

No. 56. An act relating to miscellaneous cannabis amendments.

(H.321)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 7 V.S.A. § 832 is amended to read:

§ 832. CANNABIS POSSESSED UNLAWFULLY SUBJECT TO SEIZURE
AND FORFEITURE

Cannabis possessed unlawfully in violation of this title or administrative rules adopted pursuant to this title may be seized by law enforcement and is subject to forfeiture.

Sec. 2. 7 V.S.A. § 844 is amended to read:

§ 844. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

(a) The Board shall establish a user agreement with the Vermont Crime Information Center in accordance with 20 V.S.A. chapter 117 for the purpose of obtaining Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation as required by chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title.

(b) A fingerprint-based state and national criminal history record check shall be conducted for each natural person prior to being issued a cannabis establishment identification card pursuant to chapter 33 (cannabis establishments) of this title or a medical cannabis dispensary identification card pursuant to chapter 37 (medical cannabis dispensaries) of this title. The

Board may require that such record checks be completed as a condition precedent to license renewal.

Sec. 2a. [Deleted.]

Sec. 2b. 10 V.S.A. § 325u is amended to read:

§ 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

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(b) Organization of Board. The Board shall be composed of:

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(10) one member, appointed by the Vermont Developmental Disabilities Council; ~~and~~

(11) one member, appointed by Vermont Psychiatric Survivors; and

(12) one member, appointed by Migrant Justice.

* * *

Sec. 3. 7 V.S.A. § 861(23) is amended to read:

(23)(A) “Hemp products” or “hemp-infused products” means all products with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts that are prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, construction materials, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.

(B) Notwithstanding subdivision (A) of this subdivision (23), “hemp products” and “hemp-infused products” do not include any substance, manufacturing intermediary, or product that:

(i) is prohibited or deemed a regulated cannabis product by administrative rule of the Cannabis Control Board; or

(ii) contains more than 0.3 percent total tetrahydrocannabinol on a dry-weight basis.

(C) A hemp-derived product or substance that is excluded from the definition of “hemp products” or “hemp-infused products” pursuant to subdivision (B) of this subdivision (23) shall be considered a cannabis product as defined by subdivision 831(3) of this title; provided, however, that a person duly licensed or registered by the Cannabis Control Board lawfully may possess such products in conformity with the person’s license or hemp processor registration.

Sec. 4. [Deleted.]

Sec. 5. 7 V.S.A. § 883 is amended to read:

§ 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

(a) The Board shall obtain from the Vermont Crime Information Center a copy of a fingerprint-based Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation for each license applicant, principal of an applicant, and

person who controls an applicant who is a natural person. Checks may be repeated for good cause or with prudent frequency as determined by the Board.

(b) The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a cannabis establishment license because of ~~his or her~~ the applicant's criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Notwithstanding subsection (a) of this section or subsection 844(b) of this title, if required records are not reasonably available to the Board due to circumstances beyond its control, with the consent of the applicant, the Board may accept third-party criminal background checks ~~submitted by an applicant for a cannabis establishment license or renewal in lieu of obtaining the records from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation from a reputable commercial provider.~~ Any such third-party background check shall:

~~(1) be conducted by a third party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act; and~~

(2) include a multistate and ~~multi-jurisdiction~~ multijurisdiction criminal record locator. Consumer credit scores shall not be a basis for license denial.

Sec. 6. 7 V.S.A. § 884 is amended to read:

§ 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

(a) Every owner, principal, and employee of a cannabis establishment shall obtain an identification card issued by the Board. A person may apply for an identification card prior to obtaining employment with a licensee. An employee identification card shall authorize the person to work for any licensee.

(b)(1)(A) Prior to issuing the identification card to an owner or principal of a cannabis establishment, the Board shall obtain from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation.

(B) Prior to issuing the identification card to an employee of a cannabis establishment, the Board shall obtain a copy of a fingerprint-based identity history summary record from the Federal Bureau of Investigation.

(2) The Board shall adopt rules that set forth standards for determining whether a person should be denied a cannabis establishment identification card because of ~~his or her~~ the person's criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or

the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Once an identification card application has been submitted, ~~a person~~ the Board, for good cause, may serve issue a temporary permit authorizing the applicant to serve as an employee of a cannabis establishment pending the background check, provided the person is supervised ~~in his or her duties~~ by someone who is a cardholder. ~~The Board shall issue a temporary permit to the person for this purpose, which shall expire upon the issuance of the identification card or disqualification of the person in accordance with this section~~ Good cause exists if, among other reasons, the application is reasonably expected to take more than 12 days to process.

(d) An identification card shall expire one year after its issuance or, in the case of owners and principals, upon the expiration of the cannabis establishment's license, whichever occurs first.

Sec. 7. 7 V.S.A. § 886 is added to read:

§ 886. INCAPACITY OR DISTRESS; SPECIAL PERMITTING;

IMMUNITY

(a) It is the purpose of this section to authorize the Board to effectively oversee cannabis establishments and the persons authorized to operate such establishments in case of incapacity of a principal, dysfunction, operating distress, interruption in licensure, abrupt closure, or judicial intervention including receivership.

(b) The Board may issue a special permit temporarily authorizing a licensed or unlicensed designee of suitable ability and judgment to temporarily operate a cannabis establishment, or to possess, transport, or dispose of cannabis and cannabis products, as specified by the terms of the permit. The permit shall be printed on official Board letterhead, bear the signature of the Chair of the Board, state clearly a means of prompt authentication by law enforcement and licensees, and specify start and end dates and times. A person's eligibility for a permit under this subsection shall not be limited by subdivision 901(d)(3) of this title.

(c) A person acting in conformity with the terms and scope of a special permit issued pursuant to subsection (b) of this section shall be immune from civil and criminal liability in relation to possession, transportation, or transfer of cannabis within the borders of this State. The Board shall not be liable for economic losses resulting from forfeiture, seizure, sequestration, sale stoppage, transportation, storage, or destruction of cannabis or cannabis products.

(d) If appropriate to facilitate judicial proceedings involving a cannabis establishment or its principals, including an action for receivership, a State court of competent jurisdiction may request that the Board determine whether a person is suited by background and qualifications to hold a special permit issued pursuant to subsection (b) of this section for a purpose specified by the court. In the alternative, the court may ask that the Board recommend such person.

Sec. 8. [Deleted.]

Sec. 9. 7 V.S.A. § 904 is amended to read:

§ 904. CULTIVATOR LICENSE

* * *

(d) Each cultivator shall create packaging for its cannabis.

(1) Packaging shall include:

(A) The name and registration number of the cultivator.

(B) The strain and variety of cannabis contained.

(C) The potency of the cannabis represented by the amount of tetrahydrocannabinol and cannabidiol in milligrams total and per serving.

(D) A ~~“produced on” date reflecting the date that the cultivator finished producing the cannabis~~ “harvested on” date reflecting the date the cultivator harvested the cannabis and a “packed on” date reflecting the date the product was packaged for sale.

(E) Appropriate warnings as prescribed by the Board in rule.

(F) Any additional requirements contained in rules adopted by the Board in accordance with this chapter. Rules shall take into consideration that different labeling requirements may be appropriate depending on whether the cannabis is sold to a wholesaler, product manufacturer, or retailer.

(2) Packaging shall not be designed to appeal to persons under 21 years of age.

* * *

Sec. 10. 7 V.S.A. § 904b is amended to read:

§ 904b. PROPAGATION CULTIVATOR LICENSE

(a) A propagation cultivator licensed under this section may:

(1) cultivate not more than 3,500 square feet of cannabis clones, immature cannabis plants, or mature cannabis plants;

(2) test, transport, and sell cannabis clones and immature cannabis plants to licensed cultivators and retailers; and

(3) test, transport, and sell cannabis seeds that meet the federal definition of hemp to a licensed cultivator or retailer or to the public.

(b) A licensed propagation cultivator shall not cultivate mature cannabis plants for the purpose of producing, harvesting, transferring, or selling cannabis flower for or to any person.

Sec. 11. [Deleted.]

Sec. 12. [Deleted.]

Sec. 12a. CANNABIS CONTROL BOARD REPORT; PROPOSAL FOR
FEES AND APPROPRIATIONS FOR FISCAL YEAR 2027

(a) On or before November 15, 2025, the Cannabis Control Board shall submit to the House Committees on Ways and Means and on Government Operations and Military Affairs and the Senate Committees on Finance and on Economic Development, Housing and General Affairs a report that includes the following information:

(1) a summary of all cannabis fees in effect in fiscal year 2026,
including the amounts of revenue derived from each fee in fiscal year 2025;

(2) a projection of the fee revenues in fiscal year 2026;

(3) any available information regarding comparable fees in other
jurisdictions;

(4) any policies or trends that might affect the viability of the fee
amount; and

(5) a recommendation regarding how the cannabis establishment fee
schedule as set forth in 7 V.S.A. § 910 may be adjusted to better promote the
intent of the General Assembly to encourage participation in the regulated
cannabis market by small local farmers and social equity applicants.

(b) As part of the report required under subsection (a) of this section, the
Cannabis Control Board shall recommend whether a portion of the cannabis
excise tax established pursuant to 32 V.S.A. § 7902 should be allocated to the
Cannabis Business Development Fund for uses as provided pursuant to 7
V.S.A. § 987 and the Vermont Land Access and Opportunity Board to fulfill
the duties of the Board.

Sec. 13. 32 V.S.A. § 3260 is amended to read:

§ 3260. BULK SALES

(a) Whenever a person (transferor) required to collect or withhold a trust
tax pursuant to chapter 151, 207, 225, or 233 of this title shall make any sale,
transfer, long-term lease, or assignment (transfer) in bulk of any part or the

whole of the assets of a business, otherwise than in the ordinary course of the business, the purchaser, transferee or assignee (transferee) shall, at least 10 days before taking possession of the subject of the transfer or before payment therefore if earlier, notify the Commissioner in writing of the proposed sale and of the price, terms, and conditions thereof whether or not the transferor has represented to or informed the transferee that the transferor owes any trust tax pursuant to chapter 151, 207, 225, or 233 and whether or not the transferee has knowledge that such taxes are owed, and whether any taxes are in fact owed.

(b) Whenever the transferee shall fail to give notice to the Commissioner as required by subsection (a) of this section, or whenever the Commissioner shall inform the transferee that a possible claim for tax exists, any sums of money, property, or choses in action, or other consideration, which the transferee is required to transfer over to or for the transferor, shall be subject to a first priority right and lien for any taxes theretofore or thereafter determined to be due from the transferor to the State, and the transferee is forbidden to transfer the consideration to or for the transferor to the extent of the amount of the State's claim.

(c) For failure to comply with this section, the transferee shall be personally liable for the payment to the State of any taxes theretofore or thereafter determined to be due to the State from the transferor and the liability may be assessed and enforced in the same manner as the liability for tax under chapter 151, 207, 225, or 233.

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Sec. 13a. 32 V.S.A. § 7702 is amended to read:

§ 7702. DEFINITIONS

As used in this chapter unless the context otherwise requires:

* * *

(15) “Other tobacco products” means any product manufactured from, derived from, or containing tobacco or nicotine, whether natural or synthetic, including nicotine alkaloids and nicotine analogs, that is intended for human consumption by smoking, chewing, or in any other manner, including products sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including any liquids, whether nicotine based or not, or delivery devices sold separately for use with a tobacco substitute, but shall not include cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco as defined in this section, or cannabis products as defined in 7 V.S.A. § 831.

* * *

(20) “New smokeless tobacco” means any tobacco product manufactured from, derived from, or containing tobacco or nicotine, whether natural or synthetic, including nicotine alkaloids and nicotine analogs, that is not intended to be smoked, has a moisture content of less than 45 percent, or is offered in individual single-dose tablets or other discrete single-use units.

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Sec. 14. 2020 Acts and Resolves No. 164, Sec. 6d, as amended by 2023 Acts
and Resolves No. 3, Sec. 90, is further amended to read:

Sec. 6d. [Deleted.]

Sec. 15. [Deleted.]

Sec. 15a. [Deleted.]

Sec. 15b. [Deleted.]

Sec. 16. EFFECTIVE DATES

This act shall take effect on July 1, 2025.

Date Governor signed bill: June 11, 2025