

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.

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

16 (5) “Criminal history record” shall have the same meaning as in
17 20 V.S.A. § 2056a(a).

18 (6) “Public place” means any street, alley, park, sidewalk, public
19 building other than individual dwellings, any place of public accommodation
20 as defined in 9 V.S.A. § 4501, and any place where the use or possession of a

1 lighted tobacco product, tobacco product, or tobacco substitute is prohibited by
2 law pursuant to 18 VSA chapter 37.

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

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

7 § 833. CONSUMPTION OF CANNABIS IN A PUBLIC PLACE

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

11 Subchapter 2. Cannabis Control Board

12 § 841. CANNABIS CONTROL BOARD; DUTIES; MEMBERS

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

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

18 (1) rulemaking in accordance with this chapter, chapters 33–37 of this
19 title, and 3 V.S.A. chapter 25;

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

1 (3) administration of the Medical Cannabis Registry on and after
2 January 1, 2021;

3 (4) administration of a program for licensed medical cannabis
4 dispensaries, which shall include compliance and enforcement, on and after
5 January 1, 2021; and

6 (5) submission of an annual budget to the Governor.

7 (c) Membership.

8 (1) The Board shall consist of five members who shall be appointed as
9 follows:

10 (A) one member to serve as chair who shall be appointed by the
11 Governor;

12 (B) one member who shall be appointed by the Senate Committee on
13 Committees;

14 (C) one member who shall be appointed by the Speaker of the House;

15 (D) one member who shall be appointed by the Treasurer; and

16 (E) one member who shall be appointed by the Attorney General.

17 (2) Board members shall serve for a term of three years or until a
18 successor is appointed and shall be eligible for reappointment, provided that no
19 member may serve more than nine years.

20 (3) A vacancy created before the expiration of a term shall be filled in
21 the same manner as the original appointment for the unexpired portion of the

1 term. A member appointed to fill a vacancy created before the expiration of a
2 term shall not be deemed to have served a term for the purpose of subdivision
3 (2) of this subsection.

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

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

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

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

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

5 (e) Salaries. The Chair and all members of the Board shall be full-time
6 State employees and shall be exempt from the State classified system. The
7 Chair shall receive compensation equal to two-thirds that of a Superior Court
8 Judge and other members shall receive compensation equal to one-half that of
9 a Superior Court Judge.

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

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

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

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

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

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

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

6 (h) Advisory committee. The Board shall establish an advisory committee
7 composed of members with expertise and knowledge relevant to the Board's
8 mission. The advisory committee shall include, at a minimum, individuals with
9 expertise in business management or regulatory compliance; public health;
10 substance misuse prevention; agriculture, horticulture, or plant science; public
11 safety; criminal justice reform; systemic social justice and equity issues;
12 women and minority-owned business ownership; laboratory science or
13 toxicology; municipal issues; and the cannabis industry. The Board may
14 establish subcommittees within the advisory committee to accomplish its work.

15 This section shall not be construed to limit the Board in any way with regard to
16 who it may consult with in an effort to execute its duties.

17 § 842. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

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

1 as required by chapters 33 (cannabis establishments) and 37 (medical cannabis
2 dispensaries) of this title.

3 § 843. CANNABIS REGULATION FUND

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

7 (b) The Fund shall be composed of:

8 (1) all application fees, annual license fees, renewal fees, advertising
9 review fees, and civil penalties collected by the Board pursuant to chapters 33
10 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title;
11 and

12 (2) all annual and renewal fees collected by the Board pursuant to
13 chapter 35 (medical cannabis registry) of this title.

14 (c) Monies from the fund shall only be appropriated for the purposes of
15 implementation, administration, and enforcement of this chapter and chapters
16 33 (cannabis establishments), chapter 35 (medical cannabis registry), and 37
17 (medical cannabis dispensaries).

18 § 844. FEES

19 (a) The Board shall have the authority to charge and collect fees as
20 provided by this chapter and chapters 33–37 of this title.

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

1 § 845. APPEALS

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

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

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

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

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

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

17 (3) made upon unlawful procedure;

18 (4) affected by other error of law;

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

20 (6) arbitrary or capricious; or

1 (7) characterized by abuse of discretion or clearly unwarranted exercise
2 of discretion.

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

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

8 Sec. 3. IMPLEMENTATION OF THE CANNABIS CONTROL BOARD

9 (a) The Cannabis Control Board, created in Sec. 2 of this act, is established
10 on July 1, 2019.

11 (b) Members of the Board shall be appointed on or before
12 September 1, 2019 and terms of members shall officially begin on such date.

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

15 (A) the Governor shall appoint the Chair for a three-year term;

16 (B) the Senate Committee on Committees shall appoint one member
17 for a two-year term;

18 (C) the Speaker of the House shall appoint one member for a two-
19 year term;

20 (D) the Treasurer shall appoint one member for a one-year term; and

1 (E) the Attorney General shall appoint one member for a one-year
2 term.

3 (2) After the expiration of the initial terms set forth in subdivision (1) of
4 this subsection, Board member terms shall be as set forth in 7 V.S.A. § 841.

5 Sec. 4. IMPLEMENTATION OF RULEMAKING BY THE CANNABIS
6 CONTROL BOARD

7 On or before March 1, 2020 the Cannabis Control Board shall initiate
8 rulemaking for cannabis establishments pursuant to 7 V.S.A. § 881 as provided
9 in Sec. 7 of this act, the Medical Cannabis Registry pursuant to 7 V.S.A. § 952
10 as provided in Sec. 9 of this act, and medical cannabis dispensaries pursuant to
11 7 V.S.A. § 974 as provided in Sec. 12 of this act.

12 Sec. 5. CANNABIS CONTROL BOARD REPORT TO THE GENERAL
13 ASSEMBLY; PROPOSAL FOR POSITIONS, FEES, AND
14 APPROPRIATIONS FOR FISCAL YEARS 2021 AND 2022; LAND
15 USE, ENVIRONMENTAL, ENERGY, AND EFFICIENCY
16 REQUIREMENTS OR STANDARDS; OUTREACH, TRAINING,
17 AND EMPLOYMENT PROGRAMS; ONLINE ORDERING AND
18 DELIVERY; ADDITIONAL TYPES OF LICENSES

19 (a) On or before January 15, 2020, the Executive Director of the Cannabis
20 Control Board shall provide recommendations to the General Assembly on the
21 following:

1 (1) Resources necessary for implementation of this act for fiscal years
2 2021 and 2022, including positions and funding. The Board shall consider
3 utilization of current expertise and resources within State government and
4 cooperation with other State departments and agencies where there may be an
5 overlap in duties.

6 (2) Fees to be charged and collected in accordance with the Board's
7 authority pursuant to 7 V.S.A. § 844. The recommendations shall be
8 accompanied by information justifying the recommended rate as required by
9 32 V.S.A. § 605(d). The fees submitted in accordance with this subdivision
10 are projected, at a minimum, to equal the cost of application and license fees
11 for marijuana establishments in the Commonwealth of Massachusetts that are
12 collected by the Cannabis Control Commission. The Board may recommend
13 fees that are lower or higher provided they are designed to provide sufficient
14 funding to meet the duties of the Cannabis Control Board as provided in 7
15 V.S.A. § 841(b).

16 (A) Application fees, initial annual license fees, and annual license
17 renewal fees for each type of cannabis establishment license as provided in
18 7 V.S.A. § 910: cultivator, product manufacturer, wholesaler, retailer, testing
19 laboratory, and integrated. If the Board establishes tiers within a licensing
20 category, it shall provide a fee recommendation for each tier.

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

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

5 (D) Initial annual fee and annual renewal fee for a patient on the
6 Medical Cannabis Registry as provided in 7 V.S.A. § 955.

7 (E) Initial annual fee and annual renewal fee for a caregiver on the
8 Medical Cannabis Registry as provided in 7 V.S.A. § 955.

9 (F) Application fee, initial annual fee, and annual renewal fee for
10 medical cannabis dispensaries.

11 (G) Fee for a medical cannabis dispensary identification card as
12 provided in 7 V.S.A. § 975.

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

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

1 (b) On or before January 15, 2020, the Executive Director of the Cannabis
2 Control Board, after consultation with the Secretary of Natural Resource, the
3 Chair of the Natural Resources Board, and the Secretary of Agriculture, Food
4 and Markets, shall recommend to the General Assembly land use or
5 environmental regulatory requirements or standards applicable to cannabis
6 establishments. The Executive Director may provide the recommendations
7 based on the tier or category of cannabis establishment. The recommendations
8 shall address:

9 (1) the State and local land use requirements for cannabis
10 establishments, including if and how cannabis establishments shall be
11 regulated under 10 V.S.A. chapter 151;

12 (2) whether certain cannabis establishments should be regulated by the
13 Secretary of Agriculture as farming;

14 (3) the water quality requirements for cannabis establishments,
15 including whether cannabis establishment shall be required to obtain, where
16 applicable, direct discharge permits, indirect discharge permits, stormwater
17 permits, groundwater withdrawal permits, or other relevant water quality
18 permits;

19 (4) the solid waste and hazardous waste handling requirements for
20 cannabis establishments, including any requirements for the management or
21 reporting of the use of toxic substances; and

1 (5) any additional permitting or licensing recommendations.

2 (c) On or before January 15, 2020, the Executive Director of the Cannabis
3 Control Board, after consultation with the Commissioner of Public Service and
4 the Chair of the Public Utility Commission, shall recommend to the General
5 Assembly energy or efficiency requirements or standards for the operation of
6 cannabis establishments in the State. The recommendations shall include:

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

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

11 (3) energy efficiency and conservation measures applicable to cannabis
12 establishments.

13 (d) In making the recommendations required under subsections (b) and (c)
14 of this section, the Executive Director of the Cannabis Control Board, shall
15 recommend the permits, licenses, or standards that a licensed cannabis
16 cultivator or cannabis product manufacturer shall demonstrate, as a condition
17 of licensure, or as a condition for licensure renewal if such standards are not
18 established prior to initial licensure.

19 (e) On or before April 1, 2020, the Executive Director of the Cannabis
20 Control Board shall submit to the General Assembly the Board's information
21 regarding a proposal to work with the Department of Labor, Agency of

1 Commerce and Community Development, and the Department of Corrections
2 to develop outreach, training, and employment programs focused on providing
3 economic opportunities to individuals who historically have been
4 disproportionately impacted by cannabis prohibition.

5 (f) On or before November 15, 2020, the Executive Director of the
6 Cannabis Control Board shall submit to the General Assembly:

7 (1) the Board’s information regarding the experience of other
8 jurisdictions with regulated cannabis markets that allow licensed retail
9 cannabis establishments to accept online ordering for in-store pick-up of items
10 and to deliver to customers and the advantages and disadvantages of allowing
11 such services in Vermont; and

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

15 Sec. 6. CANNABIS CONTROL BOARD; POSITIONS

16 The following new permanent positions are created in the Cannabis Control
17 Board:

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

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

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

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

2 The Commissioner of Buildings and General Services shall allocate space
3 for the Cannabis Control Board established in Sec. 2 of this act. This space
4 shall be allocated on or before September 1, 2019.

5 Sec. 6b. APPROPRIATION

6 In fiscal year 2020, \$810,000.00 is appropriated from the Cannabis
7 Regulation Fund to the Cannabis Control Board. This appropriation is made in
8 anticipation of receipts in the Fund.

9 Sec. 6c. CONTINGENT CANNABIS REGULATION FUND DEFICIT

10 OFFSET

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

15 Sec. 6d. AUDITOR OF ACCOUNTS REPORT

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

1 * * * Cannabis Establishments * * *

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

3 CHAPTER 33. CANNABIS ESTABLISHMENTS

4 Subchapter 1. General Provisions

5 § 861. DEFINITIONS

6 As used in this chapter:

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

9 (2) “Advertisement” means any written or verbal statement, illustration,
10 or depiction that is calculated to induce sales of cannabis or cannabis products,
11 including any written, printed, graphic, or other material, billboard, sign, or
12 other outdoor display, other periodical literature, publication, or in a radio or
13 television broadcast, or in any other media. The term does not include:

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

17 (B) any editorial or other reading material, such as a news release, in
18 any periodical or publication or newspaper for the publication of which no
19 money or valuable consideration is paid or promised, directly or indirectly, by
20 any cannabis establishment, and which is not written by or at the direction of
21 the licensee;

1 (C) any educational, instructional, or otherwise non-commercial
2 material that is not intended to induce sales and that does not propose an
3 economic transaction, but which merely provides information to the public in
4 an unbiased manner;

5 (D) a sign attached to the premises of a cannabis establishment that
6 merely identifies the location of the cannabis establishment; or

7 (E) identification of a cannabis establishment as the sponsor of a
8 charity or public good.

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

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

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

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

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

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

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

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

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

9 (11) “Cannabis testing laboratory” or “testing laboratory” means a
10 person licensed by the Board to test cannabis and cannabis products in
11 accordance with this chapter.

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

15 (13) “Chair” means the Chair of the Cannabis Control Board.

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

1 or obtain a toxic or harmful amount of the substance in the container within a
2 reasonable time.

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

9 (16) “Dispensary” means a business organization licensed pursuant to
10 chapter 37 of this title or 18 V.S.A. chapter 86.

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

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

17 (B) Government employees performing their official duties.

18 (C) Contractors performing labor that does not include cannabis
19 cultivation, packaging, or processing. Contractors shall be accompanied by an
20 employee, agent, or owner of the cultivator when they are in areas where
21 cannabis is being grown, processed, packaged, or stored.

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

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

8 (17) “Municipality” means a town, city, or incorporated village.

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

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

16 (20) “Principal” means an individual vested with the authority to
17 conduct, manage, or supervise the business affairs of a person, and may
18 include the president, vice president, secretary, treasurer, manager, or similar
19 executive officer of a business; a director of a corporation, nonprofit
20 corporation, or mutual benefit enterprise; a member of a nonprofit corporation,

1 cooperative, or member-managed limited liability company; and a partner of a
2 partnership.

3 (21) “Resident” means a person who is domiciled in Vermont, subject to
4 the following:

5 (A) The process for determining the domicile of an individual shall
6 be the same as that required by rules adopted by the Department of Taxes
7 related to determining domicile for the purpose of the interpretation and
8 administration of 32 V.S.A. § 5401(14).

9 (B) The domicile of a business entity is the state in which it is
10 organized.

11 § 862. NOT APPLICABLE TO HEMP OR MEDICAL USE OF
12 CANNABIS

13 This chapter applies to the regulation of cannabis establishments by the
14 Board and shall not apply to activities regulated by 6 V.S.A. chapter 34
15 (hemp), 18 V.S.A. chapter 86 (therapeutic use of cannabis), or chapters 35
16 (Medical Cannabis Registry) and 37 (cannabis medical dispensaries) of this
17 title.

18 § 863. REGULATION BY LOCAL GOVERNMENT

19 (a)(1) A municipality, by majority vote of those present and voting by
20 Australian ballot at an annual or special meeting warned for that purpose, may
21 prohibit the operation of a cannabis establishment or a specific type of

1 cannabis establishment within the municipality. The provisions of this
2 subdivision shall not apply to a cannabis establishment licensed by the State
3 pursuant to this chapter that is operating within the municipality at the time of
4 the vote.

5 (2) A vote to prohibit the operation of a cannabis establishment within
6 the municipality shall remain in effect until rescinded by majority vote of those
7 present and voting by Australian ballot at an annual or special meeting warned
8 for that purpose.

9 (b) A municipality that hosts a cannabis establishment may establish a
10 cannabis control commission composed of commissioners who may be
11 members of the municipal legislative body. The local cannabis control
12 commission may issue and administer local control licenses under this
13 subsection for cannabis establishments within the municipality. The
14 commissioners may condition the issuance of a local control license upon
15 compliance with any bylaw adopted pursuant to 24 V.S.A. § 4414 or
16 ordinances regulating signs or public nuisances adopted pursuant to 24 V.S.A.
17 § 2291. The commission may suspend or revoke a local control license for a
18 violation of any condition placed upon the license. The Board shall adopt rules
19 relating to a municipality's issuance of a local control license in accordance
20 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) A municipality shall not:

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

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

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

12 (d) Prior to issuing a license to a cannabis establishment under this chapter,
13 the Board shall ensure that the applicant has obtained a local control license
14 from the municipality, if required.

15 § 864. ADVERTISING

16 (a) “Advertise” and “advertisement” shall have the same meaning as
17 provided in section 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) depicts a person under 21 years of age consuming cannabis or
5 cannabis products; or

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

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

11 (c) All advertisements shall contain the following warnings:

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

14 (2) Cannabis has intoxicating effects and may impair concentration,
15 coordination, and judgment.

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

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

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

4 (e) 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 completes a training program approved by the
12 Board prior to selling cannabis or cannabis products and at least once every 24
13 months thereafter. A licensee shall keep a written record of the type and date
14 of training for each employee, which shall be signed by each employee. A
15 licensee may comply with this requirement by conducting its own training
16 program on its premises, using information and materials furnished by the
17 Board. A licensee who fails to comply with the requirements of this section
18 shall be subject to a suspension of not less than one day of the license issued
19 under this chapter.

1 § 866. YOUTH

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

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

12 (c) In accordance with section 864 of this title, advertising by a cannabis
13 establishment shall not depict a person under 21 years of age consuming
14 cannabis or cannabis products or be designed to be or has the effect of being
15 particularly appealing to persons under 21 years of age. Cannabis
16 establishments shall not advertise their products via flyers, television, radio,
17 billboards, print, or Internet unless the licensee can show that not more than
18 30 percent of the audience is reasonably expected to be under 21 years of age.
19 All advertising shall contain a warning that cannabis and cannabis products are

1 for use only by adults 21 years of age or older and shall be kept out of the
2 reach of children.

3 (d) The Board shall adopt rules in accordance with section 881 of this title
4 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 are
10 contained in child-resistant packaging;

11 (4) require that cannabis and cannabis products sold by licensed retailers
12 are packaged with labels that clearly indicate that the contents of the package
13 contains cannabis and should be kept away from persons under 21 years of
14 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) Cannabis products that contain delta-9 tetrahydrocannabinol and
10 nicotine or alcoholic beverages

11 Subchapter 2. Administration

12 § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

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

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

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

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

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

1 (I) the type of business organization; the identity of its owners
2 and principals; and the identity of the owners and principals of its affiliates;
3 and

4 (II) the sources, amount, and nature of its capital, assets, and
5 financing; the identity of the individuals or entities that are its financiers; and
6 the identity of the owners and principals of its financiers;

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

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

11 (C) oversight requirements, including provisions to ensure that a
12 licensed establishment complies with State and federal regulatory requirements
13 governing insurance, securities, workers' compensation, unemployment
14 insurance, and occupational health and safety;

15 (D) inspection requirements;

16 (E) records to be kept by licensees and the required availability of the
17 records;

18 (F) employment and training requirements;

19 (G) security requirements, including any appropriate lighting,
20 physical security, video, and alarm requirements;

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

1 (I) health and safety requirements;

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

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

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

8 (M) sanitary requirements;

9 (N) procedures for the renewal of a license, which shall allow
10 renewal applications to be submitted up to 90 days prior to the expiration of
11 the cannabis establishment’s license;

12 (O) procedures for suspension and revocation of a license;

13 (P) requirements for banking and financial transactions, including
14 provisions to ensure that the Board, the Department of Financial Regulation,
15 and financial institutions have access to relevant information concerning
16 licensed establishments to comply with State and federal regulatory
17 requirements;

18 (Q) disclosure or eligibility requirements for a financier, its owners
19 and principals, and its affiliates, which may include:

20 (i) requirements to disclose information to a licensed
21 establishment, the Board, or the Department of Financial Regulation;

1 (ii) a minimum age requirement and a requirement to conduct a
2 background check for natural persons;

3 (iii) requirements to ensure that a financier complies with
4 applicable State and federal laws governing financial institutions, licensed
5 lenders, and other financial service providers; and

6 (iv) any other requirements, conditions, or limitations on the type
7 or amount of loans or capital investments made by a financier or its affiliates,
8 which the Board, in consultation with the Department of Financial Regulation,
9 determines is necessary to protect the public health, safety, and general
10 welfare; and

11 (R) policies and procedures for conducting outreach and promoting
12 participation in the regulated cannabis market by diverse groups of individuals,
13 including those who have been disproportionately harmed by cannabis
14 prohibition.

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

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

18 (ii) restrictions on the use by cultivators of pesticides that are
19 injurious to human health;

20 (iii) standards for both the indoor and outdoor cultivation of
21 cannabis, including environmental protection requirements;

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

3 (v) labeling requirements for products sold to retailers that include
4 appropriate warnings concerning the potential risks of consuming cannabis
5 and the need to keep the product away from persons under 21 years of age;

6 (vi) regulation of visits to the establishments, including the
7 number of visitors allowed at any one time and record keeping concerning
8 visitors; and

9 (vii) facility inspection requirements and procedures.

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

13 (3) Rules concerning product manufacturers shall include:

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

16 (i) cannabis products that are not consumable, including topical
17 preparations; and

18 (ii) cannabis products sold to a dispensary pursuant to 7 V.S.A.
19 chapter 37 and regulations issued pursuant to that chapter;

1 (B) requirements that cannabis products are labeled in a manner that
2 states the number of servings of tetrahydrocannabinol in the product, measured
3 in servings of a maximum of 10 milligrams per serving, except:

4 (i) cannabis products that are not consumable, including topical
5 preparations; and

6 (ii) cannabis products sold to a dispensary pursuant to 7 V.S.A.
7 chapter 37 and regulations issued pursuant to that chapter;

8 (C) requirements that cannabis products are labeled with a date the
9 product was manufactured, the date the product is best used by, and the
10 ingredients contained in the product;

11 (D) requirements that cannabis products are labeled with information
12 on the length of time it typically takes for products to take effect and
13 appropriate warnings concerning the potential risks of consuming cannabis and
14 the need to keep the product away from persons under 21 years of age;

15 (E) requirements that a cannabis product is clearly identifiable with a
16 standard symbol adopted by the Board indicating that it contains cannabis;

17 (F) procedures and standards for testing cannabis products for
18 contaminants, potency, and quality assurance and control;

19 (G) requirements for opaque, child-resistant packaging; and

20 (H) a prohibition on:

21 (i) products or packaging that are designed to make the product

1 more appealing to persons under 21 years of age; and

2 (ii) the inclusion of nicotine or alcoholic beverages in a cannabis
3 product.

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

7 (5) Rules concerning retailers shall include:

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

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

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

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

16 (E) facility inspection requirements and procedures.

17 (6) Rules concerning testing laboratories shall include:

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

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

1 (C) procedures for destruction of all cannabis and cannabis products
2 samples.

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

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

10 § 882. SUSPENSION AND REVOCATION OF LICENSES; CIVIL

11 PENALTIES

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

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

19 § 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

20 (a) The Board shall obtain from the Vermont Crime Information Center a
21 copy of a license applicant’s fingerprint-based Vermont criminal history

1 records, out-of-state criminal history records, and criminal history records from
2 the Federal Bureau of Investigation.

3 (b) The Board shall adopt rules that set forth standards for determining
4 whether an applicant should be denied a cannabis establishment license
5 because of his or her criminal history record based on factors that demonstrate
6 whether the applicant presently poses a threat to public safety or the proper
7 functioning of the regulated market. Nonviolent drug offenses shall not
8 automatically disqualify an applicant.

9 § 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

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

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

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

- 1 (B) a wholesaler license;
2 (C) a product manufacturer license;
3 (D) a retailer license;
4 (E) a testing laboratory license; and
5 (F) integrated license.

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

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

9 (ii) retailer licenses.

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

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

15 (B) An applicant and its affiliates that are a dispensary registered
16 pursuant to 18 V.S.A. chapter 86 may obtain one integrated license provided in
17 subdivision (d)(1)(F) of this title or a maximum of one of each type of license
18 provided in subdivision (d)(1)(A) – (E) of this title. An integrated licensee
19 may not hold a separate cultivator, wholesaler, product manufacturer, retailer,
20 or testing laboratory license.

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

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

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

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

13 (A) any record in an application for a license relating to security,
14 public safety, transportation, or trade secrets; and

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

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

1 § 902. LICENSE QUALIFICATIONS AND APPLICATION PROCESS

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

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

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

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

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

15 (1) the applicant;

16 (2) each proposed principal;

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

18 (d) An applicant who is denied a license may appeal the Board's
19 determination in accordance with section 845 of this title.

20 § 903. PRIORITIES; BUSINESS AND TECHNICAL ASSISTANCE

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

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

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

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

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

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

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

17 (b) The Agency of Commerce and Community Development, in
18 collaboration with the Agency of Agriculture, Food and Markets, shall provide
19 business and technical assistance to Vermont applicants with priority for
20 services based on criteria adopted by the Board in accordance with subsection
21 (a) of this section.

1 § 904. CULTIVATOR LICENSE

2 (a) A cultivator licensed under this chapter may cultivate, process, package,
3 label, transport, test, and sell cannabis to a licensed wholesaler, product
4 manufacturer, retailer, or dispensary.

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

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

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

10 (1) Packaging shall include:

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

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

13 (C) The potency of the cannabis represented by the amount of
14 tetrahydrocannabinol and cannabidiol in milligrams total and per serving

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

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

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

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

3 (e)(1) Only unadulterated cannabis shall be offered for sale. If, upon
4 inspection, the Board finds any violative pesticide residue or other
5 contaminants of concern, the Board shall order the cannabis, either
6 individually or in blocks, to be:

7 (A) put on stop-sale;

8 (B) treated in a particular manner; or

9 (C) destroyed according to the Board's instructions.

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

14 (3) A person may appeal an order issued pursuant to this section within
15 15 days after receiving the order. The appeal shall be made in writing to the
16 Secretary and shall clearly identify the cannabis affected and the basis for the
17 appeal.

18 § 904a. SMALL CULTIVATORS

19 (a) It is the intent of the General Assembly to move as much of the illegal
20 cannabis market as possible into the regulated market for the purposes of
21 consumer protection and public safety. It is also the intent of the General

1 Assembly to encourage participation in the regulated cannabis market by
2 small, local farmers. In furtherance of these goals, the Board shall consider
3 policies to promote small cultivators. As used in this section, “small
4 cultivator” means a cultivator of not more than 500 square feet.

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

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

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

15 § 905. WHOLESALER LICENSE

16 A wholesaler licensed under this chapter may:

17 (1) purchase cannabis from licensed cultivators and cannabis products
18 from licensed product manufacturers;

19 (2) transport, process, package, and sell cannabis and cannabis products
20 to a licensed product manufacturer, retailer, and dispensary.

1 § 906. PRODUCT MANUFACTURER LICENSE

2 A product manufacturer licensed under this chapter may:

3 (1) purchase cannabis from licensed cultivators and wholesalers and
4 cannabis products from licensed wholesalers and product manufacturers;

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

7 (3) transport, process, package, and sell cannabis products to licensed
8 wholesalers, product manufacturers, retailers, and dispensaries.

9 § 907. RETAILER LICENSE

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

11 (1) purchase cannabis from a licensed cultivator or wholesaler and
12 cannabis products from a licensed wholesaler or licensed product
13 manufacturer; and

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

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

20 (c)(1) Packaging shall include:

21 (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 or flyers developed or
11 approved by the Board and supplied to the retailer free of charge. The flyer or
12 flyers shall contain information concerning the methods for administering
13 cannabis, the amount of time it may take for cannabis products to take effect,
14 the risks of driving under the influence of cannabis, the potential risks of
15 cannabis use, the symptoms of problematic usage, and how to receive help for
16 cannabis abuse.

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

18 § 908. TESTING LABORATORY LICENSE

19 (a) A testing laboratory licensed under this chapter may acquire, possess,
20 analyze, test, and transport cannabis samples obtained from a licensed cannabis
21 establishment, dispensary, or a member of the public.

1 (b) Testing may address the following:

2 (1) residual solvents;

3 (2) poisons or toxins;

4 (3) harmful chemicals;

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

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

7 (6) pesticides; and

8 (7) tetrahydrocannabinol and cannabidiol potency.

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

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

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

19 (f) A cannabis establishment that is subject to testing requirements under
20 this chapter or rules adopted pursuant to this chapter shall have its cannabis or
21 cannabis products tested by an independent licensed testing laboratory and not

1 a licensed testing laboratory owned or controlled by the license holder of the
2 cannabis establishment.

3 **§ 909. INTEGRATED LICENSE**

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

7 (b) An integrated license is only available to an applicant and its affiliates
8 that hold a dispensary registration pursuant 18 V.S.A. chapter 86 on July 1,
9 2020. There shall be nor more than five total integrated licenses, one for each
10 registered dispensary. Upon compliance with all application procedures and
11 requirements, the Board shall issue an integrated license to the applicant. The
12 licensee shall have the right to renew the license in accordance with rules
13 adopted by the Board.

14 **§ 910. FEES**

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

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

20 **Sec. 8. IMPLEMENTATION OF LICENSING CANNABIS**

21 **ESTABLISHMENTS**

1 (a)(1) The cannabis plant, cannabis, and cannabis product possession limits
2 for a registered dispensary set forth in 18 V.S.A. chapter 86 shall no longer
3 apply on and after September 1, 2020. The dispensary shall be permitted to
4 cultivate cannabis and manufacture cannabis products for the purpose of
5 transferring or selling cannabis and cannabis products to an integrated licensee
6 on or after January 15, 2021.

7 (2) On or before January 15, 2021, the Board shall begin accepting
8 applications for integrated licenses.

9 (3) On or before February 15, 2021, the Board shall begin issuing
10 integrated licenses to qualified applicants. An integrated licensee may begin
11 selling cannabis and cannabis products transferred or purchased from a
12 dispensary immediately.

13 (b)(1) On or before January 15, 2021, the Board shall begin accepting
14 applications for cultivator licenses. The initial application period shall remain
15 open for 30 days. The Board may reopen the application process for any
16 period of time at its discretion. During this initial application period, the Board
17 shall give priority to applications for small cultivator licenses.

18 (2) On or before February 15, 2021, the Board shall begin issuing
19 cultivator licenses to qualified applicants. Upon licensing, cultivators shall be
20 permitted to sell cannabis to an integrated licensee and a dispensary licensed

1 pursuant to chapter 37 of this title prior to other types of licensees beginning
2 operations.

3 (b)(1) On or before April 1, 2021, the Board shall begin accepting
4 applications for product manufacturer licenses, wholesaler licenses, and testing
5 laboratory licenses. The initial application period shall remain open for 30
6 days. The Board may reopen the application process for any period of time at
7 its discretion.

8 (2) On or before May 15, 2021, the Board shall begin issuing product
9 manufacturer and wholesaler licenses to qualified applicants.

10 (c)(1) On or before June 1, 2021, the Board shall begin accepting
11 applications for retailer licenses. The initial application period shall remain
12 open for 30 days. The Board may reopen the application process for any
13 period of time at its discretion.

14 (2) On or before July 15, 2021, the Board shall begin issuing retailer
15 licenses to qualified applicants and sales of cannabis and cannabis products to
16 the public shall be allowed immediately.

17 * * * Medical Cannabis Registry * * *

18 Sec. 9. 7 V.S.A. chapter 35 is added to read:

19 CHAPTER 35. MEDICAL CANNABIS REGISTRY

20 § 951. DEFINITIONS

21 As used in this chapter:

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

2 (2) “Cannabis” has the same meaning as provided in section 831 of this
3 title.

4 (3) “Cannabis product” has the same meaning as provided in section 831
5 of this title.

6 (4) “Dispensary” means a business organization licensed under chapter
7 37 of this title.

8 (5)(A) “Health care professional” means an individual licensed to
9 practice medicine under 26 V.S.A. chapter 23 or 33, an individual licensed as a
10 naturopathic physician under 26 V.S.A. chapter 81, an individual certified as a
11 physician assistant under 26 V.S.A. chapter 31, or an individual licensed as an
12 advanced practice registered nurse under 26 V.S.A. chapter 28.

13 (B) This definition includes individuals who are professionally
14 licensed under substantially equivalent provisions in New Hampshire,
15 Massachusetts, or New York.

16 (6) “Immature cannabis plant” means a female cannabis plant that has
17 not flowered and that does not have buds that may be observed by visual
18 examination.

19 (7) “Mature cannabis plant” means a female cannabis plant that has
20 flowered and that has buds that may be observed by visual examination.

21 (8) “Qualifying medical condition” means:

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

6 (B) post-traumatic stress disorder, provided the Board confirms the
7 applicant is undergoing psychotherapy or counseling with a licensed mental
8 health care provider; or

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

12 (9) “Registry” means the Vermont Medical Cannabis Registry.

13 § 952. REGISTRY

14 (a) The Board shall establish and manage the Vermont Medical Cannabis
15 Registry for the purpose of allowing persons with qualifying medical
16 conditions and their caregivers to obtain privileges regarding cannabis and
17 cannabis product possession, use, cultivation, and purchase.

18 (b) A person who is a registered patient or a registered caregiver on behalf
19 of a patient may:

20 (1) Cultivate not more than two mature and seven immature cannabis
21 plants. Any cannabis harvested from the plants shall not count toward the

1 three-ounce possession limit in subdivision (b)(2) of this section, provided it is
2 stored in an indoor facility on the property where the cannabis was cultivated
3 and reasonable precautions are taken to prevent unauthorized access to the
4 cannabis.

5 (2) Possess not more than three ounces of cannabis.

6 (3) Purchase cannabis and cannabis products at a licensed medical
7 cannabis dispensary. Pursuant to chapter 37 of this title, a dispensary may
8 offer goods and services that are not permitted at a cannabis establishment
9 licensed pursuant to chapter 33 of this title.

10 (c)(1) Individual names and identifying information about patients and
11 caregivers on the Registry are exempt from public inspection and copying
12 under the Public Records Act and shall be kept confidential. Notwithstanding
13 1 V.S.A. § 317(e), the Public Records Act exemption created in this subsection
14 shall continue in effect and shall not be repealed through operation of 1 V.S.A.
15 § 317(e).

16 (2) In response to a person-specific or property-specific inquiry by a law
17 enforcement officer or agency made in the course of a bona fide investigation
18 or prosecution, the Board may verify the identities and registered property
19 addresses of the registered patient and the patient's registered caregiver. The
20 law enforcement officer or agency shall keep confidential any identities and
21 addresses received pursuant to this subdivision.

1 (d) The Board shall establish an application process through rulemaking.

2 § 953. PATIENTS

3 (a) Pursuant to rules adopted by the Board, a person may register with the
4 Board to obtain the benefits of the Registry as provided in section 952 of this
5 title. In addition to an application form to be completed by a person who seeks
6 to register as a patient, the Board shall develop a medical verification form to
7 be completed by an applicant's health care professional and submitted by the
8 applicant that attests to the applicant having a qualifying medical condition as
9 defined in section 951 of this title.

10 (b) An application by a person under 18 years of age shall be signed by
11 both the applicant and the applicant's parent or guardian.

12 § 954. CAREGIVERS

13 (a) Pursuant to rules adopted by the Board, a person may register with the
14 Board as a caregiver of a registered patient to obtain the benefits of the
15 Registry as provided in section 952 of this title. The Board shall develop an
16 application form to be completed by a person who seeks to be a caregiver for a
17 registered patient.

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

1 (2) A patient who is under 18 years of age may have two caregivers.

2 § 955. REGISTRATION; FEES

3 (a) A registration card shall expire one year after the date of issuance. A
4 patient or caregiver may renew the card according to protocols adopted by the
5 Board.

6 (b) The Board shall charge and collect fees for annual registration for
7 patients and caregivers. Fees shall be deposited in the Cannabis Regulation
8 Fund as provided in section 843 of this title.

9 § 956. RULEMAKING

10 The Board shall adopt rules for the administration of this chapter. No rule
11 shall be more restrictive than any rule adopted by the Department of Public
12 Safety pursuant to 18 V.S.A. chapter 86.

13 Sec. 10. IMPLEMENTATION OF MEDICAL CANNABIS REGISTRY

14 (a) On January 1, 2021, patients and caregivers who are on the Department
15 of Public Safety’s Medical Marijuana Registry pursuant to 18 V.S.A.
16 chapter 86 shall transfer to the Cannabis Control Board’s Medical Cannabis
17 Registry pursuant to 7 V.S.A. chapter 35. At such time, those patients and
18 caregivers will be entitled to the privileges afforded registrants under 7 V.S.A.
19 chapter 35 and rules adopted by the Board pursuant to 7 V.S.A. chapter 35.

20 (b) The registration card of a patient of caregiver who transfers to the new
21 Registry shall expire on the date of the registration card and a patient or

1 caregiver who wishes to continue participation on the Registry shall renew the
2 registration card under rules adopted by the Board.

3 Sec. 11. REPEAL

4 18 V.S.A. chapter 86 (therapeutic use of cannabis) is repealed.

5 * * * Medical Cannabis Dispensaries * * *

6 Sec. 12. 7 V.S.A. chapter 37 is added to read:

7 CHAPTER 37. MEDICAL CANNABIS DISPENSARIES

8 § 971. INTENT; PURPOSE

9 (a) It is the intent of the General Assembly to provide a well-regulated
10 system of licensed medical cannabis dispensaries for the purpose of providing
11 cannabis, cannabis products, and related services to patients and caregivers
12 who are registered on the Medical Cannabis Registry pursuant to chapter 35 of
13 this title. Vermont first authorized dispensaries in 2011, and it is the intent of
14 the General Assembly that dispensaries continue to provide unique goods and
15 services to registered patients and caregivers for therapeutic purposes in a
16 market that also allows cannabis establishments licensed pursuant to
17 chapter 33 of this title.

18 (b) A dispensary licensed pursuant to this chapter may engage in practices
19 that are not permitted for a cannabis establishment. As such, a dispensary
20 may:

21 (1) be vertically integrated under one license;

1 (2) sell tax-free cannabis and cannabis products to patients and
2 caregivers;

3 (3) deliver cannabis and cannabis products to patients and caregivers;

4 (4) allow patients and caregivers to purchase cannabis and cannabis
5 products without leaving their vehicles;

6 (5) produce and sell cannabis and cannabis products that have a higher
7 THC content than is permitted for a cannabis establishment;

8 (6) produce and sell cannabis products that may not otherwise be
9 permitted for a cannabis establishment, but that would be appropriate for use
10 by a patient as determined by the Board through rulemaking; and

11 (7) sell larger quantities of cannabis and cannabis products than is
12 permitted for a cannabis establishment.

13 § 972. DEFINITIONS

14 As used in this chapter:

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

16 (2) “Cannabis” has the same meaning as provided in section 831 of this
17 title.

18 (3) “Cannabis product” has the same meaning as provided in section 831
19 of this title.

20 (4) “Dispensary” means a business organization licensed under this
21 chapter.

1 (5) “Registry” means the Vermont Medical Cannabis Registry.

2 § 973. DISPENSARY LICENSE

3 (a) A dispensary licensed pursuant to this chapter may:

4 (1) cultivate, package, label, test, and transport cannabis;

5 (2) produce, package, label, test, and transport cannabis products;

6 (3) sell and deliver cannabis and cannabis products to patients and
7 caregivers registered under chapter 35 of this title;

8 (4) acquire, purchase, or borrow cannabis, cannabis products, and
9 services from another licensed Vermont medical cannabis dispensary or give,
10 sell, or lend cannabis, cannabis products, and services to another licensed
11 Vermont medical cannabis dispensary; and

12 (5) purchase cannabis and cannabis products from a cannabis
13 establishment licensed pursuant to chapter 33 of this title.

14 (b) All records relating to security, transportation, public safety, trade
15 secrets, and employees in an application for a license and for a licensee under
16 this chapter are exempt from public inspection and copying under the Public
17 Records Act and shall be confidential. Notwithstanding 1 V.S.A. § 317(e), the
18 Public Records Act exemption created in this subsection shall continue in
19 effect and shall not be repealed through operation of 1 V.S.A. § 317(e).

20 § 974. RULEMAKING

1 (a) The Board shall adopt rules to implement and administer this chapter.
2 In adoption of rules, the Board shall strive for consistency with rules adopted
3 for cannabis establishments pursuant to chapter 33 of this title where
4 appropriate. (Removed language about not being more restrictive than current)

5 (b) Rules shall include:

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

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

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

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

13 (ii) the sources, amount, and nature of its capital, assets, and
14 financing; the identity of the individuals or entities that are its financiers; and
15 the identity of the owners and principals of its financiers;

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

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

20 (D) the requirement for a fingerprint-based criminal history record
21 check and regulatory record check pursuant to section 975 of this title;

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

5 (4) inspection requirements;

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

8 (6) employment and training requirements, including requiring that each
9 employee have an identification badge;

10 (7) security requirements, including lighting, physical security, video,
11 and alarm requirements;

12 (8) guidelines on advertising, marketing, and signage;

13 (9) health and safety requirements;

14 (10) procedures for suspension and revocation of a license;

15 (11) requirements for banking and financial transactions, including:

16 (A) provisions to ensure that the Board, the Department of Financial
17 Regulation, and financial institutions have access to relevant information
18 concerning dispensaries to comply with State and federal regulatory
19 requirements; and

20 (B) disclosure or eligibility requirements for a financier, its owners
21 and principals, and its affiliates, which may include:

1 (i) requirements to disclose information to a dispensary, the
2 Board, or the Department of Financial Regulation;

3 (ii) a minimum age requirement and a requirement to conduct a
4 background check for natural persons;

5 (iii) requirements to ensure that a financier complies with
6 applicable State and federal laws governing financial institutions, licensed
7 lenders, and other financial service providers; and

8 (iv) any other requirements, conditions, or limitations on the type
9 or amount of loans or capital investments made by a financier or its affiliates,
10 which the Board, in consultation with the Department of Financial Regulation,
11 determines is necessary to protect the public health, safety, and general
12 welfare;

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

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

18 (14) standards for both the indoor and outdoor cultivation of cannabis,
19 including environmental protection requirements;

1 (15) regulation of additives to cannabis, prohibiting those that are toxic
2 or designed to make the product more addictive, more appealing to persons
3 under 21 years of age, or to mislead patients and caregivers;

4 (16) a prohibition on the inclusion of nicotine or alcoholic beverages in
5 a cannabis product;

6 (17) requirements for opaque, child-resistant packaging of cannabis and
7 cannabis products;

8 (18) labeling requirements for cannabis sold to patients and caregivers
9 that include:

10 (A) requirements that cannabis is clearly identifiable with a standard
11 symbol indicating that it is cannabis;

12 (B) the potency of the cannabis represented by the amount of
13 tetrahydrocannabinol and cannabidiol in milligrams total; and

14 (C) appropriate warnings concerning the potential negative
15 consequences of consuming cannabis and the need to keep the product away
16 from persons under 21 years of age;

17 (19) labeling requirements for cannabis products sold to patients and
18 caregivers that include:

19 (A) requirements that cannabis products are clearly identifiable with
20 a standard symbol indicating that it contains cannabis;

- 1 (B) the potency of the cannabis represented by the amount of
2 tetrahydrocannabinol and cannabidiol in milligrams total and per serving; and
- 3 (C) the length of time it typically takes for products to take effect and
4 appropriate warnings concerning the potential negative consequences of
5 consuming cannabis and the need to keep the product away from persons under
6 21 years of age;
- 7 (20) limitations to a specific number of servings for each individual
8 package of edible cannabis products with the exception of infused oils,
9 powders, and liquids;
- 10 (21) procedures and standards for testing cannabis for contaminants and
11 potency and for quality assurance and control;
- 12 (22) regulation of the storage and transportation of cannabis and
13 cannabis products;
- 14 (23) pricing guidelines with a goal of ensuring cannabis and cannabis
15 products are sufficiently affordable to patients and caregivers;
- 16 (24) regulation of visits to the establishments, including the number of
17 visitors allowed at any one time and record keeping concerning visitors;
- 18 (25) requirements for the dissemination of educational materials to
19 consumers who purchase cannabis and cannabis products;
- 20 (26) requirements for verification of a customer's Registry status;

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

4 (28) reporting requirements, including requirements for chain-of-
5 custody record keeping for testing samples; and

6 (29) procedures for destruction of all testing samples.

7 § 975. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

8 (a) The Board shall obtain from the Vermont Crime Information Center a
9 copy of a license applicant’s fingerprint-based Vermont criminal history
10 records, out-of-state criminal history records, and criminal history records from
11 the Federal Bureau of Investigation.

12 (b) The Board shall adopt rules that set forth standards for determining
13 whether an applicant should be denied a medical cannabis dispensary license
14 because of his or her criminal history record based on factors that demonstrate
15 whether the applicant presently poses a threat to public safety or the proper
16 functioning of the regulated market. Nonviolent drug offenses shall not
17 automatically disqualify a candidate.

18 § 976. DISPENSARY IDENTIFICATION CARD

19 (a) Every owner, principal, and employee of a medical cannabis dispensary
20 shall obtain an identification card issued by the Board.

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

5 (2) The Board shall adopt rules that set forth standards for determining
6 whether a person should be denied a medical cannabis dispensary
7 identification card because his or her criminal history record based on factors
8 that demonstrate whether the applicant presently poses a threat to public safety
9 or the proper functioning of the regulated market. Nonviolent drug offenses
10 shall not automatically disqualify a candidate.

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

17 (d) An identification card shall expire one year after its issuance or upon
18 the expiration of the dispensary’s license, whichever occurs first.

19 § 977. FEES

20 (a) The Board shall charge and collect the following fees for dispensaries:

21 (1) application fees;

1 (2) annual license fees; and

2 (3) annual renewal fees.

3 (b) Fees shall be deposited in the Cannabis Regulation Fund as provided in
4 section 843 of this title.

5 Sec. 13. IMPLEMENTATION OF MEDICAL CANNABIS REGISTRIES

6 (a) On January 1, 2021, regulation of medical marijuana dispensaries that
7 are registered pursuant to 18 V.S.A. chapter 86 shall transfer from the
8 Department of Public Safety to the Cannabis Control Board. At such time,
9 those registered dispensaries shall operate pursuant to 7 V.S.A. chapter 37 and
10 the rules adopted by the Board pursuant to chapter 37.

11 (b) The registration certificate of a dispensary that transfers to the Board
12 shall expire on the date of issue of the certificate and a dispensary that wishes
13 to continue operating as a dispensary shall apply to the Board for a dispensary
14 license pursuant to 7 V.S.A. chapter 37 and the rules adopted by the Board
15 pursuant to chapter 37.

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

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

18 CHAPTER 207. CANNABIS TAXES

19 § 7900. DEFINITIONS

20 As used in this chapter:

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

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

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

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

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

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

7 (7) “Retail sale” or “sold at retail” means any sale, lease, or rental for
8 any purpose other than for resale.

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

10 § 7901. CANNABIS EXCISE TAX

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

14 (b) The tax imposed by this section shall be paid by the purchaser to the
15 retailer. Each retailer shall collect from the purchaser the full amount of the
16 tax payable on each taxable sale.

17 (c) The tax imposed by this section is separate from and in addition to the
18 cannabis local option tax authorized under section 7902 of this title. The tax
19 imposed by this section shall not be part of the sales price to which the
20 cannabis local option tax applies. The cannabis excise tax shall be separately

1 itemized from the cannabis local option tax on the receipt provided to the
2 purchaser.

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

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

7 (2) sales made by any dispensary as authorized under 7 V.S.A.
8 chapter 37, provided that the cannabis or cannabis product is sold only to
9 registered qualifying patients directly or through their registered caregivers;
10 and

11 (3) sales from a cannabis cultivator, cannabis product manufacturer, or
12 cannabis wholesaler to a cannabis product manufacturer, cannabis retailer, or
13 cannabis wholesaler.

14 § 7902. CANNABIS LOCAL OPTION TAX

15 (a) Notwithstanding 24 V.S.A. § 138, any municipality may collect a
16 cannabis local option tax of two percent of the sales price on each retail sale in
17 the municipality of cannabis and cannabis products, including food and
18 beverages.

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

1 (1) not prohibited the retail sale of cannabis and cannabis products
2 within the municipality; and

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

6 (c) The tax imposed by this section shall be paid by the purchaser to the
7 retailer. Each retailer shall collect from the purchaser the full amount of the
8 tax payable on each taxable sale.

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

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

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

18 (2) sales made by any dispensary as authorized under 7 V.S.A.
19 chapter 37, provided that the cannabis or cannabis product is sold only to
20 registered qualifying patients directly or through their registered caregivers;
21 and

1 (3) sales from a cannabis cultivator, cannabis product manufacturer, or
2 cannabis wholesaler to a cannabis product manufacturer, cannabis retailer, or
3 cannabis wholesaler.

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

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

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

19 § 7903. LIABILITY FOR TAXES

20 (a) Any tax collected in accordance with this chapter shall be deemed to be
21 held by the retailer in trust for the State of Vermont. Any tax collected under

1 this chapter shall be accounted for separately so as clearly to indicate the
2 amount of tax collected and that the same are the property of the State of
3 Vermont.

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

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

19 (d) A retailer required to collect tax may also refund or credit to the
20 purchaser any tax erroneously, illegally, or unconstitutionally collected. No
21 cause of action that may exist under State law shall accrue against the retailer

1 for tax collected unless the purchaser has provided written notice to a retailer
2 and the retailer has had 60 days to respond.

3 § 7904. RETURNS; RECORDS

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

13 (b) Every retailer shall maintain, for not less than three years, accurate
14 records showing all transactions subject to tax liability under this chapter.
15 The records are subject to inspection by the Department of Taxes at all
16 reasonable times during normal business hours.

17 § 7905. BUNDLED TRANSACTIONS

18 (a) Except as provided in subsection (b) of this section, a retail sale of a
19 bundled transaction that includes cannabis or a cannabis product is subject to
20 the cannabis excise tax and cannabis local option tax, where applicable,
21 imposed by this chapter on the entire selling price of the bundled transaction.

1 If there is a conflict with the bundling transaction provisions applicable to
2 another tax type, this section shall apply.

3 (b) If the selling price is attributable to products that are taxable and
4 products that are not taxable under this chapter, the portion of the price
5 attributable to the products that are nontaxable are subject to the tax imposed
6 by this chapter unless the retailer can identify by reasonable and verifiable
7 standards the portion that is not subject to tax from its books and records that
8 are kept in the regular course of business, and any discounts applied to the
9 bundle must be attributed to the products that are nontaxable under this
10 chapter.

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

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

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

17 § 7906. LICENSE

18 (a) Any retailer required to collect tax imposed by this chapter must apply
19 for and receive a cannabis retail tax license from the Commissioner for each
20 place of business within the State where he or she sells cannabis or cannabis
21 products prior to commencing business. The Commissioner shall issue

1 without charge a license, or licenses, empowering the retailer to collect the
2 cannabis excise tax and cannabis local option tax, where applicable, provided
3 that a retailer’s application is properly submitted and the retailer is otherwise in
4 compliance with applicable laws, rules, and provisions.

5 (b) Each cannabis retail tax license shall state the place of business to
6 which it is applicable and be prominently displayed in the place of business.
7 The licenses shall be nonassignable and nontransferable and shall be
8 surrendered to the Commissioner immediately upon the registrant ceasing to
9 do business in the place named. A cannabis retail tax license shall be separate
10 and in addition to any licenses required by sections 9271 (meals and rooms
11 tax) and 9707 (sales and use tax) of this title.

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

15 § 7907. ADMINISTRATION OF CANNABIS TAXES

16 (a) The Commissioner of Taxes shall administer and enforce this chapter
17 and the tax. The Commissioner may adopt rules pursuant to 3 V.S.A. chapter
18 25 to carry out such administration and enforcement.

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

1 § 7908. STATUTORY PURPOSES

2 (a) The statutory purpose of the exemptions for cannabis and cannabis
3 products sold by any dispensary as authorized under 7 V.S.A. chapter 37 in
4 subdivisions 7901(d)(2) and 7902(e)(2) of this title is to lower the cost of
5 medical products in order to support the health and welfare of Vermont
6 residents.

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

10 § 7909. ADDITIONAL TAXES DO NOT APPLY

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

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

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

20 * * * Sales Tax Exemption * * *

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

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

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

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

9 * * * Tax Expenditure * * *

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

11 (mm) The statutory purpose of the exemption for cannabis and cannabis
12 products as defined under 7 V.S.A. § 831 in subdivision 9741(53) of this title
13 is to lower the cost of medical products sold by any dispensary as authorized
14 under 7 V.S.A. chapter 37 in order to support the health and welfare of
15 Vermont residents and avoid having both the sales tax and the cannabis excise
16 and cannabis local option taxes apply to cannabis and cannabis products that
17 are not sold as a medical product.

18 * * * Meals and Rooms Tax * * *

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

20 (10) “Taxable meal” means:

21 * * *

1 (D) “Taxable meal” shall not include:

2 (i) Food or beverage, other than that taxable under subdivision
3 (10)(C) of this section, that is a grocery-type item furnished for take-out: whole
4 pies or cakes, loaves of bread; single-serving bakery items sold in quantities of
5 three or more; delicatessen and nonprepackaged candy sales by weight or
6 measure, except party platters; whole uncooked pizzas; pint or larger closed
7 containers of ice cream or frozen confection; eight ounce or larger containers
8 of salad dressings or sauces; maple syrup; quart or larger containers of cider or
9 milk.

10 * * *

11 (iii) Cannabis or cannabis products as defined under 7 V.S.A. §
12 831.

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

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

18 * * * Income Tax Deduction * * *

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

20 § 5811. DEFINITIONS

1 The following definitions shall apply throughout this chapter unless the
2 context requires otherwise:

3 * * *

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

6 (A) the taxable income of the taxpayer for that taxable year under the
7 laws of the United States, without regard to 26 U.S.C. § 168(k) of the Internal
8 Revenue Code, and excluding income which under the laws of the United
9 States is exempt from taxation by the states:

10 * * *

11 (ii) decreased by:

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

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

18 (III) any federal deduction that the taxpayer would have been
19 allowed for the cultivation, testing, processing, or sale of cannabis or cannabis
20 products as authorized under 7 V.S.A. chapter 33 or 37, but for 26 U.S.C.
21 § 280E.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

* * *

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

* * *

(C) Decreased by the following exemptions and deductions:

* * *

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

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

(v) any federal deduction that the taxpayer would have been allowed for the cultivation, testing, processing, or sale of cannabis or cannabis products as authorized under 7 V.S.A. chapter 33 or 37, but for 26 U.S.C. § 280E.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

* * *

*** * * Substance Misuse Prevention Fund * * ***

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

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

* * *

§ 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:

1 § 4810. SUBSTANCE MISUSE PREVENTION FUND

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

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

8 (1) 30 percent of the revenues raised by the cannabis excise tax imposed
9 by 32 V.S.A. § 7901, but not more than \$6 million per fiscal year; and

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

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

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

15 * * * Miscellaneous Cannabis Provisions * * *

16 Sec. 18c. 6 V.S.A. § 567 is amended to read:

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

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

1 (1) to develop potency and contaminant testing protocols for hemp, and
2 hemp-infused products, cannabis, and cannabis products as defined in 7 V.S.A.
3 § 831;

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

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

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

11 (b) For purposes of this section, a laboratory operating under a dispensary
12 registration pursuant to 18 V.S.A. chapter 86 that offers the services in
13 subdivisions (2) and (3) of subsection (a) of this section on July 1, 2019 shall
14 be deemed certified by the Agency.

15 (c) The cost of a test of a product produced at a registered dispensary shall
16 be paid by the Department of Public Safety prior to January 1, 2021 and by the
17 Cannabis Control Board thereafter.

18 Sec. 19. 18 V.S.A. § 4230a(a)(2)(A) is amended to read:

19 (2)(A) A person shall not consume ~~marijuana~~ cannabis in a public place.
20 “Public place” ~~means any street, alley, park, sidewalk, public building other~~
21 ~~than individual dwellings, any place of public accommodation as defined in 9~~

1 ~~V.S.A. § 4501, and any place where the use or possession of a lighted tobacco~~
2 ~~product, tobacco product, or tobacco substitute as defined in 7 V.S.A. § 1001 is~~
3 ~~prohibited by law~~ has the same meaning as provided by 7 V.S.A. § 831.

4 Sec. 20. 18 V.S.A. § 4230 is amended to read:

5 § 4230. ~~MARIJUANA~~ CANNABIS

6 * * *

7 (b) Selling or dispensing.

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

11 (2) A person knowingly and unlawfully selling or dispensing more than
12 one ounce of ~~marijuana~~ cannabis or five grams or more of hashish shall be
13 imprisoned not more than five years or fined not more than \$100,000.00, or
14 both.

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

19 (4) A person 21 years of age or older may dispense one ounce or less of
20 cannabis or five grams or less of hashish to another person who is 21 years of

1 age or older provided that the dispensing is not advertised or promoted to the
2 public.

3 Sec. 20a. 18 V.S.A. § 4301(7) is amended to read:

4 (7) “Food manufacturing establishment” or “food processor” means all
5 buildings, rooms, basements, cellars, lofts, or other premises or part thereof
6 used, occupied, or maintained for the purpose of manufacturing, preparing,
7 packing, canning, bottling, keeping, storing, handling, serving, or distributing
8 food for sale. A food manufacturing establishment shall include food
9 processors, bakeries, distributors, and warehouses. A food manufacturing
10 establishment shall not include a place where only maple syrup or maple
11 products, as defined in 6 V.S.A. § 481, or a place where only cannabis
12 products, as defined in 7 V.S.A. chapter 31, are prepared for human
13 consumption.

14 Sec. 20b. 18 V.S.A. § 4474n is added to read:

15 § 4474n. USE OF U.S. FOOD AND DRUG ADMINISTRATION-

16 APPROVED DRUGS CONTAINING ONE OR MORE

17 CANNABINOIDS

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

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

5 (2) the dispensing, pursuant to a valid prescription, of an FDA-approved
6 prescription drug containing one or more cannabinoids to a patient or a
7 patient's authorized representative by a pharmacist or by another health care
8 provider licensed to dispense medications in this State and acting within his or
9 her authorized scope of practice;

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

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

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

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

5 **Sec. 20c. REPEAL**

6 **2017 Act and Resolves No. 62, Sec. 8 (use of U.S. Food and Drug**
7 **Administration-approved drugs containing cannabidiol) is repealed.**

8 **Sec. 21. STATUTORY REVISION AUTHORITY**

9 When preparing the Vermont Statutes Annotated for publication, the Office
10 of Legislative Council shall replace “marijuana” with “cannabis” throughout
11 the statutes as needed for consistency with this act, as long as the
12 revisions have no other effect on the meaning of the affected statutes.

13 * * * Effective Dates * * *

14 **Sec. 22. EFFECTIVE DATES**

15 (a) This section and Secs. 18b (Agency of Agriculture, Food and Markets;
16 testing), 20 (cannabis dispensing), 20a (food manufacturing establishment),
17 20b (F.D.A.-approved drugs containing one or more cannabinoids), 20c (repeal
18 of F.D.A.-approved drugs containing cannabidiol), and 21 (statutory revision
19 authority) shall take effect on passage.

20 (b) The following shall take effect July 1, 2019:

1 (1) Secs. 1 (Title 7 redesignation), 2 (cannabis chapter),
2 3 (implementation of the Cannabis Control Board), 4 (implementation of
3 rulemaking by the Cannabis Control Board, 5 (Cannabis Control Board; fees),
4 6 (creation of Board positions), 6a (space allocation), 6b (appropriation),
5 7 (cannabis establishments chapter), 8 (implementation of licensing of
6 cannabis establishments), 18a (Substance Misuse Prevention Fund), and 19
7 (public place definition).

8 (2) In Sec. 9 (Medical Cannabis Registry chapter), 7 V.S.A. § 956
9 (rulemaking) and in Sec. 12 (Medical Cannabis Dispensaries), 7 V.S.A. § 974
10 (rulemaking).

11 (c) Secs. 10 (implementation of Medical Cannabis Registry) and
12 13 (implementation of medical cannabis dispensaries) shall take effect July 1,
13 2020.

14 (d) The following shall take effect January 1, 2021:

15 (1) Sec. 18b (Substance Misuse Prevention Fund).

16 (2) Sec. 9 (Medical Cannabis Registry chapter), except for 7 V.S.A.
17 § 956 (rulemaking) and Sec. 12 (Medical Cannabis Dispensaries), except for
18 7 V.S.A. § 974 (rulemaking).

19 (3) Secs. 11 (Repeal), 14 (creation of excise and local option tax), 14a
20 (tax license disclosure), 15 (sales tax exemption), 16 (tax exemption), 17 (tax

1 expenditure), 17a (meals and rooms tax), 17b (meals and rooms tax
2 expenditure), and 18 (income tax deduction).

3 (e) Secs. 6c and 6d shall take effect on July 1, 2021.

4 (Need to add Sec. 18b for when retail sales begin whatever that date will be)

5

6

7

8

9

10 (Committee vote: _____)

11

12

Representative _____

13

FOR THE COMMITTEE