

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 701 entitled
3 “An act relating to cannabis license fees” respectfully reports that it has
4 considered the same and recommends that the Senate propose to the House that
5 the bill be amended as follows:

6 First: By striking out Sec. 7, 7 V.S.A. § 910, in its entirety and inserting in
7 lieu thereof a new Sec. 7 to read as follows:

8 Sec. 7. 7 V.S.A. §§ 910 and 911 are added to read:

9 § 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

10 The following fees shall apply to each person or product licensed by the
11 Board:

12 (1) Cultivators.

13 (A) Outdoor cultivators.

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

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

1 (iii) Outdoor cultivator tier 3. Outdoor cultivators with up to
2 5,000 square feet of plant canopy in an outdoor cultivation space shall be
3 assessed an annual licensing fee of \$4,000.00.

4 (iv) Outdoor cultivator tier 4. Outdoor cultivators with up to
5 10,000 square feet of plant canopy in an outdoor cultivation space shall be
6 assessed an annual licensing fee of \$8,000.00.

7 (v) Outdoor cultivator tier 5. Outdoor cultivators with up to
8 20,000 square feet of plant canopy in an outdoor cultivation space shall be
9 assessed an annual licensing fee of \$18,000.00.

10 (vi) Outdoor cultivator tier 6. Outdoor cultivators with up to
11 37,500 square feet of plant canopy in an outdoor cultivation space shall be
12 assessed an annual licensing fee of \$34,000.00.

13 (B) Indoor cultivators.

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

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

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

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

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

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

13 (C) Mixed cultivator tiers.

14 (i) Mixed cultivator tier 1. Mixed cultivators with the following at
15 the same licensed premises shall be assessed an annual licensing fee of
16 \$2,250.00: up to 1,000 square feet of plant canopy in an indoor cultivation
17 space and up to 125 cannabis plants in an outdoor cultivation space.

18 (ii) Mixed cultivator tier 2. Mixed cultivators with the following
19 at the same licensed premises shall be assessed an annual licensing fee of
20 \$5,625.00: up to 2,500 square feet of plant canopy in an indoor cultivation
21 space and up to 312 cannabis plants in an outdoor cultivation space.

1 (iii) Mixed cultivator tier 3. Mixed cultivators with the following
2 at the same licensed premises shall be assessed an annual licensing fee of
3 \$5,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation
4 space and up to 625 cannabis plants in an outdoor cultivation space.

5 (iv) Mixed cultivator tier 4. Mixed cultivators with the following
6 at the same licensed premises shall be assessed an annual licensing fee of
7 \$9,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation
8 space and up to 1,250 cannabis plants in an outdoor cultivation space.

9 (v) Mixed cultivator tier 5. Mixed cultivators with the following
10 at the same licensed premises shall be assessed an annual licensing fee of
11 \$19,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation
12 space and up to 2,500 cannabis plants in an outdoor cultivation space.

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

15 (3) Manufacturers.

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

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

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

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

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

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

14 (7) Employees. Cannabis establishments licensed by the Board shall be
15 assessed an annual licensing fee of \$50.00 for each employee.

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

19 (9) Local licensing fees. Cannabis establishments licensed by the Board
20 shall be assessed an annual local licensing fee of \$100.00 in addition to each
21 fee assessed under subdivisions (1)–(6) of this section. Local licensing fees

1 shall be distributed to the municipality in which the cannabis establishment is
2 located pursuant to section 846(c) of this title.

3 (10) One-time fees.

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

6 (B) An applicant may choose to be assessed an initial one-time
7 intent-to-apply fee of \$500.00. If the applicant subsequently seeks a license
8 within one year after paying the intent-to-apply fee, the initial one-time
9 application fee of \$1,000.00 shall be reduced by \$500.00.

10 § 911. FEE WAIVER AND REDUCTION; SOCIAL EQUITY

11 APPLICANTS

12 The Cannabis Control Board may, in its discretion and pursuant to adopted
13 rule or readily accessible policy, or both, reduce or waive cannabis
14 establishment application and licensing fees for social equity applicants as
15 defined by the Board, including individuals from communities that historically
16 have been disproportionately impacted by cannabis prohibition and individuals
17 directly and personally impacted by cannabis prohibition.

18 Second: By striking out Sec. 10, effective date, and its reader assistance
19 heading in their entirety and inserting in lieu thereof a new Sec. 10 and reader
20 assistance heading to read as follows:

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* * * Effective Dates * * *

Sec. 10. EFFECTIVE DATES

(a) Secs. 8 and 9 (medical cannabis; 7 V.S.A. §§ 955(b) and 977) shall take effect on July 1, 2022.

(b) All other sections shall take effect on passage.

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE