

1 H.612

2 An act relating to miscellaneous cannabis amendments

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

4 Sec. 1. 6 V.S.A. § 562(4) is amended to read:

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

13 (B) Notwithstanding subdivision (A) of this subdivision (4), “hemp  
14 products” and “hemp-infused products” do not include any substance,  
15 manufacturing intermediary, or product that:

16 (i) is prohibited or deemed a regulated cannabis product by  
17 administrative rule of the Cannabis Control Board; or

18 (ii) contains more than 0.3 percent total tetrahydrocannabinol on a  
19 dry-weight basis.

20 (C) A hemp-derived product or substance that is excluded from the  
21 definition of “hemp products” or “hemp-infused products” pursuant to  
22 subdivision (B) of this subdivision (4) shall be considered a cannabis product

1 as defined by 7 V.S.A. § 831(3); provided, however, that a person duly  
2 licensed or registered by the Cannabis Control Board lawfully may possess  
3 such products in conformity with the person's license or hemp processor  
4 registration.

5 Sec. 2. [Deleted.]

6 Sec. 2a. 7 V.S.A. § 864 is amended to read:

7 § 864. ADVERTISING

8 \* \* \*

9 (b) A cannabis establishment advertisement shall not contain any statement  
10 or illustration that:

11 (1) is deceptive, false, or misleading;

12 (2) promotes overconsumption;

13 (3) represents that the use of cannabis has curative effects;

14 (4) ~~offers a prize, award, or inducement for purchasing cannabis or a~~  
15 ~~cannabis product, except that price discounts are allowed;~~ [Repealed.]

16 (5) offers free samples of cannabis or cannabis products;

17 (6) depicts a person under 21 years of age consuming cannabis or  
18 cannabis products; or

19 (7) is designed to be or has the effect of being particularly appealing to  
20 persons under 21 years of age.

21 \* \* \*

1 Sec. 3. 7 V.S.A. § 868 is amended to read:

2 § 868. PROHIBITED PRODUCTS

3 (a) ~~The~~ Except as provided in section 907 of this title relating to a retailer  
4 with a medical endorsement, the following are prohibited products and may  
5 not be cultivated, produced, or sold pursuant to a license issued under this  
6 chapter:

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

8 (2) flavored oil cannabis products sold prepackaged for use with battery-  
9 powered devices and any cannabis flower that contains characterizing flavor  
10 that is not naturally occurring in the cannabis;

11 (3) cannabis products that contain delta-9 tetrahydrocannabinol and  
12 nicotine or alcoholic beverages; and

13 (4) any cannabis, cannabis products, or packaging of such items that are  
14 designed to make the product more appealing to persons under 21 years of age.

15 (b)(1) Except as provided by subdivision (2) of this subsection and in  
16 section 907 of this title relating to a retailer with a medical endorsement, solid  
17 and liquid concentrate cannabis products with greater than 60 percent  
18 tetrahydrocannabinol may be produced by a licensee and sold to another  
19 licensee in accordance with subchapter 3 of this chapter but shall not be sold to  
20 the public by a licensed retailer or integrated licensee.

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

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

6           § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

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

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

10           (A) the form and content of license and renewal applications;

11           (B) qualifications for licensure that are directly and demonstrably  
12 related to the operation of a cannabis establishment, including:

13           (i) a requirement to submit an operating plan, which shall include  
14 information concerning:

15           (I) the type of business organization, the identity of its  
16 controlling owners and principals, and the identity of the controlling owners  
17 and principals of its affiliates; and

18           (II) the sources, amount, and nature of its capital, assets, and  
19 financing; the identity of its financiers; and the identity of the controlling  
20 owners and principals of its financiers;

1                   (ii) a requirement to file an amendment to its operating plan in the  
2 event of a significant change in organization, operation, or financing; and

3                   (iii) the requirement for a fingerprint-based criminal history record  
4 check and regulatory record check pursuant to section 883 of this title;

5                   (C) oversight requirements, including provisions to ensure that a  
6 licensed establishment complies with State and federal regulatory requirements  
7 governing insurance, securities, workers' compensation, unemployment  
8 insurance, and occupational health and safety;

9                   (D) inspection requirements;

10                  (E) records to be kept by licensees and the required availability of the  
11 records;

12                  (F) employment and training requirements;

13                  (G) security requirements, including any appropriate lighting,  
14 physical security, video, and alarm requirements;

15                  (H) health and safety requirements;

16                  (I) regulation of additives to cannabis and cannabis products,  
17 including cannabidiol derived from hemp and substances that are toxic or  
18 designed to make the product more addictive, more appealing to persons under  
19 21 years of age, or to mislead consumers;

20                  (J) procedures for seed-to-sale traceability of cannabis, including any  
21 requirements for tracking software;

1 (K) regulation of the storage and transportation of cannabis;

2 (L) sanitary requirements;

3 (M) procedures for the renewal of a license, which shall allow  
4 renewal applications to be submitted up to 90 days prior to the expiration of  
5 the cannabis establishment's license;

6 (N) procedures for suspension and revocation of a license;

7 (O) requirements for banking and financial transactions, including  
8 provisions to ensure that the Board, the Department of Financial Regulation,  
9 and financial institutions have access to relevant information concerning  
10 licensed establishments to comply with State and federal regulatory  
11 requirements;

12 (P) disclosure or eligibility requirements for a financier, its owners  
13 and principals, and its affiliates, which may include:

14 (i) requirements to disclose information to a licensed  
15 establishment, the Board, or the Department of Financial Regulation;

16 (ii) a minimum age requirement and a requirement to conduct a  
17 background check for natural persons;

18 (iii) requirements to ensure that a financier complies with  
19 applicable State and federal laws governing financial institutions, licensed  
20 lenders, and other financial service providers; and

1                   (iv) any other requirements, conditions, or limitations on the type  
2                   or amount of loans or capital investments made by a financier or its affiliates,  
3                   which the Board, in consultation with the Department of Financial Regulation,  
4                   determines are necessary to protect the public health, safety, and general  
5                   welfare;

6                   (Q) policies and procedures for conducting outreach and promoting  
7                   participation in the regulated cannabis market by diverse groups of individuals,  
8                   including those who have been disproportionately harmed by cannabis  
9                   prohibition;

10                  (R) advertising and marketing; and

11                  (S) requirements for cannabis control testing of hemp, hemp-infused  
12                  products, cannabis, and cannabis products.

13                  (2)(A) Rules concerning cultivators shall include:

14                   (i) creation of a tiered system of licensing based on the plant  
15                   canopy size of the cultivation operation or plant count for breeding stock;

16                   (ii) pesticides or classes of pesticides that may be used by  
17                   cultivators, provided that any rules adopted under this subdivision shall  
18                   comply with and shall be at least as stringent as the Agency of Agriculture,  
19                   Food and Markets' Vermont Pesticide Control Regulations;

20                   (iii) standards for indoor cultivation of cannabis;

1 (iv) procedures and standards for testing cannabis for  
2 contaminants, potency, and quality assurance and control;

3 (v) labeling requirements for cannabis sold to retailers and  
4 integrated licensees, including health warnings developed in consultation with  
5 the Department of Health;

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

9 (vii) facility inspection requirements and procedures; and

10 (viii) performance standards that would allow the Board to  
11 relegate a cultivator into a lower tier or expand into a tier that may not be  
12 otherwise available to new applicants.

13 \* \* \*

14 (5) Rules concerning retailers shall include:

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

16 (B) restrictions that cannabis shall be stored behind a counter or other  
17 barrier to ensure a customer does not have direct access to the cannabis;

18 (C) requirements that if the retailer sells hemp or hemp products, the  
19 hemp and hemp products are clearly labeled as such;





1 Sec. 5. 7 V.S.A. § 907 is amended to read:

2 § 907. RETAILER LICENSE

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

4 (1) purchase cannabis and cannabis products from a licensed cannabis  
5 establishment; and

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

8 (b) In a single transaction, a retailer may provide one ounce of cannabis or  
9 the equivalent in cannabis products, or a combination thereof, to a person 21  
10 years of age or older upon verification of a valid government-issued  
11 photograph identification card.

12 (c)(1) Packaging shall include:

13 (A) the strain and variety of cannabis contained;

14 (B) the potency of the cannabis represented by the amount of  
15 tetrahydrocannabinol and cannabidiol in milligrams total and per serving;

16 (C) a “produced on” date reflecting the date that the cultivator  
17 finished producing the cannabis;

18 (D) appropriate warnings as prescribed by the Board in rule; and

19 (E) any additional requirements contained in rules adopted by the

20 Board in accordance with this chapter.

1           (2) Packaging shall not be designed to appeal to persons under 21 years  
2 of age.

3           (d) A retailer shall display a safety information flyer at the point of  
4 purchase and offer a customer a copy of the flyer with each purchase. A  
5 retailer shall inform the customer that if the customer elects not to receive the  
6 flyer, the information contained in the flyer is available on the website for the  
7 Board. The flyer shall be developed by the Board in consultation with the  
8 Department of Health, posted on the Board's website, and supplied to the  
9 retailer free of charge. At a minimum, the flyer or flyers shall contain  
10 information concerning the methods for administering cannabis, the amount of  
11 time it may take for cannabis products to take effect, the risks of driving under  
12 the influence of cannabis, the potential health risks of cannabis use, the  
13 symptoms of problematic usage, how to receive help for cannabis abuse, and a  
14 warning that cannabis possession is illegal under federal law.

15           (e) Delivery of cannabis to customers is prohibited, except as provided in  
16 subsection (f) of this section.

17           (f) A retailer may obtain a medical-use endorsement in compliance with  
18 rules adopted by the Board and the endorsement shall permit the retailer to:

19                 (1) sell tax-free cannabis and cannabis products to registered patients  
20 directly or through their registered caregivers:





1 course of which the health care professional has completed a full assessment of  
2 the applicant's medical history and current medical condition, including a  
3 personal physical examination. The three-month requirement shall not apply  
4 if:

5 (A) an applicant has been diagnosed with:

6 (i) a terminal illness;

7 (ii) cancer; or

8 (iii) acquired immune deficiency syndrome;

9 (B) an applicant is currently under hospice care;

10 (C) an applicant had been diagnosed with a qualifying medical  
11 condition by a health care professional in another jurisdiction in which the  
12 applicant had been formerly a resident and the patient, now a resident of  
13 Vermont, has the diagnosis confirmed by a health care professional in this  
14 State or a neighboring state as permitted by subdivision 951(5)(B) of this title,  
15 and the new health care professional has completed a full assessment of the  
16 patient's medical history and current medical condition, including a personal  
17 physical examination;

18 (D) a patient who is already on the Registry changes health care  
19 professionals three months or less prior to the renewal of the patient's  
20 registration, provided the patient's new health care professional has completed

1 a full assessment of the patient’s medical history and current medical  
2 condition, including a personal physical examination;

3 (E) an applicant is referred by the patient’s health care professional to  
4 another health care professional who has completed advanced education and  
5 clinical training in specific qualifying medical conditions, and that health care  
6 professional conducts a full assessment of the applicant’s medical history and  
7 current medical condition, including a personal physical examination; or

8 (F) an applicant’s qualifying medical condition is of recent or sudden  
9 onset.

10 Sec. 8. 7 V.S.A. § 955 is amended to read:

11 § 955. REGISTRATION; FEES

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

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

1 Sec. 9. 7 V.S.A. § 977 is amended to read:

2 § 977. FEES

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

4 (1) a one-time ~~\$2,500.00~~ \$1,000.00 application fee;

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

6 (3) an annual renewal fee of ~~\$25,000.00~~ for a subsequent year of  
7 operation \$5,000.00; and

8 (4)(3) an annual Registry identification or renewal card fee of \$50.00 to  
9 be paid by the dispensary for each owner, principal, financier, and employee of  
10 the dispensary.

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

13 Sec. 10. 7 V.S.A. § 978(f) is amended to read:

14 (f) ~~The Board may charge and collect fees for review of advertisements.~~

15 [Repealed.]

16 Sec. 11. 18 V.S.A. § 4230(d) is amended to read:

17 (d) ~~Cannabis-infused~~ Cannabis-infused products. Only the portion of a  
18 cannabis-infused product that is attributable to cannabis shall count toward the  
19 possession limits of this section. The weight of cannabis that is attributable to  
20 cannabis-infused products shall be determined according to methods set forth



1 in rule by the ~~Department of Public Safety in accordance with chapter 86 of~~  
2 ~~this title (therapeutic use of cannabis)~~ Cannabis Control Board.

3 Sec. 11a. CANNABIS CONTROL BOARD REPORTING; MEDICAL  
4 CANNABIS REGISTRY

5 (a) The Cannabis Control Board shall work in consultation with the  
6 Vermont Department of Health, the Vermont Medical Society, the Green  
7 Mountain Patients' Alliance, the Cannabis Retailers Association of Vermont,  
8 and other interested parties to assess the efficacy of the Medical Cannabis  
9 Program in serving registered and prospective patients. The assessment shall  
10 include recommendations regarding:

11 (1) improvements to the process of evaluating and approving new  
12 qualifying conditions;

13 (2) improvements to how the use of cannabis is communicated to  
14 patients and patients' providers; and

15 (3) appropriate regulations regarding electronic or battery-powered  
16 devices that contain or are designed to deliver cannabis into the body through  
17 the inhalation of vapor.

18 (b) The Board shall provide recommendations regarding the Medical  
19 Cannabis Registry to the Senate Committee on Health and Welfare and the  
20 House Committee on Human Services on or before November 15, 2024.



1 (d) The following sales shall be exempt from the tax imposed under this  
2 section:

3 (1) sales under any circumstances in which the State is without power to  
4 impose the tax; and

5 (2) sales made by any dispensary as authorized under 7 V.S.A. chapter  
6 37 or any retailer licensed with a medical-use endorsement as authorized under  
7 7 V.S.A. chapter 33, provided that the cannabis or cannabis product is sold  
8 only to registered ~~qualifying~~ patients directly or through their registered  
9 caregivers. A retailer that sells cannabis or cannabis products that are exempt  
10 from tax pursuant to this subdivision shall retain information pertaining to each  
11 exempt transaction as required by the Commissioner of Taxes.

12 Sec. 14. 32 V.S.A. § 9741 is amended to read:

13 § 9741. SALES NOT COVERED

14 Retail sales and use of the following shall be exempt from the tax on retail  
15 sales imposed under section 9771 of this title and the use tax imposed under  
16 section 9773 of this title:

17 \* \* \*

18 (55) Cannabis and cannabis products, as defined under 7 V.S.A. § 831,  
19 sold by any dispensary as authorized under 7 V.S.A. chapter 37 or any retailer  
20 licensed with a medical-use endorsement as authorized under 7 V.S.A. chapter  
21 33, provided that the cannabis or cannabis product is sold only to registered

1 qualifying patients directly or through their registered caregivers. A retailer  
2 that sells cannabis or cannabis products that are exempt from tax pursuant to  
3 this subdivision shall retain information pertaining to each exempt transaction  
4 as required by the Commissioner of Taxes.

5 \* \* \*

6 Sec. 15. TRANSFER AND APPROPRIATION

7 Notwithstanding 7 V.S.A. § 845(c), in fiscal year 2025:

8 (1) \$500,000.00 is transferred from the Cannabis Regulation Fund  
9 established pursuant to 7 V.S.A. § 845 to the Cannabis Business Development  
10 Fund established pursuant to 7 V.S.A. § 987; and

11 (2) \$500,000.00 is appropriated from the Cannabis Business 19  
12 Development Fund to the Agency of Commerce and Community Development  
13 to fund technical assistance and provide loans and grants pursuant to 7 V.S.A.  
14 § 987.

15 Sec. 15a. CANNABIS BUSINESS DEVELOPMENT FUND; CANNABIS

16 SOCIAL EQUITY WORKING GROUP

17 The Cannabis Control Board shall work in consultation with the Vermont  
18 Housing and Conservation Board, the Vermont Land Access and Opportunity  
19 Board, the Vermont Racial Justice Alliance, the Office of Racial Equity, and  
20 the Agency of Commerce and Community Development for purpose of  
21 making recommendations to the General Assembly regarding a percentage of

1 cannabis excise tax monies that should be appropriated to the Cannabis  
2 Business Development Fund for uses as provided pursuant to 7 V.S.A. § 987.  
3 The Cannabis Control Board shall incorporate the recommendations into the  
4 Cannabis Social Equity Programs report required pursuant to 7 V.S.A. § 989.

5 Sec. 16. 7 V.S.A. § 869 is amended to read:

6 § 869. CULTIVATION OF CANNABIS; ENVIRONMENTAL AND LAND  
7 USE STANDARDS; REGULATION OF CULTIVATION

8 (a) A cannabis establishment shall not be regulated as “farming” under the  
9 Required Agricultural Practices, 6 V.S.A. chapter 215, or other State law, and  
10 cannabis produced from cultivation shall not be considered an agricultural  
11 product, farm crop, or agricultural crop for the purposes of 32 V.S.A. chapter  
12 124, 32 V.S.A. § 9741, or other relevant State law.

13 \* \* \*

14 (f) Notwithstanding subsection (a) of this section, a cultivator licensed  
15 under this chapter who initiates cultivation of cannabis outdoors on a parcel of  
16 land shall:

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

20 (2) not be regulated by a municipal bylaw adopted under 24 V.S.A.  
21 chapter 117 in the same manner that Required Agricultural Practices are not

1 regulated by a municipal bylaw under 24 V.S.A. § 4413(d)(1)(A), except that  
2 there shall be the following minimum setback distance between the cannabis  
3 plant canopy and a property boundary or edge of a highway:

4 (i) if the cultivation occurs in a cannabis cultivation district  
5 adopted by a municipality pursuant to 24 V.S.A. § 4414a, the setback shall be  
6 not larger than 25 feet as established by the municipality;

7 (ii) if the cultivation occurs outside of a cannabis cultivation  
8 district adopted by a municipality pursuant to 24 V.S.A. § 4414a or no  
9 cannabis cultivation district has been adopted by the municipality, the setback  
10 shall be not larger than 50 feet as established by the municipality; and

11 (iii) if a municipality does not have zoning, the setback shall be 10  
12 feet;

13 (3) be eligible to enroll in the Use Value Appraisal Program under  
14 32 V.S.A. chapter 124 for the cultivation of cannabis;

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

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

1 Sec. 17. 24 V.S.A. § 4414a is added to read:

2 § 4414a. CANNABIS CULTIVATION DISTRICT

3 A municipality, after consultation with the municipal cannabis control  
4 commission, if one exists, may adopt a bylaw identifying cannabis cultivation  
5 districts where the outdoor cultivation of cannabis is preferred within the  
6 municipality. Cultivation of cannabis within a cannabis cultivation district  
7 shall be presumed not to result in an undue effect on the character of the area  
8 affected. The adoption of a cannabis cultivation district shall not have the  
9 effect of prohibiting cultivation of outdoor cannabis in the municipality.

10 Sec. 18. CANNABIS CONTROL BOARD REPORT; SITING OF  
11 OUTDOOR CANNABIS CULTIVATION

12 (a) On or before December 15, 2024, the Cannabis Control Board shall  
13 submit to the Senate Committees on Government Operations and on Economic  
14 Development, Housing and General Affairs and the House Committees on  
15 Government Operations and Military Affairs and on Commerce and Economic  
16 Development a report regarding the siting and licensing of outdoor cannabis  
17 cultivation. The report shall:

18 (1) summarize the current impact of outdoor cultivation on local  
19 municipalities;

20 (2) summarize the impact of establishing various siting requirements to  
21 existing licensed outdoor cultivators;

1           (3) address whether and how to authorize municipalities to establish  
2           local cultivation districts;

3           (4) address whether and how outdoor cultivation of cannabis should be  
4           entitled to the rebuttable presumption that cultivation does not constitute a  
5           nuisance under 12 V.S.A. chapter 195; and

6           (5) recommend whether local cannabis control commissions established  
7           pursuant to 7 V.S.A. chapter 33 should be granted additional authority to  
8           regulate outdoor cannabis cultivators.

9           (b) The Cannabis Control Board shall consult with the Vermont League of  
10           Cities and Towns, the Cannabis Equity Coalition, the Vermont Medical  
11           Society, the Cannabis Retailers Association of Vermont, and other interested  
12           stakeholders in developing the report required under subsection (a) of this  
13           section.

14           (c) As part of the report required under subsection (a) of this section, the  
15           Cannabis Control Board shall address the impact of modifying the law  
16           governing cannabis advertising.

17           Sec. 19. EFFECTIVE DATES

18           This act shall take effect on passage, except that:

19           (1) Sec. 6, 7 V.S.A. § 910, shall take effect on July 1, 2025; and

20           (2) Sec. 16 (setbacks for cannabis cultivation) shall take effect on  
21           January 1, 2025.