

1 TO THE HONORABLE SENATE:

2 The Committee on Agriculture to which was referred House Bill No. 270  
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 Secs. 3a and 3b 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  
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  
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  
21 “agricultural activities” are entitled to the rebuttable presumption, provided

1 that, notwithstanding 12 V.S.A. § 5753(a)(1)(A), the cultivation is complying  
2 with subsections (b) and (d) of this section.

3 Sec. 3b. 7 V.S.A. § 863 is amended to read:

4 § 863. REGULATION BY LOCAL GOVERNMENT

5 \* \* \*

6 (b) A municipality that hosts any cannabis establishment may establish a  
7 cannabis control commission composed of commissioners who may be  
8 members of the municipal legislative body. The local cannabis control  
9 commission may issue and administer local control licenses under this  
10 subsection for cannabis establishments within the municipality but shall not  
11 assess a fee for a local control license issued to a cannabis establishment. The  
12 commissioners may condition the issuance of a local control license upon  
13 compliance with any bylaw adopted pursuant to 24 V.S.A. § 4414 or upon  
14 ordinances regulating signs or public nuisances adopted pursuant to 24 V.S.A.  
15 § 2291, except that ordinances may not regulate public nuisances as applied to  
16 outdoor cultivators that are regulated in the same manner as the Required  
17 Agricultural Practices under subdivision 869(f)(2) of this title. The  
18 commission may suspend or revoke a local control license for a violation of  
19 any condition placed upon the license. The Board shall adopt rules relating to  
20 a municipality's issuance of a local control license in accordance with this

1 subsection and the local commissioners shall administer the rules furnished to  
2 them by the Board as necessary to carry out the purposes of this section.

3 (c) Prior to issuing a license to a cannabis establishment under this  
4 chapter, the Board shall ensure that the applicant has obtained a local control  
5 license from the municipality, if required, unless the Board finds that the  
6 municipality has exceeded its authority under this section.

7 (d) A municipality shall not:

8 (1) prohibit the operation of a cannabis establishment within the  
9 municipality through an ordinance adopted pursuant to 24 V.S.A. § 2291 or a  
10 bylaw adopted pursuant to 24 V.S.A. § 4414, or regulate a cannabis  
11 establishment in a manner that has the effect of prohibiting the operation of a  
12 cannabis establishment;

13 (2) condition the operation of a cannabis establishment, or the issuance  
14 or renewal of a municipal permit to operate a cannabis establishment, on any  
15 basis other than the conditions in subsection (b) of this section; ~~and~~ or

16 (3) exceed the authority granted to it by law to regulate a cannabis  
17 establishment.

18 (Committee vote: \_\_\_\_\_)

19 \_\_\_\_\_

20 Senator \_\_\_\_\_

21 FOR THE COMMITTEE