect a
20 cannabis local option tax of two percent of the sales price on each retail sale in

1 the municipality of cannabis and cannabis products, including food and
2 beverages.

3 (b) The cannabis local option tax may be adopted by a municipality that:

4 (1) does not currently prohibit the retail sale of cannabis and cannabis
5 products within the municipality; and

6 (2) provided notice of the imposition and the amount to the Department
7 of Taxes at least 90 days prior to the first day of the tax quarter when the
8 cannabis local option tax will be collected.

9 (c) The tax imposed by this section shall be paid by the purchaser to the
10 retailer or integrated licensee. Each retailer or integrated licensee shall collect
11 from the purchaser the full amount of the tax payable on each taxable sale.

12 (d) The tax imposed by this section is separate from and in addition to the
13 cannabis excise tax authorized under section 7901 of this title. The tax
14 imposed by this section shall not be part of the sales price to which the
15 cannabis excise tax applies. The cannabis local option tax shall be separately
16 itemized from the cannabis excise tax on the receipt provided to the purchaser.

17 (e) The following sales shall be exempt from the tax imposed under this
18 section:

19 (1) sales under any circumstances in which the State is without power to
20 impose the tax;

1 (2) sales made by any dispensary as authorized under 18 V.S.A. chapter
2 86, provided that the cannabis or cannabis product is sold only to registered
3 qualifying patients directly or through their registered caregivers; and

4 (3) sales from a cannabis cultivator, cannabis product manufacturer,
5 cannabis wholesaler, or integrated licensee to a cannabis product manufacturer,
6 cannabis retailer, cannabis wholesaler, or integrated licensee.

7 (f) Any tax imposed under the authority of this section shall be collected
8 and administered by the Department of Taxes, in accordance with State law
9 governing the cannabis excise and cannabis local option taxes imposed under
10 chapter 207 of this title, and provided to the municipality in which they were
11 collected on a quarterly basis after reduction for the costs of administration and
12 collection. A tax imposed under this section shall be collected using a
13 destination basis for taxation. A per-return fee of \$5.96 shall be assessed to
14 compensate the Department for the costs of administration and collection,
15 which shall be paid by the municipality. The fee shall be subject to the
16 provisions of section 605 of this title.

17 (g) As used in this section, “municipality” means a city, town, or
18 incorporated village.

19 (h) Nothing in this section shall affect the validity of any existing provision
20 of law or municipal charter authorizing a municipality to impose a local option
21 tax on anything not subject to the cannabis local option tax.

1 § 7903. LIABILITY FOR TAXES

2 (a) Any tax collected in accordance with this chapter shall be deemed to be
3 held by the retailer or integrated licensee in trust for the State of Vermont.

4 Any tax collected under this chapter shall be accounted for separately so as
5 clearly to indicate the amount of tax collected and that the same are the
6 property of the State of Vermont.

7 (b) Every retailer or integrated licensee required to collect and remit tax
8 under this chapter to the Commissioner shall be personally and individually
9 liable for the amount of such tax together with such interest and penalty as has
10 accrued under the provisions of section 3202 of this title. If the retailer or
11 integrated licensee is a corporation or other entity, the personal liability shall
12 extend to any officer or agent of the corporation or entity who as an officer or
13 agent of the same has the authority to collect and remit tax to the
14 Commissioner of Taxes as required in this chapter.

15 (c) A retailer or integrated licensee shall have the same rights in collecting
16 tax from his or her purchaser or regarding nonpayment of tax by the purchaser
17 as if the tax or taxes were a part of the purchase price of cannabis or cannabis
18 products and payable at the same time; provided, however, if the retailer or
19 integrated licensee required to collect tax has failed to remit any portion of the
20 tax or taxes to the Commissioner of Taxes, the Commissioner of Taxes shall be
21 notified of any action or proceeding brought by the retailer or integrated

1 licensee to collect tax and shall have the right to intervene in such action or
2 proceeding.

3 (d) A retailer or integrated licensee required to collect tax may also refund
4 or credit to the purchaser any tax erroneously, illegally, or unconstitutionally
5 collected. No cause of action that may exist under State law shall accrue
6 against the retailer or integrated licensee for tax collected unless the purchaser
7 has provided written notice to a retailer or integrated licensee and the retailer
8 or integrated licensee has had 60 days to respond.

9 § 7904. RETURNS; RECORDS

10 (a) Any retailer or integrated licensee required to collect tax imposed by
11 this chapter shall, on or before the 25th day of every month, return to the
12 Department of Taxes, under oath of a person with legal authority to bind the
13 retailer or integrated licensee, a statement containing its name and place of
14 business, the total amount of sales subject to the cannabis excise tax and
15 cannabis local option tax, if applicable, made in the preceding month, and any
16 information required by the Department of Taxes, along with the total tax due.
17 The Commissioner of Taxes may require that returns be submitted
18 electronically and may prohibit the remittance in cash of taxes collected.

19 (b) Every retailer and integrated licensee shall maintain, for not less than
20 three years, accurate records showing all transactions subject to tax liability

1 under this chapter. The records are subject to inspection by the Department of
2 Taxes at all reasonable times during normal business hours.

3 § 7905. BUNDLED TRANSACTIONS

4 (a) Except as provided in subsection (b) of this section, a retail sale of a
5 bundled transaction that includes cannabis or a cannabis product is subject to
6 the cannabis excise tax and cannabis local option tax, where applicable,
7 imposed by this chapter on the entire selling price of the bundled transaction.
8 If there is a conflict with the bundling transaction provisions applicable to
9 another tax type, this section shall apply.

10 (b) If the selling price is attributable to products that are taxable and
11 products that are not taxable under this chapter, the portion of the price
12 attributable to the products that are nontaxable are subject to the tax imposed
13 by this chapter unless the retailer or integrated licensee can identify by
14 reasonable and verifiable standards the portion that is not subject to tax from
15 its books and records that are kept in the regular course of business, and any
16 discounts applied to the bundle must be attributed to the products that are
17 nontaxable under this chapter.

18 (c) As used in this section, “bundled transaction” means:

19 (1) the retail sale of two or more products where the products are
20 otherwise distinct and identifiable, are sold for one nonitemized price, and at
21 least one of the products is or contains cannabis; or

1 (2) cannabis or a cannabis product that is provided free of charge with
2 the required purchase of another product.

3 § 7906. LICENSE

4 (a) Any retailer or integrated licensee required to collect tax imposed by
5 this chapter must apply for and receive a cannabis retail tax license from the
6 Commissioner for each place of business within the State where he or she sells
7 cannabis or cannabis products prior to commencing business. The
8 Commissioner shall issue without charge a license, or licenses, empowering
9 the retailer or integrated licensee to collect the cannabis excise tax and
10 cannabis local option tax, where applicable, provided that a retailer or
11 integrated licensee’s application is properly submitted and the retailer or
12 integrated licensee is otherwise in compliance with applicable laws, rules, and
13 provisions.

14 (b) Each cannabis retail tax license shall state the place of business to
15 which it is applicable and be prominently displayed in the place of business.
16 The licenses shall be nonassignable and nontransferable and shall be
17 surrendered to the Commissioner immediately upon the registrant ceasing to
18 do business in the place named. A cannabis retail tax license shall be separate
19 and in addition to any licenses required by sections 9271 (meals and rooms
20 tax) and 9707 (sales and use tax) of this title.

1 (c) The Cannabis Control Board may require the Commissioner of Taxes to
2 suspend or revoke the tax licenses issued under this section for any retailer or
3 integrated licensee that fails to comply with 7 V.S.A. chapter 33 or any rules
4 adopted by the Board.

5 § 7907. ADMINISTRATION OF CANNABIS TAXES

6 (a) The Commissioner of Taxes shall administer and enforce this chapter
7 and the tax. The Commissioner may adopt rules pursuant to 3 V.S.A. chapter
8 25 to carry out such administration and enforcement.

9 (b) To the extent not inconsistent with this chapter, the provisions for the
10 assessment, collection, enforcement, and appeals of the sales and use tax in
11 chapter 233 of this title shall apply to the taxes imposed by this chapter.

12 § 7908. STATUTORY PURPOSES

13 (a) The statutory purpose of the exemptions for cannabis and cannabis
14 products sold by any dispensary as authorized under 18 V.S.A. chapter 86 in
15 subdivisions 7901(d)(2) and 7902(e)(2) of this title is to lower the cost of
16 medical products in order to support the health and welfare of Vermont
17 residents.

18 (b) The statutory purpose of the exemption for nonretail sales in 7901(d)(3)
19 and 7902(e)(3) of this title is to avoid taxation when purchased cannabis or
20 cannabis product is intended to be incorporated into a new cannabis product.

1 § 7909. ADDITIONAL TAXES DO NOT APPLY

2 The cannabis excise tax and cannabis local option tax are the only taxes that
3 apply to a retail sale of cannabis or cannabis product in this State.

4 Sec. 14a. 32 V.S.A. § 3102(d)(3) is amended to read:

5 (3) to any person who inquires, provided that the information is limited to
6 whether a person is registered to collect Vermont income withholding, sales
7 and use, ~~or meals and rooms,~~ or cannabis excise tax; whether a person is in
8 good standing with respect to the payment of these taxes; whether a person is
9 authorized to buy or sell property free of tax; or whether a person holds a valid
10 license under chapter 205 or 239 of this title or 10 V.S.A. § 1942;

11 * * * Sales Tax Exemption * * *

12 Sec. 15. 32 V.S.A. § 9701(31) is amended to read:

13 (31) “Food and food ingredients” means substances, whether in liquid,
14 concentrated, solid, frozen, dried, or dehydrated form, that are sold for
15 ingestion or chewing by humans and are consumed for their taste or nutritional
16 value. “Food and food ingredients” does not include alcoholic beverages,
17 tobacco, cannabis and cannabis products as defined under 7 V.S.A. § 831, or
18 soft drinks.

19 Sec. 16. 32 V.S.A. § 9741(53) is added to read:

20 (53) Cannabis and cannabis products as defined under 7 V.S.A. § 831.

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* * * Tax Expenditure * * *

Sec. 17. 32 V.S.A. § 9706(mm) is added to read:

(mm) The statutory purpose of the exemption for cannabis and cannabis products as defined under 7 V.S.A. § 831 in subdivision 9741(53) of this title is to lower the cost of medical products sold by any dispensary as authorized under 18 V.S.A. chapter 86 in order to support the health and welfare of Vermont residents and avoid having both the sales tax and the cannabis excise and cannabis local option taxes apply to cannabis and cannabis products that are not sold as a medical product.

* * * Meals and Rooms Tax * * *

Sec. 17a. 32 V.S.A. § 9202(10) is amended to read:

(10) "Taxable meal" means:

* * *

(D) "Taxable meal" shall not include:

(i) Food or beverage, other than that taxable under subdivision (10)(C) of this section, that is a grocery-type item furnished for take-out: whole pies or cakes, loaves of bread; single-serving bakery items sold in quantities of three or more; delicatessen and nonprepackaged candy sales by weight or measure, except party platters; whole uncooked pizzas; pint or larger closed containers of ice cream or frozen confection; eight ounce or larger containers

1 of salad dressings or sauces; maple syrup; quart or larger containers of cider or
2 milk.

3 * * *

4 (iii) Cannabis or cannabis products as defined under 7 V.S.A.
5 § 831.

6 Sec. 17b. 32 V.S.A. § 9201(n) is added to read:

7 (n) The statutory purpose for the exemption for cannabis and cannabis
8 products as defined under 7 V.S.A. § 831 in subdivision 9202(10)(D)(iii) of
9 this title is to avoid having both the meals and rooms tax and the cannabis
10 excise tax apply to edible cannabis products.

11 * * * Income Tax Deduction * * *

12 Sec. 18. 32 V.S.A. § 5811 is amended to read:

13 § 5811. DEFINITIONS

14 The following definitions shall apply throughout this chapter unless the
15 context requires otherwise:

16 * * *

17 (18) “Vermont net income” means, for any taxable year and for any
18 corporate taxpayer:

19 (A) the taxable income of the taxpayer for that taxable year under the
20 laws of the United States, without regard to 26 U.S.C. § 168(k) of the Internal

1 Revenue Code, and excluding income which under the laws of the United
2 States is exempt from taxation by the states:

3 * * *

4 (ii) decreased by:

5 (I) the “gross-up of dividends” required by the federal Internal
6 Revenue Code to be taken into taxable income in connection with the
7 taxpayer’s election of the foreign tax credit; ~~and~~

8 (II) the amount of income which results from the required
9 reduction in salaries and wages expense for corporations claiming the Targeted
10 Job or WIN credits; and

11 (III) any federal deduction that the taxpayer would have been
12 allowed for the cultivation, testing, processing, or sale of cannabis or cannabis
13 products as authorized under 7 V.S.A. chapter 33 or 18 V.S.A. chapter 86, but
14 for 26 U.S.C. § 280E.

15 * * *

16 (21) “Taxable income” means, in the case of an individual, federal adjusted
17 gross income determined without regard to 26 U.S.C. § 168(k) and:

18 * * *

19 (C) Decreased by the following exemptions and deductions:

20 * * *

1 (iii) an additional deduction of \$1,000.00 for each federal deduction
2 under 26 U.S.C. § 63(f) that the taxpayer qualified for and received; ~~and~~

3 (iv) the dollar amounts of the personal exemption allowed under
4 subdivision (i) of this subdivision (21)(C), the standard deduction allowed
5 under subdivision (ii) of this subdivision (21)(C), and the additional deduction
6 allowed under subdivision (iii) of this subdivision (21)(C) shall be adjusted
7 annually for inflation by the Commissioner of Taxes beginning with taxable
8 year 2018 by using the Consumer Price Index and the same methodology as
9 used for adjustments under 26 U.S.C. § 1(f)(3); provided, however, that as
10 used in this subdivision, “consumer price index” means the last Consumer
11 Price Index for All Urban Consumers published by the U.S. Department of
12 Labor; and

13 (v) any federal deduction that the taxpayer would have been allowed
14 for the cultivation, testing, processing, or sale of cannabis or cannabis products
15 as authorized under 7 V.S.A. chapter 33 or 18 V.S.A. chapter 86, but for
16 26 U.S.C. § 280E.

17 * * *

18 * * * Substance Misuse Prevention Fund * * *

19 Sec. 18a. 18 V.S.A. chapter 94 is amended to read:

20 CHAPTER 94. ~~DIVISION OF ALCOHOL AND DRUG ABUSE~~
21 PROGRAMS SUBSTANCE USE DISORDER

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§ 4810. SUBSTANCE MISUSE PREVENTION FUND

(a) The Substance Misuse Prevention Fund is established pursuant to 32 V.S.A. chapter 7, subchapter 5 for the purpose of funding substance misuse prevention programming and for necessary costs incurred in administering the Fund. The Fund shall be administered by the Commissioner of Health or designee.

(b) The Fund shall consist of revenues derived from any funds that may be dedicated by the General Assembly.

(c) All balances remaining at the end of any fiscal year shall be carried forward and remain in the Fund.

(d) The Commissioner of Finance and Management may draw warrants for disbursements from this Fund in anticipation of receipts.

Sec. 18b. 18 V.S.A. § 4810 is amended to read:

§ 4810. SUBSTANCE MISUSE PREVENTION FUND

(a) The Substance Misuse Prevention Fund is established pursuant to 32 V.S.A. chapter 7, subchapter 5 for the purpose of funding substance misuse prevention programming and for necessary costs incurred in administering the Fund. The Fund shall be administered by the Commissioner of Health or designee.

1 (b) The Fund shall consist of revenues derived from:

2 (1) 30 percent of the revenues raised by the cannabis excise tax imposed
3 by 32 V.S.A. § 7901, but not more than \$6 million per fiscal year; and

4 (2) any other funds that may be dedicated by the General Assembly.

5 (c) All balances remaining at the end of any fiscal year shall be carried
6 forward and remain in the Fund.

7 (d) The Commissioner of Finance and Management may draw warrants for
8 disbursements from this Fund in anticipation of receipts.

9 * * * Impaired Driving * * *

10 Sec. 18c. 20 V.S.A. § 2358(f) is added to read:

11 (f) The criteria for all minimum training standards under this section shall
12 include Advanced Roadside Impaired Driving Enforcement training as
13 approved by the Vermont Criminal Justice Training Council. On or before
14 December 31, 2021, law enforcement officers shall receive a minimum of
15 16 hours of training as required by this subsection.

16 Sec. 18d. 23 V.S.A. § 1200 is amended to read:

17 § 1200. DEFINITIONS

18 As used in this subchapter:

19 * * *

1 (3) “Evidentiary test” means a breath, saliva, or blood test ~~which~~ that
2 indicates the person’s alcohol concentration or the presence of other drug and
3 ~~which~~ that is intended to be introduced as evidence.

4 * * *

5 Sec. 18e. 23 V.S.A. § 1201 is amended to read:

6 § 1201. OPERATING VEHICLE UNDER THE INFLUENCE OF
7 ALCOHOL OR OTHER SUBSTANCE; CRIMINAL REFUSAL;
8 ENHANCED PENALTY FOR BAC OF 0.16 OR MORE

9 (a) A person shall not operate, attempt to operate, or be in actual physical
10 control of any vehicle on a highway:

11 (1) when the person’s alcohol concentration is:

12 (A) 0.08 or more; or

13 (B) 0.02 or more if the person is operating a school bus as defined in
14 subdivision 4(34) of this title; or

15 (C) 0.04 or more if the person is operating a commercial vehicle as
16 defined in subdivision 4103(4) of this title; or

17 (2) when the person is under the influence of alcohol; or

18 (3) when the person is under the influence of any other drug or under the
19 combined influence of alcohol and any other drug; ~~or~~

1 ~~(4) when the person’s alcohol concentration is 0.04 or more if the person~~
2 ~~is operating a commercial motor vehicle as defined in subdivision 4103(4) of~~
3 ~~this title.~~

4 (b) A person who has previously been convicted of a violation of this
5 section shall not operate, attempt to operate, or be in actual physical control of
6 any vehicle on a highway and refuse a law enforcement officer’s reasonable
7 request under the circumstances for an evidentiary test where the officer had
8 reasonable grounds to believe the person was in violation of subsection (a) of
9 this section.

10 (c) A person shall not operate, attempt to operate, or be in actual physical
11 control of any vehicle on a highway and be involved in an accident or collision
12 resulting in serious bodily injury or death to another and refuse a law
13 enforcement officer’s reasonable request under the circumstances for an
14 evidentiary test where the officer has reasonable grounds to believe the person
15 has any amount of alcohol or drugs in the his or her system.

16 * * *

17 (i) Evidence of the results of a standardized field sobriety test conducted by
18 a law enforcement officer trained in Advanced Roadside Impaired Driving
19 Enforcement or a certified Drug Recognition Expert’s systematic evaluation of
20 observable signs and symptoms of a person charged with a violation of this

1 section shall be presumptively admissible at trial to demonstrate whether or not
2 the person was operating under the influence in violation of this section.

3 Sec. 18f. 23 V.S.A. § 1202 is amended to read:

4 § 1202. CONSENT TO TAKING OF TESTS TO DETERMINE BLOOD
5 ALCOHOL CONTENT OR PRESENCE OF OTHER DRUG

6 (a)(1) Implied consent. Every person who operates, attempts to operate, or
7 is in actual physical control of any vehicle on a highway in this State is deemed
8 to have given consent to an evidentiary test of that person's breath for the
9 purpose of determining the person's alcohol concentration or the presence of
10 other drug in the blood. The test shall be administered at the direction of a law
11 enforcement officer.

12 (2) Blood test. If breath testing equipment is not reasonably available or
13 if the officer has reason to believe that the person is unable to give a sufficient
14 sample of breath for testing or if the law enforcement officer has reasonable
15 grounds to believe that the person is under the influence of a drug other than
16 alcohol, the person is deemed to have given consent to the taking of an
17 evidentiary sample of blood. If in the officer's opinion the person is incapable
18 of decision or unconscious or dead, it is deemed that the person's consent is
19 given and a sample of blood shall be taken. A blood test sought pursuant to
20 this subdivision (2) shall be obtained pursuant to subsection (f) of this section.

1 (3) Saliva test. If the law enforcement officer has reasonable grounds to
2 believe that the person is under the influence of a drug other than alcohol, or
3 under the combined influence of alcohol and a drug, the person is deemed to
4 have given consent to providing of an evidentiary sample of saliva. A saliva
5 test sought pursuant to this subdivision (3) shall be obtained pursuant to
6 subsection (f) of this section. Any saliva test administered under this section
7 shall be used only for the limited purpose of detecting the presence of a drug in
8 the person's body, and shall not be used to extract DNA information.

9 (4) Evidentiary test. The evidentiary test shall be required of a person
10 when a law enforcement officer has reasonable grounds to believe that the
11 person was operating, attempting to operate, or in actual physical control of a
12 vehicle in violation of section 1201 of this title.

13 ~~(4)~~(5) Fatal collision or incident resulting in serious bodily injury. The
14 evidentiary test shall also be required if the person is the surviving operator of
15 a motor vehicle involved in a fatal incident or collision or an incident or
16 collision resulting in serious bodily injury and the law enforcement officer has
17 reasonable grounds to believe that the person has any amount of alcohol or
18 other drug in his or her system.

19 (b) A refusal to take a breath test may be introduced as evidence in a
20 criminal proceeding.

1 (c) A person who is requested by a law enforcement officer to submit to an
2 evidentiary test or tests has a right as limited in this subsection to consult an
3 attorney before deciding whether or not to submit to such a test or tests. The
4 person must decide whether or not to submit to the evidentiary test or tests
5 within a reasonable time and not later than 30 minutes after the time of the
6 initial attempt to contact the attorney. The person must make a decision about
7 whether to submit to the test or tests at the expiration of the 30 minutes,
8 regardless of whether a consultation took place.

9 (d) At the time a test is requested, the person shall be informed of the
10 following statutory information:

11 (1) Vermont law authorizes a law enforcement officer to request a test to
12 determine whether the person is under the influence of alcohol or other drug.

13 (2) If the officer's request is reasonable and testing is refused, the
14 person's license or privilege to operate will be suspended for at least six
15 months.

16 (3) If a test is taken and the results indicate that the person is under the
17 influence of alcohol or other drug, the person will be subject to criminal
18 charges and the person's license or privilege to operate will be suspended for at
19 least 90 days.

20 (4) A person who is requested by a law enforcement officer to submit to
21 an evidentiary test or tests has the limited right to consult an attorney before

1 deciding whether or not to submit to such a test or tests. The person must
2 decide whether or not to submit to the evidentiary test or tests within a
3 reasonable time and no later than 30 minutes from the time of the initial
4 attempt to contact the attorney, regardless of whether a consultation took place.
5 The person also has the right to have additional tests made by someone of the
6 person's own choosing at the person's own expense. The person shall also be
7 informed of the location of one or more facilities available for drawing blood.

8 (5) A person who is requested by a law enforcement officer to submit to
9 an evidentiary test administered with an infrared breath-testing instrument may
10 elect to have a second infrared test administered immediately after receiving
11 the results of the first test.

12 (6) If the person refuses to take an evidentiary test, the refusal may be
13 offered into evidence against the person at trial, whether or not a search
14 warrant is sought. The person may be charged with the crime of criminal
15 refusal if the person:

16 (A) has previously been convicted of a violation of section 1201 of
17 this title; or

18 (B) is involved in an accident or collision resulting in serious bodily
19 injury or death to another, in which case the court may issue a search warrant
20 and order the person to submit to a blood test, the results of which may be
21 offered into evidence against the person at trial.

1 * * *

2 (f)(1) If a blood test is sought from a person pursuant to subdivision (a)(2)
3 of this section, or if a person who has been involved in an accident or collision
4 resulting in serious bodily injury or death to another refuses an evidentiary test,
5 a law enforcement officer may apply for a search warrant pursuant to Rule 41
6 of the Vermont Rules of Criminal Procedure to obtain a sample of blood for an
7 evidentiary test. ~~If Pursuant to subdivision (d)(6) of this section, if~~ a blood
8 sample is obtained by search warrant, the fact of the refusal may still be
9 introduced in evidence, in addition to the results of the evidentiary test. Once a
10 law enforcement official begins the application process for a search warrant,
11 the law enforcement official is not obligated to discontinue the process even if
12 the person later agrees to provide an evidentiary ~~breath~~ sample. The limitation
13 created by Rule 41(g) of the Vermont Rules of Criminal Procedure regarding
14 blood specimens shall not apply to search warrants authorized by this section.

15 (2) If an evidentiary saliva test is sought from a person pursuant to
16 subdivision (a)(3) of this section, a law enforcement officer may apply for a
17 search warrant pursuant Rule 41 of the Vermont Rules of Criminal Procedure
18 to obtain a sample of saliva for the evidentiary test. Pursuant to subdivision
19 (d)(6) of this section, if a saliva sample is obtained by search warrant, the fact
20 of the refusal may still be introduced in evidence, in addition to the results of
21 the evidentiary test.

1 (g) The Defender General shall provide statewide 24-hour coverage seven
2 days a week to ~~assure~~ ensure that adequate legal services are available to
3 persons entitled to consult an attorney under this section.

4 Sec. 18g. 23 V.S.A. § 1203 is amended to read:

5 § 1203. ADMINISTRATION OF TESTS; RETENTION OF TEST AND
6 VIDEOTAPE

7 (a) A breath test shall be administered only by a person who has been
8 certified by the Vermont Criminal Justice Training Council to operate the
9 breath testing equipment being employed. In any proceeding under this
10 subchapter, a person's testimony that he or she is certified to operate the breath
11 testing equipment employed shall be prima facie evidence of that fact.

12 (b)(1) Only a physician, licensed nurse, medical technician, physician
13 assistant, medical technologist, ~~or~~ laboratory assistant, intermediate or
14 advanced emergency medical technician, or paramedic acting at the request of
15 a law enforcement officer may withdraw blood for the purpose of determining
16 the presence of alcohol or ~~other~~ another drug. ~~This limitation does~~ Any
17 withdrawal of blood shall not be taken at roadside. These limitations do not
18 apply to the taking of a breath sample. A medical facility or business may not
19 charge more than \$75.00 for services rendered when an individual is brought to
20 a facility for the sole purpose of an evidentiary blood sample or when an

1 emergency medical technician or paramedic draws an evidentiary blood
2 sample.

3 (2) A saliva sample may be obtained by a person authorized by the
4 Vermont Criminal Justice Training Council to collect a saliva sample for the
5 purpose of evidentiary testing to determine the presence of a drug. Any saliva
6 sample obtained pursuant to this section shall not be taken at roadside.

7 (c) ~~When a breath test which is intended to be introduced in evidence is~~
8 ~~taken with a crimper device or when~~ blood or saliva is withdrawn at an
9 officer's request, a sufficient amount of ~~breath~~ saliva or blood, as the case may
10 be, shall be taken to enable the person to have made an independent analysis of
11 the sample, and shall be held for at least 45 days from the date the sample was
12 taken. At any time during that period the person may direct that the sample be
13 sent to an independent laboratory of the person's choosing for an independent
14 analysis. The Department of Public Safety shall adopt rules providing for the
15 security of the sample. At no time shall the defendant or any agent of the
16 defendant have access to the sample. A preserved sample of breath shall not
17 be required when an infrared breath-testing instrument is used. A person tested
18 with an infrared breath-testing instrument shall have the option of having a
19 second infrared test administered immediately after receiving the results of the
20 first test.

1 (d) In the case of a breath, saliva, or blood test ~~administered using an~~
2 ~~infrared breath testing instrument~~, the test shall be analyzed in compliance with
3 rules adopted by the Department of Public Safety. The analyses shall be
4 retained by the State. A sample is adequate if the infrared breath testing
5 instrument analyzes the sample and does not indicate the sample is deficient.

6 ~~Analysis~~ An analysis of the person's breath saliva or blood ~~which~~ that is
7 available to that person for independent analysis shall be considered valid
8 when performed according to methods approved by the Department of Public
9 Safety. The analysis performed by the State shall be considered valid when
10 performed according to a method or methods selected by the Department of
11 Public Safety. The Department of Public Safety shall use rule making
12 procedures to select its method or methods. Failure of a person to provide an
13 adequate breath or saliva sample constitutes a refusal.

14 (e) [Repealed.]

15 (f) When a law enforcement officer has reason to believe that a person may
16 be violating or has violated section 1201 of this title, the officer may request
17 the person to provide a sample of breath for a preliminary screening test using
18 a device approved by the Commissioner of Public Safety for this purpose. The
19 person shall not have the right to consult an attorney prior to submitting to this
20 preliminary breath alcohol screening ~~test~~. The results of this preliminary
21 screening ~~test~~ may be used for the purpose of deciding whether an arrest

1 should be made and whether to request an evidentiary test and shall not be
2 used in any court proceeding except on those issues. Following the screening,
3 ~~test~~ additional tests may be required of the operator pursuant to the provisions
4 of section 1202 of this title.

5 (g) The Office of the Chief Medical Examiner shall report in writing to the
6 Department of Motor Vehicles the death of any person as the result of an
7 accident involving a vehicle and the circumstances of such accident within five
8 days of such death.

9 (h) A Vermont law enforcement officer shall have a right to request a
10 breath, saliva or blood sample in an adjoining state or country under this
11 section unless prohibited by the law of the other state or country. If the law in
12 an adjoining state or country does not prohibit an officer acting under this
13 section from taking a breath, saliva, or blood sample in its jurisdiction,
14 evidence of such sample shall not be excluded in the courts of this State solely
15 on the basis that the test was taken outside the State.

16 (i) The Commissioner of Public Safety shall adopt emergency rules relating
17 to the operation, maintenance, and use of preliminary alcohol screening
18 devices for use by law enforcement officers in enforcing the provisions of this
19 title. The ~~commissioner~~ Commissioner shall consider relevant standards of the
20 National Highway Traffic Safety Administration in adopting such rules. Any
21 preliminary alcohol screening device authorized for use under this title shall be

1 on the qualified products list of the National Highway Traffic Safety
2 Administration.

3 * * *

4 Sec. 18h. 23 V.S.A. § 1203a(b) is amended to read:

5 (b) Arrangements for a blood test shall be made by the person submitting to
6 the evidentiary breath or saliva test, by the person's attorney, or by some other
7 person acting on the person's behalf unless the person is detained in custody
8 after administration of the evidentiary test and upon completion of processing,
9 in which case the law enforcement officer having custody of the person shall
10 make arrangements for administration of the blood test upon demand but at the
11 person's own expense.

12 Sec. 18i. 23 V.S.A. § 1204 is amended to read:

13 § 1204. PERMISSIVE INFERENCES

14 * * *

15 (b) The foregoing provisions shall not be construed as limiting the
16 introduction of any other competent evidence bearing upon the question
17 whether the person was under the influence of alcohol or under the combined
18 influence of alcohol and another drug, nor shall they be construed as requiring
19 that evidence of the amount of alcohol or drug in the person's blood, breath,
20 urine, or saliva must be presented.

1 Sec. 18j. DEPARTMENT OF PUBLIC SAFETY; DRUG RECOGNITION
2 EXPERTS; REPORT

3 On or before January 15, 2021, the Department of Public Safety shall report
4 to the House and Senate Committees on Judiciary and on Government
5 Operations on how to:

6 (1) achieve geographic equity in Drug Recognition Expert availability to
7 conduct roadside evaluations of drivers suspected of violating 23 V.S.A.
8 § 1201 across Vermont; and

9 (2) whether to expand the availability of the Drug Recognition Expert
10 program beyond law enforcement officers to other public safety officials to the
11 extent authorized by the national qualification standards of the International
12 Association of Chiefs of Police and the National Highway Traffic Safety
13 Administration.

14 Sec. 18k. DEPARTMENT OF PUBLIC SAFETY; NATIONAL HIGHWAY
15 TRAFFIC SAFETY ADMINISTRATION APPROVED SALIVA
16 TESTING DEVICE; REPORT

17 Upon the National Traffic Highway Safety Association identifying a
18 threshold level of concentration of a psychoactive metabolite of cannabis in a
19 person's bloodstream to establish impairment and approving a chemical testing
20 device for roadside use capable of demonstrating such a threshold level of
21 concentration of such psychoactive metabolite of cannabis in a person's

1 system, the Department of Public Safety shall report to the House and Senate
2 Committees on Judiciary and on Government Operations on a proposal to
3 implement the use of such a device to evaluate individuals suspected of
4 operating under the influence of marijuana in violation of 23 V.S.A. § 1201.

5 * * * Safety Belts * * *

6 Sec. 18l. 23 V.S.A. § 1259 is amended to read:

7 § 1259. SAFETY BELTS; PERSONS ~~AGE~~ 18 YEARS OF AGE OR OVER

8 * * *

9 ~~(e) This section may be enforced only if a law enforcement officer has~~
10 ~~detained the operator of a motor vehicle for another suspected traffic violation.~~
11 ~~An operator shall not be subject to the penalty established in this section unless~~
12 ~~the operator is required to pay a penalty for the primary violation. [Repealed.]~~

13 (f) The penalty for violation of this section shall be as follows:

14 (1) ~~\$25.00~~ \$0.00 for a first violation;

15 (2) ~~\$50.00~~ \$25.00 for a second violation;

16 (3) \$50.00 for a third violation; and

17 (4) \$100.00 for ~~third~~ fourth and subsequent violations.

18 Sec. 18m. REPORTING BY THE VERMONT CRIMINAL JUSTICE

19 TRAINING COUNCIL

20 The Vermont Criminal Justice Training Council, in consultation with law
21 enforcement agencies, shall submit a written report to the House and Senate

1 Committees on Transportation and on Judiciary on or before the 15th day of
2 January in 2022, 2023, and 2024 containing, for the prior State fiscal year:

3 (1) the total number of traffic stops broken out by race of the driver
4 involved in the traffic stop; and

5 (2) the following information for all traffic stops involving safety belts
6 not worn by persons 18 years of age or over:

7 (A) the age, gender, and race of the driver involved in the traffic stop;

8 (B) the reason for the traffic stop;

9 (C) the type of search conducted, if any;

10 (D) the evidence located, if any;

11 (E) the outcome of the traffic stop, including whether:

12 (i) a written warning was issued,

13 (ii) a citation for a civil ticket was issued;

14 (iii) a citation or arrest for a misdemeanor or a felony occurred; or

15 (iv) no subsequent action was taken;

16 (F) summary data broken out by age, gender, race, and outcome of
17 the traffic stop where the reason for the stop was the primary enforcement of a
18 person 18 years of age or over not wearing a safety belt; and

19 (G) summary data broken out by age, gender, race, and outcome of
20 the traffic stop where the reason for the stop was for any reason other than the

1 primary enforcement of a person 18 years of age or over not wearing a safety
2 belt.

3 * * * Miscellaneous Cannabis Provisions * * *

4 Sec. 18n. 6 V.S.A. § 567 is amended to read:

5 § 567. AGENCY OF AGRICULTURE, FOOD AND MARKETS; TESTING

6 (a) The Agency of Agriculture, Food and Markets shall establish a cannabis
7 quality control program for the following purposes:

8 (1) to develop potency and contaminant testing protocols for hemp, ~~and~~
9 hemp-infused products, cannabis, and cannabis products as defined in 7 V.S.A.
10 § 831;

11 (2) to verify cannabinoid label guarantees of hemp, ~~and~~ hemp-infused
12 products, cannabis, and cannabis products as defined in 7 V.S.A. § 831;

13 (3) to test for pesticides, solvents, heavy metals, mycotoxins, and
14 bacterial and fungal contaminants in hemp, ~~and~~ hemp-infused products,
15 cannabis, and cannabis products as defined in 7 V.S.A. § 831; and

16 (4) to certify testing laboratories that can offer the services in
17 subdivisions (2) and (3) of this section.

18 (b) For purposes of this section, a laboratory operating under a dispensary
19 registration pursuant to 18 V.S.A. chapter 86 that offers the services in
20 subdivisions (2) and (3) of subsection (a) of this section on July 1, 2020 shall
21 be deemed certified by the Agency.

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

5 (4) A person 21 years of age or older may dispense one ounce or less of
6 cannabis or five grams or less of hashish to another person who is 21 years of
7 age or older provided that the dispensing is not advertised or promoted to the
8 public.

9 Sec. 20a. 18 V.S.A. § 4474n is added to read:

10 § 4474n. USE OF U.S. FOOD AND DRUG ADMINISTRATION-

11 APPROVED DRUGS CONTAINING ONE OR MORE

12 CANNABINOIDS

13 (a) Upon approval by the U.S. Food and Drug Administration (FDA) of
14 one or more prescription drugs containing one or more cannabinoids, the
15 following activities shall be lawful in Vermont:

16 (1) the clinically appropriate prescription for a patient of an FDA-
17 approved prescription drug containing one or more cannabinoids by a health
18 care provider licensed to prescribe medications in this State and acting within
19 his or her authorized scope of practice;

20 (2) the dispensing, pursuant to a valid prescription, of an FDA-approved
21 prescription drug containing one or more cannabinoids to a patient or a

1 patient's authorized representative by a pharmacist or by another health care
2 provider licensed to dispense medications in this State and acting within his or
3 her authorized scope of practice;

4 (3) the possession and transportation of an FDA-approved prescription
5 drug containing one or more cannabinoids by a patient to whom a valid
6 prescription was issued or by the patient's authorized representative;

7 (4) the possession and transportation of an FDA-approved prescription
8 drug containing one or more cannabinoids by a licensed pharmacy or
9 wholesaler in order to facilitate the appropriate dispensing and use of the drug;
10 and

11 (5) the use of an FDA-approved prescription drug containing one or
12 more cannabinoids by a patient to whom a valid prescription was issued,
13 provided the patient uses the drug only for legitimate medical purposes in
14 conformity with instructions from the prescriber and dispenser.

15 (b) Upon approval by the U.S. Food and Drug Administration of one or
16 more prescription drugs containing one or more cannabinoids, the Department
17 of Health shall amend its rules to conform to the provisions of subsection (a) of
18 this section.

19 Sec. 20b. REPEAL

20 2017 Act and Resolves No. 62, Sec. 8 (use of U.S. Food and Drug
21 Administration-approved drugs containing cannabidiol) is repealed.

1 Sec. 21. STATUTORY REVISION AUTHORITY

2 When preparing the Vermont Statutes Annotated for publication, the Office
3 of Legislative Council shall replace “marijuana” with “cannabis” throughout
4 the statutes as needed for consistency with this act, provided the
5 revisions have no other effect on the meaning of the affected statutes.

6 * * * Effective Dates * * *

7 Sec. 22. EFFECTIVE DATES

8 (a) This section and Secs. 18c (Advanced Roadside Impaired Driving
9 Enforcement training), 18j (drug recognition experts report), 18n (Agency of
10 Agriculture, Food and Markets; testing), 20 (cannabis dispensing), 20a
11 (F.D.A.-approved drugs containing one or more cannabinoids), 20b (repeal of
12 F.D.A.-approved drugs containing cannabidiol), and 21 (statutory revision
13 authority) shall take effect on passage.

14 (b) Secs. 1 (Title 7 redesignation), 2 (cannabis chapter), 3 (implementation
15 of the Cannabis Control Board), 4 (implementation of rulemaking by the
16 Cannabis Control Board, 5 (Cannabis Control Board; fees), 6 (creation of
17 Board positions), 6a (space allocation), 6b (appropriation), 7 (cannabis
18 establishments chapter), 8 (implementation of licensing of cannabis
19 establishments), 18a (Substance Misuse Prevention Fund), 18i (permissive
20 inference), 18k (National Highway Traffic safety Administration-approved

1 saliva testing device), and 19 (public place definition) shall take effect July 1,
2 2020.

3 (c) Secs. 14 (creation of excise and local option tax), 14a (tax license
4 disclosure), 15 (sales tax exemption), 16 (tax exemption), 17 (tax expenditure),
5 17a (meals and rooms tax), 17b (meals and rooms tax expenditure), and
6 18 (income tax deduction), 18b (Substance Misuse Prevention Fund), 18d
7 (definition of evidentiary test), 18e (operating vehicle under the influence of
8 alcohol or other substance), 18f (consent to taking of tests to determine blood
9 alcohol content or presence of other drug), 18g (administration of tests), and
10 18h (independent testing of evidentiary sample) shall take effect January 1,
11 2022.

12 (d) Secs. 6c and 6d shall take effect on July 1, 2022.

13
14
15
16
17
18 (Committee vote: _____)

19 _____
20 Representative _____

21 FOR THE COMMITTEE