

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 as defined in
2 section 1001 of this title is prohibited by law.

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 and shall be exempt from the State
13 classified system. The Director shall be responsible for:

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

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

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

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

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

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

4 (h) Advisory committee. The Board shall establish an advisory committee
5 composed of members with expertise and knowledge relevant to the Board’s
6 mission, including business management or regulatory compliance; agriculture,
7 horticulture, or plant science; and systemic social justice and equity issues.

8 § 842. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

9 The Board shall establish a user agreement with the Vermont Crime
10 Information Center in accordance with 20 V.S.A. chapter 117 for the purpose
11 of obtaining Vermont criminal history records, out-of-state criminal history
12 records, and criminal history records from the Federal Bureau of Investigation
13 as required by chapters 33 (cannabis establishments) and 37 (medical cannabis
14 dispensaries) of this title.

15 § 843. CANNABIS REGULATION FUND

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

19 (b) The Fund shall be composed of:

20 (1) all application fees, annual license fees, renewal fees, advertising
21 review fees, and civil penalties collected by the Board pursuant to chapters 33

1 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title;

2 and

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

5 (c) Monies from the fund shall only be appropriated for the purposes of
6 implementation, administration, and enforcement of this chapter and chapters
7 33 (cannabis establishments), chapter 35 (medical cannabis registry), and 37
8 (medical cannabis dispensaries).

9 § 844. FEES

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

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

13 § 845. APPEALS

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

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

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

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

6 **(1) in violation of constitutional or statutory provisions;**

7 **(2) in excess of the statutory authority of the Board;**

8 **(3) made upon unlawful procedure;**

9 **(4) affected by other error of law;**

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

11 **(6) arbitrary or capricious; or**

12 **(7) characterized by abuse of discretion or clearly unwarranted exercise**
13 **of discretion.**

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

17 **(d) The Board shall have the authority to contract for the services of an**
18 **appellate officer.**

19 **Sec. 3. IMPLEMENTATION OF THE CANNABIS CONTROL BOARD**

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

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

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

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

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

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

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

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

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

15 Sec. 4. IMPLEMENTATION OF RULEMAKING BY THE CANNABIS

16 CONTROL BOARD

17 On or before March 1, 2020 the Cannabis Control Board shall initiate
18 rulemaking for cannabis establishments pursuant to 7 V.S.A. § 881 as provided
19 in Sec. 7 of this act, the Medical Cannabis Registry pursuant to 7 V.S.A. § 952
20 as provided in Sec. 9 of this act, and medical cannabis dispensaries pursuant to
21 7 V.S.A. § 974 as provided in Sec. 12 of this act.

1 Sec. 5. CANNABIS CONTROL BOARD REPORT TO THE GENERAL
2 ASSEMBLY; PROPOSAL FOR POSITIONS, FEES, AND
3 APPROPRIATIONS FOR FISCAL YEARS 2021 AND 2022; LAND
4 USE, ENVIRONMENTAL, ENERGY, AND EFFICIENCY
5 REQUIREMENTS OR STANDARDS; OUTREACH, TRAINING,
6 AND EMPLOYMENT PROGRAMS; ONLINE ORDERING AND
7 DELIVERY; ADDITIONAL TYPES OF LICENSES

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

11 (1) Resources necessary for implementation of this act for fiscal years
12 2021 and 2022, including positions and funding. The Board shall consider
13 utilization of current expertise and resources within State government and
14 cooperation with other State departments and agencies where there may be an
15 overlap in duties.

16 (2) Fees to be charged and collected in accordance with the Board's
17 authority pursuant to 7 V.S.A. § 844. The recommendations shall be
18 accompanied by information justifying the recommended rate as required by
19 32 V.S.A. § 605(d). The fees submitted in accordance with this subdivision
20 are projected, at a minimum, to equal the cost of application and license fees
21 for marijuana establishments in the Commonwealth of Massachusetts that are

1 collected by the Cannabis Control Commission. The Board may recommend
2 fees that are lower or higher provided they are designed to provide sufficient
3 funding to meet the duties of the Cannabis Control Board as provided in 7
4 V.S.A. § 841(b).

5 (A) Application fees, initial annual license fees, and annual license
6 renewal fees for each type of cannabis establishment license as provided in
7 7 V.S.A. § 909: cultivator, product manufacturer, wholesaler, retailer, and
8 testing laboratory. If the Board establishes tiers within a licensing category, it
9 shall provide a fee recommendation for each tier.

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

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

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

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

18 (F) Application fee, initial annual fee, and annual renewal fee for
19 medical cannabis dispensaries.

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

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

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

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

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

19 (3) the water quality requirements for cannabis establishments,
20 including whether cannabis establishment shall be required to obtain, where
21 applicable, direct discharge permits, indirect discharge permits, stormwater

1 permits, groundwater withdrawal permits, or other relevant water quality
2 permits:

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

6 (5) any additional permitting or licensing recommendations.

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

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

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

16 (3) energy efficiency and conservation measures applicable to cannabis
17 establishments.

18 (d) In making the recommendations required under subsections (a) and (b)
19 of this section, the Executive Director of the Cannabis Control Board, shall
20 recommend the permits, licenses, or standards that a licensed cannabis
21 cultivator or cannabis product manufacturer shall demonstrate, as a condition

1 of licensure, or as a condition for licensure renewal if such standards are not
2 established prior to initial licensure.

3 (e) On or before April 1, 2020, the Executive Director of the Cannabis
4 Control Board shall submit to the General Assembly the Board's information
5 regarding a proposal to work with the Department of Labor, Agency of
6 Commerce and Community Development, and the Department of Corrections
7 to develop outreach, training, and employment programs focused on providing
8 economic opportunities to individuals who historically have been
9 disproportionately impacted by cannabis prohibition.

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

12 (1) the Board's information regarding the experience of other
13 jurisdictions with regulated cannabis markets that allow licensed retail
14 cannabis establishments to accept online ordering for in-store pick-up of items
15 and to deliver to customers and the advantages and disadvantages of allowing
16 such services in Vermont; and

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

20 Sec. 6. CANNABIS CONTROL BOARD; POSITIONS

1 The following new permanent positions are created in the Cannabis Control

2 Board:

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

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

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

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

7 The Commissioner of Buildings and General Services shall allocate space

8 for the Cannabis Control Board established in Sec. 2 of this act. This space

9 shall be allocated on or before September 1, 2019.

10 Sec. 6b. APPROPRIATION

11 In fiscal year 2020, \$810,000.00 is appropriated from the Cannabis

12 Regulation Fund to the Cannabis Control Board. This appropriation is made in

13 anticipation of receipts in the Fund.

14 Sec. 6c. CONTINGENT CANNABIS REGULATION FUND DEFICIT

15 OFFSET

16 To the extent that the Cannabis Regulation Fund has a negative balance at

17 the close of the fiscal year 2022, proceeds in that amount from the tax

18 established 32 V.S.A. § 7901 in fiscal year 2023 shall be deposited into the

19 Cannabis Regulation Fund.

20 Sec. 6d. AUDITOR OF ACCOUNTS REPORT

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

5 * * * Temporary License for Early Sales to the Public * * *

6 Sec. 6e. TEMPORARY LICENSE FOR EARLY SALES TO THE PUBLIC

7 (a) As used in this section:

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

9 (2) “Department” means the Department of Public Safety.

10 (3) “Dispensary” has the same meaning as in 18 V.S.A. § 4472.

11 (4) “Licensee” means a dispensary that has obtained a temporary license
12 to sell cannabis and cannabis products to the public in accordance with this
13 section.”

14 (5) “Public” means persons 21 years of age or older who are not patients
15 or caregivers on the Registry who have designated the dispensary as their
16 dispensary with the Department of Public Safety pursuant to 18 V.S.A.
17 chapter 86.

18 (6) “Registry” means the Vermont Marijuana Registry established
19 pursuant to 18 V.S.A. chapter 86.

20 (b) It is the intent of the General Assembly to allow registered medical
21 cannabis dispensaries to sell cannabis and cannabis products on a limited basis

1 to the public prior to implementation of the new licensing system for
2 commercial cannabis establishments. The temporary licenses would expire
3 once sales to the public have begun under the new commercial licenses and a
4 dispensary that intends to continue in the commercial market would need to
5 apply for a license under 7 V.S.A. chapter 33. A dispensary that is licensed for
6 early sales to the public shall be required to meet the needs of patients and
7 caregivers during that time and shall not reduce access by patients and
8 caregivers to products or services.

9 (c) Notwithstanding provisions in 18 V.S.A. chapter 86 and rules adopted
10 pursuant to the chapter to the contrary, a dispensary registered pursuant to that
11 chapter may apply to the Department for a temporary cannabis establishment
12 license that allows the dispensary to sell cannabis and cannabis products to the
13 public in addition to patients and caregivers on the Medical Cannabis Registry
14 in accordance with the provisions of this section.

15 (d)(1) From July 1, 2019 to September 1, 2019, a dispensary may submit to
16 the Department a letter of intent to obtain a license pursuant to this section.
17 The letter shall contain a detailed explanation of how the dispensary plans to
18 implement a temporary program for cannabis sales to the public while
19 maintaining its obligations to patients and caregivers. The Department shall
20 work with a dispensary applicant on meeting this criteria and compliance with
21 the provisions in 18 V.S.A. chapter 86 and rules adopted pursuant to the

1 chapter relevant to the new license. The Department shall issue a temporary
2 license **as expeditiously as possible**, but in no case later than **90 days** after the
3 letter of intent is submitted to the Department **provided the dispensary has met**
4 **the requirements of this section including the approval letter from the**
5 **municipality as provided in subsection (i) of this section.** Sales of **cannabis**
6 **and cannabis products** to the public may begin on July 1, 2020. All temporary
7 licenses issued pursuant to this section shall expire on **September 1, 2021.**

8 (2) After a dispensary is approved for a temporary license, but before it
9 begins operations permitted by the license, the dispensary shall pay a one-time
10 fee of \$75,000.00 to the Board. Fees shall be deposited in the Cannabis
11 Regulation Fund created by 7 V.S.A. § 843.

12 (e) A dispensary licensed pursuant to this section may:

13 (1) cultivate, **process**, package, label, transport, and test cannabis;

14 (2) use cannabis and cannabis products to produce cannabis products
15 and package, label, and test cannabis products;

16 (3) sell cannabis and cannabis products to the public for consumption
17 off the registered premises.

18 **(f)(1)** In a single transaction, a dispensary may provide one-half ounce of
19 cannabis or the equivalent in cannabis products, or a combination thereof, to a
20 person 21 years of age or older upon verification of a valid government-issued
21 photograph identification card.

1 (2) Cannabis and cannabis products sold to patients and caregivers shall
2 be priced at least 10 percent below the same or similar products sold to the
3 public.

4 (g) Cannabis and cannabis products sold pursuant to this section shall be
5 subject to the tax provisions in this act.

6 (h) Notwithstanding provisions in 18 V.S.A. chapter 86 and rules adopted
7 pursuant to the chapter to the contrary, for purposes of sales to the public
8 pursuant to a temporary license issued pursuant to this section, a dispensary:

9 (1) Shall not be subject to limits on the number of mature and immature
10 cannabis plants it may cultivate. A dispensary shall not reduce its cultivation
11 of cannabis or production of cannabis products for patients in order to supply
12 the public. A dispensary may purchase cannabis from a small cultivator
13 licensed pursuant to 7 V.S.A. chapter 33.

14 (2) May cultivate cannabis in the same location where cannabis is
15 cultivated for patients or establish a second location for cultivation of cannabis
16 for sale to the public.

17 (3) May sell cannabis and cannabis products to the public from a
18 location where the dispensary currently serves patients or a new location,
19 provided the dispensary is limited to serving the public at only one location per
20 licensee.

1 (4) May serve any registered patient or caregiver upon verification of
2 the person’s registry status.

3 (5) May serve patients and caregivers without a prior appointment. A
4 dispensary shall adopt procedures to ensure that patients and caregivers may
5 access the dispensary’s services and products without significant wait times.

6 (i) Prior to issuance of a temporary license under this section, a dispensary
7 shall provide the Department with an approval letter from the municipality in
8 which the dispensary plans to sell cannabis and cannabis products to the
9 public. The letter from the municipality shall state any conditions the
10 dispensary must meet to be in compliance with municipal ordinances or
11 bylaws.

12 * * * Cannabis Establishments * * *

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

14 CHAPTER 33. CANNABIS ESTABLISHMENTS

15 Subchapter 1. General Provisions

16 § 861. DEFINITIONS

17 As used in this chapter:

18 (1) “Affiliate” means a person that directly or indirectly owns or
19 controls, is owned or controlled by, or is under common ownership or control
20 with another person.

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

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

4 (4) “Cannabis” shall have the same meaning as provided in section 831
5 of this title.

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

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

11 (7) “Cannabis product” shall have the same meaning as provided in
12 section 831 of this title.

13 (8) “Cannabis product manufacturer” or “product manufacturer” means
14 a person licensed by the Board to manufacture cannabis products in accordance
15 with this chapter.

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

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

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

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

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

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

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

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

19 (B) Government employees performing their official duties.

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

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

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

7 (16) “Municipality” means a town, city, or incorporated village.

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

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

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

1 (20) “Resident” means a person who is domiciled in Vermont, subject to
2 the following:

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

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

9 § 862. NOT APPLICABLE TO HEMP OR MEDICAL USE OF
10 CANNABIS

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

16 § 863. REGULATION BY LOCAL GOVERNMENT

17 (a)(1) A municipality, by majority vote of those present and voting by
18 Australian ballot at an annual or special meeting warned for that purpose, may
19 prohibit the operation of a cannabis establishment or a specific type of
20 cannabis establishment within the municipality. The provisions of this
21 subdivision shall not apply to a cannabis establishment licensed by the State

1 pursuant to this chapter that is operating within the municipality at the time of
2 the vote.

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

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

1 (c) A municipality shall not:

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

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

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

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

13 § 864. ADVERTISING

14 (a) Cannabis establishment advertising shall not contain any statement or
15 illustration that:

16 (1) is deceptive, false or misleading;

17 (2) promotes overconsumption;

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

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

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

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

5 (b) Cannabis establishments shall not advertise their products via flyers,
6 television, radio, billboards, print, or Internet unless the licensee can show that
7 not more than 30 percent of the audience is reasonably expected to be under 21
8 years of age.

9 (c) All advertising shall contain the following warnings:

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

12 (2) Cannabis has intoxicating effects and may impair concentration,
13 coordination, and judgment.

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

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

1 (2) 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 cannabis
17 and cannabis products sold by a licensed cannabis retailer to indicate that the
18 contents of a package contains cannabis.

19 § 868. ENERGY AND ENVIRONMENTAL STANDARDS

20 (a) In consultation with the Agency of Natural Resources, the Agency of
21 Agriculture, Food and Markets, and the Public Service Department, the Board

1 shall establish energy and environmental standards for licensed cannabis
2 establishments. The standards shall require, at a minimum, that any licensed
3 cannabis cultivator or cannabis product manufacturer demonstrate, as a
4 condition of licensure, or as a condition for licensure renewal if such standards
5 are not established prior to initial licensure, compliance with such energy and
6 environmental standards.

7 (b) The Board shall establish a working group composed of the Chair of the
8 Board or his or her designee, the Secretary of Natural Resources or his or her
9 designee, the Secretary of Agriculture, Food, and Markets or his or her
10 designee, and the Commissioner of the Public Service Department or his or her
11 designee. The working group shall provide recommendations to the Board on
12 the following:

13 (1) ways to reduce energy and water usage in the cannabis industry;

14 (2) mitigating other environmental impacts;

15 (3) annual energy audits, energy efficiency measures, energy
16 conservation measures and energy conservation projects;

17 (4) additional best practices that would ensure cannabis establishment
18 compliance with standards adopted pursuant to subsection (a) of this section.

1 Subchapter 2. Administration

2 § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

3 (a) The Board shall adopt rules to implement and administer this chapter in
4 accordance with subdivisions (1)–(5) of this subsection.

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

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

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

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

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

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

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

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

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

5 (D) inspection requirements;

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

8 (F) employment and training requirements;

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

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

12 (I) health and safety requirements;

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

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

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

19 (M) sanitary requirements;

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

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

5 (P) requirements for banking and financial transactions, including
6 provisions to ensure that the Board, the Department of Financial Regulation,
7 and financial institutions have access to relevant information concerning
8 licensed establishments to comply with State and federal regulatory
9 requirements;

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

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

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

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

19 (iv) any other requirements, conditions, or limitations on the type
20 or amount of loans or capital investments made by a financier or its affiliates,
21 which the Board, in consultation with the Department of Financial Regulation,

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

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

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

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

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

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

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

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

19 (vi) requirements for opaque, child-resistant packaging of
20 cannabis packaged for retail sale;

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

4 (viii) facility inspection requirements and procedures.

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

8 (3) Rules concerning product manufacturers shall include:

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

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

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

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

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

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

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

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

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

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

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

13 (H) a prohibition on:

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

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

18 (4) Rules concerning retailers shall include:

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

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

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

4 (D) requirements for opaque, child-resistant packaging of all
5 cannabis and cannabis products sold;

6 (E) facility inspection requirements and procedures.

7 (5) Rules concerning testing laboratories shall include:

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

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

12 (C) procedures for destruction of all cannabis and cannabis products
13 samples.

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

17 § 882. SUSPENSION AND REVOCATION OF LICENSES; CIVIL

18 VIOLATIONS

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

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

5 § 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

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

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

16 § 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

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

19 (b)(1) Prior to issuing the identification card, the Board shall obtain from
20 the Vermont Crime Information Center a copy of the person’s Vermont

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

3 (2) The Board shall adopt rules that set forth standards for determining
4 whether a person should be denied a cannabis establishment identification card
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 (c) Once an identification card application has been submitted, a person
10 may serve as an employee of a cannabis establishment pending the background
11 check, provided the person is supervised in his or her duties by someone who
12 is a cardholder. The Board shall issue a temporary permit to the person for this
13 purpose, which shall expire upon the issuance of the identification card or
14 disqualification of the person in accordance with this section.

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

17 Subchapter 3. Licenses

18 § 901. GENERAL PROVISIONS

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

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

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

7 (d)(1) There shall be five types of licenses available:

8 (A) a cultivator license;

9 (B) a wholesaler license;

10 (C) a product manufacturer license;

11 (D) a retailer license; and

12 (E) a testing laboratory license.

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

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

16 (ii) retailer licenses.

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

18 (3) An applicant and its affiliates may obtain a maximum of one type of
19 each license under this chapter. Each license shall permit only one location of
20 the establishment. A dispensary license issued pursuant to chapter 37 of this
21 title does not count toward the license limits provided in this section.

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

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

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

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

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

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

17 § 902. LICENSE QUALIFICATIONS AND APPLICATION PROCESS

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

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

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

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

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

11 (1) the applicant;

12 (2) each proposed principal;

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

14 (d) An applicant who is denied a license may appeal the Board's
15 determination in Superior Court in accordance with Rule 75 of the Vermont
16 Rules of Civil Procedure.

17 § 903. BUSINESS AND TECHNICAL ASSISTANCE; PRIORITIES

18 The Agency of Commerce and Community Development, in collaboration
19 with the Agency of Agriculture, Food and Markets, shall provide business and
20 technical assistance to Vermont applicants, with priority for services based on
21 criteria adopted by the Board by rule, including:

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

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

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

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

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

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

14 § 904. CULTIVATOR LICENSE

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

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

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

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

2 (1) Packaging shall include:

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

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

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

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

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

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

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

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

20 (A) put on stop-sale;

21 (B) treated in a particular manner; or

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

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

6 (3) A person may appeal an order issued pursuant to this section within
7 15 days after receiving the order. The appeal shall be made in writing to the
8 Secretary and shall clearly identify the cannabis affected and the basis for the
9 appeal.

10 § 904a. SMALL CULTIVATORS

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

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

20 (c) In accordance with subdivision 881(a)(2)(B) of this chapter, the Board
21 shall consider the different needs and risks of small cultivators when adopting

1 rules and shall make an exception or accommodation to such rules for
2 cultivators of this size where appropriate.

3 (d) Upon licensing, a small cultivator may sell cannabis to a licensed
4 dispensary at any time, for sale to patients and caregivers pursuant to the
5 dispensary license or to the public pursuant to a temporary license, including
6 the time period before retail sales are permitted for licensed cannabis retailers.

7 § 905. WHOLESALER LICENSE

8 A wholesaler licensed under this chapter may:

9 (1) purchase cannabis from licensed cultivators and cannabis products
10 from licensed product manufacturers;

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

13 § 906. PRODUCT MANUFACTURER LICENSE

14 A product manufacturer licensed under this chapter may:

15 (1) purchase cannabis from licensed cultivators and wholesalers and
16 cannabis products from licensed wholesalers and product manufacturers;

17 (2) use cannabis and cannabis products to produce cannabis products;
18 and

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

1 § 907. RETAILER LICENSE

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

3 (1) purchase cannabis from a licensed cultivator or wholesaler and
4 cannabis products from a licensed wholesaler or licensed product
5 manufacturer; and

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

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

12 (c)(1) Packaging shall include:

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

14 (B) The potency of the cannabis represented by the percentage of
15 tetrahydrocannabinol and cannabidiol by mass.

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

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

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

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

3 (d) A retailer shall display a safety information flyer or flyers developed or
4 approved by the Board and supplied to the retailer free of charge. The flyer or
5 flyers shall contain information concerning the methods for administering
6 cannabis, the amount of time it may take for cannabis products to take effect,
7 the risks of driving under the influence of cannabis, the potential risks of
8 cannabis use, the symptoms of problematic usage, and how to receive help for
9 cannabis abuse.

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

11 § 908. TESTING LABORATORY LICENSE

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

15 (b) Testing may address the following:

16 (1) residual solvents;

17 (2) poisons or toxins;

18 (3) harmful chemicals;

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

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

21 (6) pesticides; and

1 (7) tetrahydrocannabinol and cannabidiol potency.

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

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

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

12 (f) A cannabis establishment that is subject to testing requirements under
13 this chapter or rules adopted pursuant to this chapter shall have its cannabis or
14 cannabis products tested by an independent licensed testing laboratory and not
15 a licensed testing laboratory owned or controlled by the license holder of the
16 cannabis establishment.

17 § 909. FEES

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

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

2 Sec. 8. IMPLEMENTATION OF LICENSING CANNABIS

3 ESTABLISHMENTS

4 (a)(1) On or before February 1, 2021, the Board shall begin accepting
5 applications for cultivator licenses and testing laboratory licenses. The initial
6 application period shall remain open for 30 days. The Board may reopen the
7 application process for any period of time at its discretion. During this initial
8 application period, the Board shall give preference to smaller cultivation
9 operations in an effort to encourage small, local farmers to enter the market.

10 (2) On or before March 15, 2021, the Board shall begin issuing
11 cultivator and testing laboratory licenses to qualified applicants.

12 (b)(1) On or before April 1, 2021, the Board shall begin accepting
13 applications for product manufacturer licenses and wholesaler licenses. The
14 initial application period shall remain open for 30 days. The Board may
15 reopen the application process for any period of time at its discretion.

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

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

1 (2) On or before July 15, 2021, the Board shall begin issuing retailer
2 licenses to qualified applicants.

3 (d) Retail sales of cannabis and cannabis products to the public shall be
4 permitted on and after September 1, 2021.

5 * * * Medical Cannabis Registry * * *

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

7 CHAPTER 35. MEDICAL CANNABIS REGISTRY

8 § 951. DEFINITIONS

9 As used in this chapter:

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

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

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

15 (4) “Dispensary” means a business organization licensed under chapter
16 37 of this title.

17 (5)(A) “Health care professional” means an individual licensed to
18 practice medicine under 26 V.S.A. chapter 23 or 33, an individual licensed as a
19 naturopathic physician under 26 V.S.A. chapter 81, an individual certified as a
20 physician assistant under 26 V.S.A. chapter 31, or an individual licensed as an
21 advanced practice registered nurse under 26 V.S.A. chapter 28.

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

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

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

9 (8) “Qualifying medical condition” means:

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

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

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

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

1 § 952. REGISTRY

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

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

8 (1) Cultivate not more than two mature and seven immature cannabis
9 plants. Any cannabis harvested from the plants shall not count toward the
10 three-ounce possession limit in subdivision (b)(2) of this section, provided it is
11 stored in an indoor facility on the property where the cannabis was cultivated
12 and reasonable precautions are taken to prevent unauthorized access to the
13 cannabis.

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

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

19 (c)(1) Individual names and identifying information about patients and
20 caregivers on the Registry are exempt from public inspection and copying
21 under the Public Records Act and shall be kept confidential. Notwithstanding

1 1 V.S.A. § 317(e), the Public Records Act exemption created in this subsection
2 shall continue in effect and shall not be repealed through operation of 1 V.S.A.
3 § 317(e).

4 (2) In response to a person-specific or property-specific inquiry by a law
5 enforcement officer or agency made in the course of a bona fide investigation
6 or prosecution, the Board may verify the identities and registered property
7 addresses of the registered patient and the patient’s registered caregiver. The
8 law enforcement officer or agency shall keep confidential any identities and
9 addresses received pursuant to this subdivision.

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

11 § 953. PATIENTS

12 (a) Pursuant to rules adopted by the Board, a person may register with the
13 Board to obtain the benefits of the Registry as provided in section 952 of this
14 title. In addition to an application form to be completed by a person who seeks
15 to register as a patient, the Board shall develop a medical verification form to
16 be completed by an applicant’s health care professional and submitted by the
17 applicant that attests to the applicant having a qualifying medical condition as
18 defined in section 951 of this title.

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

1 § 954. CAREGIVERS

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

7 (b)(1) Except as provided in subdivision (2) of this subsection, a caregiver
8 shall serve only one patient at a time, and a patient shall have only one
9 registered caregiver at a time. A patient may serve as a caregiver for one other
10 patient.

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

12 § 955. REGISTRATION; FEES

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

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

1 § 956. RULEMAKING

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

5 Sec. 10. IMPLEMENTATION OF MEDICAL CANNABIS REGISTRY

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

12 (b) The registration card of a patient of caregiver who transfers to the new
13 Registry shall expire on the date of the registration card and a patient or
14 caregiver who wishes to continue participation on the Registry shall renew the
15 registration card under rules adopted by the Board.

16 Sec. 11. REPEAL

17 18 V.S.A. chapter 86 (therapeutic use of cannabis) is repealed.

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

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

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

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

10 § 972. DEFINITIONS

11 As used in this chapter:

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

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

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

17 (4) “Dispensary” means a business organization licensed under this
18 chapter.

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

20 § 973. DISPENSARY LICENSE

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

- 1 (1) cultivate, package, label, test, and transport cannabis;
2 (2) produce, package, label, test, and transport cannabis products;
3 (3) sell and deliver cannabis and cannabis products to patients and
4 caregivers registered under chapter 35 of this title;

- 5 (4) acquire, purchase, or borrow cannabis, cannabis products, and
6 services from another licensed Vermont medical cannabis dispensary or give,
7 sell, or lend cannabis, cannabis products, and services to another licensed
8 Vermont medical cannabis dispensary; and

- 9 (5) purchase cannabis and cannabis products from a cannabis
10 establishment licensed pursuant to chapter 33 of this title.

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

17 § 974. RULEMAKING

18 (a) The Board shall adopt rules to implement and administer this chapter.
19 In adoption of rules, the Board shall strive for consistency with rules adopted
20 for cannabis establishments pursuant to chapter 33 of this title where
21 appropriate. With the exception of rules concerning testing and labeling of

1 cannabis products, no rule shall be more restrictive than any rule adopted by
2 the Department of Public Safety pursuant to 18 V.S.A. chapter 86.

3 (b) Rules shall include:

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

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

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

9 (i) the type of business organization; the identity of its owners and
10 principals; and the identity of the owners and principals of its affiliates; and

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

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

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

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

20 (3) oversight requirements, including provisions to ensure that a
21 dispensary complies with State and federal regulatory requirements governing

1 insurance, securities, workers' compensation, unemployment insurance, and
2 occupational health and safety:

3 (4) inspection requirements;

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

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

8 (7) security requirements, including lighting, physical security, video,
9 and alarm requirements;

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

11 (9) health and safety requirements;

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

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

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

18 (B) 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 dispensary, the
21 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;

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

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

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

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

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

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

5 (18) labeling requirements for products sold to patients and caregivers
6 that include:

7 (A) requirements that products are clearly identifiable with a standard
8 symbol indicating that it is cannabis; and

9 (B) appropriate warnings concerning the potential negative
10 consequences of consuming cannabis and the need to keep the product away
11 from persons under 21 years of age;

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

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

16 (B) identification of the amount of tetrahydrocannabinol and
17 cannabidiol that constitutes a single serving; and

18 (C) the length of time it typically takes for products to take effect and
19 appropriate warnings concerning the potential negative consequences of
20 consuming cannabis and the need to keep the product away from persons under
21 21 years of age;

1 (20) limitations to a specific number of servings for each individual
2 package of edible cannabis products with the exception of infused oils,
3 powders, and liquids;

4 (21) procedures and standards for testing cannabis for contaminants and
5 potency and for quality assurance and control;

6 (22) regulation of the storage and transportation of cannabis and
7 cannabis products;

8 (23) pricing guidelines with a goal of ensuring cannabis and cannabis
9 products are sufficiently affordable to patients and caregivers;

10 (24) regulation of visits to the establishments, including the number of
11 visitors allowed at any one time and record keeping concerning visitors;

12 (25) requirements for the dissemination of educational materials to
13 consumers who purchase cannabis and cannabis products;

14 (26) requirements for verification of a customer's Registry status;

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

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

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

1 § 975. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

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

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

12 § 976. DISPENSARY IDENTIFICATION CARD

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

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

19 (2) The Board shall adopt rules that set forth standards for determining
20 whether a person should be denied a medical cannabis dispensary
21 identification card because his or her criminal history record based on factors

1 that demonstrate whether the applicant presently poses a threat to public safety
2 or the proper functioning of the regulated market. Nonviolent drug offenses
3 shall not automatically disqualify a candidate.

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

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

12 § 977. FEES

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

- 14 (1) application fees;
15 (2) annual license fees; and
16 (3) annual renewal fees.

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

19 **Sec. 13. IMPLEMENTATION OF MEDICAL CANNABIS REGISTRIES**

20 (a) On January 1, 2021, regulation of medical marijuana dispensaries that
21 are registered pursuant to 18 V.S.A. chapter 86 shall transfer from the

1 Department of Public Safety to the Cannabis Control Board. At such time,
2 those registered dispensaries shall operate pursuant to 7 V.S.A. chapter 37 and
3 the rules adopted by the Board pursuant to chapter 37.

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

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

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

11 CHAPTER 207. CANNABIS TAXES

12 § 7900. DEFINITIONS

13 As used in this chapter:

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

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

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

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

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

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

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

3 (8) “Sales price” has the same meaning as in section 9701 of this title.
4 § 7901. CANNABIS EXCISE TAX

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

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

11 (c) The tax imposed by this section is separate from and in addition to the
12 cannabis local option tax authorized under section 7902 of this title. The tax
13 imposed by this section shall not be part of the sales price to which the
14 cannabis local option tax applies. The cannabis excise tax shall be separately
15 itemized from the cannabis local option tax on the receipt provided to the
16 purchaser.

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

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

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

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

8 § 7902. CANNABIS LOCAL OPTION TAX

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

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

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

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

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

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

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

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

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

17 (3) sales from a cannabis cultivator, cannabis product manufacturer, or
18 cannabis wholesaler to a cannabis product manufacturer, cannabis retailer, or
19 cannabis wholesaler.

20 (f) Any tax imposed under the authority of this section shall be collected
21 and administered by the Department of Taxes, in accordance with State law

1 governing the cannabis excise and cannabis local option taxes imposed under
2 chapter 207 of this title, and provided to the municipality in which they were
3 collected on a quarterly basis after reduction for the costs of administration and
4 collection. A tax imposed under this section shall be collected using a
5 destination basis for taxation. A per-return fee of \$5.96 shall be assessed to
6 compensate the Department for the costs of administration and collection,
7 which shall be paid by the municipality. The fee shall be subject to the
8 provisions of section 605 of this title.

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

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

14 § 7903. LIABILITY FOR TAXES

15 (a) Any tax collected in accordance with this chapter shall be deemed to be
16 held by the retailer in trust for the State of Vermont. Any tax collected under
17 this chapter shall be accounted for separately so as clearly to indicate the
18 amount of tax collected and that the same are the property of the State of
19 Vermont.

20 (b) Every retailer required to collect and remit tax under this chapter to the
21 Commissioner shall be personally and individually liable for the amount of

1 such tax together with such interest and penalty as has accrued under the
2 provisions of section 3202 of this title. If the retailer is a corporation or other
3 entity, the personal liability shall extend to any officer or agent of the
4 corporation or entity who as an officer or agent of the same has the authority to
5 collect and remit tax to the Commissioner of Taxes as required in this chapter.

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

14 (d) A retailer required to collect tax may also refund or credit to the
15 purchaser any tax erroneously, illegally, or unconstitutionally collected. No
16 cause of action that may exist under State law shall accrue against the retailer
17 for tax collected unless the purchaser has provided written notice to a retailer
18 and the retailer has had 60 days to respond.

19 § 7904. RETURNS; RECORDS

20 (a) Any retailer required to collect tax imposed by this chapter shall, on or
21 before the 25th day of every month, return to the Department of Taxes, under

1 oath of a person with legal authority to bind the retailer, a statement containing
2 its name and place of business, the total amount of sales subject to the cannabis
3 excise tax and cannabis local option tax, if applicable, made in the preceding
4 month, and any information required by the Department of Taxes, along with
5 the total tax due. The Commissioner of Taxes may require that returns be
6 submitted electronically and may prohibit the remittance in cash of taxes
7 collected.

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

12 § 7905. BUNDLED TRANSACTIONS

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

19 (b) If the selling price is attributable to products that are taxable and
20 products that are not taxable under this chapter, the portion of the price
21 attributable to the products that are nontaxable are subject to the tax imposed

1 by this chapter unless the retailer can identify by reasonable and verifiable
2 standards the portion that is not subject to tax from its books and records that
3 are kept in the regular course of business, and any discounts applied to the
4 bundle must be attributed to the products that are nontaxable under this
5 chapter.

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

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

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

12 § 7906. LICENSE

13 (a) Any retailer required to collect tax imposed by this chapter must apply
14 for and receive a cannabis retail tax license from the Commissioner for each
15 place of business within the State where he or she sells cannabis or cannabis
16 products prior to commencing business. The Commissioner shall issue
17 without charge a license, or licenses, empowering the retailer to collect the
18 cannabis excise tax and cannabis local option tax, where applicable, provided
19 that a retailer’s application is properly submitted and the retailer is otherwise in
20 compliance with applicable laws, rules, and provisions.

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

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

11 § 7907. ADMINISTRATION OF CANNABIS TAXES

12 (a) The Commissioner of Taxes shall administer and enforce this chapter
13 and the tax. The Commissioner may adopt rules pursuant to 3 V.S.A. chapter
14 25 to carry out such administration and enforcement.

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

18 § 7908. STATUTORY PURPOSES

19 (a) The statutory purpose of the exemptions for cannabis and cannabis
20 products sold by any dispensary as authorized under 7 V.S.A. chapter 37 in
21 subdivisions 7901(d)(2) and 7902(e)(2) of this title is to lower the cost of

1 medical products in order to support the health and welfare of Vermont
2 residents.

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

6 § 7909. ADDITIONAL TAXES DO NOT APPLY

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

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

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

16 * * * Sales Tax Exemption * * *

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

18 (31) “Food and food ingredients” means substances, whether in liquid,
19 concentrated, solid, frozen, dried, or dehydrated form, that are sold for
20 ingestion or chewing by humans and are consumed for their taste or nutritional
21 value. “Food and food ingredients” does not include alcoholic beverages,

1 tobacco, cannabis and cannabis products as defined under 7 V.S.A. § 831, or
2 soft drinks.

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

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

5 * * * Tax Expenditure * * *

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

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

14 * * * Meals and Rooms Tax * * *

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

16 (10) “Taxable meal” means:

17 * * *

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

19 (i) Food or beverage, other than that taxable under subdivision
20 (10)(C) of this section, that is a grocery-type item furnished for take-out: whole
21 pies or cakes, loaves of bread; single-serving bakery items sold in quantities of

1 three or more; delicatessen and nonprepackaged candy sales by weight or
2 measure, except party platters; whole uncooked pizzas; pint or larger closed
3 containers of ice cream or frozen confection; eight ounce or larger containers
4 of salad dressings or sauces; maple syrup; quart or larger containers of cider or
5 milk.

6 * * *

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

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

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

14 * * * Income Tax Deduction * * *

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

16 § 5811. DEFINITIONS

17 The following definitions shall apply throughout this chapter unless the
18 context requires otherwise:

19 * * *

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

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

5 * * *

6 (ii) decreased by:

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

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

13 (III) any federal deduction that the taxpayer would have been
14 allowed for the cultivation, testing, processing, or sale of cannabis or cannabis
15 products as authorized under 7 V.S.A. chapter 33 or 37, but for 26 U.S.C.
16 § 280E.

17 * * *

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

20 * * *

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

2 * * *

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

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

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

18 * * *

* * * Miscellaneous Cannabis Provisions * * *

1
2 Sec. 18a. 6 V.S.A. § 567 is amended to read:

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

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

6 (1) to develop potency and contaminant testing protocols for hemp, ~~and~~
7 hemp-infused products, marijuana, and marijuana-infused products;

8 (2) to verify cannabinoid label guarantees of hemp, ~~and~~ hemp-infused
9 products, marijuana, and marijuana-infused products;

10 (3) to test for pesticides, solvents, heavy metals, mycotoxins, and
11 bacterial and fungal contaminants in hemp, ~~and~~ hemp-infused products,
12 marijuana, and marijuana-infused products; and

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

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

19 (c) The Department of Public Safety shall be responsible for the cost of a
20 test of a product produced at a registered dispensary.

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

2 (2)(A) A person shall not consume ~~marijuana~~ cannabis in a public place.

3 “Public place” ~~means any street, alley, park, sidewalk, public building other~~
4 ~~than individual dwellings, any place of public accommodation as defined in 9~~
5 ~~V.S.A. § 4501, and any place where the use or possession of a lighted tobacco~~
6 ~~product, tobacco product, or tobacco substitute as defined in 7 V.S.A. § 1001 is~~
7 ~~prohibited by law~~ has the same meaning as provided by 7 V.S.A. § 831.

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

9 § 4230. ~~MARIJUANA~~ CANNABIS

10 * * *

11 (b) Selling or dispensing.

12 (1) A person knowingly and unlawfully selling ~~marijuana~~ cannabis or
13 hashish shall be imprisoned not more than two years or fined not more than
14 \$10,000.00, or both.

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

19 (3) A person knowingly and unlawfully selling or dispensing one pound
20 or more of ~~marijuana~~ cannabis or 2.8 ounces or more of hashish shall be

1 imprisoned not more than 15 years or fined not more than \$500,000.00, or
2 both.

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

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

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

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

19 **§ 4474n. USE OF U.S. FOOD AND DRUG ADMINISTRATION-**
20 **APPROVED DRUGS CONTAINING ONE OR MORE**
21 **CANNABINOIDS**

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

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

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

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

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

20 (5) the use of an FDA-approved prescription drug containing one or
21 more cannabinoids by a patient to whom a valid prescription was issued,

1 provided the patient uses the drug only for legitimate medical purposes in
2 conformity with instructions from the prescriber and dispenser.

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

7 **Sec. 20c. REPEAL**

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

10 **Sec. 21. STATUTORY REVISION AUTHORITY**

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

15 * * * Effective Dates * * *

16 **Sec. 22. EFFECTIVE DATES**

17 (a) This section and Secs. 6e (temporary license for early sales to the
18 public), 18a (Agency of Agriculture, Food and Markets; testing), 20 (cannabis
19 dispensing), 20a (food manufacturing establishment), 20b (F.D.A.-approved
20 drugs containing one or more cannabinoids), 20c (repeal of F.D.A.-approved

1 drugs containing cannabidiol, and 21 (statutory revision authority) shall take
2 effect on passage.

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

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

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

13 (c) Secs. 10 (implementation of Medical Cannabis Registry) and
14 13 (implementation of medical cannabis dispensaries) shall take effect July 1,
15 2020.

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

17 (1) Sec. 9 (Medical Cannabis Registry chapter), except for 7 V.S.A.
18 § 956 (rulemaking) and Sec. 12 (Medical Cannabis Dispensaries), except for
19 7 V.S.A. § 974 (rulemaking).

20 (2) Secs. 11 (Repeal), 14 (creation of excise and local option tax), 14a
21 (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

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10 (Committee vote: _____)

11

12

Representative _____

13

FOR THE COMMITTEE