

1 S.188

2 Representative Partridge of Windham moves that the House concur with the
3 Senate proposal of amendment to the House proposal of amendment with
4 further instance of amendment as follows:

5 First: By striking out Sec.1 in its entirety and inserting in lieu thereof the
6 following:

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

8 § 861. DEFINITIONS

9 As used in this chapter:

10 * * *

11 (16) “Child-deterrent packaging” means tear-resistant packaging that
12 can be sealed in a manner that would deter children under five years of age
13 from easily accessing the contents of the package within a reasonable time and
14 not difficult for normal adults to use properly.

15 (17) “Child-resistant packaging” means packaging that is designed or
16 constructed to be significantly difficult for children under five years of age to
17 open or obtain a toxic or harmful amount of the substance in the container
18 within a reasonable time and not difficult for normal adults to use properly; but
19 does not mean packaging that all children under five years of age cannot open
20 or obtain a toxic or harmful amount of the substance in the container within a
21 reasonable time.

1 ~~(17)~~(18) “Controls,” “is controlled by,” and “under common control”
2 mean the power to direct, or cause the direction or management and policies of
3 a person, whether through the direct or beneficial ownership of voting
4 securities, by contract, or otherwise. A person who directly or beneficially
5 owns 10 percent or more equity interest, or the equivalent thereof, of another
6 person shall be deemed to control the person.

7 ~~(18)~~(19) “Dispensary” means a business organization licensed pursuant
8 to chapter 37 of this title or 18 V.S.A. chapter 86.

9 ~~(19)~~(20) “~~Enclosed, locked facility~~” means a building, room,
10 greenhouse, outdoor fenced in area, or other location that is enclosed on all
11 sides and prevents cannabis from easily being viewed by the public. The
12 facility shall be equipped with locks or other security devices that permit
13 access only by:

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

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

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

21 ~~(D) Registered employees of other cultivators, members of the~~

1 ~~media, elected officials, and other individuals 21 years of age or older visiting~~
2 ~~the facility, provided they are accompanied by an employee, agent, or owner of~~
3 ~~the cultivator. [Repealed.]~~

4 ~~(20)(21)~~ “Flavored oil cannabis product” means any oil cannabis
5 product that contains an additive to give it a characterizing flavor.

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

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

18 ~~(24)(24)~~ “Integrated licensee” means a person licensed by the Board to
19 engage in the activities of a cultivator, wholesaler, product manufacturer,
20 retailer, and testing laboratory in accordance with this chapter.

21 ~~(22)(25)~~ “Municipality” means a town, city, or incorporated village.

1 (26) “Owner” means a natural person who controls, or shares control of,
2 a Cannabis Establishment.

3 ~~(23)~~(27) “Person” shall include any natural person; corporation;
4 municipality; the State of Vermont or any department, agency, or subdivision
5 of the State; and any partnership, unincorporated association, or other legal
6 entity.

7 ~~(24)~~(28) “Plant canopy” means the square footage dedicated to live
8 plant production and does not include areas such as office space or areas used
9 for the storage of fertilizers, pesticides, or other products.

10 ~~(25)~~(29) “Principal” means ~~an individual vested with the authority to~~
11 ~~conduct, manage, or supervise the business affairs of a person, and may~~
12 ~~include the president, vice president, secretary, treasurer, manager, or similar~~
13 ~~executive officer of a business; a director of a corporation, nonprofit~~
14 ~~corporation, or mutual benefit enterprise; a member of a nonprofit corporation,~~
15 ~~cooperative, or member-managed limited liability company; and a partner of a~~
16 ~~partnership~~ one of the following:

17 (A) the president, vice president, secretary, treasurer, manager, or
18 similar officer of a corporation as provided for by 11A V.S.A. § 8.40,
19 nonprofit corporation as provided for by 11B V.S.A. § 8.40, mutual benefit
20 enterprise as provided for by 11C V.S.A. § 822, cooperative as provided for by
21 11 V.S.A. § 1013, or worker cooperative corporation as provided for by

1 11 V.S.A. § 1089;

2 (B) a director of a corporation as provided for by 11A V.S.A. § 8.01,
3 nonprofit corporation as provided for by 11B V.S.A. § 8.01, mutual benefit
4 enterprise as provided for by 11C V.S.A. § 801, cooperative as provided for by
5 11 V.S.A. § 1006, or worker cooperative corporation as provided for by
6 11 V.S.A. § 1089;

7 (C) a member of a member-managed limited liability company as
8 provided for by 11 V.S.A. § 4054;

9 (D) manager of a manager-managed limited liability company as
10 provided for by 11 V.S.A. § 4054; or

11 (E) a partner of a partnership as provided for by 11 V.S.A. § 3212 or
12 a general partner of a limited partnership as provided for by 11 V.S.A
13 chapter 23.

14 ~~(26)~~(30) “Small cultivator” means a cultivator with a plant canopy or
15 space for cultivating plants for breeding stock of not more than 1,000 square
16 feet.

17 Second: By adding Secs. 10–22 to read as follows:

18 Sec. 10. 7 V.S.A. § 862a is added to read:

19 § 862a. SYNTHETIC AND HEMP-DERIVED CANNABINOIDS

20 The Board shall have the authority to regulate synthetic cannabinoids and
21 hemp-derived cannabinoids, including delta-8 and delta-10

1 tetrahydrocannabinol.

2 Sec. 11. 7 V.S.A. § 868 is amended to read:

3 § 868. PROHIBITED PRODUCTS

4 (a) The following are prohibited products and may not be cultivated,
5 produced, or sold pursuant to a license issued under this chapter:

6 (1) cannabis flower with greater than 30 percent tetrahydrocannabinol;

7 ~~(2) solid concentrate cannabis products with greater than 60 percent~~
8 ~~tetrahydrocannabinol;~~

9 ~~(3) oil cannabis products except for those that are sold prepackaged for~~
10 ~~use with battery powered devices;~~

11 ~~(4) flavored oil cannabis products sold prepackaged for use with battery-~~
12 ~~powered devices and any cannabis flower that contains characterizing flavor~~
13 ~~that is not naturally occurring in the cannabis;~~

14 ~~(5)~~(3) cannabis products that contain delta-9 tetrahydrocannabinol and
15 nicotine or alcoholic beverages; and

16 ~~(6)~~(4) any cannabis, cannabis products, or packaging of such items that
17 are designed to make the product more appealing to persons under 21 years
18 of age.

19 (b)(1) Except as provided by subdivision (2) of this subsection, solid and
20 liquid concentrate cannabis products with greater than 60 percent
21 tetrahydrocannabinol may be produced by a licensee and sold to another

1 licensee in accordance with subchapter 3 of this chapter but shall not be sold to
2 the public by a licensed retailer or integrated licensee.

3 (2) Liquid concentrate cannabis products with greater than 60 percent
4 tetrahydrocannabinol that are prepackaged for use with battery-powered
5 devices shall be permitted to be sold to the public by a licensed retailer.

6 Sec. 12. 7 V.S.A. § 881 is amended to read:

7 § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

8 (a) The Board shall adopt rules to implement and administer this chapter in
9 accordance with subdivisions (1)–(7) of this subsection.

10 (1) Rules concerning any cannabis establishment shall include:

11 * * *

12 (I) regulation of additives to cannabis and cannabis products,
13 including ~~those~~ cannabidiol derived from hemp and substances that are toxic or
14 designed to make the product more addictive, more appealing to persons under
15 21 years of age, or to mislead consumers;

16 * * *

17 (3) Rules concerning product manufacturers shall include:

18 (A) requirements that a single package of a cannabis product shall
19 not contain more than 50 milligrams of THC, except in the case of:

20 (i) cannabis products that are not consumable, including topical
21 preparations; ~~and~~

- 1 (ii) solid concentrates, oils, and tinctures; and
- 2 (iii) cannabis products sold to a dispensary pursuant to 18 V.S.A.
- 3 chapter 86 and regulations issued pursuant to that chapter;

4 * * *

- 5 (5) Rules concerning retailers shall include:

6 * * *

- 7 (C) requirements that if the retailer sells hemp or hemp products, the
- 8 hemp and hemp products are clearly labeled as such ~~and displayed separately~~
- 9 ~~from cannabis and cannabis products;~~

- 10 (D) requirements for opaque, child-resistant packaging of ~~cannabis~~
- 11 ~~and cannabis products~~ and child-deterrent packaging for cannabis at point of
- 12 sale to customer; and

13 * * *

14 Sec. 13. 7 V.S.A. § 883 is amended to read:

15 § 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

- 16 (a) The Board shall obtain from the Vermont Crime Information Center a
- 17 copy of a ~~license applicant's~~ fingerprint-based Vermont criminal history
- 18 records, out-of-state criminal history records, and criminal history records from
- 19 the Federal Bureau of Investigation for each license applicant, principal of an
- 20 applicant, and person who controls an applicant who is a natural person.

- 21 (b) The Board shall adopt rules that set forth standards for determining

1 whether an applicant should be denied a cannabis establishment license
2 because of his or her criminal history record based on factors that demonstrate
3 whether the applicant presently poses a threat to public safety or the proper
4 functioning of the regulated market. Nonviolent drug offenses shall not
5 automatically disqualify an applicant.

6 (c) Notwithstanding subsection (a) of this section, the Board may accept
7 third-party criminal background checks submitted by an applicant for a
8 cannabis establishment license or renewal in lieu of obtaining the records from
9 the Vermont Crime Information Center a copy of the person’s Vermont
10 fingerprint-based criminal history records, out-of-state criminal history
11 records, and criminal history records from the Federal Bureau of Investigation.

12 Any such third-party background check shall:

13 (1) be conducted by a third-party consumer reporting agency or
14 background screening company that is in compliance with the federal Fair
15 Credit Reporting Act; and

16 (2) include a multistate and multi-jurisdiction criminal record locator.

17 Sec. 14. 7 V.S.A. § 884 is amended to read:

18 § 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

19 (a) Every owner, principal, and employee of a cannabis establishment shall
20 obtain an identification card issued by the Board. A person may apply for an
21 identification card prior to obtaining employment with a licensee. An

1 employee identification card shall authorize the person to work for any
2 licensee.

3 (b)(1)(A) Prior to issuing the identification card to an owner or principal of
4 a cannabis establishment, the Board shall obtain from the Vermont Crime
5 Information Center a copy of the person’s Vermont fingerprint-based criminal
6 history records, out-of-state criminal history records, and criminal history
7 records from the Federal Bureau of Investigation.

8 (B) Prior to issuing the identification card to an employee of a
9 cannabis establishment, the Board shall obtain a copy of a fingerprint-based
10 identity history summary record from the Federal Bureau of Investigation.

11 (2) The Board shall adopt rules that set forth standards for determining
12 whether a person should be denied a cannabis establishment identification card
13 because of his or her criminal history record based on factors that demonstrate
14 whether the applicant presently poses a threat to public safety or the proper
15 functioning of the regulated market. Nonviolent drug offenses shall not
16 automatically disqualify an applicant.

17 (c) Once an identification card application has been submitted, a person
18 may serve as an employee of a cannabis establishment pending the background
19 check, provided the person is supervised in his or her duties by someone who
20 is a cardholder. The Board shall issue a temporary permit to the person for this
21 purpose, which shall expire upon the issuance of the identification card or

1 disqualification of the person in accordance with this section.

2 (d) An identification card shall expire one year after its issuance or, in the
3 case of owners and principals, upon the expiration of the cannabis
4 establishment's license, whichever occurs first.

5 Sec. 15. 7 V.S.A. § 901(d)(3) is amended to read:

6 (3)(A) Except as provided in ~~subdivision~~ subdivisions (B) and (C) of
7 this subdivision (3), an applicant and its affiliates may obtain a maximum of
8 one type of each type of license as provided in subdivisions (1)(A)–(E) of this
9 subsection (d). Each license shall permit only one location of the
10 establishment.

11 (B) An applicant and its affiliates that ~~are~~ control a dispensary
12 registered ~~pursuant to 18 V.S.A. chapter 86 on April 1, 2022~~ may obtain one
13 integrated license provided in subdivision (1)(F) of this subsection (d) or a
14 maximum of one of each type of license provided in subdivisions (1)(A)–(E)
15 of this subsection (d). An integrated licensee may not hold a separate
16 cultivator, wholesaler, product manufacturer, retailer, or testing laboratory
17 license, and no applicant or its affiliates that control a dispensary shall hold
18 more than one integrated license. An integrated license shall permit only one
19 location for each of the types of activities permitted by the license: cultivation,
20 wholesale operations, product manufacturing, retail sales, and testing.

21 (C) An applicant and its affiliates may obtain multiple testing

1 laboratory licenses.

2 Sec. 16. PURPOSE; LEGISLATIVE INTENT

3 The purpose of the amendment to 7 V.S.A. § 901(d)(3)(B) in Sec. 7 of this
4 act is solely to make the language consistent with the defined terms used
5 throughout 7 V.S.A. chapter 33. The amendment should not be construed to
6 alter the meaning of the provision as it was originally enacted in 2019 Acts and
7 Resolves No. 164, Sec. 7.

8 Sec. 17. 7 V.S.A. § 907 is amended to read:

9 § 907. RETAILER LICENSE

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

11 (1) purchase cannabis from a licensed cultivator, wholesaler, or
12 integrated licensee; and cannabis products from a licensed wholesaler, product
13 manufacturer, integrated licensee, and dispensary; and

14 (2) transport, possess, package, and sell cannabis and cannabis products
15 to the public for consumption off the registered premises.

16 * * *

17 (e) ~~Internet ordering and delivery~~ Delivery of cannabis to customers ~~are~~ is
18 prohibited.

19 Sec. 18. 7 V.S.A. § 909(c) is added to read:

20 (c) An integrated licensee shall comply with the provisions of subsection
21 908(f) of this title and have its cannabis or cannabis products tested by an

1 independent licensed testing laboratory.

2 Sec. 19. 7 V.S.A. § 910(8) is amended to read:

3 (8) Products. ~~Retailers and integrated licensees~~ Cannabis establishments
4 licensed by the Board shall be assessed an annual product licensing fee of
5 \$50.00 for every type of cannabis and cannabis product that is sold in
6 accordance with this chapter.

7 Sec. 20. 18 V.S.A. § 4230h is amended to read:

8 § 4230h. CHEMICAL EXTRACTION VIA BUTANE OR HEXANE
9 PROHIBITED

10 (a) No person shall manufacture concentrated cannabis by chemical
11 extraction or chemical synthesis using butane or hexane ~~unless authorized as a~~
12 ~~dispensary pursuant to a registration issued by the Department of Public Safety~~
13 ~~pursuant to chapter 86 of this title.~~

14 * * *

15 Sec. 21. 2019 Acts and Resolves No. 164, Sec. 8(a)(1) is amended to read:

16 (a)(1) The cannabis plant, cannabis product, and useable cannabis
17 possession limits for a registered dispensary set forth in 18 V.S.A. chapter 86
18 shall no longer apply on and after February 1, 2022. A dispensary shall be
19 permitted to cultivate cannabis and manufacture cannabis products for the
20 purpose of transferring or selling such products to an integrated licensee on or
21 after April 1, 2022 until October 1, 2022 and engaging in the activities

1 permitted by 7 V.S.A. chapter 33.

2 Sec. 22. CANNABIS CONTROL BOARD; REPORT CANNABIS

3 CONCENTRATES

4 On or before December 1, 2022, the Cannabis Control Board shall report to
5 the General Assembly with a summary of the regulated market share for solid
6 concentrates above 60% THC and the status of the illicit market for those
7 products in other states with a regulated adult-use cannabis market.

8 and by renumbering the remaining section to be numerically correct.

9

10