

1 H.701

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Cannabis; cannabis products; cannabis establishments; Cannabis

5 Control Board; medical cannabis; patients; caregivers; dispensaries;

6 Vermont Medical Cannabis Registry; fees

7 Statement of purpose of bill as introduced: This bill proposes to set fees for
8 cannabis establishments regulated by the Cannabis Control Board and patients,
9 caregivers, and dispensaries that participate in the Vermont Medical Cannabis
10 Registry.

11 An act relating to cannabis license fees

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

13 * * * Cannabis Control Board; Definitions; Authority * * *

14 Sec. 1. 7 V.S.A. § 846 is amended to read:

15 § 846. FEES; AUTHORITY

16 (a) Authority. The Board shall have the authority to charge and collect
17 State and local license fees as provided under this chapter and ~~chapter~~ chapters
18 33, 35, and 37 of this title. State and local license fees shall be due and
19 payable at the time of application or renewal.

1 (b) Cannabis Regulation Fund. The Board shall deposit State fees collected
2 pursuant to chapters 33, 35, and 37 of this title into the Cannabis Regulation
3 Fund.

4 (c) Distribution to municipalities. After reduction for costs of
5 administration and collection, the Board shall pay local license fees on a
6 quarterly basis to the municipality ~~in~~ for which the fees were collected.

7 Sec. 2. 7 V.S.A. § 861 is amended to read:

8 § 861. DEFINITIONS

9 As used in this chapter:

10 * * *

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

13 * * *

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

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

20 * * *

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

4 * * *

5 (27) “Clone” means a plant section from a female cannabis plant not yet
6 root-bound, growing in a water solution, which is capable of developing into a
7 new plant.

8 Sec. 3. 7 V.S.A. § 863(b) is amended to read:

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

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

3 * * * Cannabis Establishments * * *

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

5 (c) Applications for licenses and renewals shall be submitted on forms
6 provided by the Board and shall be accompanied by the fees provided for in
7 section ~~909~~ 910 of this title.

8 Sec. 5. 7 V.S.A. § 904(a) is amended to read:

9 (a) A cultivator licensed under this chapter may cultivate, process, package,
10 label, transport, test, and sell cannabis to a licensed wholesaler, product
11 manufacturer, retailer, integrated licensee, and dispensary and may purchase
12 and sell cannabis seeds and clones to another licensed cultivator.

13 Sec. 6. 7 V.S.A. § 907(a) is amended to read:

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

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

18 (2) transport, possess, and sell cannabis and cannabis products to the
19 public for consumption off the registered premises or for cultivation.

1 Sec. 7. 7 V.S.A. § 910 is added to read:

2 § 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

3 The following fees shall apply to each person or product licensed by the
4 Board:

5 (1) Cultivators.

6 (A) Outdoor cultivators.

7 (i) Outdoor cultivator tier 1. Outdoor cultivators with up to 1,000
8 square feet of plant canopy or fewer than 125 cannabis plants in an outdoor
9 cultivation space shall be assessed an annual licensing fee of \$750.00.

10 (ii) Outdoor cultivator tier 2. Outdoor cultivators with up to 2,500
11 square feet of plant canopy in an outdoor cultivation space shall be assessed an
12 annual licensing fee of \$1,875.00.

13 (iii) Outdoor cultivator tier 3. Outdoor cultivators with up to
14 5,000 square feet of plant canopy in an outdoor cultivation space shall be
15 assessed an annual licensing fee of \$4,000.00.

16 (iv) Outdoor cultivator tier 4. Outdoor cultivators with up to
17 10,000 square feet of plant canopy in an outdoor cultivation space shall be
18 assessed an annual licensing fee of \$8,000.00.

19 (v) Outdoor cultivator tier 5. Outdoor cultivators with up to
20 20,000 square feet of plant canopy in an outdoor cultivation space shall be
21 assessed an annual licensing fee of \$18,000.00.

1 (vi) Outdoor cultivator tier 6. Outdoor cultivators with up to
2 37,500 square feet of plant canopy in an outdoor cultivation space shall be
3 assessed an annual licensing fee of \$34,000.00.

4 (B) Indoor cultivators.

5 (i) Indoor cultivator tier 1. Indoor cultivators with up to 1,000
6 square feet of plant canopy in an indoor cultivation space shall be assessed an
7 annual licensing fee of \$1,500.00.

8 (ii) Indoor cultivator tier 2. Indoor cultivators with up to 2,500
9 square feet of plant canopy in an indoor cultivation space shall be assessed an
10 annual licensing fee of \$3,750.00.

11 (iii) Indoor cultivator tier 3. Indoor cultivators with up to 5,000
12 square feet of plant canopy in an indoor cultivation space shall be assessed an
13 annual licensing fee of \$8,000.00.

14 (iv) Indoor cultivator tier 4. Indoor cultivators with up to 10,000
15 square feet of plant canopy in an indoor cultivation space shall be assessed an
16 annual licensing fee of \$16,000.00.

17 (v) Indoor cultivator tier 5. Indoor cultivators with up to 15,000
18 square feet of plant canopy in an indoor cultivation space shall be assessed an
19 annual licensing fee of \$36,000.00.

1 (vi) Indoor cultivator tier 6. Indoor cultivators with up to 25,000
2 square feet of plant canopy in an indoor cultivation space shall be assessed an
3 annual licensing fee of \$75,000.00.

4 (C) Mixed cultivator tiers.

5 (i) Mixed cultivator tier 1. Mixed cultivators with the following at
6 the same licensed premises shall be assessed an annual licensing fee of
7 \$1,800.00: up to 1,000 square feet of plant canopy in an indoor cultivation
8 space and up to 50 cannabis plants in an outdoor cultivation space.

9 (ii) Mixed cultivator tier 2. Mixed cultivators with the following
10 at the same licensed premises shall be assessed an annual licensing fee of
11 \$2,250.00: up to 1,000 square feet of plant canopy in an indoor cultivation
12 space and up to 125 cannabis plants in an outdoor cultivation space.

13 (iii) Mixed cultivator tier 3. Mixed cultivators with the following
14 at the same licensed premises shall be assessed an annual licensing fee of
15 \$5,000.00: up to 2,500 square feet of plant canopy in an indoor cultivation
16 space and up to 200 cannabis plants in an outdoor cultivation space.

17 (2) Wholesalers. Wholesalers shall be assessed an annual licensing fee
18 of \$4,000.00.

19 (3) Manufacturers.

20 (A) Manufacturer tier 1. Manufacturers that process and manufacture
21 cannabis in order to produce cannabis products without using solvent-based

1 extraction and not more than \$10,000.00 per year in cannabis products based
2 on the manufacturer's total annual sales in cannabis products shall be assessed
3 an annual licensing fee of \$750.00.

4 (B) Manufacturer tier 2. Manufacturers that process and manufacture
5 cannabis in order to produce cannabis products without using solvent-based
6 extraction shall be assessed an annual licensing fee of \$2,500.00.

7 (C) Manufacturer tier 3. Manufacturers that process and manufacture
8 cannabis in order to produce cannabis products using all allowable methods of
9 extraction, including solvent-based extraction, shall be assessed an annual
10 licensing fee of \$15,000.00.

11 (4) Retailers. Retailers that sell cannabis and cannabis products to
12 consumers shall be assessed an annual licensing fee of \$10,000.00.

13 (5) Testing laboratories. Testing laboratories shall be assessed an
14 annual licensing fee of \$1,500.00.

15 (6) Integrated licensees. Integrated licensees shall be assessed an annual
16 licensing fee of \$100,000.00.

17 (7) Employees. Cannabis establishments licensed by the Board shall be
18 assessed an annual licensing fee of \$50.00 for each employee.

19 (8) Products. Retailers and integrated licensees shall be assessed an
20 annual product licensing fee of \$50.00 for every type of cannabis and cannabis
21 product that is sold in accordance with this chapter.

1 (9) Local licensing fees. Cannabis establishments licensed by the Board
2 shall be assessed an annual local licensing fee of \$100.00 in addition to each
3 fee assessed under subdivisions (1)–(6) of this section. Local licensing fees
4 shall be distributed to the municipality in which the cannabis establishment is
5 located pursuant to section 846(c) of this title.

6 (10) One-time fees.

7 (A) All applicants for a cannabis establishment license shall be
8 assessed an initial one-time application fee of \$1,000.00.

9 (B) An applicant may choose to be assessed an initial one-time
10 intent-to-apply fee of \$500.00. If the applicant subsequently seeks a license
11 within six months after paying the intent-to-apply fee, the initial one-time
12 application fee of \$1,000.00 shall be reduced by \$500.00.

13 * * * Vermont Medical Cannabis Registry * * *

14 Sec. 8. 7 V.S.A. § 955(b) is amended to read:

15 (b) The Board shall charge and collect ~~fees for~~ a \$50.00 annual registration
16 fee for patients and caregivers. Fees shall be deposited in the Cannabis
17 Regulation Fund as provided in section 845 of this title.

18 Sec. 9. 7 V.S.A. § 977 is amended to read:

19 § 977. FEES

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

21 (1) a one-time \$2,500.00 application fees fee;

1 (2) ~~annual license fees~~ a \$20,000.00 registration fee for the first year of
2 operation; and

3 (3) ~~an annual renewal fees~~ fee of \$25,000.00 for a subsequent year of
4 operation; and

5 (4) an annual Registry identification or renewal card fee of \$50.00 to be
6 paid by the dispensary for each owner, principal, financier, and employee of
7 the dispensary.

8 (b) Fees shall be deposited in the Cannabis Regulation Fund as provided in
9 section 845 of this title.

10 * * * Effective Date * * *

11 Sec. 10. EFFECTIVE DATE

12 This act shall take effect on passage.