

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Cannabis; cannabis products; cannabis establishments; Cannabis
4 Control Board; fees

5 Statement of purpose of bill as introduced: This bill proposes to set fees for
6 cannabis establishments regulated by the Cannabis Control Board.

7 An act relating to cannabis establishment license fees

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

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

10 § 846. FEES; AUTHORITY

11 (a) Authority. The Board shall have the authority to charge and collect
12 State ~~and local~~ license fees as provided under this chapter and chapter 33 of
13 this title. State ~~and local~~ license fees shall be due and payable at the time of
14 application or renewal.

15 (b) Cannabis Regulation Fund. The Board shall deposit State fees collected
16 pursuant to chapter 33 of this title into the Cannabis Regulation Fund.

17 (c) ~~After reduction for costs of administration and collection, the Board~~
18 ~~shall pay local license fees on a quarterly basis to the municipality in which the~~
19 ~~fees were collected.~~ [Repealed.]

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

2 § 861. DEFINITIONS

3 As used in this chapter:

4 * * *

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

7 * * *

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

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

14 * * *

15 (11) “Cannabis retailer” or “retailer” means a person licensed by the
16 Board to sell cannabis and cannabis products to adults 21 years of age and
17 older for off-site consumption or cultivation and seeds and clones to other
18 cannabis establishments in accordance with this chapter.

19 * * *

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

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

5 (b) A municipality that hosts any cannabis establishment may establish a
6 cannabis control commission composed of commissioners who may be
7 members of the municipal legislative body. The local cannabis control
8 commission may issue and administer local control licenses under this
9 subsection for cannabis establishments within the municipality and may charge
10 an annual fee of not more than \$500.00 for a local control license issued to a
11 cannabis establishment. The commissioners may condition the issuance of a
12 local control license upon compliance with any bylaw adopted pursuant to
13 24 V.S.A. § 4414 or ordinances regulating signs or public nuisances adopted
14 pursuant to 24 V.S.A. § 2291. The commission may suspend or revoke a local
15 control license for a violation of any condition placed upon the license. The
16 Board shall adopt rules relating to a municipality’s issuance of a local control
17 license in accordance with this subsection and the local commissioners shall
18 administer the rules furnished to them by the Board as necessary to carry out
19 the purposes of this section.

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

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

5 Sec. 5. 7 V.S.A. § 907(a) is amended to read:

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

7 (1) purchase cannabis from a licensed cultivator, wholesaler, or
8 integrated licensee, and cannabis products from a licensed wholesaler, product
9 manufacturer, integrated licensee, and dispensary; and

10 (2) transport, possess, ~~and~~ sell cannabis and cannabis products to the
11 public for consumption or cultivation off the registered premises, and sell
12 seeds and clones to other cannabis establishments.

13 Sec. 6. 7 V.S.A. § 910 is added to read:

14 § 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

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

16 Board:

17 (1) Cultivators.

18 (A) Outdoor cultivators.

19 (i) Outdoor cultivator tier 1. Outdoor cultivators with less than
20 1,000 square feet of plant canopy or fewer than 125 cannabis plants in an
21 outdoor cultivation space shall be assessed an annual licensing fee of \$750.00.

1 (ii) Outdoor cultivator tier 2. Outdoor cultivators with at least
2 1,000 square feet of plant canopy but less than 2,500 square feet of plant
3 canopy in an outdoor cultivation space shall be assessed an annual licensing
4 fee of \$1,875.00.

5 (iii) Outdoor cultivator tier 3. Outdoor cultivators with at least
6 2,500 square feet of plant canopy but less than 5,000 square feet of plant
7 canopy in an outdoor cultivation space shall be assessed an annual licensing
8 fee of \$4,000.00.

9 (iv) Outdoor cultivator tier 4. Outdoor cultivators with at least
10 5,000 square feet of plant canopy but less than 10,000 square feet of plant
11 canopy in an outdoor cultivation space shall be assessed an annual licensing
12 fee of \$8,000.00.

13 (v) Outdoor cultivator tier 5. Outdoor cultivators with at least
14 10,000 square feet of plant canopy but less than 20,000 square feet of plant
15 canopy in an outdoor cultivation space shall be assessed an annual licensing
16 fee of \$18,000.00.

17 (vi) Outdoor cultivator tier 6. Outdoor cultivators with at least
18 20,000 square feet of plant canopy but less than 37,500 square feet of plant
19 canopy in an outdoor cultivation space shall be assessed an annual licensing
20 fee of \$34,000.00.

1 (B) Indoor cultivators.

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

5 (ii) Indoor cultivator tier 2. Indoor cultivators with at least 1,000
6 square feet of plant canopy but less than 2,500 square feet of plant canopy in
7 an indoor cultivation space shall be assessed an annual licensing fee of
8 \$3,750.00.

9 (iii) Indoor cultivator tier 3. Indoor cultivators with at least 2,500
10 square feet of plant canopy but less than 5,000 square feet of plant canopy in
11 an indoor cultivation space shall be assessed an annual licensing fee of
12 \$8,000.00.

13 (iv) Indoor cultivator tier 4. Indoor cultivators with at least 5,000
14 square feet of plant canopy but less than 10,000 square feet of plant canopy in
15 an indoor cultivation space shall be assessed an annual licensing fee of
16 \$16,000.00.

17 (v) Indoor cultivator tier 5. Indoor cultivators with at least 10,000
18 square feet of plant canopy but less than 15,000 square feet of plant canopy in
19 an indoor cultivation space shall be assessed an annual licensing fee of
20 \$36,000.00.

1 (vi) Indoor cultivator tier 6. Indoor cultivators with at least 15,000
2 square feet of plant canopy but less than 25,000 square feet of plant canopy in
3 an indoor cultivation space shall be assessed an annual licensing fee of
4 \$75,000.00.

5 (C) Mixed cultivator tiers.

6 (i) Mixed cultivator tier 1. Mixed cultivators with the following at
7 the same licensed premises shall be assessed an annual licensing fee of
8 \$1,800.00: less than 1,000 square feet of plant canopy in an indoor cultivation
9 space and not more than 50 cannabis plants in an outdoor cultivation space.

10 (ii) Mixed cultivator tier 2. Mixed cultivators with the following
11 at the same licensed premises shall be assessed an annual licensing fee of
12 \$2,250.00: less than 1,000 square feet of plant canopy in an indoor cultivation
13 space and not more than 125 cannabis plants in an outdoor cultivation space.

14 (iii) Mixed cultivator tier 3. Mixed cultivators with the following
15 at the same licensed premises shall be assessed an annual licensing fee of
16 \$5,000.00: less than 2,500 square feet of plant canopy in an indoor cultivation
17 space and not more than 200 cannabis plants in an outdoor cultivation space.

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

1 (3) Manufacturers.

2 (A) Manufacturer tier 1. Manufacturers that process and manufacture
3 cannabis in order to produce cannabis products using all allowable methods of
4 extraction, including solvent-based extraction, shall be assessed an annual
5 licensing fee of \$15,000.00.

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

9 (C) Manufacturer tier 3. Manufacturers that process and manufacture
10 cannabis in order to produce cannabis products without using solvent-based
11 extraction and not more than \$10,000.00 per year in cannabis products based
12 on the manufacturer’s total annual sales in cannabis products shall be assessed
13 an annual licensing fee of \$750.00.

14 (4) Retailers.

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

17 (B) Nurseries. Retailers that only sell seeds and clones to home
18 cultivators and other cannabis establishments shall be assessed an annual
19 licensing fee of \$2,500.00.

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

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

3 (7) Employees. Cannabis establishments licensed by the Board shall be
4 assessed a biannual licensing fee of \$100.00 for each employee.

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

8 (9) One-time fees.

9 (A) All cannabis establishments shall be assessed an initial one-time
10 application fee of \$1,000.00, which shall be paid with the cannabis
11 establishment’s first license fee.

12 (B) A cannabis establishment may choose to be assessed an initial
13 one-time intent-to-apply fee of \$500.00. If the cannabis establishment
14 subsequently seeks a license within six months after paying the intent-to-apply
15 fee, the initial one-time application fee of \$1,000.00 shall be reduced by
16 \$500.00.

17 Sec. 7. EFFECTIVE DATE

18 This act shall take effect on passage.