

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  
2 collected pursuant to chapters 33, 35, and 37 of this title into the Cannabis  
3 Regulation 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 the rules furnished to them by the Board as necessary to carry out the purposes  
2 of this 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,  
10 package, label, transport, test, and sell cannabis to a licensed wholesaler,  
11 product manufacturer, retailer, integrated licensee, and dispensary and may  
12 purchase 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  
11 2,500 square feet of plant canopy in an outdoor cultivation space shall be  
12 assessed an 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  
6 at 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  
21 manufacture cannabis in order to produce cannabis products without using

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

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

7 (C) Manufacturer tier 3. Manufacturers that process and  
8 manufacture cannabis in order to produce cannabis products using all  
9 allowable methods of extraction, including solvent-based extraction, shall be  
10 assessed an annual 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 annual  
14 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;

