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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 ~~§ 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

** * **

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

~~(8)(9)~~ (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)~~ (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)~~ (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

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(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~~

those 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.~~

~~Sec. 14. 7 V.S.A. § 977 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. ~~14~~ 14. 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~~

~~(a) The establishment of the following new permanent classified positions 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.~~