

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 on~~
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 (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 * * *

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
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

* * *

~~(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.

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 (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 offer goods and services that are not permitted at a cannabis establishment
2 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
19 governing the process for obtaining information from the Registries and for
20 disseminating and maintaining records of that information under this
21 subsection.

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

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 _____

6

FOR THE COMMITTEE