

H.701

An act relating to cannabis license fees

The Senate proposes to the House to amend the bill as follows:

First: By striking out Sec. 7, 7 V.S.A. § 910, in its entirety and inserting in lieu thereof a new Sec. 7 to read as follows:

Sec. 7. 7 V.S.A. §§ 910 and 911 are added to read:

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

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

(1) Cultivators.

(A) Outdoor cultivators.

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

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

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

(iv) Outdoor cultivator tier 4. Outdoor cultivators with up to

10,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of \$8,000.00.

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

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

(B) Indoor cultivators.

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

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

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

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

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

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

(C) Mixed cultivator tiers.

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

(ii) Mixed cultivator tier 2. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of \$5,625.00: up to 2,500 square feet of plant canopy in an indoor cultivation space and up to 312 cannabis plants in an outdoor cultivation space.

(iii) Mixed cultivator tier 3. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of \$5,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 625 cannabis plants in an outdoor cultivation space.

(iv) Mixed cultivator tier 4. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of

\$9,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 1,250 cannabis plants in an outdoor cultivation space.

(v) Mixed cultivator tier 5. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of \$19,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 2,500 cannabis plants in an outdoor cultivation space.

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

(3) Manufacturers.

(A) Manufacturer tier 1. Manufacturers that process and manufacture cannabis in order to produce cannabis products without using solvent-based extraction and not more than \$10,000.00 per year in cannabis products based on the manufacturer's total annual sales in cannabis products shall be assessed an annual licensing fee of \$750.00.

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

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

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

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

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

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

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

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

(10) One-time fees.

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

(B) An applicant may choose to be assessed an initial one-time intent-to-apply fee of \$500.00. If the applicant subsequently seeks a license

within one year after paying the intent-to-apply fee, the initial one-time application fee of \$1,000.00 shall be reduced by \$500.00.

§ 911. FEE WAIVER AND REDUCTION; SOCIAL EQUITY

APPLICANTS

The Cannabis Control Board may, in its discretion and pursuant to adopted rule or readily accessible policy, or both, reduce or waive cannabis establishment application and licensing fees for social equity applicants as defined by the Board, including individuals from communities that historically have been disproportionately impacted by cannabis prohibition and individuals directly and personally impacted by cannabis prohibition.

Second: By striking out Sec. 10, effective dates, and its reader assistance heading in their entirety and inserting in lieu thereof the following:

\* \* \* Regulation of the Medical Cannabis Registry \* \* \*

Sec. 10. REPEAL

(a) Due to the failure of the House bill entitled “An act relating to fiscal year 2022 budget adjustments” (H.679), for which the report of the committee of conference was considered and adopted on the part of the Senate on February 24, 2022 and on the part of the House on March 8, 2022, to become law prior to March 1, 2022, 18 V.S.A. chapter 86 (therapeutic use of cannabis) was repealed on March 1, 2022 pursuant to 2020 Acts and Resolves No. 164, Sec. 11. Accordingly, Secs. 59a (amendments to implementation of medical

cannabis registry) and 59b (amendments to the effective dates of 2020 Acts and Resolves No. 164) of H.679 are now obsolete.

(b) If H.679 becomes law, then Secs. 59a and 59b of that act are repealed.

Sec. 11. REGULATION OF THE MEDICAL CANNABIS REGISTRY

Emergency rules identical to the proposed final rules entitled “Rule 3: Medical Cannabis” and “Rule 4: Compliance and Enforcement” that were filed with the Legislative Committee on Administrative Rules on March 9, 2022 shall be deemed to meet the standard for the adoption of emergency rules pursuant to 3 V.S.A. § 844(a) if adopted as emergency rules prior to the permanent rules entitled “Rule 3: Medical Cannabis” and “Rule 4: Compliance and Enforcement” becoming effective.

\* \* \* Effective Date \* \* \*

Sec. 12. EFFECTIVE DATE

This act shall take effect on passage.

And that after passage the title of the bill be amended to read:

An act relating to cannabis license fees and the regulation of the medical cannabis registry.