

Emergency Filing - Coversheet

Instructions:

In accordance with Title 3 Chapter 25 of the Vermont Statutes Annotated and the “Rule on Rulemaking” ([CVR 04-000-001](#)) adopted by the Office of the Secretary of State, this emergency filing will be considered complete upon filing and acceptance of these forms with the Office of the Secretary of State, the Legislative Committee on Administrative Rules and a copy with the Chair of the Interagency Committee on Administrative Rules.

All forms shall be submitted to the Office of the Secretary of State, no later than 3:30 pm on the last scheduled day of the work week.

The data provided in text areas of these forms will be used to generate a notice of rulemaking in the portal of “Proposed Rule Postings” online, and the newspapers of record if the rule is marked for publication. Publication of notices will be charged back to the promulgating agency.

This emergency rule may remain in effect for a total of 180 days from the date it first takes effect.

Certification Statement: As the adopting Authority of this rule (see 3 V.S.A. § 801(b)(11) for a definition), I believe there exists an imminent peril to public health, safety or welfare, requiring the adoption of this emergency rule.

The nature of the peril is as follows (*PLEASE USE ADDITIONAL SHEETS IF SPACE IS INSUFFICIENT*). Please see included document that follows this page.

I approve the contents of this filing entitled:

Rule 3: Medical Cannabis

_____/s/ James Pepper_____, on 3/15/2022
(signature) (date)

Printed Name and Title:

James Pepper, Chair, Cannabis Control Board

RECEIVED BY: _____

- Coversheet
- Adopting Page
- Economic Impact Analysis
- Environmental Impact Analysis
- Strategy for Maximizing Public Input
- Scientific Information Statement (if applicable)
- Incorporated by Reference Statement (if applicable)
- Clean text of the rule (Amended text without annotation)
- Annotated text (Clearly marking changes from previous rule)

An imminent peril to public health and welfare exists because the Department of Public Safety's rules for administering Vermont's medical cannabis system, including the patient and caregiver registry, have expired and the Cannabis Control Board's replacement rules have not yet completed the adoption process. More than 5,000 Vermont patients and caregivers depend upon the orderly administration of the medical cannabis system to obtain cannabis for symptom relief. Vermont's medical cannabis system provides cannabis and cannabis products to registered patients to relieve symptoms related to medical conditions such as cancer, multiple sclerosis, HIV, Parkinson's disease, and others.

The statutes authorizing the Department of Public Safety's rules governing the medical cannabis system expired on March 1, 2022. The Board had anticipated that the 2022 Budget Adjustment Act would pass before March 1 and would include an extension to the Department's authorizing statutes allowing sufficient time for the Board's rules to become final and effective. The act was not passed by March 1, the statutes expired, and the extension is no longer a viable legislative solution.

For this reason, the Board must act on an emergency basis to maintain the orderly functioning of the medical cannabis system. Section 11 of H.701, an Act Relating to Cannabis License Fees, provides that Board Rule 3 "shall be deemed to meet the standard for the adoption of emergency rules pursuant to 3 V.S.A. § 844(a)."

This emergency rule is identical to Board Rule 3 as filed with the Legislative Committee on Administrative Rules on March 9, 2022.

1. TITLE OF RULE FILING:

Rule 3: Medical Cannabis

2. ADOPTING AGENCY:

Cannabis Control Board

3. PRIMARY CONTACT PERSON:

(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).

Name: David Scherr

Agency: Cannabis Control Board

Mailing Address: 89 Main Street, Montpelier, VT 05620-7001

Telephone: 802 558 - 6022 Fax: -

E-Mail: david.scherr@vermont.gov

Web URL *(WHERE THE RULE WILL BE POSTED)*:

<https://ccb.vermont.gov/>

4. SECONDARY CONTACT PERSON:

(A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON).

Name: Kimberley Lashua

Agency: Cannabis Control Board

Mailing Address: 89 Main Street, Montpelier, VT 05620-7001

Telephone: 802 636 - 7708 Fax: -

E-Mail: kimberly.lashua@vermont.gov

5. RECORDS EXEMPTION INCLUDED WITHIN RULE:

(DOES THE RULE CONTAIN ANY PROVISION DESIGNATING INFORMATION AS CONFIDENTIAL; LIMITING ITS PUBLIC RELEASE; OR OTHERWISE EXEMPTING IT FROM INSPECTION AND COPYING?) Yes

IF YES, CITE THE STATUTORY AUTHORITY FOR THE EXEMPTION:

7 V.S.A. § 952(c) and 7 V.S.A. § 973(b) .

PLEASE SUMMARIZE THE REASON FOR THE EXEMPTION:

The exemption in 7 V.S.A. § 952(c) protects the privacy of individuals with diagnosed medical conditions. The exemption in 7 V.S.A. § 973(b) keeps certain cannabis dispensary information confidential that is related to public safety, security, transportation, and trade

secrets in order to keep citizens safe and maintain a fair commercial playing field for dispensary operations.

6. LEGAL AUTHORITY / ENABLING LEGISLATION:

(THE SPECIFIC STATUTORY OR LEGAL CITATION FROM SESSION LAW INDICATING WHO THE ADOPTING ENTITY IS AND THUS WHO THE SIGNATORY SHOULD BE. THIS SHOULD BE A SPECIFIC CITATION NOT A CHAPTER CITATION).

7 V.S.A. § 843(b)(1), 7 V.S.A. § 956, and 7 V.S.A. § 974.

7. EXPLANATION OF HOW THE RULE IS WITHIN THE AUTHORITY OF THE AGENCY:

The following statutory citations provide legal authority for the provisions of the proposed rules: 7 V.S.A. §§ 901, 953, 954, 956, 971, 974, 975, 976, and 978.

8. CONCISE SUMMARY (150 WORDS OR LESS):

This rule will regulate the use of therapeutic cannabis in Vermont. The rule will regulate patient access to cannabis and cannabis products and will regulate the dispensaries that provide cannabis and cannabis products to patients. These activities are currently regulated by the Department of Public Safety (DPS). They will come under the purview of the Cannabis Control Board in accordance with Act 164(2020) and Act 62(2021).

9. EXPLANATION OF WHY THE RULE IS NECESSARY:

The rule is necessary to maintain a regulated system for patient access to therapeutic cannabis products.

In 2022, the Cannabis Control Board will assume from DPS responsibility for regulating the Patient and Caregiver Registry, which currently regulates medicinal and therapeutic cannabis use. Further, the statutes in Title 18 that govern the registry will be repealed in accordance with Act 164(2020) and Act 62(2021). These laws require the Cannabis Control Board to draft regulations that will replace the DPS rules. This proposed rule provides the required regulations.

10. EXPLANATION OF HOW THE RULE IS NOT ARBITRARY AS DEFINED IN 3 V.S.A. § 801(b)(13(A):

There is extensive factual basis for this rule, the rule is rationally connected to the factual basis, and the Board believes the rules make sense to a reasonable person.

11. As discussed further below, in formulating these rules the Board has received extensive information from agencies with relevant expertise and heard input from many current and prospective medicinal cannabis users and caregivers, and others who will be affected by an updated medical cannabis regulatory environment. The Board has further consulted with experts and affected individuals regarding how a legalized recreational cannabis market will affect medicinal cannabis.

12. The decisions embodied by these rules are directly and rationally connected to the input the Board has received. The decisions made by the Board in drafting these rules will make sense to a reasonable person.

13. LIST OF PEOPLE, ENTERPRISES AND GOVERNMENT ENTITIES AFFECTED BY THIS RULE:

All currently registered patients, caregivers, and dispensaries will be affected by this rule. Ancillary businesses that service dispensaries may have new opportunities to boost business if new dispensaries are licensed pursuant to this rule, which is more permissive of new dispensaries than the DPS rule or current governing statutes. People seeking to register as patients and caregivers pursuant this rule will face a similar regulatory process to the one they do currently.

The rule may affect government entities such as the Department of Health, the Agency of Agriculture, Food, and Markets, the Board of Natural Resources, the Agency of Natural Resources, and others.

14. BRIEF SUMMARY OF ECONOMIC IMPACT (150 WORDS OR LESS):

In accordance with the governing statutes, the proposed rule is designed to avoid increased compliance burden. For this reason, this rule will not have an ongoing economic impact

on currently operating dispensaries, caregivers, and patients. There may be some initial transition costs associated with a transfer to new systems implemented by a new regulatory body.

Although the Board does not anticipate significant numbers of new dispensaries, new dispensaries are more likely under the new statutory and regulatory scheme. To the extent that new dispensaries are licensed they will provide economic opportunity for the new business owners and employees and for ancillary businesses that service dispensaries, including construction, HVAC, agricultural enterprises, and others.

15. A HEARING IS NOT SCHEDULED .

16. HEARING INFORMATION

(THE FIRST HEARING SHALL BE NO SOONER THAN 30 DAYS FOLLOWING THE POSTING OF NOTICES ONLINE).

IF THIS FORM IS INSUFFICIENT TO LIST THE INFORMATION FOR EACH HEARING PLEASE ATTACH A SEPARATE SHEET TO COMPLETE THE HEARING INFORMATION NEEDED FOR THE NOTICE OF RULEMAKING.

Date:

Time: AM

Street Address:

Zip Code:

Date:

Time: AM

Street Address:

Zip Code:

17. DEADLINE FOR COMMENT (NO EARLIER THAN 7 DAYS FOLLOWING LAST HEARING):

18. EMERGENCY RULE EFFECTIVE: 03/15/2022

19. EMERGENCY RULE WILL REMAIN IN EFFECT UNTIL

(A DATE NO LATER THAN 180 DAYS FOLLOWING ADOPTION OF THIS EMERGENCY RULE):

06/01/2022

20. NOTICE OF THIS EMERGENCY RULE SHOULD NOT BE PUBLISHED IN THE WEEKLY NOTICES OF RULEMAKING IN THE NEWSPAPERS OF RECORD.

21. KEYWORDS (PLEASE PROVIDE AT LEAST 3 KEYWORDS OR PHRASES TO AID IN THE SEARCHABILITY OF THE RULE NOTICE ONLINE).

Dispensary

Patient

Caregiver

Adopting Page

Instructions:

This form must accompany each filing made during the rulemaking process:

Note: To satisfy the requirement for an annotated text, an agency must submit the entire rule in annotated form with proposed and final proposed filings. Filing an annotated paragraph or page of a larger rule is not sufficient. Annotation must clearly show the changes to the rule.

When possible the agency shall file the annotated text, using the appropriate page or pages from the Code of Vermont Rules as a basis for the annotated version. New rules need not be accompanied by an annotated text.



1. TITLE OF RULE FILING:
Rule 3: Medical Cannabis
2. ADOPTING AGENCY:
Cannabis Control Board
3. TYPE OF FILING (*PLEASE CHOOSE THE TYPE OF FILING FROM THE DROPDOWN MENU BASED ON THE DEFINITIONS PROVIDED BELOW*):
 - **AMENDMENT** - Any change to an already existing rule, even if it is a complete rewrite of the rule, it is considered an amendment as long as the rule is replaced with other text.
 - **NEW RULE** - A rule that did not previously exist even under a different name.
 - **REPEAL** - The removal of a rule in its entirety, without replacing it with other text.

This filing is **A NEW RULE** .

4. LAST ADOPTED (*PLEASE PROVIDE THE SOS LOG#, TITLE AND EFFECTIVE DATE OF THE LAST ADOPTION FOR THE EXISTING RULE*):

Economic Impact Analysis

Instructions:

In completing the economic impact analysis, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule; estimates the costs and benefits for each category of people enterprises and government entities affected by the rule; compares alternatives to adopting the rule; and explains their analysis concluding that rulemaking is the most appropriate method of achieving the regulatory purpose. If no impacts are anticipated, please specify “No impact anticipated” in the field.

Rules affecting or regulating schools or school districts must include cost implications to local school districts and taxpayers in the impact statement, a clear statement of associated costs, and consideration of alternatives to the rule to reduce or ameliorate costs to local school districts while still achieving the objectives of the rule (see 3 V.S.A. § 832b for details).

Rules affecting small businesses (excluding impacts incidental to the purchase and payment of goods and services by the State or an agency thereof), must include ways that a business can reduce the cost or burden of compliance or an explanation of why the agency determines that such evaluation isn’t appropriate, and an evaluation of creative, innovative or flexible methods of compliance that would not significantly impair the effectiveness of the rule or increase the risk to the health, safety, or welfare of the public or those affected by the rule.

1. TITLE OF RULE FILING:

Rule 3: Medical Cannabis

2. ADOPTING AGENCY:

Cannabis Control Board

3. CATEGORY OF AFFECTED PARTIES:

LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:

Patients, caregivers, dispensaries, persons seeking to become a patient or caregiver, persons seeking to operate a dispensary, cannabis testing facilities, banking and insurance industries, the Cannabis Control Board, and local governments.

There may be costs for dispensaries associated with transitions to new regulatory systems, but these will be one-time costs, not an ongoing regulatory burden. The Board will make every effort to minimize them.

The benefits will be to all patients, caregivers, and dispensaries who will maintain access to cannabis for therapeutic purposes. There may also be a benefit to small business owners who will have a greater opportunity to open new dispensaries than they had under the prior rules. New dispensaries will also provide opportunity for ancillary businesses that will service dispensaries.

4. IMPACT ON SCHOOLS:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS CLEARLY STATING ANY ASSOCIATED COSTS:

Schools are not affected by this rule.

5. ALTERNATIVES: CONSIDERATION OF ALTERNATIVES TO THE RULE TO REDUCE OR AMELIORATE COSTS TO LOCAL SCHOOL DISTRICTS WHILE STILL ACHIEVING THE OBJECTIVE OF THE RULE.

Schools are not affected by this rule.

6. IMPACT ON SMALL BUSINESSES:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON SMALL BUSINESSES (EXCLUDING IMPACTS INCIDENTAL TO THE PURCHASE AND PAYMENT OF GOODS AND SERVICES BY THE STATE OR AN AGENCY THEREOF):

In accordance with statutory requirements, this rule is intended to avoid an increase in regulatory burden on currently operating dispensaries.

New dispensaries are more likely to be licensed under the new statutory and regulatory scheme. This will expand business opportunities for small businesses, both those who choose to operate as a dispensary and those businesses that serve the dispensaries.

7. SMALL BUSINESS COMPLIANCE: EXPLAIN WAYS A BUSINESS CAN REDUCE THE COST/BURDEN OF COMPLIANCE OR AN EXPLANATION OF WHY THE AGENCY DETERMINES THAT SUCH EVALUATION ISN'T APPROPRIATE.

Due to the nature of cannabis production and sales, including its federal legal status, cannabis businesses must be tightly regulated. In Vermont this will be especially true for dispensaries, which are currently permitted, and will continue to be permitted, to perform functions that regular cannabis businesses may not. This includes selling products with high THC concentrations and delivering cannabis directly to patients.

Although tight regulation is required, the rule does account for dispensaries that choose to operate on a smaller scale by allowing them to avoid certain application requirements that will not be relevant to their proposed operations.

8. COMPARISON:

COMPARE THE IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING SEPARATE REQUIREMENTS FOR SMALL BUSINESS:

For the reasons noted in Question 7 of this section, cannabis businesses must be tightly regulated. A separate rule for small dispensaries is not possible because dispensaries of all sizes will engage in cannabis production and sales, activities that require heavy regulation.

As noted in Question 7, the rule does make accommodation for dispensaries that choose not to engage in all permitted aspects of cannabis dispensary operations by eliminating application requirements that will be irrelevant to their proposed operations.

9. SUFFICIENCY: *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

The Board has created these rules with extraordinary public input, including from patients, caregivers, and dispensary workers and operators. For its understanding of the broader commercial cannabis market, the Board has relied on a sophisticated model developed by its consultant, VS Strategies, which is available on its website at this page: <https://ccb.vermont.gov/market->

structure (with the September 9, 2021 materials). The Board's understanding of the dispensaries' place within the upcoming legalized market has derived from the extensive public input referenced above.

Environmental Impact Analysis

Instructions:

In completing the environmental impact analysis, an agency analyzes and evaluates the anticipated environmental impacts (positive or negative) to be expected from adoption of the rule; compares alternatives to adopting the rule; explains the sufficiency of the environmental impact analysis. If no impacts are anticipated, please specify “No impact anticipated” in the field.

Examples of Environmental Impacts include but are not limited to:

- Impacts on the emission of greenhouse gases
- Impacts on the discharge of pollutants to water
- Impacts on the arability of land
- Impacts on the climate
- Impacts on the flow of water
- Impacts on recreation
- Or other environmental impacts

1. TITLE OF RULE FILING:

Rule 3: Medical Cannabis

2. ADOPTING AGENCY:

Cannabis Control Board

3. GREENHOUSE GAS: *EXPLAIN HOW THE RULE IMPACTS THE EMISSION OF GREENHOUSE GASES (E.G. TRANSPORTATION OF PEOPLE OR GOODS; BUILDING INFRASTRUCTURE; LAND USE AND DEVELOPMENT, WASTE GENERATION, ETC.):*

The general environmental impact of this rule will not be significant. The Board's market analysis shows that the entire commercial recreational cannabis market in Vermont will be supplied by a total of less than 15 acres of cannabis. Dispensaries, which are limited to supplying cannabis to registered patients and caregivers for therapeutic use, will comprise a small portion of that.

4. Dispensaries are already in operation, and this rule is intended to allow them to keep operating largely as they have been. For this reason the rule should create minimal new environmental impact.

- 5.
6. To the extent that new dispensaries come into operation, they could create greenhouse gas impacts through the use of vehicles to transport cannabis, through cannabis manufacturing that utilizes CO₂, ethanol, and hydrocarbons, and the waste associated with this solvent-based manufacturing. Even for the entire commercial market the greenhouse gas impact is expected to be low, as noted in the Environmental Impact Analysis that accompanied the Board's pre-filing of its proposed Rule 2 on November 24, 2021. The Board anticipates that new dispensary activity will be a comparative fraction of commercial cannabis activity so their impact should be a fractional portion of an already low impact.

7. **WATER:** *EXPLAIN HOW THE RULE IMPACTS WATER (E.G. DISCHARGE / ELIMINATION OF POLLUTION INTO VERMONT WATERS, THE FLOW OF WATER IN THE STATE, WATER QUALITY ETC.):*

As noted in the Environmental Impact Analysis that accompanied the Board's pre-filing of its proposed Rule 2 on November 24, 2021, the overall risk to the environment from wastewater discharge is minimal and mitigated by the requirements of Rule 2.2.4, which will also apply to dispensaries. The impacts of irrigation will similarly be minimal due to the relatively small size of cannabis cultivation operations.

8.

9. These impacts are further reduced by the likely small size and number of any new dispensary operations.

10. **LAND:** *EXPLAIN HOW THE RULE IMPACTS LAND (E.G. IMPACTS ON FORESTRY, AGRICULTURE ETC.):*

1. Even for commercial cannabis operations, the environmental impacts on a per site basis are presumed to be negligible to insignificant in relation to current farming operations, especially when compared to the average Vermont farm size. New dispensaries will likely be on the smaller end of cultivation sizes due to the restrictions inherent to the medicinal cannabis

market, which can only sell to registered patients and caregivers.

11. In order to comply with public health and safety requirements, cannabis products will generate additional packaging waste compared to standard consumer packaged goods. This additional packaging will increase landfill material. Allowing for organic material to be composted (as is permitted in part by Rule 2.2.8, which also applies to dispensaries) will remove a significant portion of cultivated wastes from entering the municipal waste stream. Allowing for the collection of recyclable post-consumer packaging at dispensary retail locations will increase the amount of material entering the recycling stream. Allowing for hazardous materials such as vape batteries that contain lithium ion will increase the diversion of this material to landfills.

12. Again, all such impacts are smaller for dispensaries, and likely quite small for any new dispensaries.

13. **RECREATION:** *EXPLAIN HOW THE RULE IMPACT RECREATION IN THE STATE:*
There will be no impact on recreation.

14. **CLIMATE:** *EXPLAIN HOW THE RULE IMPACTS THE CLIMATE IN THE STATE:*
Certain methods of manufacturing, discussed in Question 3 of this section, can off-gas into the environment, and may require a certain level of investment and expertise to ensure recirculation and other techniques are utilized to minimize climate impacts. This impact will be small for the full commercial market, and will be much smaller for the new dispensary market.

15. **OTHER:** *EXPLAIN HOW THE RULE IMPACT OTHER ASPECTS OF VERMONT'S ENVIRONMENT:*
There is a potential for public concern related to cannabis odors proximate to residential areas. Agricultural operations are not typically monitored for odor and have an Odor Nuisance Exempt from Right to Farm Ordinances. This will not be the case for cannabis. Depending on input during the notice and comment period the Board may choose to implement an odor abatement plan requirement that could reduce potential impacts of nuisance odors.

16. SUFFICIENCY: *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

For this analysis, the Board adapted a review of proposed Board Rules 1 and 2 by Jacob Policzer, an outside expert in environmental and sustainability issues related to cannabis. Mr. Policzer's review focused on the commercial cannabis market. This adaptation notes the lesser impacts that dispensaries are likely to have.

Public Input Maximization Plan

Instructions:

Agencies are encouraged to hold hearings as part of their strategy to maximize the involvement of the public in the development of rules. Please complete the form below by describing the agency's strategy for maximizing public input (what it did do, or will do to maximize the involvement of the public).

This form must accompany each filing made during the rulemaking process:

1. TITLE OF RULE FILING:

Rule 3: Medical Cannabis

2. ADOPTING AGENCY:

Cannabis Control Board

3. PLEASE DESCRIBE THE AGENCY'S STRATEGY TO MAXIMIZE PUBLIC INVOLVEMENT IN THE DEVELOPMENT OF THE PROPOSED RULE, LISTING THE STEPS THAT HAVE BEEN OR WILL BE TAKEN TO COMPLY WITH THAT STRATEGY:

The Board's strategy has been to hear from all possible stakeholders in the cannabis market. The Board has sought and received extraordinary public involvement and input in the development of its rules. Since the Board was seated in May, 2021, The Board has held more than 25 Board meetings, each of which was noticed, recorded, open to the public, and accessible to all through electronic means, and each included a public comment session. The Board has also received more than 100 written comments submitted through its website. During its meetings the Board has heard from small cannabis cultivators and cannabis policy advocates, experts on racial justice and social equity issues and individuals with lived experience of such issues, medicinal cannabis patients and experts, public health experts and advocates, environmental and energy experts and advocates, agricultural experts and

advocates, and more. The Board has considered all of this input in formulating its rules.

4. In addition to the Board's own meetings, the Board's Advisory Committee (provided for by 7 V.S.A. § 843(h)) has met four times and its Advisory subcommittees have met more than 65 times. Each Advisory Committee and subcommittee meeting was noticed, recorded, open to the public, and included a public comment period.
 5. One of the subcommittees was dedicated to issues of medicinal cannabis, and its recommendations, as well as the public comments that came in during its meetings, have been considered by the Board in formulating this rule.
 6. Board members have individually had extensive discussions with members of the public and various experts and advocates in medicinal and therapeutic cannabis, along with many current participants in Vermont's therapeutic cannabis system.
 7. The Board has worked with VS Strategies, a cannabis policy consulting firm that has provided national regulatory experience and economic expertise. The Board plans to hold public hearings during the notice and comment period for these rules, and plans to engage seriously with comments that it receives during the notice and comment period. The Board is ready to make appropriate amendments to the rules on the basis of that feedback.
8. **BEYOND GENERAL ADVERTISEMENTS, PLEASE LIST THE PEOPLE AND ORGANIZATIONS THAT HAVE BEEN OR WILL BE INVOLVED IN THE DEVELOPMENT OF THE PROPOSED RULE:**

In addition to the people and organizations named above, the Board has relied extensively on the expertise of other Vermont state government agencies. The Department of Health helped design warning labels and packaging. The Agency of Agriculture, Food, and Markets provided expertise on laboratory testing and cannabis cultivation issues. The Department of Public Service provided expertise on building and energy standards. The Agency of Natural Resources assisted

with environmental standards. The Natural Resources Board consulted on matters related to Act 250. Each of these regulatory areas are applicable to dispensary regulation as well as commercial market regulation.

Changes made during the notice and comment period were made in consultation with expert advisors and relevant state government agencies.

Scientific Information Statement

THIS FORM IS ONLY REQUIRED IF THE RULE RELIES ON SCIENTIFIC INFORMATION FOR ITS VALIDITY.

PLEASE REMOVE THIS FORM PRIOR TO DELIVERY IF IT DOES NOT APPLY TO THIS RULE FILING:

Instructions:

In completing the Scientific Information Statement, an agency shall provide a summary of the scientific information including reference to any scientific studies upon which the proposed rule is based, for the purpose of validity.

1. TITLE OF RULE FILING:

Rule 3: Medical Cannabis

2. ADOPTING AGENCY:

Cannabis Control Board

3. BRIEF EXPLANATION OF SCIENTIFIC INFORMATION:

This is not a rule that is based on scientific information, but it incorporates by reference Cannabis Control Board Rules 1 and 2, portions of which touch on scientific issues. The citations for the relevant scientific information in those rules can be found in the Board's prefiling documents submitted on November 24, 2021.

4. CITATION OF SOURCE DOCUMENTATION OF SCIENTIFIC INFORMATION:

All Board rulemaking documents are available at <https://ccb.vermont.gov/>.

5. INSTRUCTIONS ON HOW TO OBTAIN COPIES OF THE SOURCE DOCUMENTS OF THE SCIENTIFIC INFORMATION FROM THE AGENCY OR OTHER PUBLISHING ENTITY:

Incorporation by Reference

THIS FORM IS ONLY REQUIRED WHEN INCORPORATING MATERIALS BY REFERENCE. PLEASE REMOVE PRIOR TO DELIVERY IF IT DOES NOT APPLY TO THIS RULE FILING:

Instructions:

In completing the incorporation by reference statement, an agency describes any materials that are incorporated into the rule by reference and how to obtain copies.

This form is only required when a rule incorporates materials by referencing another source without reproducing the text within the rule itself (e.g. federal or national standards, or regulations).

Incorporated materials will be maintained and available for inspection by the Agency.

1. TITLE OF RULE FILING:

Rule 3: Medical Cannabis

2. ADOPTING AGENCY:

Cannabis Control Board

3. DESCRIPTION (*DESCRIBE THE MATERIALS INCORPORATED BY REFERENCE*):

This rule references Board Rules 1 and 2, prefiled on November 24, 2021.

4. FORMAL CITATION OF MATERIALS INCORPORATED BY REFERENCE:

Board Rule 1 has been assigned rule number 22008 by the Secretary of State. Board Rule 2 has been assigned rule number 22009 by the Secretary of State.

5. OBTAINING COPIES: *EXPLAIN WHERE THE PUBLIC MAY OBTAIN THE MATERIAL(S) IN WRITTEN OR ELECTRONIC FORM, AND AT WHAT COST*):

Board rules can be accessed at no cost on the Board's website: <https://ccb.vermont.gov/>.

6. MODIFICATIONS (*PLEASE EXPLAIN ANY MODIFICATION TO THE INCORPORATED MATERIALS E.G., WHETHER ONLY PART OF THE MATERIAL IS ADOPTED AND IF SO, WHICH PART(S) ARE MODIFIED*):

Board Rules 1 and 2 are modified by Board Rule 3 only to the extent required to ensure the statutory and terminology references in Board Rules 1 and 2 make sense when applied to the dispensaries that are regulated by Rule 3. Further explanation of these modifications are contained in the rule, at Rule 3.4.2 and 3.5.2.

Run Spell Check

**STATE OF VERMONT
CANNABIS CONTROL BOARD**

RULE 3: MEDICAL CANNABIS

- 3.1 Section 1: General Provisions
 - 3.1.1 Authority
 - 3.1.2 Scope and Purpose
 - 3.1.3 Definitions
 - 3.1.4 Applicability
 - 3.1.5 Time
 - 3.1.6 Severability
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- 3.10 Confidentiality
- 3.11 Regulatory Waiver

3. Rule 3: Medical Cannabis

3.1 Section 1: General Provisions

3.1.1 Authority

The Cannabis Control Board adopts this rule pursuant to 7 V.S.A. §§ 901, 953, 954, 956, 971, 974, 975, 976, 978, and other applicable law.

3.1.2 Scope and Purpose

The Board is charged with implementing and regulating a legal market for Cannabis in Vermont. This rule regulates the Patient and Caregiver Registry, as well cannabis dispensaries.

3.1.3 Definitions

All definitions in 7 V.S.A. §§ 861 and 951 shall apply to this rule. The following definitions shall also apply:

- (a) "Board designee" means a person designated by the Board to act as its agent for the purpose of executing the Board's responsibilities. This may be an employee of the Board, another government agency, or a contractor.
- (b) "Caregiver" means a resident of Vermont who has been issued a Caregiver registration card by the Board, identifying the person as someone who has agreed to undertake responsibility for managing the well-being of a Patient with respect to the use of Cannabis or Cannabis Products for symptom relief.
- (c) "Inventory Tracking System" means a method implemented by the Board for tracing all Cannabis and Cannabis Products grown, manufactured, and sold in Vermont.
- (d) "Licensee" means a person who has been issued a license pursuant to Board Rule 1 or this rule. A licensee does not include a person who has been issued a provisional license.
- (e) "Patient" means a resident of Vermont who has been issued a Patient registration card by the Board, identifying the person as having a qualifying medical condition pursuant to the provisions of this rule.
- (f) "Pesticide" shall have the same meaning as "economic poison" as defined in 6 V.S.A. §

911(5).

(g) “Physical site of operations” means:

- i. a cultivator’s grow site;
- ii. a wholesaler’s product storage facility;
- iii. a manufacturer’s site of manufacture;
- iv. a retailer’s store location; or
- v. a testing laboratory’s testing facility.

(h) “Resident of Vermont” means a person who is domiciled in Vermont.

Any time this rule references a retail Cannabis Establishment or otherwise references retail stores, such references shall include the retail portion of an integrated licensee unless the text of the rule plainly states that it does not.

3.1.4 Applicability

This rule applies to persons who seek to become Patients or Caregivers, who are Patients or Caregivers, who seek to operate a dispensary, or who operate a dispensary pursuant to 7 V.S.A. chapters 37 and 39.

3.1.5 Time

(a) In computing any time period, measured in days, that is established or allowed by this rule or by order of the Board or Chair:

- i. the day of the act or event that triggers the period shall be excluded;
- ii. every day, including intermediate Saturdays, Sundays, and legal holidays shall be counted;
- iii. the last day of the period shall be counted, but if the last day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday.

(b) A “legal holiday” means:

- i. any day declared a holiday by the President or Congress of the United States; and
- ii. any day declared a holiday by the State of Vermont.

3.1.6 Severability

If any portion of this rule is found to be invalid, the remaining portion of the rule shall remain in force and effect.

3.2 Registration of Patients

3.2.1 Forms and Fees

Individuals applying to register as a Patient are required to submit an application in a format determined by the Board. The Board will make the application form readily accessible to the public. Applicants may have to pay a fee in accordance with a fee schedule that the Board will make readily accessible to the public.

3.2.2 Patient Application

The Patient application shall require the following information:

- (a) Name, address, phone number, email if available, and date of birth;
- (b) A valid Vermont driver's license or non-driver identification number if the individual has such documentation. The Board will review alternative documentation demonstrating residency on a case-by-case basis for individuals without such documentation;
- (c) Name, address, phone number, email if available, and date of birth of a person the Patient is requesting serve as his or her Caregiver pursuant to section 3.3 of this rule, if applicable;
- (d) A Health Care Professional Verification Form, as provided for by section 3.2.3 of this rule;
- (e) A recent electronic photograph; and
- (f) An attestation that all information provided in the application is truthful, provided that if an individual is under 18 the attestation must be signed by a parent or legal guardian.

3.2.3 Health Care Professional Verification Form

The Board will make Health Care Professional Verification Forms available in a format readily accessible to the public. The Health Care Professional Verification Form must contain the following:

- (a) A statement by a health care professional that the Patient has a qualifying medical condition, as defined in 7 V.S.A. § 951(8), including the specific disease or condition which the Patient has;
- (b) A signed certification which provides in substantial part: "I certify that I meet the definition of a "health care professional" as defined by 7 V.S.A. § 951(5), that I am a health care professional in good standing in the state of and that the facts that I stated on the form are accurate to the best of my knowledge and belief";
- (c) The date upon which the health care professional signed the certification, which shall be no older than 6 months prior to the submission of the application submitted pursuant to section 3.2.2 of this rule;
- (d) The health care professional's contact information, certification or license number, professional classification, and issuing state of professional certification or license;
- (e) A statement by the Patient that the Patient is undergoing psychotherapy or counseling to the extent required by 7 V.S.A. § 951(8)(B); and
- (f) A release of information signed by the Patient applicant authorizing the Board to verify and confirm the accuracy of the information contained within the Health Care Professional Verification Form.

3.2.4 Patient Registration and Issuance of a Registered Patient Identification Card

- (a) The Board shall register as Patients all individuals who are residents of Vermont and who submit a complete and truthful application pursuant to section 3.2.2 of this rule.
- (b) Patients will be entitled to the privileges accorded to them in 7 V.S.A. chapter 35 and

must comply with the requirements of that chapter and this rule.

- (c) The Board shall issue Patients a registered Patient identification card in a format determined by the Board.

3.2.5 Renewal of Patient Registration and Patient Identification Card

- (a) Patient registrations shall be valid for the time period set by 7 V.S.A. § 955.
- (b) Patients must submit a renewal form, which shall be created by the Board and readily available to the public, that:
 - i. updates any information that was provided in their original application or their previous renewal application to the extent the information has changed; and
 - ii. contains a new Health Care Professional Verification Form with a certification that is dated less than 6 months prior to the submission of the renewal application, provided that the Health Care Professional Verification Form and electronic photo will only be required every second renewal application;
- (c) Patients who do not submit renewal forms prior to the expiration of their registration must apply in accordance with section 3.2.2 of this rule.
- (d) Patients who submit renewal forms prior to the expiration of their registration but who do not get a response from the Board prior to the expiration date shall retain their prior registration until such time as the Board grants or denies their renewal.

3.2.6 Patient Renewals for Registrations Pursuant to 18 V.S.A. chapter 86

- (a) On the date that this rule takes effect, individuals who have valid Patient registrations pursuant to the rules set forth by the Department of Public Safety under 18 V.S.A. Chapter 86 shall be deemed to have valid Patient registrations under this rule until such time as those registrations would have expired under the Department of Public Safety's rules.
- (b) Such Patients may renew their registrations by submitting a renewal form to the Board pursuant to section 3.2.5 of this rule, provided that the information they will be required to update will be limited to the information requested in section 3.2.2 of this rule.

3.3 Registration of Caregivers

3.3.1 Forms and Fees

Individuals applying to register as a Caregiver are required to submit an application in a format determined by the Board. The Board will make the application form readily accessible to the public. Applicants may have to pay a fee in accordance with a fee schedule that the Board will make readily accessible to the public.

3.3.2 Caregiver Application

The Caregiver application shall require the following information:

- (a) Name, address, phone number, email if available, and date of birth;

- (b) Name, address, phone number, email if available, and date of birth of a Patient whom the Caregiver will serve;
- (c) A valid Vermont driver's license or non-driver identification number if the individual has such documentation. The Board will review alternative documentation demonstrating residency on a case-by-case basis for individuals without such documentation;
- (d) any authorization or disclosure deemed necessary by the Board for the purpose of conducting a background check;
- (e) A recent electronic photograph of the individual;
- (f) An attestation that all information provided in the application is truthful.

3.3.3 Criminal History Records

To become registered Caregivers, individuals must be deemed qualified in accordance with the standards regarding criminal history records in section 1.11 of Board Rule 1, provided that if a spouse, domestic partner (as defined in 17 V.S.A. §2414(e)(1)), child, legal guardian, parent, sibling, grandparent, or grandchild of a Patient seeks to be their Caregiver the Board may, at its discretion, temporarily register the Caregiver pending the completion of criminal history check.

3.3.4 Caregiver Registration and Issuance of a Registered Caregiver Identification Card

- (a) The Board shall register as a Caregiver an individual who meets the following requirements:
 - i. Is a resident of Vermont;
 - ii. Is 21 years of age or older;
 - iii. Submits a complete and truthful application pursuant to section 3.3.2 of this rule; and
 - iv. Meets the criminal history record qualification standards to the extent required by section 3.3.3 of this rule.
- (b) Caregivers will be entitled to the privileges accorded to them in 7 V.S.A. chapter 35 of the Vermont Statutes and must comply with the requirements of that chapter and this rule.
- (c) The Board shall issue Caregivers a registered Caregiver identification card in a format determined by the Board.

3.3.5 Renewal of Caregiver Registration and Caregiver Identification Card

- (a) Caregiver registrations shall be valid for the time period set by 7 V.S.A. § 955.
- (b) Caregivers must submit a renewal form, which shall be created by the Board and readily available to the public, that:
 - i. updates any information that was provided in their original application or their previous renewal application to the extent the information has changed; and
 - ii. provides for an updated background check.
- (b) Caregivers who do not submit renewal forms prior to the expiration of their registration must apply in accordance with section 3.3.2 of this rule.
- (c) Caregivers who submit renewal forms prior to the expiration of their registration but who

do not get a response from the Board prior to the expiration date shall retain their prior registration until such time as the Board grants or denies their renewal.

3.3.6 Caregiver Renewals for Registrations Pursuant to 18 V.S.A. chapter 86

- (a) On the date that this rule takes effect, individuals who have valid Caregiver registrations pursuant to the rules set forth by the Department of Public Safety under 18 V.S.A. Chapter 86 shall be deemed to have valid Caregiver registrations under this rule until such time as those registrations would have expired under the Department of Public Safety's rules.
- (b) Such Caregivers may renew their registrations by submitting a renewal form to the Board pursuant to section 3.3.5 of this rule, provided that the information they will be required to update will be limited to the information requested in section 3.3.2 of this rule.

3.4 Licensing of Dispensaries

3.4.1 Forms and Fees

A person or persons applying for a dispensary license are required to submit an application in a format determined by the Board. The Board will make the application form readily accessible to the public. Applicants may have to pay a fee in accordance with a fee schedule that the Board will make readily accessible to the public.

3.4.2 General Licensing Requirements

- (a) The license application and renewal provisions of Board Rule 1 shall apply to any person or persons seeking to obtain or renew a license to operate a dispensary, subject to applicable provisions in section 3.4.3 of this rule.
- (c) Sections 1.4 through 1.9 of Board Rule 1 are each applicable to a dispensary application or renewal, except as provided by subsection 3.4.3(d) of this rule.
- (d) Dispensary licenses are valid for one year from the date of issue.

When applying Rule 1 to a person or persons applying to operate a dispensary:

- (e) "Cannabis Establishment" shall mean a dispensary;
- (f) "Applicant" shall mean a dispensary applicant;
- (g) "Licensee" shall mean a person or persons who have been licensed to operate a dispensary;
- (h) Fees will be understood to reference those required by 7 V.S.A. chapter 37; and
- (i) Where Board Rule 1 requires compliance with applicable statutes, such references shall be understood to mean compliance with 7 V.S.A. chapter 37.

3.4.3 Departures from Board Rule 1 for Dispensary Licensing

- (a) Dispensary applicants must submit plans to ensure Patient privacy and confidentiality.
- (b) Dispensary applicants must submit plans to educate their employees who interact

with Patients about the probable effects of the Cannabis and Cannabis Products available for Patient purchase.

- (c) Dispensary applicants must submit plans to provide educational materials to Patients and, if applicable, their Caregivers.
- (d) A dispensary applicant may declare on their application that their dispensary operation will not perform one or more of the activities permitted in 7 V.S.A. § 973(a)(1) or (2). To the extent that such a declaration would mean that the dispensary would not be performing the functions of one or more of the license types listed in sections 1.5 through 1.9 of Board Rule 1, the dispensary applicant need not fulfill the application requirements of the relevant section(s), provided that:
 - i. The Board shall retain discretion to determine whether application requirements must be fulfilled; and
 - ii. A dispensary applicant that makes such a declaration will not be permitted to perform the activity they declared they would not perform. If they wish to expand their operation to do so subsequent to gaining a license, they may do so only in accordance with a procedure to be set by the Board.

3.4.4 Dispensary Renewals for Licenses Granted Pursuant to 18 V.S.A. chapter 86

- (a) On the date that this rule takes effect, dispensaries licensed pursuant to the rules set forth by the Department of Public Safety under 18 V.S.A. Chapter 86 shall be deemed to have valid dispensary licenses under this rule until such time as those licenses would have expired under the Department of Public Safety's rules, or until such time as a dispensary obtains an integrated license pursuant to Board Rule 1, whichever comes first.
- (b) Dispensaries licensed pursuant to the rules set forth by the Department of Public Safety under 18 V.S.A. Chapter 86 that do not obtain an integrated license may renew their dispensary licenses by submitting a renewal in a form to be determined by the Board. This initial renewal under the Board's authority will be no more burdensome than necessary for the Board to ensure compliance with 7 V.S.A. chapter 37 and ensure the Board has the information required by Rule 1.4. After the initial renewal under this rule, the standard renewal rules under section 3.4.2 of this rule will apply.

3.4.5 Dispensary Identification Cards

Owners, principals, and employees of dispensaries will be issued Cannabis Establishment identification cards in accordance with Board Rule 1.16. This will constitute compliance with 7 V.S.A. § 976. For the purposes of this rule, a dispensary cardholder will mean an employee of a dispensary who has a current and valid Cannabis Establishment identification card.

3.5 Regulation of Dispensaries

3.5.1 General Regulatory Requirements

- (a) Dispensaries may do everything permitted in 7 V.S.A. §§ 971 and 973 and must abide by the regulations of 7 V.S.A. chapter 37.
- (b) Except where Board Rule 2 conflicts with 7 V.S.A. §§ 971 and 973 or the provisions of

this section 3.5, dispensaries shall be regulated in accordance with Board Rule 2.

- (c) In accordance with 7 V.S.A. chapter 37, product restrictions in Board Rule 2 and 7 V.S.A. chapter 33 are not applicable to dispensaries.
- (d) Each activity in a dispensary's operation, including but not limited to cultivation, manufacturing, and retail sales, will be regulated in accordance with the relevant section of Board Rule 2, subject to the exceptions in this section 3.5.

When applying Board Rule 2 to dispensary operations:

- (e) "Cannabis Establishment" shall mean a dispensary;
- (f) "Licensee" shall mean a person or persons who have been licensed to operate a dispensary; and
- (g) Where Board Rule 2 requires compliance with applicable statutes, such references shall be understood to mean compliance with 7 V.S.A. chapter 37.

3.5.2 Transportation and Delivery

The provisions governing transportation of Cannabis and Cannabis Products contained in Board Rule 2 do not apply to dispensaries. The following rules govern transportation and delivery for dispensaries:

A registered dispensary electing to deliver to registered Patients and Caregivers, or transfer to another dispensary or a testing laboratory, shall:

- (a) Transport cannabis and cannabis-infused products in a secure locked container.
- (b) Only permit registered cannabis identification card holders in the vehicle.
- (c) Deliver only to a Patient's or Caregiver's physical address transmitted to the dispensary from the Board.
- (d) Ensure that dispensary personnel other than the personnel performing delivery services have knowledge of the delivery schedule.
- (e) Depart with only the amount of Cannabis or Cannabis Product scheduled for delivery;
- (f) Schedule deliveries to occur only during established operating hours.
- (g) Verify the identity of each registered Patient or Caregiver at the time of his or her initial delivery and prior to dispensing cannabis. Cannabis or Cannabis Product shall be transferred directly into the physical possession of the registered Patient or Caregiver.
- (h) Prior to dispensing Cannabis or Cannabis Product to the registered Patient or Caregiver who scheduled a delivery, verify his or her registry identification card is valid.
- (i) Ensure delivery vehicles are discreet and do not display advertising, cannabis-related insignia, or features indicative of dispensary operations.
- (j) Ensure that all dispensary cardholders performing deliveries have a mode of communication for contacting emergency services personnel.
- (k) Develop and implement policies and procedures to ensure employee safety and to provide security sufficient to prevent loss of inventory, theft, and diversion for the dispensing, delivery, and storage of Cannabis or Cannabis Product.
- (l) Require all dispensary cardholders to physically possess their registry identification cards when performing delivery services.
- (m) Retain documentation containing the following information for each delivery:

- i. Registered Patient name and registry identification number. If a registered Caregiver accepts a delivery on behalf of his or her registered Patient the documentation shall additionally include the registered Caregiver's name and registry identification number;
 - ii. Name(s) and registry identification number(s) of the dispensary cardholder(s) performing delivery;
 - iii. Date and time of delivery; and
 - iv. Strain, form, and amount of cannabis delivered. Amount of cannabis shall be in ounce or gram units of weight.
- (n) Generate a trip ticket for the transfer or transport of Cannabis or Cannabis Product between registered dispensary locations or to a registered Patient or Caregiver. A trip ticket will be provided to a registered Patient or his or her Caregiver and shall include the registered dispensary's name, product type, strain, weight in ounce or gram units, form, and time and date of transaction. A trip ticket when cannabis is transported by a registered dispensary to another registered dispensary or testing laboratory shall contain the originating and receiving dispensary or testing laboratory name and physical address, the weight and form of cannabis, and relinquishing time and date.

3.5.3 Dispensary Visitors

The provisions governing visitors to Cannabis Establishments contained in Board Rule 2 do not apply to dispensaries. The following rules govern visitors to dispensaries, but not visitors to the cultivation area of a dispensary:

- (a) Patients, Caregivers, and holders of cannabis establishment identification cards shall always have their identification cards on-site while at a registered dispensary.
- (b) Dispensaries must make accommodation for Patient privacy upon request, including allowing Patients to purchase Cannabis or Cannabis Products inside the dispensary without compromising Patient privacy.
- (c) A record shall be maintained of all individuals who purchase Cannabis or Cannabis Products from the dispensary, provided that when an integrated licensee operates a dispensary location that also serves as an adult use retail location, records related to adult use consumers shall not violate the provisions of Rule 2.8.3. The record shall contain first and last legal name of all individuals, time, date, and registry identification number.
- (d) A licensed dispensary shall limit access to Patients and Caregivers, except for the situations listed in this subsection (d). In these situations, the record shall contain entity affiliation and purpose of entry and may omit a registry identification number:
 - i. A contractor or vendor, or the owner of the property on which a dispensary is located, who is performing services related to the operation of a dispensary and who needs access to the registered dispensary may be allowed access for a limited time under the direct accompaniment of a registered dispensary cardholder.
 - ii. A government employee who, in the performance of his or her job duties requires access to the registered dispensary shall be allowed access for a limited time under the direct accompaniment of a registered dispensary cardholder.
 - iii. Emergency services personnel, such as firefighters, police officers or other officials, who in the performance of their life safety duties require access to the registered dispensary in an emergency life safety or protection situation may enter

- a registered dispensary without escort in order to perform his or her job.
- iv. A health care professional as defined by 7 V.S.A. § 951(5) may be allowed access under the direct accompaniment of a dispensary cardholder.

The following rules govern visitors to the cultivation or processing area of a dispensary:

- (e) Only dispensary cardholders may access a licensed dispensary cultivation or processing location, except in one (or more) of the circumstances set out in subsection 3.5.3(d) of this section.
- (f) Licensed dispensaries conducting dispensing appointments in the same facility as cultivation and/or processing shall secure the cultivation and/or processing area(s) from the dispensing area of the facility with a lock or other security device in addition to all other security measures required by these rules.

3.5.4 Dispensary Security

- (a) The provisions governing security at Cannabis Establishments contained in Board Rule 2 apply to dispensaries.
- (b) Each activity that a dispensary engages in, including but not limited to cultivation, manufacturing, production, and sales, must abide by the relevant security requirements contained in Board Rule 2.

3.5.5 Quantity Limits

- (a) In a single transaction, dispensaries may provide no more Cannabis than a patient is permitted to possess in accordance with any limit set by 7 V.S.A. § 952, no more than the equivalent in Cannabis Products, or no more than the permitted limit in a combination of Cannabis and the equivalent in Cannabis Product.
- (b) Non-edible, non-psychoactive Cannabis Products including ointments, lotions, balms, and other non-transdermal topical products are exempt from the two-ounce quantity limit on sales.
- (c) Equivalencies referenced in subsection (a) of this section 3.5.5 shall be provided by guidelines promulgated by the Board and readily accessible to the public.

3.5.6 Transfer or Sale to Adult Use Market Prohibited

Dispensaries and the dispensary operations of integrated licensees may not sell or transfer Cannabis or Cannabis Product to any person or licensee participating in the adult use market, except that the dispensary operations of integrated licensees may make such transfers to the extent permitted by Rule 2.10.5.

3.6 Integrated Licensees

- (a) If an integrated licensee is operating a dispensary, any portion of the licensee's operations that are servicing both the adult use market and the dispensary will be required to follow all relevant regulations in Board Rule 2, with the following exceptions:

- i. At a retail operation both medical regulations and adult use regulations will apply in accordance with Rule 2.10 and this rule; and
 - ii. In accordance with 7 V.S.A. §§ 971 and 973, integrated licensees that also operate a dispensary may produce and sell Cannabis and Cannabis Product in accordance with those statutes and this rule only to the extent required to serve Patients as part of the licensee's dispensary operation.
- (b) Integrated licensees with dispensary retail operations shall make accommodation for Patient privacy at a retail establishment upon request, including allowing Patients to purchase Cannabis or Cannabis Products inside the retail establishment without compromising Patient privacy.

3.7 Deregistration of Patients or Caregivers

- (a) A health care professional who signed the certification on a Health Care Professional Verification Form may withdraw their certification at any time by submitting to the Board a signed statement to that effect. This shall have the effect of canceling a Patient's registration. A Patient who has been deregistered in this manner may submit an application to the Board pursuant to section 3.2.2 of this rule at any time, provided that the Patient must submit a new and timely Health Care Professional Verification Form.
- (b) A Patient who stops using the services of a Caregiver may submit a notice to that effect to the Board. If a Caregiver is no longer serving any Patient due to such a cessation of services or due to a Patient's death, the Caregiver's registration shall expire 90 days after the cessation or death.

3.8 Patient's and Caregiver's Ongoing Duty to Disclose

Patients and Caregivers have an ongoing duty to fully and transparently update the information submitted with their registration application or their last renewal form if they have renewed their registration.

3.9 Dispensary's Ongoing Duty to Disclose

A dispensary has an ongoing duty to fully and transparently update the information submitted with their licensing application or their last renewal form if they have renewed their license.

3.9.1 Disclosure Insufficient For Changes In Control

If a dispensary seeks to alter the interest holders that control it, mere disclosure is insufficient to meet its obligations under this rule. It must seek a license renewal prior to any change in control, as required by Rule 1.17.

3.10 Confidentiality

The Board will abide by the confidentiality requirements of 7 V.S.A. § 952(c) and 7 V.S.A. § 973(b).

3.11 Regulatory Waiver

The Board, in accordance with the purposes and intent of 7 V.S.A. chapter 37 and this rule, may waive a regulatory requirement regarding the operations of a dispensary or the Patient and Caregiver Registry to the extent such waiver does not conflict with any other state law, if in the Board's determination, such a waiver:

- (a) is necessary to achieve the purpose of Vermont law; and
- (b) does not create a danger to the public health, safety, or welfare.