

1 H.548

2 Introduced by Representatives Grad of Moretown and Burditt of West Rutland

3 Referred to Committee on

4 Date:

5 Subject: Cannabis; cannabis establishments

6 Statement of purpose of bill as introduced: This bill proposes to amend the list  
7 of prohibited products; to allow cannabidiol derived from hemp to be added to  
8 cannabis products; to exempt solid concentrates, oils, and tinctures from the  
9 50 mg THC limit per package; to decouple employee cannabis identification  
10 cards from a particular licensee so that a person who has completed a  
11 background check and is approved by the Board may work for any licensee  
12 without obtaining a new card; to permit an applicant to hold more than one  
13 testing laboratory license; to cross-reference the requirement that all licensees,  
14 including integrated licensees, must obtain independent testing of their  
15 products; to prohibit dispensaries from manufacturing concentrated cannabis  
16 by chemical extraction or chemical synthesis using butane or hexane; and to  
17 limit the time period that dispensaries may cultivate cannabis for the purpose  
18 of transferring it to an integrated licensee.

19 An act relating to miscellaneous cannabis establishment procedures

1 It is hereby enacted by the General Assembly of the State of Vermont:

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

3 § 868. PROHIBITED PRODUCTS

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

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

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

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

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

14 (5)(3) cannabis products that contain delta-9 tetrahydrocannabinol and  
15 nicotine or alcoholic beverages; and

16 (6)(4) any cannabis, cannabis products, or packaging of such items that  
17 are designed to make the product more appealing to persons under 21 years of  
18 age.

1 ~~Sec. 7 V.S.A. § 881 is amended to read:~~

2 § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

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

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

6 \* \* \*

7 (I) regulation of additives to cannabis and cannabis products,  
8 including ~~those~~ cannabidiol derived from hemp and substances that are toxic or  
9 designed to make the product more addictive, more appealing to persons under  
10 21 years of age, or to mislead consumers;

11 \* \*

12 (3) Rules concerning product manufacturers shall include:

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

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

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

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

20

1 ~~(5) Rules concerning retailers shall include:~~

2 ~~\* \* \*~~

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

6 ~~\* \* \*~~

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

8 § 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

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

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

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

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

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

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

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

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

18 \* \* \*

19 (C) An applicant and its affiliates may obtain multiple testing  
20 laboratory licenses.

1 ~~Sec. 5. 18 V.S.A. § 900(c) is added to read:~~

2 ~~(c) An integrated licensee shall comply with the provisions of subsection~~  
3 ~~908(f) of this title and have its cannabis or cannabis products tested by an~~  
4 ~~independent licensed testing laboratory.~~

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

6 § 4230h. CHEMICAL EXTRACTION VIA BUTANE OR HEXANE

7 PROHIBITED

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

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

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

18 (a)(1) The cannabis plant, cannabis product, and useable cannabis  
19 possession limits for a registered dispensary set forth in 18 V.S.A. chapter 86  
20 shall no longer apply on and after February 1, 2022. A dispensary shall be  
21 ~~permitted to cultivate cannabis and manufacture cannabis products for the~~

1 ~~purpose of transferring or selling such products to an integrated licensee on or~~  
2 ~~after April 1, 2022 until October 1, 2022 and engaging in the activities~~  
3 ~~permitted by 7 V.S.A. chapter 33.~~

4 Sec. 8. EFFECTIVE DATE

5 ~~This act shall take effect on passage.~~

*Sec. 1. 7 V.S.A. § 862a is added to read:*

*§ 862a. SYNTHETIC AND HEMP-DERIVED CANNABINOIDS*

*The Board shall have the authority to regulate synthetic cannabinoids and  
hemp-derived cannabinoids, including delta-8 and delta-  
10 tetrahydrocannabinol.*

*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:*

*\* \* \**

*(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:*

*\* \* \**

*(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~~;*

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

*\* \* \**

*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 ~~subdivision~~ 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. § 907 is amended to read:*

*§ 907. RETAILER LICENSE*

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

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

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

*\* \* \**

*Sec. 6. 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. 7. 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.~~*

*\* \* \**

*Sec. 8. 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. 9. EFFECTIVE DATE*

*This act shall take effect on passage.*