## 1 TO THE HONORABLE SENATE:

| 2  | The Committee on Agriculture to which was referred House Bill No. 270          |
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| 3  | entitled "An act relating to miscellaneous amendments to the adult-use and     |
| 4  | medical cannabis programs" respectfully reports that it has considered the     |
| 5  | same and recommends that the Senate propose to the House that the bill be      |
| 6  | amended by adding a Sec. 3a to read as follows:                                |
| 7  | Sec. 3a. 7 V.S.A. § 869 is amended to read:                                    |
| 8  | § 869. CULTIVATION OF CANNABIS; ENVIRONMENTAL AND LAND                         |
| 9  | USE STANDARDS; REGULATION OF SMALL CULTIVATORS                                 |
| 10 | CULTIVATION  |
| 11 | (a) A cannabis establishment shall not be regulated as "farming" under the     |
| 12 | Required Agricultural Practices, 6 V.S.A. chapter 215, or other State law, and |
| 13 | cannabis produced from cultivation shall not be considered an agricultural     |
| 14 | product, farm crop, or agricultural crop for the purposes of 32 V.S.A. chapter |
| 15 | 124, 32 V.S.A. § 9741, or other relevant State law.                            |
| 16 | (b) The cultivation, processing, and manufacturing of cannabis regulated       |
| 17 | under this chapter shall comply with all applicable State, federal, and local  |
| 18 | environmental, energy, or public health law, unless otherwise provided under   |
| 19 | this chapter.  |

| 1  | (c) A cannabis establishment regulated under this chapter shall be subject      |  |  |
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| 2  | to regulation under 24 V.S.A. chapter 117 as authorized by this chapter, unless |  |  |
| 3  | otherwise provided under this chapter.  |  |  |
| 4  | (d)(1) The cultivation, processing, and manufacturing of cannabis by all        |  |  |
| 5  | cultivators regulated under this chapter shall comply with the following        |  |  |
| 6  | sections of the Required Agricultural Practices as administered and enforced    |  |  |
| 7  | by the Board:   |  |  |
| 8  | (A) section 6, regarding conditions, restriction, and operating                 |  |  |
| 9  | standards;  |  |  |
| 10 | (B) section 8, regarding groundwater quality and groundwater quality            |  |  |
| 11 | investigations; and   |  |  |
| 12 | (C) section 12, regarding subsurface tile drainage.                             |  |  |
| 13 | (2) Application of or compliance with the Required Agricultural                 |  |  |
| 14 | Practices under subdivision (1) of this subsection shall not be construed to    |  |  |
| 15 | provide a presumption of compliance with or exemption to any applicable         |  |  |
| 16 | State, federal, and local environmental, energy, public health, or land use law |  |  |
| 17 | required under subsections (b) and (c) of this section.                         |  |  |
| 18 | (e) Persons cultivating cannabis or handling pesticides for the purposes of     |  |  |
| 19 | the manufacture of cannabis products shall comply with the worker protection    |  |  |
| 20 | standard of 40 C.F.R. Part 170.   |  |  |

| 1  | (f) Notwithstanding subsection (a) of this section, a small cultivator          |  |
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| 2  | licensed under this chapter who initiates cultivation of cannabis outdoors on a |  |
| 3  | parcel of land that was subject to the Required Agricultural Practices prior to |  |
| 4  | licensed cultivation of cannabis shall:   |  |
| 5  | (1) be regulated in the same manner as "farming" and not as                     |  |
| 6  | "development" on the tract of land where cultivation occurs for the purposes of |  |
| 7  | permitting under 10 V.S.A. chapter 151;   |  |
| 8  | (2) not be regulated by a municipal bylaw adopted under 24 V.S.A.               |  |
| 9  | chapter 117 in the same manner that Required Agricultural Practices are not     |  |
| 10 | regulated by a municipal bylaw under 24 V.S.A. § 4413(d)(1)(A);                 |  |
| 11 | (3) be eligible to enroll in the Use Value Appraisal Program under 32           |  |
| 12 | V.S.A. chapter 124 for the cultivation of cannabis, provided that the           |  |
| 13 | agricultural land or farm building on the parcel where cannabis cultivation     |  |
| 14 | occurs was enrolled in the Use Value Appraisal Program prior to                 |  |
| 15 | commencement of licensed cannabis cultivation and the parcel continues to       |  |
| 16 | qualify for enrollment; and   |  |
| 17 | (4) be exempt under 32 V.S.A. § 9741(3), (25), and (50) from the tax on         |  |
| 18 | retail sales imposed under 32 V.S.A. § 9771; and                                |  |
| 19 | (5) be entitled to the rebuttable presumption that cultivation does not         |  |
| 20 | constitute a nuisance under 12 V.S.A. chapter 195 in the same manner as         |  |

| 1  | "agricultural activities" are entitled to the rebutta | able presumption under 12 |
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| 2  | <u>V.S.A. § 5753</u> .                                |                           |
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| 9  | (Committee vote:)                                     |                           |
| 10 |   |                           |
| 11 |   | Senator                   |

 12
 FOR THE COMMITTEE

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