1	TO THE HOUSE OF REPRESENTATIVES:
2	The Committee on Government Operations and Military Affairs to which
3	was referred House Bill No. 270 entitled "An act relating to miscellaneous
4	amendments to the adult-use and medical cannabis programs" respectfully
5	reports that it has considered the same and recommends that the bill be
6	amended by striking out all after the enacting clause and inserting in lieu
7	thereof the following:
8	Sec. 1. 7 V.S.A. § 843 is amended to read:
9	§ 843. CANNABIS CONTROL BOARD; DUTIES; MEMBERS
10	* * *
11	(h) Advisory committee.
12	(1) There is an advisory committee established within the Board that
13	shall be composed of members with expertise and knowledge relevant to the
14	Board's mission. The Board shall collaborate with the advisory committee or
15	recommendations to the General Assembly. The advisory committee shall be
16	composed of the following 14 members:
17	(A) one member with an expertise in public health, appointed by the
18	Governor;
19	(B) the Secretary of Agriculture, Food and Markets or designee;
20	(C) one member with an expertise in laboratory science or
21	toxicology, appointed by the Governor;

1	(D) one member with an expertise in systemic social justice and
2	equity issues, appointed by the Speaker of the House;
3	(E) one member with an expertise in women and minority owned
4	business ownership, appointed by the Speaker of the House;
5	(F) the Chair of the Substance Misuse Prevention Oversight and
6	Advisory Council or designee;
7	(G) one member with an expertise in the cannabis industry, appointed
8	by the Senate Committee on Committees;
9	(H) one member with an expertise in business management or
10	regulatory compliance, appointed by the Treasurer;
11	(I) one member with an expertise in municipal issues, appointed by
12	the Senate Committee on Committees;
13	(J) one member with an expertise in public safety, appointed by the
14	Attorney General;
15	(K) one member with an expertise in criminal justice reform,
16	appointed by the Attorney General;
17	(L) the Secretary of Natural Resources or designee;
18	(M) the Chair of the Cannabis for Symptom Relief Oversight
19	Committee or designee; and
20	(N) one member appointed by the Vermont Cannabis Trade
21	Association.

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

1	(A) any label affixed to any cannabis or cannabis product or any
2	individual covering, carton, or other wrapper of that container that constitutes a
3	part of the labeling under provisions of these standards;
4	(B) any editorial or other reading material, such as a news release, in
5	any periodical or publication or newspaper for the publication of which no
6	money or valuable consideration is paid or promised, directly or indirectly, by
7	any cannabis establishment, and that is not written by or at the direction of the
8	licensee;
9	(C) any educational, instructional, or otherwise noncommercial
10	material that is not intended to induce sales and that does not propose an
11	economic transaction, but that merely provides information to the public in an
12	unbiased manner; or
13	(D) a sign attached to the premises of a cannabis establishment that
14	merely identifies the location of the cannabis establishment.
15	* * *
16	(8) "Cannabis establishment" means a cannabis cultivator, propagation
17	cultivator, wholesaler, product manufacturer, retailer, testing laboratory, or
18	integrated licensee licensed by the Board to engage in commercial cannabis
19	activity in accordance with this chapter.
20	* * *

1	(31) "Cannabis propagation cultivator" or "propagation cultivator"
2	means a person licensed by the Board to cultivate cannabis clones, immature
3	plants, and mature plants in accordance with this chapter.
4	Sec. 4. 7 V.S.A. § 881 is amended to read:
5	§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS
6	(a) The Board shall adopt rules to implement and administer this chapter in
7	accordance with subdivisions (1) (7) (8) of this subsection.
8	* * *
9	(3) Rules concerning product manufacturers shall include:
10	(A) requirements that a single package of a cannabis product shall
11	not contain more than $\frac{50}{100}$ milligrams of THC, except in the case of:
12	(i) cannabis products that are not consumable, including topical
13	preparations;
14	(ii) solid concentrates, oils, and tinctures; and
15	(iii) cannabis products sold to a dispensary pursuant to 18 V.S.A.
16	chapter 86 and rules adopted pursuant to that chapter;
17	* * *
18	(5) Rules concerning retailers shall include:
19	* * *
20	(E) facility inspection requirements and procedures for facility
21	inspection to occur at least annually.

1	* * *
2	(8) Rules concerning propagators shall include:
3	(A) requirements for proper verification of age of customers;
4	(B) pesticides or classes of pesticides that may be used by
5	propagators, provided that any rules adopted under this subdivision (8) shall
6	comply with and shall be at least as stringent as the Agency of Agriculture,
7	Food and Markets' Vermont Pesticide Control Regulations;
8	(C) standards for indoor cultivation of cannabis;
9	(D) procedures and standards for testing cannabis for contaminants,
10	potency, and quality assurance and control;
11	(E) labeling requirements for cannabis sold to retailers and integrated
12	licensees;
13	(F) regulation of visits to the establishments, including the number of
14	visitors allowed at any one time and record keeping concerning visitors; and
15	(G) facility inspection requirements and procedures.
16	* * *
17	Sec. 5. 7 V.S.A. § 901 is amended to read:
18	§ 901. GENERAL PROVISIONS
19	(a) Except as otherwise permitted by law, a person shall not engage in the
20	cultivation, preparation, processing, packaging, transportation, testing, or sale
21	of cannabis or cannabis products without obtaining a license from the Board.

1	* * *
2	(h)(1) The following records shall be exempt from public inspection and
3	copying under the Public Records Act and shall be confidential:
4	(A) any record in an application for a license relating to security,
5	public safety, transportation, or trade secrets, including information provided
6	in an operating plan pursuant to subdivision 881(a)(1)(B) of this title; and
7	(B) any licensee record relating to security, public safety,
8	transportation, trade secrets, or employees.
9	(2) Notwithstanding 1 V.S.A. § 317(e), the Public Records Act
10	exemption created in this subsection shall continue in effect and shall not be
11	repealed through operation of 1 V.S.A. § 317(e). [Repealed.]
12	Sec. 6. 7 V.S.A. § 901a is added to read:
13	§ 901a. ACCESSIBILITY AND CONFIDENTIALITY OF LICENSING
14	AND DISCIPLINARY MATTERS
15	(a) It is the purpose of this section to protect the reputation, security
16	practices, and trade secrets of licensees from undue public disclosure while
17	securing the public's right to know of government licensing actions relevant to
18	the public health, safety, and welfare.
19	(b) All meetings and hearings of the Board shall be subject to the Open
20	Meeting Law as provided in 1 V.S.A. § 312.

1	(c) The following shall be exempt from public inspection and copying
2	under the Public Records Act and shall be kept confidential:
3	(1) records related to licensee security, safety, transportation, or trade
4	secrets, including information provided in an operating plan pursuant to
5	subdivision 881(a)(1)(B) of this title; and
6	(2) records related to investigations, except as provided in subsection (d)
7	of this section.
8	(d)(1) If a complaint or investigation results in formal action to revoke,
9	suspend, condition, reprimand, warn, fine, or otherwise to penalize a licensee
10	based on noncompliance with law or regulation, the case record, as defined by
11	3 V.S.A. § 809(e), shall be public.
12	(2) The Board shall prepare and maintain an aggregated list of all closed
13	investigations into misconduct or noncompliance from whatever source
14	derived. The information contained in the list shall be a public record. The list
15	shall contain the date, nature, and outcome of each complaint. The list shall
16	not contain the identity of the subject licensee unless formal action resulted, as
17	described in subdivision (1) of this subsection.
18	(e) Notwithstanding 1 V.S.A. § 317(e), the Public Records Act exemption
19	created in this section shall continue in effect and shall not be repealed through
20	operation of 1 V.S.A. § 317(e)

1	Sec. 7. 7 V.S.A. § 904 is amended to read:
2	§ 904. CULTIVATOR LICENSE
3	(a) A cultivator licensed under this chapter may:
4	(1) cultivate, process, package, label, transport, test, and sell cannabis to
5	a licensed wholesaler, product manufacturer, retailer, integrated licensee, and
6	dispensary and may ;
7	(2) purchase and sell cannabis seeds and immature cannabis plants to
8	another licensed cultivator and propagation cultivator; and
9	(3) possess and sell cannabis products to a licensed wholesaler, product
10	manufacturer, retailer, integrated licensee, and dispensary.
11	* * *
12	Sec. 8. 7 V.S.A. § 904b is added to read:
13	§ 904b. PROPAGATION CULTIVATOR LICENSE
14	(a) A propagation cultivator licensed under this section may:
15	(1) cultivate not more than 2,500 square feet of cannabis clones,
16	immature cannabis plants, or mature cannabis plants;
17	(2) test, transport, and sell cannabis clones and immature cannabis
18	plants to licensed cultivators; and
19	(3) test, transport, and sell cannabis seeds that meet the federal
20	definition of hemp to a licensed cultivator or retailer or to the public.

1	(b) A licensed propagation cultivator shall not cultivate mature cannabis
2	plants for the purpose of producing, harvesting, transferring, or selling
3	cannabis flower for or to any person.
4	Sec. 9. 7 V.S.A. § 905 is amended to read:
5	§ 905. WHOLESALER LICENSE
6	A wholesaler licensed under this chapter may:
7	(1) purchase cannabis from a licensed cultivator and integrated licensee,
8	and cannabis products from a licensed product manufacturer, integrated
9	licensee, and dispensary cannabis establishment;
10	(2) transport, process, package, and sell cannabis and cannabis products
11	to a licensed product manufacturer, retailer, integrated licensee, and dispensary
12	cannabis establishment; and
13	(3) sell cannabis seeds or immature cannabis plants to a licensed
14	cultivator.
15	Sec. 10. 7 V.S.A. § 906 is amended to read:
16	§ 906. PRODUCT MANUFACTURER LICENSE
17	A product manufacturer licensed under this chapter may:
18	(1) purchase cannabis from a licensed cultivator, wholesalers, or
19	integrated licensee, and cannabis products from a licensed wholesaler, product
20	manufacturer, integrated licensee, and dispensary cannabis establishment;

1	(2) use cannabis and cannabis products to produce cannabis products;
2	and
3	(3) transport, process, package, and sell cannabis products to a licensed
4	wholesaler, product manufacturer, retailer, integrated licensee, and dispensary
5	cannabis establishment.
6	Sec. 11. 7 V.S.A. § 907 is amended to read:
7	§ 907. RETAILER LICENSE
8	(a) A retailer licensed under this chapter may:
9	(1) purchase cannabis from a licensed cultivator, wholesaler, or
10	integrated licensee, and cannabis products from a licensed wholesaler, product
11	manufacturer, integrated licensee, and dispensary cannabis establishment; and
12	(2) transport, possess, package, and sell cannabis and cannabis products
13	to the public for consumption off the registered premises or for cultivation.
14	* * *
15	Sec. 12. 7 V.S.A. § 910 is amended to read:
16	§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE
17	The following fees shall apply to each person or product licensed by the
18	Board:
19	* * *
20	(3) Manufacturers.

1	(A) Manufacturer tier 1. Manufacturers that process and manufacture
2	cannabis in order to produce cannabis products without using solvent-based
3	extraction and not more than \$\frac{\$10,000.00}{\$50,000.00}\$ per year in cannabis
4	products based on the manufacturer's total annual sales in cannabis products
5	shall be assessed an annual licensing fee of \$750.00.
6	* * *
7	(7) Propagation cultivators. Propagation cultivators shall be assessed an
8	annual licensing fee of \$500.00.
9	(8) Employees. Cannabis establishments licensed by the Board shall be
10	assessed an annual licensing fee of \$50.00 for each employee.
11	(8)(9) Products. Cannabis establishments licensed by the Board shall be
12	assessed an annual product licensing fee of \$50.00 for every type of cannabis
13	and cannabis product that is sold in accordance with this chapter.
14	(9)(10) Local licensing fees. Cannabis establishments licensed by the
15	Board shall be assessed an annual local licensing fee of \$100.00 in addition to
16	each fee assessed under subdivisions (1)—(6)(7) of this section. Local licensing
17	fees shall be distributed to the municipality in which the cannabis
18	establishment is located pursuant to section 846(c) of this title.
19	(10)(11) One-time fees.
20	(A) All applicants for a cannabis establishment license shall be
21	assessed an initial one-time application fee of \$1,000.00.

1	(B) An applicant may choose to be assessed an initial one-time		
2	intent-to-apply fee of \$500.00. If the applicant subsequently seeks a license		
3	within one year after paying the intent-to-apply fee, the initial one-time		
4	application fee of \$1,000.00 shall be reduced by \$500.00.		
5	Sec. 13. 7 V.S.A. chapter 35 is amended to read:		
6	CHAPTER 35. MEDICAL CANNABIS REGISTRY		
7	§ 951. DEFINITIONS		
8	As used in this chapter:		
9	* * *		
10	(8) "Qualifying medical condition" means:		
11	(A) cancer, multiple sclerosis, positive status for human		
12	immunodeficiency virus, acquired immune deficiency syndrome, glaucoma,		
13	Crohn's disease, Parkinson's disease, post-traumatic stress disorder,		
14	Alzheimer's disease, amyotrophic lateral sclerosis (ALS), autism spectrum		
15	disorder as provided by the latest edition of the Diagnostic and Statistical		
16	Manual of Mental Disorders, sickle cell disease, damage to the nervous tissue		
17	of the spinal cord with objective neurological indication of spasticity, epilepsy		
18	or uncontrolled seizure disorder, cerebral palsy, cystic fibrosis, irritable bowel		
19	syndrome, ulcerative colitis, or the treatment of these conditions, if the disease		
20	or the treatment results in severe, persistent, and intractable symptoms; or		

1	(B) post-traumatic stress disorder, provided the Department confirm		
2	the applicant is undergoing psychotherapy or counseling with a licensed		
3	mental health care provider; or		
4	(C) a disease or medical condition or its treatment that is chronic,		
5	debilitating, and produces one or more of the following intractable symptoms		
6	cachexia or wasting syndrome, chronic pain, severe nausea, or seizures.		
7	* * *		
8	§ 952. REGISTRY		
9	* * *		
10	(b) A person who is a registered patient or a registered caregiver on behalf		
11	of a patient may:		
12	(1) Cultivate not more than two six mature and seven 12 immature		
13	cannabis plants. Any cannabis harvested from the plants shall not count		
14	toward the two-ounce possession limit in subdivision (2) of this subsection,		
15	provided it is stored in an indoor facility on the property where the cannabis		
16	was cultivated and reasonable precautions are taken to prevent unauthorized		
17	access to the cannabis.		
18	(2) Possess not more than two ounces of cannabis.		
19	(3) Purchase cannabis and cannabis products at a licensed medical		
20	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.
- 3 ***
- 4 § 954. CAREGIVERS
- 5 (a) Pursuant to rules adopted by the Board, a person may register with the
 6 Board as a caregiver of a registered patient to obtain the benefits of the
 7 Registry as provided in section 952 of this title.
- 8 (b)(1) The Board shall adopt rules that set forth standards for determining 9 whether an applicant should be denied a caregiver card because of his or her 10 criminal history record. An applicant shall not be denied solely on the basis of 11 a criminal conviction that is not listed in 13 V.S.A. chapter 25 or 28 conduct a 12 name and date of birth Vermont criminal conviction record background check 13 and obtain information from the Child Protection Registry maintained by the 14 Department for Children and Families and from the Vulnerable Adult Abuse, 15 Neglect, and Exploitation Registry maintained by the Department of 16 Disabilities, Aging, and Independent Living (collectively, the Registries) for 17 any person who applies to be a caregiver. The Departments for Children and 18 Families and of Disabilities, Aging, and Independent Living shall adopt rules governing the process for obtaining information from the Registries and for 19 20 disseminating and maintaining records of that information under this 21 subsection.

1

2	a copy of the caregiver applicant's fingerprint-based Vermont criminal history
3	records, out-of-state criminal history records, and criminal history records from
4	the Federal Bureau of Investigation.
5	(c) The Board shall adopt rules that set forth standards for determining
6	whether an applicant should be denied a cannabis establishment license
7	caregiver card because of his or her criminal history record the applicant's
8	status on either Registry.
9	(d)(1) Except as provided in subdivision (2) of this subsection, a caregiver
10	shall serve only one patient may serve not more than two patients at a time,
11	and a patient shall have only one registered caregiver at a time. A patient may
12	serve as a caregiver for one other patient.
13	(2) A patient who is under 18 years of age may have two caregivers.
14	Additional caregivers shall be at the discretion of the Board.
15	§ 955. REGISTRATION; FEES
16	(a) A registration card shall expire one year after the date of issuance for
17	patients with a qualifying medical condition of chronic pain and the caregivers
18	who serve those patients. For all other patients and the caregivers who serve
19	those patients, a registration card shall expire five years after the date of
20	issuance. A patient or caregiver may renew the card according to protocols
21	adopted by the Board.

(2) The Board shall obtain from the Vermont Crime Information Center

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. 14. 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. 15. 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. 16. 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. 17. 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 1, 2024, the Auditor of Accounts shall
11	report to the General Assembly regarding the organizational structure and
12	membership of the Cannabis Control Board and whether the structure
13	continues to be the most efficient for carrying out the statutory duties of the
14	Board.
15	Sec. 18. EFFECTIVE DATE
16	This act shall take effect on July 1, 2023.
17	
18	
19	
20	
21	

1			
2			
3	(Committee vote:)		
4			
5		Representative	

(Draft No. 1.2 – H.270)

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Page 20 of 20

FOR THE COMMITTEE