

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Cannabis; cannabis products; cannabis establishments; Cannabis

4 Control Board; **medical cannabis; patients; caregivers; dispensaries;**

5 **Vermont Medical Cannabis Registry;** fees

6 Statement of purpose of bill as introduced: This bill proposes to set fees for

7 cannabis establishments regulated by the Cannabis Control Board **and patients,**

8 **caregivers, and dispensaries that participate in the Vermont Medical Cannabis**

9 **Registry.**

10 An act relating to cannabis **fees**

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

12 *** * * Cannabis Control Board; Definitions; Authority * * ***

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

14 § 846. FEES; AUTHORITY

15 (a) Authority. The Board shall have the authority to charge and collect

16 State **and local** license fees as provided under this chapter and **chapter chapters**

17 **33, 35, and 37** of this title. State **and local** license fees shall be due and

18 payable at the time of application or renewal.

1 (b) Cannabis Regulation Fund. The Board shall deposit State fees collected
2 pursuant to chapters 33, 35, and 37 of this title into the Cannabis Regulation
3 Fund.

4 (c) Distribution to municipalities. After reduction for costs of
5 administration and collection, the Board shall pay local license fees on a
6 quarterly basis to the municipality in for which the fees were collected.

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

8 § 861. DEFINITIONS

9 As used in this chapter:

10 * * *

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

13 * * *

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

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

20 * * *

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 **but shall not**
10 **assess a fee** for a local control license issued to a cannabis establishment. The
11 commissioners may condition the issuance of a local control license upon
12 compliance with any bylaw adopted pursuant to 24 V.S.A. § 4414 or
13 ordinances regulating signs or public nuisances adopted pursuant to 24 V.S.A.
14 § 2291. The commission may suspend or revoke a local control license for a
15 violation of any condition placed upon the license. The Board shall adopt rules
16 relating to a municipality’s issuance of a local control license in accordance
17 with this subsection and the local commissioners shall administer the rules
18 furnished to them by the Board as necessary to carry out the purposes of this
19 section.

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

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

7 (iv) Outdoor cultivator tier 4. Outdoor cultivators with up to
8 10,000 square feet of plant canopy in an outdoor cultivation space shall be
9 assessed an annual licensing fee of \$8,000.00.

10 (v) Outdoor cultivator tier 5. Outdoor cultivators with up to
11 20,000 square feet of plant canopy in an outdoor cultivation space shall be
12 assessed an annual licensing fee of \$18,000.00.

13 (vi) Outdoor cultivator tier 6. Outdoor cultivators with up to
14 37,500 square feet of plant canopy in an outdoor cultivation space shall be
15 assessed an annual licensing fee of \$34,000.00.

16 (B) Indoor cultivators.

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

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

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

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

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

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

16 (C) Mixed cultivator tiers.

17 (i) Mixed cultivator tier 1. Mixed cultivators with the following at
18 the same licensed premises shall be assessed an annual licensing fee of
19 \$1,800.00: up to 1,000 square feet of plant canopy in an indoor cultivation
20 space and up to 50 cannabis plants in an outdoor cultivation space.

1 (ii) Mixed cultivator tier 2. Mixed cultivators with the following
2 at the same licensed premises shall be assessed an annual licensing fee of
3 \$2,250.00: up to 1,000 square feet of plant canopy in an indoor cultivation
4 space and up to 125 cannabis plants in an outdoor cultivation space.

5 (iii) Mixed cultivator tier 3. Mixed cultivators with the following
6 at the same licensed premises shall be assessed an annual licensing fee of
7 \$5,000.00: up to 2,500 square feet of plant canopy in an indoor cultivation
8 space and up to 200 cannabis plants in an outdoor cultivation space.

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

11 (3) Manufacturers.

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

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

20 (C) Manufacturer tier 3. Manufacturers that process and manufacture
21 cannabis in order to produce cannabis products using all allowable methods of

1 extraction, including solvent-based extraction, shall be assessed an annual
2 licensing fee of \$15,000.00.

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

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

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

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

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

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

19 (10) One-time fees.

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

1 (B) An applicant may choose to be assessed an initial one-time
2 intent-to-apply fee of \$500.00. If the applicant subsequently seeks a license
3 within six months after paying the intent-to-apply fee, the initial one-time
4 application fee of \$1,000.00 shall be reduced by \$500.00.

5 * * * Vermont Medical Cannabis Registry * * *

6 Sec. 7. 7 V.S.A. § 955(b) is amended to read:

7 (b) The Board shall charge and collect ~~fees for a \$50.00~~ annual registration
8 fee for patients and caregivers. Fees shall be deposited in the Cannabis
9 Regulation Fund as provided in section 845 of this title.

10 Sec. 8. 7 V.S.A. § 977 is amended to read:

11 § 977. FEES

12 (a) The Board shall charge and collect the following fees for dispensaries:

13 (1) a one-time \$2,500.00 application fees fee;

14 (2) annual license fees a \$20,000.00 registration fee for the first year of
15 operation; and

16 (3) an annual renewal fees fee of \$25,000.00 for a subsequent year of
17 operation; and

18 (4) an annual Registry identification or renewal card fee of \$50.00 to be
19 paid by the dispensary for each owner, principal, financier, and employee of
20 the dispensary.

1 (b) Fees shall be deposited in the Cannabis Regulation Fund as provided in
2 section 845 of this title.

3 * * * Effective Date * * *

4 Sec. 9. EFFECTIVE DATE

5 This act shall take effect on passage.