

1 H.321

2 An act relating to miscellaneous cannabis amendments

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

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

5 § 832. CANNABIS POSSESSED UNLAWFULLY SUBJECT TO SEIZURE

6 AND FORFEITURE

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

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

11 § 844. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

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

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

1 card pursuant to chapter 37 (medical cannabis dispensaries) of this title. The
2 Board may require that such record checks be completed as a condition
3 precedent to license renewal.

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

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

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

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

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

20 (C) A hemp-derived product or substance that is excluded from the
21 definition of “hemp products” or “hemp-infused products” pursuant to

1 subdivision (B) of this subdivision (23) shall be considered a cannabis product
2 as defined by subdivision 831(3) of this title; provided, however, that a person
3 duly licensed or registered by the Cannabis Control Board lawfully may
4 possess such products in conformity with the person's license or hemp
5 processor registration.

6 Sec. 4. 7 V.S.A. § 881 is amended to read:

7 § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

8 (a) The Board shall adopt rules to implement and administer this chapter in
9 accordance with subdivisions (1)–~~(8)~~(9) of this subsection.

10 (1) Rules concerning any cannabis establishment shall include:

11 (A) the form and content of license and renewal applications;

12 (B) qualifications for licensure that are directly and demonstrably
13 related to the operation of a cannabis establishment, including:

14 (i) a requirement to submit an operating plan, which shall include
15 information concerning:

16 (I) the type of business organization, the identity of its
17 controlling owners and principals, and the identity of the controlling owners
18 and principals of its affiliates; and

19 (II) the sources, amount, and nature of its capital, assets, and
20 financing; the identity of its financiers; and the identity of the controlling
21 owners and principals of its financiers;

1 (ii) a requirement to file an amendment to its operating plan in the
2 event of a significant change in organization, operation, or financing; and

3 (iii) the requirement for a fingerprint-based criminal history record
4 check and regulatory record check pursuant to section 883 of this title;

5 (C) oversight requirements, including provisions to ensure that a
6 licensed establishment complies with State and federal regulatory requirements
7 governing insurance, securities, workers' compensation, unemployment
8 insurance, and occupational health and safety;

9 (D) inspection requirements;

10 (E) records to be kept by licensees and the required availability of the
11 records;

12 (F) employment and training requirements;

13 (G) security requirements, including any appropriate lighting,
14 physical security, video, and alarm requirements;

15 (H) health and safety requirements;

16 (I) regulation of additives to cannabis and cannabis products,
17 including cannabidiol derived from hemp and substances that are toxic or
18 designed to make the product more addictive, more appealing to persons under
19 21 years of age, or to mislead consumers;

20 (J) procedures for seed-to-sale traceability of cannabis, including any
21 requirements for tracking software;

1 (K) regulation of the storage and transportation of cannabis;

2 (L) sanitary requirements;

3 (M) procedures for the renewal of a license, which shall allow
4 renewal applications to be submitted up to 90 days prior to the expiration of
5 the cannabis establishment's license;

6 (N) procedures for suspension and revocation of a license;

7 (O) requirements for banking and financial transactions, including
8 provisions to ensure that the Board, the Department of Financial Regulation,
9 and financial institutions have access to relevant information concerning
10 licensed establishments to comply with State and federal regulatory
11 requirements;

12 (P) disclosure or eligibility requirements for a financier, its owners
13 and principals, and its affiliates, which may include:

14 (i) requirements to disclose information to a licensed
15 establishment, the Board, or the Department of Financial Regulation;

16 (ii) a minimum age requirement and a requirement to conduct a
17 background check for natural persons;

18 (iii) requirements to ensure that a financier complies with
19 applicable State and federal laws governing financial institutions, licensed
20 lenders, and other financial service providers; and

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

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

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

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

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

2 § 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

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

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

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

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

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

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

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

14 § 886. INCAPACITY OR DISTRESS; SPECIAL PERMITTING;

15 IMMUNITY

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

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

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

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

1 court. In the alternative, the court may ask that the Board recommend such
2 person.

3 Sec. 8. 7 V.S.A. § 901 is amended to read:

4 § 901. GENERAL PROVISIONS

5 (a) Except as otherwise permitted by law, a person shall not engage in the
6 cultivation, preparation, processing, packaging, transportation, testing, or sale
7 of cannabis or cannabis products without obtaining a license from the Board.

8 (b) All licenses shall be valid for one year and expire at midnight on the
9 eve of the anniversary of the date the license was issued. A licensee may apply
10 to renew the license annually.

11 (c) Applications for licenses and renewals shall be submitted on forms
12 provided by the Board and shall be accompanied by the fees provided for in
13 section 910 of this title.

14 (d)(1) There shall be ~~seven~~ eight types of licenses available:

15 (A) a cultivator license;

16 (B) a propagator license;

17 (C) a wholesaler license;

18 (D) a product manufacturer license;

19 (E) a retailer license;

20 (F) a testing laboratory license; ~~and~~

21 (G) a trim and harvest service license; and

1 (H) an integrated license.

2 (2)(A) The Board shall develop tiers for:

3 (i) cultivator licenses based on the plant canopy size of the
4 cultivation operation or plant count for breeding stock; and

5 (ii) retailer licenses.

6 (B) The Board may develop tiers for other types of licenses.

7 (3)(A) Except as provided in subdivisions (B) and (C) of this
8 subdivision (3), an applicant and its affiliates may obtain a maximum of one
9 type of each type of license as provided in subdivisions (1)(A)–~~(F)~~(G) of this
10 subsection (d). Each license shall permit only one location of the
11 establishment, however a trim and harvest service licensee may provide
12 services at multiple other licensed cannabis establishments.

13 (B) An applicant and its affiliates that control a dispensary registered
14 on April 1, 2022 may obtain one integrated license provided in subdivision
15 (1)~~(G)~~(H) of this subsection (d) or a maximum of one of each type of license
16 provided in subdivisions (1)(A)–(F) of this subsection (d). An integrated
17 licensee may not hold a separate cultivator, propagator, wholesaler, product
18 manufacturer, retailer, or testing laboratory license, and no applicant or its
19 affiliates that control a dispensary shall hold more than one integrated license.
20 An integrated license shall permit only one location for each of the types of

1 activities permitted by the license: cultivation, propagator, wholesale
2 operations, product manufacturing, retail sales, and testing.

3 (C) An applicant and its affiliates may obtain multiple testing
4 laboratory licenses.

5 (e) A dispensary that obtains a retailer license or an integrated license
6 pursuant to this chapter shall maintain the dispensary and retail operations in a
7 manner that protects patient and caregiver privacy in accordance with rules
8 adopted by the Board.

9 (f) Each licensee shall obtain and maintain commercial general liability
10 insurance in accordance with rules adopted by the Board. Failure to provide
11 proof of insurance to the Board, as required, may result in revocation of the
12 license.

13 (g) All licenses may be renewed according to procedures adopted through
14 rulemaking by the Board.

15 (h) [Repealed.]

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

17 § 904. CULTIVATOR LICENSE

18 * * *

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

20 (1) Packaging shall include:

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

1 (B) The strain and variety of cannabis contained.

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

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

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

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

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

15 * * *

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

17 § 904b. PROPAGATION CULTIVATOR LICENSE

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

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

1 (9) Employees. Cannabis establishments licensed by the Board shall be
2 assessed an annual licensing fee of \$50.00 for each employee. The Board shall
3 offer one-year and two-year employee licenses.

4 ~~(9)~~(10) Products. Cannabis establishments licensed by the Board shall
5 be assessed an annual product licensing fee of \$50.00 for every type of
6 cannabis and cannabis product that is sold in accordance with this chapter.
7 The Board may issue longer product registrations, prorated at the same cost per
8 year, for products it deems low risk and shelf stable. Such products may be
9 defined and distinguished in readily accessible published guidance.

10 ~~(10)~~(11) Local licensing fees. Cannabis establishments licensed by the
11 Board shall be assessed an annual local licensing fee of \$100.00 in addition to
12 each fee assessed under subdivisions (1)–(7) of this section. Local licensing
13 fees shall be distributed to the municipality in which the cannabis
14 establishment is located pursuant to section 846(c) of this title.

15 ~~(11)~~(12) ~~One-time fees~~ Application fee.

16 (A) All applicants for a cannabis establishment license shall be
17 assessed an initial one-time application fee of \$1,000.00.

18 ~~(B) An applicant may choose to be assessed an initial one-time~~
19 ~~intent to apply fee of \$500.00. If the applicant subsequently seeks a license~~
20 ~~within one year after paying the intent to apply fee, the initial one-time~~
21 ~~application fee of \$1,000.00 shall be reduced by \$500.00.~~

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

2 § 3260. BULK SALES

3 (a) Whenever a person (transferor) required to collect or withhold a trust
4 tax pursuant to chapter 151, 207, 225, or 233 of this title shall make any sale,
5 transfer, long-term lease, or assignment (transfer) in bulk of any part or the
6 whole of the assets of a business, otherwise than in the ordinary course of the
7 business, the purchaser, transferee or assignee (transferee) shall, at least 10
8 days before taking possession of the subject of the transfer or before payment
9 therefore if earlier, notify the Commissioner in writing of the proposed sale
10 and of the price, terms, and conditions thereof whether or not the transferor has
11 represented to or informed the transferee that the transferor owes any trust tax
12 pursuant to chapter 151, 207, 225, or 233 and whether or not the transferee has
13 knowledge that such taxes are owed, and whether any taxes are in fact owed.

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

1 the consideration to or for the transferor to the extent of the amount of the
2 State's claim.

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

8 * * *

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

10 § 7702. DEFINITIONS

11 As used in this chapter unless the context otherwise requires:

12 * * *

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

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(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.

* * *

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. CANNABIS CONTROL BOARD; ENFORCEMENT ATTORNEY;
POSITION

One full-time, permanent, exempt position of Enforcement Attorney is authorized in the Cannabis Control Board in fiscal year 2026.

Sec. 16. EFFECTIVE DATE

This act shall take effect July 1, 2025.