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H.270

Introduced by Representatives Birong of Vergennes and McCarthy of St.

Albans City

Referred to Committee on

Date:

Subject: Cannabis

Statement of purpose of bill as introduced: This bill proposes to repeal the Cannabis Control Board Advisory Committee; repeal the sunset of the Cannabis Control Board; permit a packaged cannabis product to have a maximum of 100 milligrams of THC; create a new cannabis propagation license; eliminate the requirement that a patient diagnosed with PTSD be engaged with psychotherapy or counseling with a licensed mental health care provider to qualify for the Registry; increase the number of cannabis plants a registered patient or the patient’s caregiver may cultivate; eliminate the requirement that caregivers be fingerprinted and have a criminal history record check but require that the Board check the caregivers’ names against the Child Protection Registry maintained by the Department for Children and Families and against the Vulnerable Adult Abuse, Neglect, and Exploitation Registry maintained by the Department of Disabilities, Aging, and Independent Living; allow a caregiver to serve two patients; eliminate the Registry annual renewal fee for patients who have a qualifying condition other than chronic pain and

1 for the caregivers who serve those patients; allow licensed cannabis  
2 establishment to do business with any other licensed cannabis establishment;  
3 clarify that licensed cannabis establishments are not required to obtain a  
4 license from the Department of Liquor and Lottery to sell tobacco  
5 paraphernalia; establish three new positions within the Cannabis Control Board  
6 for the Cannabis Quality Control Program and appropriate \$850,000.00 for  
7 those positions and equipment.

8 An act relating to miscellaneous amendments to the adult-use and medical  
9 cannabis programs

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

11 ~~Sec. 1. 7 V.S.A. § 843 is amended to read:~~

12 § 843. CANNABIS CONTROL BOARD; DUTIES; MEMBERS

13 \* \* \*

14 (h) ~~Advisory committee.~~

15 ~~(1) There is an advisory committee established within the Board that~~  
16 ~~shall be composed of members with expertise and knowledge relevant to the~~  
17 ~~Board's mission. The Board shall collaborate with the advisory committee on~~  
18 ~~recommendations to the General Assembly. The advisory committee shall be~~  
19 ~~composed of the following 14 members.~~

- 1 ~~(A) one member with an expertise in public health, appointed by the~~  
2 ~~Governor;~~
- 3 ~~(B) the Secretary of Agriculture, Food and Markets or designee;~~
- 4 ~~(C) one member with an expertise in laboratory science or~~  
5 ~~toxicology, appointed by the Governor;~~
- 6 ~~(D) one member with an expertise in systemic social justice and~~  
7 ~~equity issues, appointed by the Speaker of the House;~~
- 8 ~~(E) one member with an expertise in women and minority-owned~~  
9 ~~business ownership, appointed by the Speaker of the House;~~
- 10 ~~(F) the Chair of the Substance Misuse Prevention Oversight and~~  
11 ~~Advisory Council or designee;~~
- 12 ~~(G) one member with an expertise in the cannabis industry, appointed~~  
13 ~~by the Senate Committee on Committees;~~
- 14 ~~(H) one member with an expertise in business management or~~  
15 ~~regulatory compliance, appointed by the Treasurer;~~
- 16 ~~(I) one member with an expertise in municipal issues, appointed by~~  
17 ~~the Senate Committee on Committees;~~
- 18 ~~(J) one member with an expertise in public safety, appointed by the~~  
19 ~~Attorney General;~~
- 20 ~~(K) one member with an expertise in criminal justice reform,~~  
21 ~~appointed by the Attorney General;~~

1 ~~(L) the Secretary of Natural Resources or designee;~~  
2 ~~(M) the Chair of the Cannabis for Symptom Relief Oversight~~  
3 ~~Committee or designee; and~~  
4 ~~(N) one member appointed by the Vermont Cannabis Trade~~  
5 ~~Association.~~  
6 ~~(2) Initial appointments to the advisory committee as provided in~~  
7 ~~subdivision (1) of this subsection (h) shall be made on or before July 1, 2021.~~  
8 ~~(3) The Board may establish subcommittees within the advisory~~  
9 ~~committee to accomplish its work.~~  
10 ~~(4) Members of the advisory committee who are not otherwise~~  
11 ~~compensated by the member's employer for attendance at meetings shall be~~  
12 ~~entitled to per diem compensation and reimbursement of expenses as permitted~~  
13 ~~under 32 V.S.A. § 1010 for not more than six meetings annually. These~~  
14 ~~payments shall be made from the Cannabis Regulation Fund. [Repealed.]~~  
15 ~~Sec. 2. REPEAL; SUNSET OF CANNABIS CONTROL BOARD~~  
16 ~~2020 Acts and Resolves No. 164, Sec. 6e is repealed.~~  
17 ~~Sec. 3. 7 V.S.A. § 861(2) is amended to read:~~  
18 ~~(2) "Advertisement" means any written or verbal statement, illustration,~~  
19 ~~or depiction that is calculated to induce would reasonably have the effect of~~  
20 ~~inducing sales of cannabis or cannabis products, including any written, printed,~~  
21 ~~graphic, or other material, billboard, sign, or other outdoor display, other~~

1 ~~periodical literature, publication, or in a radio or television broadcast; the~~

2 Internet; or in any other media. The term does not include:

3 (A) any label affixed to any cannabis or cannabis product or any  
4 individual covering, carton, or other wrapper of that container that constitutes  
5 a part of the labeling under provisions of these standards;

6 (B) any editorial or other reading material, such as a news release, in  
7 any periodical or publication or newspaper for the publication of which no  
8 money or valuable consideration is paid or promised, directly or indirectly, by  
9 any cannabis establishment, and that is not written by or at the direction of the  
10 licensee;

11 (C) any educational, instructional, or otherwise noncommercial  
12 material that is not intended to induce sales and that does not propose an  
13 economic transaction, but that merely provides information to the public in an  
14 unbiased manner; or

15 (D) a sign attached to the premises of a cannabis establishment that  
16 merely identifies the location of the cannabis establishment.

17 Sec. 4. 7 V.S.A. § 881(a)(3) is amended to read:

18 (3) Rules concerning product manufacturers shall include:

19 (A) requirements that a single package of a cannabis product shall  
20 ~~not contain more than 50 100 milligrams of THC, except in the case of.~~

1 ~~(i) cannabis products that are not consumable, including topical~~  
2 ~~preparations;~~

3 (ii) solid concentrates, oils, and tinctures; and

4 (iii) cannabis products sold to a dispensary pursuant to 18 V.S.A.  
5 chapter 86 and rules adopted pursuant to that chapter;

6 \* \* \*

7 Sec. 5. 7 V.S.A. § 904 is amended to read:

8 § 904. CULTIVATOR LICENSE

9 (a) A cultivator licensed under this chapter may:

10 (1) cultivate, process, package, label, transport, test, and sell cannabis to  
11 a licensed wholesaler, product manufacturer, retailer, integrated licensee, and  
12 dispensary ~~and may;~~

13 (2) purchase and sell cannabis seeds and immature cannabis plants to  
14 another licensed cultivator; and

15 (3) possess and sell cannabis products to a licensed wholesaler, product  
16 manufacturer, retailer, integrated licensee, and dispensary.

17 \* \* \*

18 Sec. 6. 7 V.S.A. § 904b is added to read:

19 § 904b. PROPAGATION LICENSE

20 ~~(a) A propagation cultivator licensed under this section may.~~

1 ~~(1) cultivate not more than 2,500 square feet of cannabis clones,~~  
2 immature cannabis plants, or mature cannabis plants; and

3 ~~(2) test, transport, and sell cannabis clones and immature cannabis~~  
4 plants to licensed cultivators; and

5 ~~(3) test, transport, and sell cannabis seeds that meet the federal~~  
6 definition of hemp.

7 ~~(b) A licensed propagation cultivator shall not cultivate mature cannabis~~  
8 plants for the purpose of producing, harvesting, transferring, or selling  
9 cannabis flower for or to any person.

10 Sec. 7. 7 V.S.A. § 905 is amended to read:

11 § 905. WHOLESALER LICENSE

12 A wholesaler licensed under this chapter may:

13 ~~(1) purchase cannabis from a licensed cultivator and integrated licensee,~~  
14 ~~and cannabis products from a licensed product manufacturer, integrated~~  
15 ~~licensee, and dispensary cannabis establishment;~~

16 ~~(2) transport, process, package, and sell cannabis and cannabis products~~  
17 ~~to a licensed product manufacturer, retailer, integrated licensee, and dispensary~~  
18 cannabis establishment; and

19 ~~(3) sell cannabis seeds or immature cannabis plants to a licensed~~  
20 cultivator.

1 ~~Sec. 8. 7 V.S.A. § 906 is amended to read:~~

2 § 906. PRODUCT MANUFACTURER LICENSE

3 A product manufacturer licensed under this chapter may:

4 (1) purchase cannabis ~~from a licensed cultivator, wholesalers, or~~  
5 ~~integrated licensee, and cannabis products from a licensed wholesaler, product~~  
6 ~~manufacturer, integrated licensee, and dispensary~~ cannabis establishment;

7 (2) use cannabis and cannabis products to produce cannabis products;

8 and

9 (3) transport, process, package, and sell cannabis products to a licensed  
10 ~~wholesaler, product manufacturer, retailer, integrated licensee, and dispensary~~  
11 cannabis establishment.

12 Sec. 9. 7 V.S.A. § 907 is amended to read:

13 § 907. RETAILER LICENSE

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

15 (1) purchase cannabis ~~from a licensed cultivator, wholesaler, or~~  
16 ~~integrated licensee, and cannabis products from a licensed wholesaler, product~~  
17 ~~manufacturer, integrated licensee, and dispensary~~ cannabis establishment; and

18 (2) transport, possess, package, and sell cannabis and cannabis products  
19 to the public for consumption off the registered premises or for cultivation.

20



1 ~~Sec. 10-7 V.S.A., chapter 35 is amended to read:~~

2 CHAPTER 35. MEDICAL CANNABIS REGISTRY

3 § 951. DEFINITIONS

4 As used in this chapter:

5 \* \* \*

6 (8) “Qualifying medical condition” means:

7 (A) cancer, multiple sclerosis, positive status for human  
8 immunodeficiency virus, acquired immune deficiency syndrome, glaucoma,  
9 Crohn’s disease, Parkinson’s disease, post-traumatic stress disorder,  
10 Alzheimer’s disease; amyotrophic lateral sclerosis (ALS), autism spectrum  
11 disorder as provided by the latest edition of the Diagnostic and Statistical  
12 Manual of Mental Disorders, sickle cell disease, damage to the nervous tissue  
13 of the spinal cord with objective neurological indication of spasticity, epilepsy  
14 or uncontrolled seizure disorder, cerebral palsy, cystic fibrosis, irritable bowel  
15 syndrome, ulcerative colitis, or the treatment of these conditions, if the disease  
16 or the treatment results in severe, persistent, and intractable symptoms; or

17 (B) post-traumatic stress disorder, provided the Department confirms  
18 the applicant is undergoing psychotherapy or counseling with a licensed  
19 mental health care provider, or

1 (C) a disease or medical condition or its treatment that is chronic,  
2 debilitating, and produces one or more of the following intractable symptoms:  
3 cachexia or wasting syndrome, chronic pain, severe nausea, or seizures.

4 \* \* \*

5 § 952. REGISTRY

6 \* \* \*

7 (b) A person who is a registered patient or a registered caregiver on behalf  
8 of a patient may:

9 (1) Cultivate not more than ~~two~~ six mature and ~~seven~~ 12 immature  
10 cannabis plants. Any cannabis harvested from the plants shall not count  
11 toward the two-ounce possession limit in subdivision (2) of this subsection,  
12 provided it is stored in an indoor facility on the property where the cannabis  
13 was cultivated and reasonable precautions are taken to prevent unauthorized  
14 access to the cannabis.

15 (2) Possess not more than two ounces of cannabis.

16 (3) Purchase cannabis and cannabis products at a licensed medical  
17 cannabis dispensary. Pursuant to chapter 37 of this title, a dispensary may  
18 offer goods and services that are not permitted at a cannabis establishment  
19 licensed pursuant to chapter 33 of this title.

1 § 954. CAREGIVERS

2 (a) Pursuant to rules adopted by the Board, a person may register with the  
3 Board as a caregiver of a registered patient to obtain the benefits of the  
4 Registry as provided in section 952 of this title.

5 (b)(1) ~~The Board shall adopt rules that set forth standards for determining~~  
6 ~~whether an applicant should be denied a caregiver card because of his or her~~  
7 ~~criminal history record. An applicant shall not be denied solely on the basis of~~  
8 ~~a criminal conviction that is not listed in 13 V.S.A. chapter 25 or 28~~ conduct a  
9 name and date of birth Vermont criminal conviction record background check  
10 and obtain information from the Child Protection Registry maintained by the  
11 Department for Children and Families and from the Vulnerable Adult Abuse,  
12 Neglect, and Exploitation Registry maintained by the Department of  
13 Disabilities, Aging, and Independent Living (collectively, the Registries) for  
14 any person who applies to be a caregiver. The Departments for Children and  
15 Families and of Disabilities, Aging, and Independent Living shall adopt rules  
16 governing the process for obtaining information from the Registries and for  
17 disseminating and maintaining records of that information under this  
18 subsection.

19 (2) ~~The Board shall obtain from the Vermont Crime Information Center~~  
20 ~~a copy of the caregiver applicant's fingerprint-based Vermont criminal history~~

1 ~~records, out-of-state criminal history records, and criminal history records~~  
2 ~~from the Federal Bureau of Investigation.~~

3 (c) The Board shall adopt rules that set forth standards for determining  
4 whether an applicant should be denied a ~~cannabis establishment license~~  
5 caregiver card because of ~~his or her criminal history record~~ the applicant's  
6 status on either Registry.

7 (d)(1) Except as provided in subdivision (2) of this subsection, a caregiver  
8 ~~shall serve only one patient~~ may serve not more than two patients at a time,  
9 and a patient shall have only one registered caregiver at a time. A patient may  
10 serve as a caregiver for one other patient.

11 (2) A patient who is under 18 years of age may have two caregivers.  
12 Additional caregivers shall be at the discretion of the Board.

13 § 955. REGISTRATION; FEES

14 (a) A registration card shall expire one year after the date of issuance for  
15 patients with a qualifying medical condition of chronic pain and the caregivers  
16 who serve those patients. For all other patients and the caregivers who serve  
17 those patients, a registration card shall expire five years after the date of  
18 issuance. A patient or caregiver may renew the card according to protocols  
19 adopted by the Board.

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

4 § 956. RULEMAKING

5 The Board shall adopt rules for the administration of this chapter. ~~No rule~~  
6 ~~shall be more restrictive than any rule adopted by the Department of Public~~  
7 ~~Safety pursuant to 18 V.S.A. chapter 86.~~

8 Sec. 11. 7 V.S.A. § 977 is amended to read:

9 § 977. FEES

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

- 11 (1) a one-time \$2,500.00 application fee;
- 12 (2) a ~~\$20,000.00~~ \$10,000.00 registration fee for the first year of
- 13 operation;
- 14 (3) an annual renewal fee of ~~\$25,000.00~~ \$10,000.00 for a subsequent
- 15 year of operation; and

16 (4) an annual Registry identification or renewal card fee of \$50.00 to be

17 paid by the dispensary for each owner, principal, financier, and employee of

18 the dispensary.

19 (b) Fees shall be deposited in the Cannabis Regulation Fund as provided in

20 ~~section 845 of this title.~~

1 ~~Sec. 12. 7 V.S.A. § 1002 is amended to read:~~

2 § 1002. LICENSE REQUIRED; APPLICATION; FEE; ISSUANCE

3 (a)(1) No person shall engage in the retail sale of tobacco products, tobacco  
4 substitutes, or tobacco paraphernalia in ~~his or her~~ the person's place of  
5 business without a tobacco license obtained from the Division of Liquor  
6 Control.

7 (2) No person shall engage in the retail sale of tobacco substitutes  
8 without also obtaining a tobacco substitute endorsement from the Division of  
9 Liquor Control.

10 (3) Tobacco licenses and tobacco substitute endorsements shall expire at  
11 midnight, April 30, of each year.

12 (4) This subsection shall not apply to the retail sale of tobacco  
13 paraphernalia by a cannabis establishment licensed in accordance with chapter  
14 33 of this title or a medical cannabis dispensary licensed in accordance with  
15 chapter 37 of this title.

16 \* \* \*

17 Sec. 13. CANNABIS CONTROL BOARD POSITIONS; CANNABIS  
18 QUALITY CONTROL PROGRAM; APPROPRIATION

19 (a) The establishment of the following new permanent classified positions  
20 is authorized in the Cannabis Control Board in fiscal year 2024:

21 ~~(1) two new chemists, and~~

1 ~~(2) one new Cannabis Quality Assurance Program Director~~

2 ~~(b) In fiscal year 2024, the amount of \$850,000.00 is transferred from the~~  
3 ~~General Fund to the Cannabis Regulation Fund to acquire laboratory~~  
4 ~~equipment and analytical instruments for the cannabis quality control program~~  
5 ~~established pursuant to 7 V.S.A. § 885. The instruments shall be sufficient to~~  
6 ~~test for cannabinoid content, moisture content, and homogeneity, and conduct~~  
7 ~~analysis on residual solvents, pesticides, heavy metals, and human pathogens.~~

8 Sec. 14. 2020 Acts and Resolves No. 164, Sec. 6d is amended to read:

9 Sec. 6d. AUDITOR OF ACCOUNTS REPORT

10 On or before ~~November 15, 2023~~ November 15, 2024, the Auditor of  
11 Accounts shall report to the General Assembly regarding the organizational  
12 structure and membership of the Cannabis Control Board and whether the  
13 structure continues to be the most efficient for carrying out the statutory duties  
14 of the Board.

15 Sec. 15. EFFECTIVE DATE

16 ~~This act shall take effect on July 1, 2023.~~

~~Sec. 1. 7 V.S.A. § 843 is amended to read:~~

~~§ 843. CANNABIS CONTROL BOARD; DUTIES; MEMBERS~~

~~\* \* \*~~

~~(i) Advisory Committee.~~

~~(1) There is an advisory committee established within the Board that shall be composed of members with expertise and knowledge relevant to the Board's mission. The Board shall collaborate with the advisory committee on recommendations to the General Assembly. The advisory committee shall be composed of the following 14 members:~~

~~(A) one member with an expertise in public health, appointed by the Governor;~~

~~(B) the Secretary of Agriculture, Food and Markets or designee;~~

~~(C) one member with an expertise in laboratory science or toxicology, appointed by the Governor;~~

~~(D) one member with an expertise in systemic social justice and equity issues, appointed by the Speaker of the House;~~

~~(E) one member with an expertise in women and minority-owned business ownership, appointed by the Speaker of the House;~~

~~(F) the Chair of the Substance Misuse Prevention Oversight and Advisory Council or designee;~~

~~(G) one member with an expertise in the cannabis industry, appointed by the Senate Committee on Committees;~~

~~(H) one member with an expertise in business management or regulatory compliance, appointed by the Treasurer;~~



~~(I) one member with an expertise in municipal issues, appointed by the Senate Committee on Committees;~~

~~(J) one member with an expertise in public safety, appointed by the Attorney General;~~

~~(K) one member with an expertise in criminal justice reform, appointed by the Attorney General;~~

~~(L) the Secretary of Natural Resources or designee;~~

~~(M) the Chair of the Cannabis for Symptom Relief Oversight Committee or designee; and~~

~~(N) one member appointed by the Vermont Cannabis Trade Association.~~

~~(2) Initial appointments to the advisory committee as provided in subdivision (1) of this subsection (h) shall be made on or before July 1, 2021.~~

~~(3) The Board may establish subcommittees within the advisory committee to accomplish its work.~~

~~(4) Members of the advisory committee who are not otherwise compensated by the member's employer for attendance at meetings shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings annually. These payments shall be made from the Cannabis Regulation Fund. [Repealed.]~~

~~Sec. 2. REPEAL, SUNSET OF CANNABIS CONTROL BOARD~~

~~2020 Acts and Resolves No. 164, Sec. 6a is repealed.~~

~~Sec. 3. 7 V.S.A. § 861 is amended to read:~~

~~§ 861. DEFINITIONS~~

~~As used in this chapter:~~

~~\* \* \*~~

~~(2) "Advertisement" means any written or verbal statement, illustration, or depiction that is ~~calculated to induce~~ would reasonably have the effect of inducing sales of cannabis or cannabis products, including any written, printed, graphic, or other material; billboard, sign, or other outdoor display; other periodical literature, publication, or in a radio or television broadcast; the Internet; or in any other media. The term does not include:~~

~~(A) any label affixed to any cannabis or cannabis product or any individual covering, carton, or other wrapper of that container that constitutes a part of the labeling under provisions of these standards;~~

~~(B) any editorial or other reading material, such as a news release, in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any cannabis establishment, and that is not written by or at the direction of the licensee;~~

~~(C) any educational, instructional, or otherwise noncommercial material that is not intended to induce sales and that does not propose an~~

~~economic transaction, but that merely provides information to the public in an unbiased manner; or~~

~~(D) a sign attached to the premises of a cannabis establishment that merely identifies the location of the cannabis establishment.~~

~~\*\*\*~~

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

~~\*\*\*~~

~~(31) “Cannabis propagation cultivator” or “propagation cultivator” means a person licensed by the Board to cultivate cannabis clones, immature plants, and mature plants in accordance with this chapter.~~

~~Sec. 4. 7 V.S.A. § 881 is amended to read:~~

~~§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS~~

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

~~\*\*\*~~

~~(3) Rules concerning product manufacturers shall include:~~

~~(A) requirements that a single package of a cannabis product shall not contain more than ~~50~~ 100 milligrams of THC, except in the case of.~~

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

~~(ii) solid concentrates, oils, and tinctures; and~~

~~(iii) cannabis products sold to a dispensary pursuant to 18 V.S.A. chapter 86 and rules adopted pursuant to that chapter;~~

~~\*\*\*~~

~~(5) Rules concerning retailers shall include:~~

~~\*\*\*~~

~~(E) facility inspection requirements and procedures for facility inspection to occur at least annually.~~

~~\*\*\*~~

~~(8) Rules concerning propagators shall include:~~

~~(A) requirements for proper verification of age of customers;~~

~~(B) pesticides or classes of pesticides that may be used by propagators, provided that any rules adopted under this subdivision (8) shall comply with and shall be at least as stringent as the Agency of Agriculture, Food and Markets' Vermont Pesticide Control Regulations;~~

~~(C) standards for indoor cultivation of cannabis;~~

~~(D) procedures and standards for testing cannabis for contaminants, potency, and quality assurance and control,~~

~~(E) labeling requirements for cannabis sold to retailers and integrated licensees;~~

~~(F) regulation of visits to the establishments, including the number of visitors allowed at any one time and record keeping concerning visitors; and~~

~~(G) facility inspection requirements and procedures.~~

~~\*\*\*~~

~~Sec. 5. 7 V.S.A. § 901 is amended to read:~~

~~§ 901. GENERAL PROVISIONS~~

~~(a) Except as otherwise permitted by law, a person shall not engage in the cultivation, preparation, processing, packaging, transportation, testing, or sale of cannabis or cannabis products without obtaining a license from the Board.~~

~~\*\*\*~~

~~(h)(1) The following records shall be exempt from public inspection and copying under the Public Records Act and shall be confidential:~~

~~(A) any record in an application for a license relating to security, public safety, transportation, or trade secrets, including information provided in an operating plan pursuant to subdivision 881(a)(1)(B) of this title; and~~

~~(B) any licensee record relating to security, public safety, transportation, trade secrets, or employees.~~

~~(2) Notwithstanding 1 V.S.A. § 317(e), the Public Records Act exemption created in this subsection shall continue in effect and shall not be repealed through operation of 1 V.S.A. § 317(e). [Repealed.]~~

Sec. 6. 7 V.S.A. § 901a is added to read:

§ 901a. ACCESSIBILITY AND CONFIDENTIALITY OF LICENSING  
AND DISCIPLINARY MATTERS

(a) It is the purpose of this section to protect the reputation, security practices, and trade secrets of licensees from undue public disclosure while securing the public's right to know of government licensing actions relevant to the public health, safety, and welfare.

(b) All meetings and hearings of the Board shall be subject to the Open Meeting Law as provided in 1 V.S.A. § 312.

(c) The following shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential:

(1) records related to licensee security, safety, transportation, or trade secrets, including information provided in an operating plan pursuant to subdivision 881(a)(1)(B) of this title; and

(2) records related to investigations, except as provided in subsection (d) of this section.

(d)(1) If a complaint or investigation results in formal action to revoke, suspend, condition, reprimand, warn, fine, or otherwise to penalize a licensee

~~based on noncompliance with law or regulation, the case record, as defined by  
3 V.S.A. § 809(e), shall be public.~~

~~(2) The Board shall prepare and maintain an aggregated list of all  
closed investigations into misconduct or noncompliance from whatever source  
derived. The information contained in the list shall be a public record. The  
list shall contain the date, nature, and outcome of each complaint. The list  
shall not contain the identity of the subject licensee unless formal action  
resulted, as described in subdivision (1) of this subsection.~~

~~(e) Notwithstanding 1 V.S.A. § 317(e), the Public Records Act exemption  
created in this section shall continue in effect and shall not be repealed  
through operation of 1 V.S.A. § 317(e).~~

~~Sec. 7. 7 V.S.A. § 904 is amended to read:~~

~~§ 904. CULTIVATOR LICENSE~~

~~(a) A cultivator licensed under this chapter may:~~

~~(1) cultivate, process, package, label, transport, test, and sell cannabis  
to a licensed wholesaler, product manufacturer, retailer, integrated licensee,  
and dispensary and may;~~

~~(2) purchase and sell cannabis seeds and immature cannabis plants to  
another licensed cultivator and propagation cultivator; and~~

~~(3) possess and sell cannabis products to a licensed wholesaler, product  
manufacturer, retailer, integrated licensee, and dispensary.~~

\* \* \*

*Sec. 8. 7 V.S.A. § 904b is added to read:*

*§ 904b. PROPAGATION CULTIVATOR LICENSE*

*(a) A propagation cultivator licensed under this section may:*

*(1) cultivate not more than 3,500 square feet of cannabis clones, immature cannabis plants, or mature cannabis plants;*

*(2) test, transport, and sell cannabis clones and immature cannabis plants to licensed cultivators; and*

*(3) test, transport, and sell cannabis seeds that meet the federal definition of hemp to a licensed cultivator or retailer or to the public.*

*(b) A licensed propagation cultivator shall not cultivate mature cannabis plants for the purpose of producing, harvesting, transferring, or selling cannabis flower for or to any person.*

*Sec. 9. 7 V.S.A. § 905 is amended to read:*

*§ 905. WHOLESALER LICENSE*

*A wholesaler licensed under this chapter may:*

*(1) purchase cannabis from a licensed cultivator and integrated licensee, and cannabis products from a licensed product manufacturer, integrated licensee, and dispensary cannabis establishment,*



~~(2) transport, process, package, and sell cannabis and cannabis products to a licensed product manufacturer, retailer, integrated licensee, and dispensary cannabis establishment; and~~

~~(3) sell cannabis seeds or immature cannabis plants to a licensed cultivator.~~

~~Sec. 10. 7 V.S.A. § 906 is amended to read:~~

~~§ 906. PRODUCT MANUFACTURER LICENSE~~

~~A product manufacturer licensed under this chapter may:~~

~~(1) purchase cannabis from a licensed cultivator, wholesalers, or integrated licensee, and cannabis products from a licensed wholesaler, product manufacturer, integrated licensee, and dispensary cannabis establishment;~~

~~(2) use cannabis and cannabis products to produce cannabis products; and~~

~~(3) transport, process, package, and sell cannabis products to a licensed wholesaler, product manufacturer, retailer, integrated licensee, and dispensary cannabis establishment.~~

~~Sec. 11. 7 V.S.A. § 907 is amended to read:~~

~~§ 907. RETAILER LICENSE~~

~~(a) A retailer licensed under this chapter may.~~

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

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

\* \* \*

Sec. 12. 7 V.S.A. § 910 is amended to read:

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

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

\* \* \*

(3) Manufacturers.

(A) Manufacturer tier 1. Manufacturers that process and manufacture cannabis in order to produce cannabis products without using solvent-based extraction and not more than ~~\$10,000.00~~ \$50,000.00 per year in cannabis products based on the manufacturer's total annual sales in cannabis products shall be assessed an annual licensing fee of \$750.00.

\* \* \*

(7) Propagation cultivators. Propagation cultivators shall be assessed an annual licensing fee of \$500.00.

~~(8) Employees. Cannabis establishments licensed by the Board shall be assessed an annual licensing fee of \$50.00 for each employee.~~

~~(9) Products. Cannabis establishments licensed by the Board shall be assessed an annual product licensing fee of \$50.00 for every type of cannabis and cannabis product that is sold in accordance with this chapter.~~

~~(10) Local licensing fees. Cannabis establishments licensed by the Board shall be assessed an annual local licensing fee of \$100.00 in addition to each fee assessed under subdivisions (1)–(6)(7) of this section. Local licensing fees shall be distributed to the municipality in which the cannabis establishment is located pursuant to section 846(c) of this title.~~

~~(11) One-time fees.~~

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

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

~~Sec. 13. 7 V.S.A. chapter 35 is amended to read:~~

~~CHAPTER 35. MEDICAL CANNABIS REGISTRY~~

~~§ 951. DEFINITIONS~~

~~As used in this chapter:~~

\* \* \*

(8) “Qualifying medical condition” means:

(A) cancer, multiple sclerosis, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, glaucoma, Crohn’s disease, Parkinson’s disease, post-traumatic stress disorder, or the treatment of these conditions, if the disease or the treatment results in severe, persistent, and intractable symptoms; or

~~(B) post-traumatic stress disorder, provided the Department confirms the applicant is undergoing psychotherapy or counseling with a licensed mental health care provider; or~~

~~(C) a disease or medical condition or its treatment that is chronic, debilitating, and produces one or more of the following intractable symptoms: cachexia or wasting syndrome, chronic pain, severe nausea, or seizures.~~

\* \* \*

§ 952. REGISTRY

\* \* \*

(b) A person who is a registered patient or a registered caregiver on behalf of a patient may:

(1) Cultivate not more than ~~two~~ six mature and ~~seven~~ 12 immature cannabis plants. Any cannabis harvested from the plants shall not count ~~toward the two-ounce possession limit in subdivision (2) of this subsection,~~

~~provided it is stored in an indoor facility on the property where the cannabis was cultivated and reasonable precautions are taken to prevent unauthorized access to the cannabis.~~

~~(2) Possess not more than two ounces of cannabis.~~

~~(3) Purchase cannabis and cannabis products at a licensed medical cannabis dispensary. Pursuant to chapter 37 of this title, a dispensary may offer goods and services that are not permitted at a cannabis establishment licensed pursuant to chapter 33 of this title.~~

~~\* \* \*~~

~~§ 954. CAREGIVERS~~

~~(a) Pursuant to rules adopted by the Board, a person may register with the Board as a caregiver of a registered patient to obtain the benefits of the Registry as provided in section 952 of this title.~~

~~(b)(1) The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a caregiver card because of his or her criminal history record. An applicant shall not be denied solely on the basis of a criminal conviction that is not listed in 13 V.S.A. chapter 25 or 28. ~~conduct~~ Conduct a name and date of birth Vermont criminal conviction record background check and obtain information from the Child Protection Registry maintained by the Department for Children and Families and from the vulnerable Adult Abuse, Neglect, and Exploitation Registry maintained by the~~

~~Department of Disabilities, Aging, and Independent Living (collectively, the Registries) for any person who applies to be a caregiver. The Departments for Children and Families and of Disabilities, Aging, and Independent Living shall adopt rules governing the process for obtaining information from the Registries and for disseminating and maintaining records of that information under this subsection.~~

~~(2) The Board shall obtain from the Vermont Crime Information Center a copy of the caregiver applicant's fingerprint-based Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation.~~

~~(b)(1) The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a caregiver card because of his or her criminal history record. An applicant shall not be denied solely on the basis of a criminal conviction that is not listed in 13 V.S.A. chapter 25 or 28 conduct a name and date of birth Vermont criminal conviction record background check and obtain information from the Child Protection Registry maintained by the Department for Children and Families and from the Vulnerable Adult Abuse, Neglect, and Exploitation Registry maintained by the Department of Disabilities, Aging, and Independent Living (collectively, the Registries) for any person who applies to be a caregiver. The Departments for Children and Families and of Disabilities, Aging, and Independent Living shall adopt rules~~

~~governing the process for obtaining information from the Registries and for disseminating and maintaining records of that information under this subsection.~~

~~(2) The Board shall obtain from the Vermont Crime Information Center a copy of the caregiver applicant's fingerprint-based Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation.~~

~~(c) The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a cannabis establishment license caregiver card because of his or her criminal history record the applicant's criminal history record or status on either Registry.~~

~~(d)(1) Except as provided in subdivision (2) of this subsection, a caregiver shall serve only one patient may serve not more than two patients at a time, and a patient shall have only one registered caregiver at a time. A patient may serve as a caregiver for one other patient.~~

~~(2) A patient who is under 18 years of age may have two caregivers. Additional caregivers shall be at the discretion of the Board.~~

§ 955. REGISTRATION; FEES

~~(a) A registration card shall expire one year after the date of issuance for patients with a qualifying medical condition of chronic pain and the caregivers who serve those patients. For all other patients and the caregivers who serve~~

~~these patients, a registration card shall expire five years after the date of issuance. A patient or caregiver may renew the card according to protocols adopted by the Board.~~

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

~~§ 956. RULEMAKING~~

~~The Board shall adopt rules for the administration of this chapter. No rule shall be more restrictive than any rule adopted by the Department of Public Safety pursuant to 18 V.S.A. chapter 86.~~

~~See 14-7 V.S.A. § 077 is amended to read:~~

~~§ 977. FEES~~

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

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

~~(2) a ~~\$20,000.00~~ \$10,000.00 registration fee for the first year of operation;~~

~~(3) an annual renewal fee of ~~\$25,000.00~~ \$10,000.00 for a subsequent year of operation; and~~

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

~~the dispensary.~~



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

*Sec. 1514. 7 V.S.A. § 1002 is amended to read:*

*§ 1002. LICENSE REQUIRED; APPLICATION; FEE; ISSUANCE*

*(a)(1) No person shall engage in the retail sale of tobacco products, tobacco substitutes, or tobacco paraphernalia in his or her the person's place of business without a tobacco license obtained from the Division of Liquor Control.*

*(2) No person shall engage in the retail sale of tobacco substitutes without also obtaining a tobacco substitute endorsement from the Division of Liquor Control.*

*(3) Tobacco licenses and tobacco substitute endorsements shall expire at midnight, April 30, of each year.*

*(4) This subsection shall not apply to the retail sale of tobacco paraphernalia by a cannabis establishment licensed in accordance with chapter 33 of this title or a medical cannabis dispensary licensed in accordance with chapter 37 of this title.*

*\* \* \**

~~*Sec. 1615. CANNABIS CONTROL BOARD POSITIONS, CANNABIS QUALITY CONTROL PROGRAM, APPROPRIATION*~~

~~(c) The amount of \$1,000,000.00 is transferred from the~~

~~is authorized in the Cannabis Control Board in fiscal year 2024:~~

~~(1) two new chemists; and~~

~~(2) one new Cannabis Quality Assurance Program Director.~~

~~(b) In fiscal year 2024, the amount of \$850,000.00 is transferred from the General Fund to the Cannabis Regulation Fund to acquire laboratory equipment and analytical instruments for the cannabis quality control program established pursuant to 7 V.S.A. § 885. The instruments shall be sufficient to test for cannabinoid content, moisture content, and homogeneity, and conduct analysis on residual solvents, pesticides, heavy metals, and human pathogens.~~

~~Sec. ~~17~~ 16. 2020 Acts and Resolves No. 164, Sec. 6d is amended to read:~~

~~Sec. 6d. AUDITOR OF ACCOUNTS REPORT~~

~~On or before November 15, 2023 1, 2024, the Auditor of Accounts shall report to the General Assembly regarding the organizational structure and membership of the Cannabis Control Board and whether the structure continues to be the most efficient for carrying out the statutory duties of the Board.~~

~~Sec. ~~18~~ ~~17~~ 15. EFFECTIVE DATE~~

~~This act shall take effect on July 1, 2023.~~

~~Sec. 1. 7 V.S.A. § 843 is amended to read:~~

~~§ 843. CANNABIS CONTROL BOARD; DUTIES; MEMBERS~~

\* \* \*

~~(h) Advisory committee.~~

~~(1) There is an advisory committee established within the Board that shall be composed of members with expertise and knowledge relevant to the Board's mission. The Board shall collaborate with the advisory committee on recommendations to the General Assembly. The advisory committee shall be composed of the following 14 members:~~

~~(A) one member with an expertise in public health, appointed by the Governor;~~

~~(B) the Secretary of Agriculture, Food and Markets or designee;~~

~~(C) one member with an expertise in laboratory science or toxicology, appointed by the Governor;~~

~~(D) one member with an expertise in systemic social justice and equity issues, appointed by the Speaker of the House;~~

~~(E) one member with an expertise in women and minority-owned business ownership, appointed by the Speaker of the House;~~

~~(F) the Chair of the Substance Misuse Prevention Oversight and Advisory Council or designee;~~

~~(G) one member with an expertise in the cannabis industry, appointed by the Senate Committee on Committees;~~

~~(H) one member with an expertise in business management or~~

~~regulatory compliance, appointed by the Treasurer;~~

~~(I) one member with an expertise in municipal issues, appointed by the Senate Committee on Committees;~~

~~(J) one member with an expertise in public safety, appointed by the Attorney General;~~

~~(K) one member with an expertise in criminal justice reform, appointed by the Attorney General;~~

~~(L) the Secretary of Natural Resources or designee;~~

~~(M) the Chair of the Cannabis for Symptom Relief Oversight Committee or designee; and~~

~~(N) one member appointed by the Vermont Cannabis Trade Association.~~

~~(2) Initial appointments to the advisory committee as provided in subdivision (1) of this subsection (h) shall be made on or before July 1, 2021.~~

~~(3) The Board may establish subcommittees within the advisory committee to accomplish its work.~~

~~(4) Members of the advisory committee who are not otherwise compensated by the member's employer for attendance at meetings shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings annually. These payments shall be made from the Cannabis Regulation Fund. [Repealed.]~~

*Sec. 2. REPEAL; SUNSET OF CANNABIS CONTROL BOARD*

*2020 Acts and Resolves No. 164, Sec. 6e is repealed.*

*Sec. 3. 7 V.S.A. § 845 is amended to read:*

*§ 845. CANNABIS REGULATION FUND*

*\* \* \**

*(c) Monies from the Fund shall only be appropriated for the purposes of implementation, administration, and enforcement of this chapter and ~~chapter~~ ~~33~~ chapters 33, 35, and 37 of this title.*

*\* \* \**

*Sec. 4. 7 V.S.A. § 861 is amended to read:*

*§ 861. DEFINITIONS*

*As used in this chapter:*

*\* \* \**

*(2) “Advertisement” means any written or verbal statement, illustration, or depiction that ~~is calculated to induce~~ would reasonably have the effect of inducing sales of cannabis or cannabis products, including any written, printed, graphic, or other material; billboard, sign, or other outdoor display; other periodical literature, publication, or in a radio or television broadcast; the Internet; or in any other media. The term does not include:*

*(A) any label affixed to any cannabis or cannabis product or any individual covering, carton, or other wrapper of that container that constitutes*

*a part of the labeling under provisions of these standards;*

*(B) any editorial or other reading material, such as a news release, in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any cannabis establishment, and that is not written by or at the direction of the licensee;*

*(C) any educational, instructional, or otherwise noncommercial material that is not intended to induce sales and that does not propose an economic transaction, but that merely provides information to the public in an unbiased manner; or*

*(D) a sign attached to the premises of a cannabis establishment that merely identifies the location of the cannabis establishment.*

\* \* \*

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

\* \* \*

*(31) “Cannabis propagation cultivator” or “propagation cultivator” means a person licensed by the Board to cultivate cannabis clones, immature plants, and mature plants in accordance with this chapter.*

*Sec. 5. 7 V.S.A. § 863 is amended to read:*

*§ 863. REGULATION BY LOCAL GOVERNMENT*

*\* \* \**

*(b) A municipality that hosts any cannabis establishment may establish a cannabis control commission composed of commissioners who may be members of the municipal legislative body. The local cannabis control commission may issue and administer local control licenses under this subsection for cannabis establishments within the municipality but shall not assess a fee for a local control license issued to a cannabis establishment. The commissioners may condition the issuance of a local control license upon compliance with any bylaw adopted pursuant to 24 V.S.A. § 4414 or upon ordinances regulating signs or public nuisances adopted pursuant to 24 V.S.A. § 2291, except that ordinances may not regulate public nuisances as applied to outdoor cultivators that are regulated in the same manner as the Required Agricultural Practices under subdivision 869(f)(2) of this title. The commission may suspend or revoke a local control license for a violation of any condition placed upon the license. The Board shall adopt rules relating to a municipality's issuance of a local control license in accordance with this subsection and the local commissioners shall administer the rules furnished to them by the Board as necessary to carry out the purposes of this section.*

*(c) Prior to issuing a license to a cannabis establishment under this*

*chapter, the Board shall ensure that the applicant has obtained a local control license from the municipality, if required, unless the Board finds that the municipality has exceeded its authority under this section.*

*(d) A municipality shall not:*

*(1) prohibit the operation of a cannabis establishment within the municipality through an ordinance adopted pursuant to 24 V.S.A. § 2291 or a bylaw adopted pursuant to 24 V.S.A. § 4414, or regulate a cannabis establishment in a manner that has the effect of prohibiting the operation of a cannabis establishment;*

*(2) condition the operation of a cannabis establishment, or the issuance or renewal of a municipal permit to operate a cannabis establishment, on any basis other than the conditions in subsection (b) of this section; ~~and~~ or*

*(3) exceed the authority granted to it by law to regulate a cannabis establishment.*

*Sec. 6. 7 V.S.A. § 869 is amended to read:*

*§ 869. CULTIVATION OF CANNABIS; ENVIRONMENTAL AND LAND  
USE STANDARDS; REGULATION OF SMALL CULTIVATORS  
CULTIVATION*

*(a) A cannabis establishment shall not be regulated as “farming” under the Required Agricultural Practices, 6 V.S.A. chapter 215, or other State law, and cannabis produced from cultivation shall not be considered an*



*agricultural product, farm crop, or agricultural crop for the purposes of 32 V.S.A. chapter 124, 32 V.S.A. § 9741, or other relevant State law.*

*(b) The cultivation, processing, and manufacturing of cannabis regulated under this chapter shall comply with all applicable State, federal, and local environmental, energy, or public health law, unless otherwise provided under this chapter.*

*(c) A cannabis establishment regulated under this chapter shall be subject to regulation under 24 V.S.A. chapter 117 as authorized by this chapter, unless otherwise provided under this chapter.*

*(d)(1) The cultivation, processing, and manufacturing of cannabis by all cultivators regulated under this chapter shall comply with the following sections of the Required Agricultural Practices as administered and enforced by the Board:*

*(A) section 6, regarding conditions, restriction, and operating standards;*

*(B) section 8, regarding groundwater quality and groundwater quality investigations; and*

*(C) section 12, regarding subsurface tile drainage.*

*(2) Application of or compliance with the Required Agricultural Practices under subdivision (1) of this subsection shall not be construed to provide a presumption of compliance with or exemption to any applicable*

*State, federal, and local environmental, energy, public health, or land use law required under subsections (b) and (c) of this section.*

*(e) Persons cultivating cannabis or handling pesticides for the purposes of the manufacture of cannabis products shall comply with the worker protection standard of 40 C.F.R. Part 170.*

*(f) Notwithstanding subsection (a) of this section, a small cultivator licensed under this chapter who initiates cultivation of cannabis outdoors on a parcel of land ~~that was subject to the Required Agricultural Practices prior to licensed cultivation of cannabis~~ shall:*

*(1) be regulated in the same manner as “farming” and not as “development” on the tract of land where cultivation occurs for the purposes of permitting under 10 V.S.A. chapter 151;*

*(2) not be regulated by a municipal bylaw adopted under 24 V.S.A. chapter 117 in the same manner that Required Agricultural Practices are not regulated by a municipal bylaw under 24 V.S.A. § 4413(d)(1)(A);*

*(3) be eligible to enroll in the Use Value Appraisal Program under 32 V.S.A. chapter 124 for the cultivation of cannabis; ~~provided that the agricultural land or farm building on the parcel where cannabis cultivation occurs was enrolled in the Use Value Appraisal Program prior to commencement of licensed cannabis cultivation and the parcel continues to qualify for enrollment; and~~*

*(4) be exempt under 32 V.S.A. § 9741(3), (25), and (50) from the tax on retail sales imposed under 32 V.S.A. § 9771; and*

*(5) be entitled to the rebuttable presumption that cultivation does not constitute a nuisance under 12 V.S.A. chapter 195 in the same manner as “agricultural activities” are entitled to the rebuttable presumption, provided that, notwithstanding 12 V.S.A. § 5753(a)(1)(A), the cultivation is complying with subsections (b) and (d) of this section.*

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

*§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS*

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

*\* \* \**

*(3) Rules concerning product manufacturers shall include:*

*(A) requirements that a single package of a cannabis product shall not contain more than ~~50~~ 100 milligrams of THC, except in the case of:*

*(i) cannabis products that are not consumable, including topical preparations;*

*(ii) solid concentrates, oils, and tinctures; and*

*(iii) cannabis products sold to a dispensary pursuant to 18 V.S.A. chapter 86 and rules adopted pursuant to that chapter;*

*\* \* \**

*(5) Rules concerning retailers shall include:*

*\* \* \**

*(E) facility inspection requirements and procedures for facility inspection to occur at least annually.*

*\* \* \**

*(8) Rules concerning propagators shall include:*

*(A) requirements for proper verification of age of customers;*

*(B) pesticides or classes of pesticides that may be used by propagators, provided that any rules adopted under this subdivision (8) shall comply with and shall be at least as stringent as the Agency of Agriculture, Food and Markets' Vermont Pesticide Control Regulations;*

*(C) standards for indoor cultivation of cannabis;*

*(D) procedures and standards for testing cannabis for contaminants, potency, and quality assurance and control;*

*(E) labeling requirements for cannabis sold to retailers and integrated licensees;*

*(F) regulation of visits to the establishments, including the number of visitors allowed at any one time and record keeping concerning visitors; and*

*(G) facility inspection requirements and procedures.*

*\* \* \**

*Sec. 8. 7 V.S.A. § 901 is amended to read:*

§ 901. GENERAL PROVISIONS

(a) *Except as otherwise permitted by law, a person shall not engage in the cultivation, preparation, processing, packaging, transportation, testing, or sale of cannabis or cannabis products without obtaining a license from the Board.*

\* \* \*

(d)(1) *There shall be ~~six~~ seven types of licenses available:*

*(A) a cultivator license;*

*(B) a propagator license;*

*(C) a wholesaler license;*

*~~(D)~~(D) a product manufacturer license;*

*~~(E)~~(E) a retailer license;*

*~~(F)~~(F) a testing laboratory license; and*

*~~(G)~~(G) an integrated license.*

(2)(A) *The Board shall develop tiers for:*

*(i) cultivator licenses based on the plant canopy size of the cultivation operation or plant count for breeding stock; and*

*(ii) retailer licenses.*

*(B) The Board may develop tiers for other types of licenses.*

(3)(A) *Except as provided in subdivisions (B) and (C) of this subdivision (3), an applicant and its affiliates may obtain a maximum of one type of each type of license as provided in subdivisions ~~(1)(A)–(E)~~ (1)(A)–(F) of this*

*subsection (d). Each license shall permit only one location of the establishment.*

*(B) An applicant and its affiliates that control a dispensary registered on April 1, 2022 may obtain one integrated license provided in subdivision ~~(1)(F)~~ (1)(G) of this subsection (d) or a maximum of one of each type of license provided in subdivisions ~~(1)(A)–(E)~~ (1)(A)–(F) of this subsection (d). An integrated licensee may not hold a separate cultivator, propagator, wholesaler, product manufacturer, retailer, or testing laboratory license, and no applicant or its affiliates that control a dispensary shall hold more than one integrated license. An integrated license shall permit only one location for each of the types of activities permitted by the license: cultivation, propagator, wholesale operations, product manufacturing, retail sales, and testing.*

*(C) An applicant and its affiliates may obtain multiple testing laboratory licenses.*

*\* \* \**

*~~(h)(1) The following records shall be exempt from public inspection and copying under the Public Records Act and shall be confidential:~~*

*~~(A) any record in an application for a license relating to security, public safety, transportation, or trade secrets, including information provided in an operating plan pursuant to subdivision 881(a)(1)(B) of this title; and~~*

~~(B) any licensee record relating to security, public safety, transportation, trade secrets, or employees.~~

~~(2) Notwithstanding 1 V.S.A. § 317(e), the Public Records Act exemption created in this subsection shall continue in effect and shall not be repealed through operation of 1 V.S.A. § 317(e). [Repealed.]~~

Sec. 9. 7 V.S.A. § 901a is added to read:

§ 901a. ACCESSIBILITY AND CONFIDENTIALITY OF LICENSING  
AND DISCIPLINARY MATTERS

(a) It is the purpose of this section to protect the reputation, security practices, and trade secrets of licensees from undue public disclosure while securing the public's right to know of government licensing actions relevant to the public health, safety, and welfare.

(b) All meetings and hearings of the Board shall be subject to the Vermont Open Meeting Law.

(c) The following shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential:

(1) records related to licensee security, safety, transportation, or trade secrets, including information provided in an operating plan pursuant to subdivision 881(a)(1)(B) of this title; and

(2) records related to complaints, investigations, or proceedings, except as provided in subsection (d) of this section.

(d)(1) If a complaint or investigation results in formal action to revoke, suspend, condition, reprimand, warn, fine, or otherwise to penalize a licensee based on noncompliance with law or regulation, the case record, as defined by 3 V.S.A. § 809(e), shall be available for public inspection and copying under Vermont's Public Records Act.

(2) The Board shall prepare and maintain an aggregated list of all closed investigations into misconduct or noncompliance from whatever source derived. The information contained in the list shall be available for public inspection and copying under Vermont's Public Records Act. The list shall contain the date, nature, and outcome of each complaint. The list shall not contain the identity of the subject licensee unless formal action resulted, as described in subdivision (1) of this subsection.

(e) Notwithstanding 1 V.S.A. § 317(e), the Public Records Act exemption created in this section shall continue in effect and shall not be repealed through operation of 1 V.S.A. § 317(e).

Sec. 10. 7 V.S.A. § 904 is amended to read:

§ 904. CULTIVATOR LICENSE

(a) A cultivator licensed under this chapter may:

(1) cultivate, process, package, label, transport, test, and sell cannabis to a licensed wholesaler, product manufacturer, retailer, integrated licensee, and dispensary and may:



(2) purchase and sell cannabis seeds and immature cannabis plants to another licensed cultivator and propagation cultivator; and

(3) possess and sell cannabis products to a licensed wholesaler, product manufacturer, retailer, integrated licensee, and dispensary.

\* \* \*

Sec. 11. 7 V.S.A. § 904b is added to read:

§ 904b. PROPAGATION CULTIVATOR LICENSE

(a) A propagation cultivator licensed under this section may:

(1) cultivate not more than 3,500 square feet of cannabis clones, immature cannabis plants, or mature cannabis plants;

(2) test, transport, and sell cannabis clones and immature cannabis plants to licensed cultivators; and

(3) test, transport, and sell cannabis seeds that meet the federal definition of hemp to a licensed cultivator or retailer or to the public.

(b) A licensed propagation cultivator shall not cultivate mature cannabis plants for the purpose of producing, harvesting, transferring, or selling cannabis flower for or to any person.

Sec. 12. PROPAGATION CULTIVATOR LICENSE IMPLEMENTATION

The Cannabis Control Board shall begin issuing propagation cultivator licenses on or before July 1, 2024.

Sec. 13. 7 V.S.A. § 905 is amended to read:

§ 905. *WHOLESALER LICENSE*

*A wholesaler licensed under this chapter may:*

*(1) purchase cannabis from ~~a licensed cultivator and integrated licensee,~~ and cannabis products from a licensed ~~product manufacturer,~~ integrated licensee, and dispensary cannabis establishment;*

*(2) transport, process, package, and sell cannabis and cannabis products to a licensed ~~product manufacturer, retailer, integrated licensee, and dispensary~~ cannabis establishment; and*

*(3) sell cannabis seeds or immature cannabis plants to a licensed cultivator.*

*Sec. 14. 7 V.S.A. § 906 is amended to read:*

§ 906. *PRODUCT MANUFACTURER LICENSE*

*A product manufacturer licensed under this chapter may:*

*(1) purchase cannabis from ~~a licensed cultivator, wholesalers, or integrated licensee,~~ and cannabis products from a licensed ~~wholesaler, product manufacturer, integrated licensee, and dispensary~~ cannabis establishment;*

*(2) use cannabis and cannabis products to produce cannabis products;  
and*

*(3) transport, process, package, and sell cannabis products to a licensed ~~wholesaler, product manufacturer, retailer, integrated licensee, and dispensary~~ cannabis establishment.*

*Sec. 15. 7 V.S.A. § 907 is amended to read:*

*§ 907. RETAILER LICENSE*

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

*(1) purchase cannabis from ~~a licensed cultivator, wholesaler, or integrated licensee~~, and cannabis products from a licensed wholesaler, product manufacturer, integrated licensee, and dispensary cannabis establishment; and*

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

*\* \* \**

*Sec. 16. 7 V.S.A. § 910 is amended to read:*

*§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE*

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

*\* \* \**

*(3) Manufacturers.*

*(A) Manufacturer tier 1. Manufacturers that process and manufacture cannabis in order to produce cannabis products without using solvent-based extraction and not more than ~~\$10,000.00~~ \$50,000.00 per year in cannabis products based on the manufacturer's total annual sales in cannabis products shall be assessed an annual licensing fee of \$750.00.*

\* \* \*

*(7) Propagation cultivators. Propagation cultivators shall be assessed an annual licensing fee of \$500.00.*

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

*(8)(9) Products. Cannabis establishments licensed by the Board shall be assessed an annual product licensing fee of \$50.00 for every type of cannabis and cannabis product that is sold in accordance with this chapter.*

*(9)(10) Local licensing fees. Cannabis establishments licensed by the Board shall be assessed an annual local licensing fee of \$100.00 in addition to each fee assessed under subdivisions (1)–(6)(7) of this section. Local licensing fees shall be distributed to the municipality in which the cannabis establishment is located pursuant to section 846(c) of this title.*

*(10)(11) One-time fees.*

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

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

*Sec. 17. 7 V.S.A. chapter 35 is amended to read:*

*CHAPTER 35. MEDICAL CANNABIS REGISTRY*

*§ 951. DEFINITIONS*

*As used in this chapter:*

*\* \* \**

*(8) “Qualifying medical condition” means:*

*(A) cancer, multiple sclerosis, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, glaucoma, Crohn’s disease, Parkinson’s disease, post-traumatic stress disorder, or the treatment of these conditions, if the disease or the treatment results in severe, persistent, and intractable symptoms; or*

*~~(B) post-traumatic stress disorder, provided the Department confirms the applicant is undergoing psychotherapy or counseling with a licensed mental health care provider; or~~*

*~~(C) a disease or medical condition or its treatment that is chronic, debilitating, and produces one or more of the following intractable symptoms: cachexia or wasting syndrome, chronic pain, severe nausea, or seizures.~~*

*\* \* \**

*§ 952. REGISTRY*

*\* \* \**

*(b) A person who is a registered patient or a registered caregiver on behalf of a patient may:*

*(1) Cultivate not more than ~~two~~ six mature and ~~seven~~ 12 immature cannabis plants. Any cannabis harvested from the plants shall not count toward the two-ounce possession limit in subdivision (2) of this subsection, provided it is stored in an indoor facility on the property where the cannabis was cultivated and reasonable precautions are taken to prevent unauthorized access to the cannabis.*

*(2) Possess not more than two ounces of cannabis.*

*(3) Purchase cannabis and cannabis products at a licensed medical cannabis dispensary. Pursuant to chapter 37 of this title, a dispensary may offer goods and services that are not permitted at a cannabis establishment licensed pursuant to chapter 33 of this title.*

\* \* \*

#### § 954. CAREGIVERS

*(a) Pursuant to rules adopted by the Board, a person may register with the Board as a caregiver of a registered patient to obtain the benefits of the Registry as provided in section 952 of this title.*

*~~(b)(1) The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a caregiver card because of his or her criminal history record. An applicant shall not be denied solely on the basis of a criminal conviction that is not listed in 13 V.S.A. chapter 25 or 28~~ conduct a name and date of birth Vermont criminal conviction record background check*

and obtain information from the Child Protection Registry maintained by the Department for Children and Families and from the Vulnerable Adult Abuse, Neglect, and Exploitation Registry maintained by the Department of Disabilities, Aging, and Independent Living (collectively, the Registries) for any person who applies to be a caregiver.

~~(2) The Board shall obtain from the Vermont Crime Information Center a copy of the caregiver applicant's fingerprint-based Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation.~~

~~(c) The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a cannabis establishment license caregiver card because of his or her criminal history record the applicant's criminal history record or status on either Registry.~~

~~(d)(1) Except as provided in subdivision (2) of this subsection, a caregiver shall serve only one patient may serve not more than two patients at a time, and a patient shall have only one registered caregiver at a time. A patient may serve as a caregiver for one other patient.~~

~~(2) A patient who is under 18 years of age may have two caregivers. Additional caregivers shall be at the discretion of the Board.~~

~~(e) Medicaid funds shall not be used to support a caregiver in the cultivation or distribution of cannabis on behalf of a patient.~~

§ 955. REGISTRATION; FEES

*(a) A registration card shall expire one year after the date of issuance for patients with a qualifying medical condition of chronic pain and the caregivers who serve those patients. For all other patients and the caregivers who serve those patients, a registration card shall expire three years after the date of issuance. A patient or caregiver may renew the card according to protocols adopted by the Board.*

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

§ 956. RULEMAKING

*The Board shall adopt rules for the administration of this chapter. ~~No rule shall be more restrictive than any rule adopted by the Department of Public Safety pursuant to 18 V.S.A. chapter 86.~~*

*Sec. 18. 33 V.S.A. § 4919 is amended to read:*

§ 4919. DISCLOSURE OF REGISTRY RECORDS

*(a) The Commissioner may disclose a Registry record only as follows:*

*\* \* \**

*(11) To the Cannabis Control Board, in accordance with the provisions of 7 V.S.A. § 954.*

*\* \* \**



*Sec. 19. 33 V.S.A. § 6911 is amended to read:*

*§ 6911. RECORDS OF ABUSE, NEGLECT, AND EXPLOITATION*

*\* \* \**

*(c) The Commissioner or designee may disclose Registry information only to:*

*\* \* \**

*(12) The Cannabis Control Board for the purpose of evaluating an individual's suitability to be a registered caregiver under 7 V.S.A. § 954.*

*\* \* \**

*Sec. 20. 7 V.S.A. § 974 is amended to read:*

*§ 974. RULEMAKING*

*(a)(1) The Board shall adopt rules to implement and administer this chapter. In adoption of rules, the Board shall strive for consistency with rules adopted for cannabis establishments pursuant to chapter 33 of this title where appropriate. ~~No rule shall be more restrictive than any rule adopted by the Department of Public Safety pursuant to 18 V.S.A. chapter 86.~~*

*\* \* \**

*Sec. 21. CANNABIS CONTROL BOARD REPORTING; MEDICAL*

*CANNABIS REGISTRY*

*(a) The Cannabis Control Board shall work with the Vermont Academic Detailing Program, Registry patients and caregivers, licensed medical*

cannabis dispensaries, and medical professional stakeholders to review the Medical Cannabis Registry. The review shall include:

(1) an assessment of the illnesses or symptoms most appropriately treated by cannabis;

(2) the strains of cannabis recommended for such treatment;

(3) the doses of active chemicals recommended for treatment;

(4) appropriate treatment protocols for patients, including whether ongoing medical oversight such as counseling or other services is needed for each condition being treated;

(5) how the use of cannabis is communicated to patients and patients' providers; and

(6) any other issues that will improve the Registry.

(b) The Board shall convene the working group not less than four times to complete its work.

(c) The Board shall provide recommendations for improvement to the Medical Cannabis Registry to the Senate Committee on Health and Welfare and the House Committees on Human Services and on Health Care on or before January 15, 2024.

Sec. 22. 7 V.S.A. § 1001(8) is amended to read:

(8) "Tobacco substitute" means products, including electronic cigarettes or other electronic or battery-powered devices, that contain or are designed to

*deliver nicotine or other substances into the body through the inhalation of vapor and that have not been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes. Products Cannabis products as defined in section 831 of this title or products that have been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes shall not be considered to be tobacco substitutes.*

*Sec. 23. 32 V.S.A. § 7702(15) is amended to read:*

*(15) “Other tobacco products” means any product manufactured from, derived from, or containing tobacco that is intended for human consumption by smoking, chewing, or in any other manner; including products sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including any liquids, whether nicotine based or not, or delivery devices sold separately for use with a tobacco substitute, but shall not include cigarettes, little cigars, roll-your-own tobacco, snuff, ~~or~~ new smokeless tobacco as defined in this section, or cannabis products as defined in 7 V.S.A. § 831.*

*Sec. 23a. 7 V.S.A. § 831(3) is amended to read:*

*(3) “Cannabis product” means concentrated cannabis and a product that is composed of cannabis and other ingredients and is intended for use or consumption, including an edible product, ointment, and tincture. Cannabis product shall include a vaporizer cartridge containing cannabis oil that is*

intended for use with a battery-powered device and any device designed to deliver cannabis into the body through inhalation of vapor that is sold at a cannabis establishment licensed pursuant to chapter 33 of this title.

“Cannabis product” does not mean a “tobacco product” as defined in 32 V.S.A. § 7702, a “tobacco substitute” as defined in section 1001 of this title, or “tobacco paraphernalia” as defined in section 1001 of this title.

Sec. 23b. 7 V.S.A. § 1002 is amended to read:

§ 1002. LICENSE REQUIRED; APPLICATION; FEE; ISSUANCE

(a)(1) ~~No~~ Except as provided in subsection (h) of this section, no person shall engage in the retail sale of tobacco products, tobacco substitutes, or tobacco paraphernalia in his or her the person’s place of business without a tobacco license obtained from the Division of Liquor Control.

\* \* \*

(h) This section shall not apply to a cannabis establishment licensed pursuant to chapter 33 of this title to engage in the retail sale of cannabis products as defined in section 831 of this title, but not engaged in the sale of tobacco products or tobacco substitutes.

Sec. 24. TRANSFER AND APPROPRIATION

Notwithstanding 7 V.S.A. § 845(c), in fiscal year 2024:

(1) \$500,000.00 is transferred from the Cannabis Regulation Fund established pursuant to 7 V.S.A. § 845 to the Cannabis Business Development

Fund established pursuant to 7 V.S.A. § 987; and

(2) \$500,000.00 is appropriated from the Cannabis Business Development Fund to the Agency of Commerce and Community Development to fund technical assistance and provide loans and grants pursuant to 7 V.S.A. § 987.

*Sec. 24a. RACIAL DISPARITIES IN THE CRIMINAL AND JUVENILE*

*JUSTICE SYSTEM ADVISORY PANEL REPORTING; RACIAL  
EQUITY AND COMMUNITY REINVESTMENT*

(a) The Racial Disparities in the Criminal and Juvenile Justice System Advisory Panel shall collaborate with local and national stakeholders to study the administration and funding of the Cannabis Business Development Fund and gather qualitative and quantitative data informing the establishment and funding of community reinvestment for individuals and communities disproportionately impacted by the criminalization of cannabis. The study shall do each of the following:

(1) Identify in an aggregated format the demographics of individuals who have been disproportionately impacted by cannabis prohibition in Vermont and nationally and identify communities most heavily impacted, while not disclosing the identity of any particular individual.

(2) Identify the ways in which such individuals and communities have been disproportionately impacted by cannabis prohibition in Vermont,

including rates of poverty; access to employment, housing, and education; and involvement with the criminal justice system.

(3) Any other issues related to the impacts of the criminalization of cannabis in Vermont and the United States that will improve racial equity and community reinvestment in Vermont.

(b) The Panel shall convene not less than four times to complete its work.

(c) The Panel shall provide recommendations on how to administer and fund the Cannabis Business Development Fund and fund and administer reinvestment in individuals and communities disproportionately harmed by cannabis criminalization to the Senate Committee on Economic Development, Housing and General Affairs and on Finance on or before January 15, 2024.

Sec. 25. EFFECTIVE DATE

This act shall take effect on passage.