

S.188

An act relating to regulating licensed small cannabis cultivation as farming
The House proposes to the Senate to amend the bill by striking all after the
enacting clause and inserting in lieu thereof the following:

Sec. 1. 7 V.S.A. § 861 is amended to read:

§ 861. DEFINITIONS

As used in this chapter:

* * *

(19) ~~“Enclosed, locked facility” means a building, room, greenhouse, outdoor fenced-in area, or other location that is enclosed on all sides and prevents cannabis from easily being viewed by the public. The facility shall be equipped with locks or other security devices that permit access only by:~~

~~(A) Employees, agents, or owners of the cultivator, all of whom shall be 21 years of age or older.~~

~~(B) Government employees performing their official duties.~~

~~(C) Contractors performing labor that does not include cannabis cultivation, packaging, or processing. Contractors shall be accompanied by an employee, agent, or owner of the cultivator when they are in areas where cannabis is being grown, processed, packaged, or stored.~~

~~(D) Registered employees of other cultivators, members of the media, elected officials, and other individuals 21 years of age or older visiting~~

~~the facility, provided they are accompanied by an employee, agent, or owner of the cultivator. [Repealed.]~~

* * *

(27) “Hemp” means the plant Cannabis sativa L. and any part of the plant, including the seeds and all derivatives, extracts, cannabinoids, acids, salts, isomers, and salts of isomers, whether growing or not, with the federally defined tetrahydrocannabinol concentration level of hemp.

(28) “Hemp products” or “hemp-infused products” means all products with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts that are prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, construction materials, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.

Sec. 2. 7 V.S.A. § 869 is amended to read:

§ 869. CULTIVATION OF CANNABIS; ENVIRONMENTAL AND LAND
USE STANDARDS; REGULATION OF SMALL CULTIVATORS

(a)(1) A cannabis establishment shall not be regulated as “farming” under the Required Agricultural Practices, 6 V.S.A. chapter 215, or other State law, and cannabis produced from cultivation shall not be considered an agricultural

product, farm crop, or agricultural crop for the purposes of 32 V.S.A.

chapter 124, 32 V.S.A. § 9741, or other relevant State law.

~~(2) Notwithstanding subdivision (1) of this subsection, the cultivation of cannabis on agricultural land and the use of farm buildings to dry or process that cannabis shall not disqualify the land or buildings from the use value appraisal program or constitute “development” under 32 V.S.A. § 3752(5), provided that:~~

~~(A) the agricultural land or farm building is enrolled in the use value appraisal program at the time cannabis cultivation commences;~~

~~(B) the agricultural land or farm building is not transferred to another owner;~~

~~(C) the cultivation, drying, or processing of cannabis is done by a licensed small cultivator on 1,000 square feet or less of agricultural land; and~~

~~(D) all other requirements under 32 V.S.A. chapter 124 continue to be met.~~

(b) The cultivation, processing, and manufacturing of cannabis regulated under this chapter shall comply with all applicable State, federal, and local environmental, energy, or public health law, unless otherwise provided under this chapter.

(c) A cannabis establishment regulated under this chapter shall be subject to regulation under 24 V.S.A. chapter 117 as authorized by this chapter.

(d)(1) The cultivation, processing, and manufacturing of cannabis by all cultivators regulated under this chapter shall comply with the following sections of the Required Agricultural Practices as administered and enforced by the Board:

(A) section 6, regarding conditions, restriction, and operating standards;

(B) section 8, regarding groundwater quality and groundwater quality investigations; and

(C) section 12, regarding subsurface tile drainage.

(2) Application of or compliance with the Required Agricultural Practices under subdivision (1) of this subsection shall not be construed to provide a presumption of compliance with or exemption to any applicable State, federal, and local environmental, energy, public health, or land use law required under subsections (b) and (c) of this section.

(e) Persons cultivating cannabis or handling pesticides for the purposes of the manufacture of cannabis products shall comply with the worker protection standard of 40 C.F.R. ~~part~~ Part 170.

(f) Notwithstanding subsection (a) of this section, a small cultivator licensed under this chapter who initiates cultivation of cannabis outdoors on a parcel of land that was subject to the Required Agricultural Practices prior to licensed cultivation of cannabis shall:

(1) be regulated in the same manner as “farming” and not as “development” on the tract of land where cultivation occurs for the purposes of permitting under 10 V.S.A. chapter 151;

(2) not be regulated by a municipal bylaw adopted under 24 V.S.A. chapter 117 in the same manner that Required Agricultural Practices are not regulated by a municipal bylaw under 24 V.S.A. § 4413(d)(1)(A); and

(3) be eligible to enroll in the Use Value Appraisal Program under 32 V.S.A. chapter 124 for the cultivation of cannabis, provided that the agricultural land or farm building on the parcel where cannabis cultivation occurs was enrolled in the Use Value Appraisal Program prior to commencement of licensed cannabis cultivation and the parcel continues to qualify for enrollment.

Sec. 3. 7 V.S.A. § 881(a) is amended to read:

(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:

* * *

(Q) policies and procedures for conducting outreach and promoting participation in the regulated cannabis market by diverse groups of individuals, including those who have been disproportionately harmed by cannabis prohibition; ~~and~~

(R) advertising and marketing; and

(S) requirements for cannabis control testing of hemp, hemp-infused products, cannabis, and cannabis products.

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Sec. 4. 7 V.S.A. § 885 is added to read:

§ 885. CANNABIS QUALITY CONTROL PROGRAM; TESTING

The Cannabis Control Board shall establish a cannabis quality control program for the following purposes:

(1) to develop potency and contaminant testing protocols for hemp, hemp-infused products, cannabis, and cannabis products;

(2) to verify cannabinoid label guarantees of hemp, hemp-infused products, cannabis, and cannabis products;

(3) to test for pesticides, solvents, heavy metals, mycotoxins, and bacterial and fungal contaminants in hemp, hemp-infused products, cannabis, and cannabis products; and

(4) to certify testing laboratories that can offer the services in subdivisions (2) and (3) of this subsection.

Sec. 5. REPEAL

6 V.S.A. § 567 (Agency of Agriculture, Food and Markets cannabis control program) is repealed.

Sec. 6. 7 V.S.A. § 904 is amended to read:

§ 904. CULTIVATOR LICENSE

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

(b) Cultivation of cannabis shall occur only ~~in an enclosed, locked facility;~~

(1) on property lawfully in possession of the cultivator or with the written consent of the person in lawful possession of the property; and

(2) in an area that is screened from public view and access is limited to the cultivator and persons 21 years of age or older who have permission from the cultivator.

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Sec. 7. 7 V.S.A. § 905 is amended to read:

§ 905. WHOLESALER LICENSE

A wholesaler licensed under this chapter may:

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

(2) transport, process, package, and sell cannabis and cannabis products to a licensed product manufacturer, retailer, integrated licensee, and dispensary; and

(3) sell cannabis seeds or immature cannabis plants to a licensed cultivator.

Sec. 8. 18 V.S.A. § 4230e is amended to read:

§ 4230e. CULTIVATION OF CANNABIS BY A PERSON 21 YEARS OF
AGE OR OLDER

(a)(1) Except as otherwise provided in this section, a person 21 years of age or older who cultivates ~~no~~ not more than two mature cannabis plants and four immature cannabis plants shall not be penalized or sanctioned in any manner by the State or any of its political subdivisions or denied any right or privilege under State law.

(2) Each dwelling unit shall be limited to two mature cannabis plants and four immature cannabis plants regardless of how many persons 21 years of age or older reside in the dwelling unit. As used in this section, “dwelling unit” means a building or the part of a building that is used as a primary home, residence, or sleeping place by one or more persons who maintain a household.

(3) Any cannabis harvested from the plants allowed pursuant to this subsection shall not count toward the one-ounce possession limit in section 4230a of this title, provided it is stored in an indoor facility on the property

where the cannabis was cultivated and reasonable precautions are taken to prevent unauthorized access to the cannabis.

(4) Cultivation in excess of the limits provided in this subsection shall be punished in accordance with section 4230 of this title.

(b)(1) Personal cultivation of cannabis only shall occur:

(A) on property lawfully in possession of the cultivator or with the written consent of the person in lawful possession of the property; and

(B) in an ~~enclosure~~ area that is screened from public view and ~~is secure so that~~ access is limited to the cultivator and persons 21 years of age or older who have permission from the cultivator.

(2) A person who violates this subsection shall be assessed a civil penalty as follows:

(A) not more than \$100.00 for a first offense;

(B) not more than \$200.00 for a second offense; and

(C) not more than \$500.00 for a third or subsequent offense.

Sec. 9. CANNABIS CONTROL BOARD; REPORTS; REGULATION OF
HEMP PROCESSORS, MANUFACTURERS, AND PRODUCTS;
CANNABIS CULTIVATION AS FARMING

(a) On or before January 15, 2023, the Cannabis Control Board shall submit to the House Committees on Agriculture and Forestry and on Ways and Means and the Senate Committees on Agriculture and on Finance written

recommendations on how the Cannabis Control Board would regulate hemp products, as that term is defined in 7 V.S.A. § 861; hemp processors; and hemp product manufacturers. The recommendations shall include:

(1) what hemp products the Cannabis Control Board would regulate;

(2) how the products would be regulated, including whether registration would be required and whether hemp processors and manufacturers should be licensed and regulated by the Board;

(3) any registration fees or other charges that would be assessed on hemp products and license fees assessed on hemp processors and manufacturers; and

(4) the resources required to regulate hemp processors, product manufacturers, and hemp products.

(b) If the federal government removes “marihuana” from the Schedule 1 list of controlled substances set forth in 21 U.S.C. § 812, the Executive Director of the Cannabis Control Board shall, after consultation with the Secretary of Agriculture, Food and Markets, submit to the Senate Committees on Judiciary and on Agriculture and the House Committees on Judiciary and on Agriculture and Forestry a recommendation as to whether the regulation of the cultivation of cannabis should be transferred from the jurisdiction of the Cannabis Control Board to the jurisdiction of the Agency of Agriculture, Food and Markets. The recommendation shall include whether cannabis cultivation

should be regulated as “farming” and the estimated staff and budget necessary for the Secretary of Agriculture, Food and Markets to administer regulations.

Sec. 10. EFFECTIVE DATE

This act shall take effect on passage.