Introduced by Representatives Grad of Moretown and Burditt of West Rutland

Referred to Committee on

Date:

Subject: Cannabis; cannabis establishments

Statement of purpose of bill as introduced: This bill proposes to amend the list of prohibited products; to allow cannabidiol derived from hemp to be added to cannabis products; to exempt solid concentrates, oils, and tinctures from the 50 mg THC limit per package; to decouple employee cannabis identification cards from a particular licensee so that a person who has completed a background check and is approved by the Board may work for any licensee without obtaining a new card; to permit an applicant to hold more than one testing laboratory license; to cross-reference the requirement that all licensees, including integrated licensees, must obtain independent testing of their products; to prohibit dispensaries from manufacturing concentrated cannabis by chemical extraction or chemical synthesis using butane or hexane; and to limit the time period that dispensaries may cultivate cannabis for the purpose of transferring it to an integrated licensee.

An act relating to miscellaneous cannabis establishment procedures
It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 7 V.S.A. § 868 is amended to read:

§ 868. PROHIBITED PRODUCTS

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

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

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

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

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

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

(6) any cannabis, cannabis products, or packaging of such items that are designed to make the product more appealing to persons under 21 years of age.
Sec. 2. 7 V.S.A. § 881 is amended to read:

§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS

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

(1) Rules concerning any cannabis establishment shall include:

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(I) regulation of additives to cannabis and cannabis products, including those cannabidiol derived from hemp and substances that are toxic or designed to make the product more addictive, more appealing to persons under 21 years of age, or to mislead consumers;

* * *

(3) Rules concerning product manufacturers shall include:

(A) requirements that a single package of a cannabis product shall not contain more than 50 milligrams of THC, except in the case of:

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

(ii) solid concentrates, oils, and tinctures; and

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

* * *
(5) Rules concerning retailers shall include:

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

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Sec. 3. 7 V.S.A. § 884 is amended to read:

§ 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

(a) Every owner, principal, and employee of a cannabis establishment shall obtain an identification card issued by the Board. A person may apply for an identification card prior to obtaining employment with a licensee. An employee identification card shall authorize the person to work for any licensee.

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

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

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

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

Sec. 4. 7 V.S.A. § 901(d)(3) is amended to read:

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

* * *

(C) An applicant and its affiliates may obtain multiple testing
laboratory licenses.
Sec. 5. 7 V.S.A. § 909(c) is added to read:

(c) An integrated licensee shall comply with the provisions of subsection 908(f) of this title and have its cannabis or cannabis products tested by an independent licensed testing laboratory.

Sec. 6. 18 V.S.A. § 4230h is amended to read:

§ 4230h. CHEMICAL EXTRACTION VIA BUTANE OR HEXANE PROHIBITED

(a) No person shall manufacture concentrated cannabis by chemical extraction or chemical synthesis using butane or hexane unless authorized as a dispensary pursuant to a registration issued by the Department of Public Safety pursuant to chapter 86 of this title.

(b) A person who violates subsection (a) of this section shall be imprisoned not more than two years or fined not more than $2,000.00, or both. A person who violates subsection (a) of this section and causes serious bodily injury to another person shall be imprisoned not more than five years or fined not more than $5,000.00, or both.

Sec. 7. 2019 Acts and Resolves No. 164, Sec. 8(a)(1) is amended to read:

(a)(1) The cannabis plant, cannabis product, and useable cannabis possession limits for a registered dispensary set forth in 18 V.S.A. chapter 86 shall no longer apply on and after February 1, 2022. A dispensary shall be permitted to cultivate cannabis and manufacture cannabis products for the
purpose of transferring or selling such products to an integrated licensee on or after April 1, 2022 until October 1, 2022 and engaging in the activities permitted by 7 V.S.A. chapter 33.

Sec. 8. EFFECTIVE DATE

This act shall take effect on passage.