TO THE HONORABLE SENATE:

The Committee on Economic Development, Housing and General Affairs to which was referred House Bill No. 612 entitled “An act relating to miscellaneous cannabis amendments” respectfully reports that it has considered the same and recommends that the Senate propose to the House that the bill be amended as follows:

First: By striking out Sec. 2, 7 V.S.A. § 861(18), in its entirety and inserting in lieu thereof the following:

Sec. 2. [Deleted.]

Second: By adding a new section to be Sec. 2a to read as follows:

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

§ 864. ADVERTISING

* * *

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

(1) is deceptive, false, or misleading;

(2) promotes overconsumption;

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

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a prize, award, or inducement for purchasing cannabis or a cannabis product, except that price discounts are allowed; [Repealed.]

(5) offers free samples of cannabis or cannabis products;
(6) depicts a person under 21 years of age consuming cannabis or cannabis products; or

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

* * *

Third: In Sec. 4, 7 V.S.A. § 881, in subdivision (a)(5), by striking out subdivision (G) in its entirety and inserting in lieu thereof a new subdivision (G) to read as follows:

(G) requirements for a medical-use endorsement, including rules regarding:

(i) protection of patient privacy and confidential records;

(ii) enhanced training and educational requirements for employees who interact with patients;

(iii) segregation of cannabis products that are otherwise prohibited for sale to nonmedical customers pursuant to subdivisions 868(a)(1) and (b)(1) of this title;

(iv) record-keeping;

(v) delivery;

(vi) access for patients under 21 years of age; and

(vii) health and safety requirements.
Fourth: By adding a new section to be Sec. 7a to read as follows:

Sec. 7a. 7 V.S.A. § 952(e) is added to read:

(e)(1) A person who is 21 years of age or older who applies to be a registered patient shall provide the Board with a Health Care Professional Verification Form as required pursuant to rules adopted by the Board.

(2) A person who is under 21 years of age who applies to be a registered patient shall provide the Board with a Health Care Professional Verification Form from a health care professional who has a treating or consulting relationship of not less than three months’ duration with the applicant, in the course of which the health care professional has completed a full assessment of the applicant’s medical history and current medical condition, including a personal physical examination. The three-month requirement shall not apply if:

(A) an applicant has been diagnosed with:

(i) a terminal illness;

(ii) cancer; or

(iii) acquired immune deficiency syndrome;

(B) an applicant is currently under hospice care;

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

(D) a patient who is already on the Registry changes health care
professionals three months or less prior to the renewal of the patient’s
registration, provided the patient’s new health care professional has completed
a full assessment of the patient’s medical history and current medical
condition, including a personal physical examination;

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

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

Fifth: By adding a new section to be Sec. 11a to read as follows:

Sec. 11a. CANNABIS CONTROL BOARD REPORTING; MEDICAL
CANNABIS REGISTRY
(a) The Cannabis Control Board shall work in consultation with the Vermont Department of Health, the Vermont Medical Society, the Green Mountain Patients’ Alliance, the Cannabis Retailers Association of Vermont, and other interested parties to assess the efficacy of the Medical Cannabis Program in serving registered and prospective patients. The assessment shall include recommendations regarding:

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

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

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

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

Sixth: In Sec. 12, 20 V.S.A. § 2730(b), by striking out subdivision (5) in its entirety and inserting in lieu thereof a new subdivision (5) to read as follows:

(5) A building that is used in the outdoor cultivation of cannabis by a person licensed pursuant to 7 V.S.A. chapter 33 in accordance with such chapter and related rules with fewer than the equivalent of 10 full-time
employees who are not family members and who do not work more than 26 weeks a year.

Seventh: By adding a new section to be Sec. 15a to read as follows:

Sec. 15a. CANNABIS BUSINESS DEVELOPMENT FUND; CANNABIS SOCIAL EQUITY WORKING GROUP

(a) Creation. There is created the Cannabis Social Equity Working Group for the purpose of making recommendations to the General Assembly regarding a percentage of cannabis excise tax monies that should be appropriated to the Cannabis Business Development Fund for uses as provided pursuant to 7 V.S.A. § 987.

(b) Membership. The Working Group shall be composed of the following members:

(1) a representative of the Vermont Racial Justice Alliance;
(2) a representative of the Green Mountain Patients’ Alliance;
(3) the Executive Director of the Cannabis Control Board or designee;
(4) a representative of the Vermont Land Access and Opportunity Board;
(5) the Executive Director of Racial Equity or designee;
(6) the Chair of the Racial Disparities in the Criminal and Juvenile Justice System Advisory Panel;
(7) the Chair of the Health Equity Advisory Commission or designee;

and

(8) the Secretary of the Agency of Commerce and Community

Development or designee.

c) Assistance. The Working Group shall have the assistance of the

Cannabis Control Board for purposes of scheduling and staffing meetings and

developing and submitting the recommendations.

d) Recommendations.

(1) The Working Group shall submit its recommendations to the

General Assembly on or before November 15, 2024.

(2) The Working Group shall cease to exist on January 1, 2025.

Eighth: By striking out Secs. 16, 7 V.S.A. § 869, and 17, 24 V.S.A.

§ 4414a, in their entireties and inserting in lieu thereof the following:

Sec. 16. [Deleted.]

Sec. 17. [Deleted.]

Ninth: By striking out Sec. 18 (effective date) in its entirety and inserting in

lieu thereof new Secs. 18-21 to read as follows:

Sec. 18. 7 V.S.A. § 869 is amended to read:

§ 869. CULTIVATION OF CANNABIS; ENVIRONMENTAL AND LAND

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

(b) The cultivation, processing, and manufacturing of cannabis regulated under this chapter shall comply with all applicable State, federal, and local environmental, energy, or public health law, unless otherwise provided under this chapter.

(c) A cannabis establishment regulated under this chapter shall be subject to regulation under 24 V.S.A. chapter 117 as authorized by this chapter, unless otherwise provided under this chapter.

* * *

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

(1) be regulated in the same manner as “farming” and not as “development” on the tract of land where cultivation occurs for the purposes of permitting under 10 V.S.A. chapter 151;
(2) not be regulated by a municipal bylaw adopted under 24 V.S.A. chapter 117 in the same manner that Required Agricultural Practices are not regulated by a municipal bylaw under 24 V.S.A. § 4413(d)(1)(A); (3) be eligible to enroll in the Use Value Appraisal Program under 32 V.S.A. chapter 124 for the cultivation of cannabis; and (4) be exempt under 32 V.S.A. § 9741(3), (25), and (50) from the tax on retail sales imposed under 32 V.S.A. § 9771; and (5) be entitled to the rebuttable presumption that cultivation does not constitute a nuisance under 12 V.S.A. chapter 195 in the same manner as “agricultural activities” are entitled to the rebuttable presumption, provided that, notwithstanding 12 V.S.A. § 5753(a)(1)(A), the cultivation is complying with subsections (b) and (d) of this section.

(g) The cannabis plant canopy of an outdoor cultivator of cannabis licensed under this chapter shall be set back at least 50 feet from a property boundary or edge of a highway.

Sec. 19. APPLICATION OF OUTDOOR CANNABIS CULTIVATION SETBACK; REPEAL

(a) The setback requirement established under 7 V.S.A. § 869(g) shall apply only to new outdoor cannabis cultivation licenses issued after July 1, 2024.

(b) 7 V.S.A. § 869(g) shall be repealed on July 1, 2025.
Sec. 20. CANNABIS CONTROL BOARD REPORT; SITING OF OUTDOOR CANNABIS CULTIVATION

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

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

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

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

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

(5) recommend whether local cannabis control commissions established pursuant to 7 V.S.A. chapter 33 should be granted additional authority to regulate outdoor cannabis cultivators.
(b) The Cannabis Control Board shall consult with the Vermont League of Cities and Towns, the Cannabis Equity Coalition, the Vermont Medical Society, the Cannabis Retailers Association of Vermont, and other interested stakeholders in developing the report required under subsection (a) of this section.

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

Sec. 21. EFFECTIVE DATES

Sec. 6, 7 V.S.A. § 910, shall take effect on July 1, 2025, and the remainder of the act shall take effect on passage.

(Committee vote: ___________)

________________________

Senator __________________

FOR THE COMMITTEE