

15 An act relating to cannabis advertising

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

17 Sec. 1. FINDINGS AND INTENT

18 (a) The First Amendment to the U.S. Constitution and Chapter I, Article 13

19 of the Vermont Constitution guarantee the fundamental right to freedom of

20 speech, which includes the right to commercial speech.

1        (b) The U.S. Supreme Court established a four-part test for determining  
2        whether restrictions on commercial speech are permissible: “(1) whether the  
3        speech at issue concerns lawful activity and is not misleading and (2) whether  
4        the asserted governmental interest is substantial; and, if so, (3) whether the  
5        regulation directly advances the governmental interest asserted and (4) whether  
6        it is not more extensive than is necessary to serve that interest.” *Greater New*  
7        *Orleans Broadcasting Ass’n, Inc. v. United States*, 527 U.S. 173 (1999)

8        (c) Vermont’s existing restrictions on advertising by licensed cannabis  
9        establishments require administrative agency preapproval of all verbal and  
10       written communications to customers, including social media posts and direct  
11       email marketing; operate as a de facto statewide ban on outdoor advertising in  
12       any place accessible by the general public; and restrict the advertisement of  
13       noncannabis goods by licensed cannabis establishments, which are not  
14       applicable to other lawful sellers of those goods.

15       (d) The State of Vermont has a substantial interest in promoting a vibrant  
16       regulated adult-use cannabis market in which licensed cannabis establishments  
17       are able to displace unregulated sellers of cannabis after more than 80 years of  
18       failed prohibition policies rejected by the State in 2019 Acts and Resolves No.  
19       64.

20       (e) Accordingly, it is the intent of the General Assembly to amend Title 7  
21       to impose constitutionally permissible restrictions on false or misleading

1 advertising by licensed cannabis establishments and on advertising that is  
2 designed to be or has the effect of being particularly appealing to minors,  
3 without infringing upon the fundamental speech rights that are protected by  
4 both the U.S. and the Vermont Constitutions.

5 Sec. 2. 7 V.S.A. § 861 is amended to read:

## 6      § 861. DEFINITIONS

## 7 As used in this chapter:

8 \* \* \*

16 \* \* \*

17 (B) any editorial or other reading material, such as a news release, in  
18 any periodical or publication or newspaper for the publication of which no  
19 money or valuable consideration is paid or promised, directly or indirectly, by  
20 any cannabis establishment, ~~and that is not written by or at the direction of the~~  
21 licensee;

1 (C) any educational, instructional, or otherwise noncommercial  
2 material that is not intended to induce sales and that does not propose an  
3 economic transaction, but that merely provides information to the public in an  
4 unbiased manner; or

5 (D) a sign attached to the premises of a cannabis establishment that  
6 ~~merely identifies the name, location, or operating hours of the cannabis~~  
7 ~~establishment, and which may include the cannabis establishment's logo, the~~  
8 ~~nature of the establishment's business, and directions to the establishment, but~~  
9 which does not contain overtly promotional messaging;

12 (F) any statement, illustration, or depiction promoting noncannabis  
13 products sold by a cannabis establishment.

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

3 \* \* \*

4 (5) offers free samples of cannabis or cannabis products; [Repealed.]

5 \* \* \*

6 (c) Cannabis establishments shall not advertise their products via place a  
7 paid advertisement in any third-party medium unless the licensee can show that  
8 not more than 15 30 percent of the audience is reasonably expected to be under  
9 21 years of age.

10 (d) All advertisements placed in any third-party medium shall contain a  
11 short-form health warnings warning adopted by rule by the Board in  
12 consultation with the Department of Health.

13 (e) All advertisements shall be submitted to the Board on a form or in a  
14 format prescribed by the Board, prior to the dissemination of the  
15 advertisement. The Board may:

16 (1) require a specific disclosure be made in the advertisement in a clear  
17 and conspicuous manner if the Board determines that the advertisement would  
18 be false or misleading without such a disclosure; or

19                   (2) In the event of a violation of this section, the Board may require a  
20                   cannabis establishment to make changes to its advertisements that are

1 necessary to protect the public health, safety, and welfare or consistent with  
2 dispensing information for the product under review.

3 Sec. 4. 7 V.S.A. § 866 is amended to read:

4 § 866. YOUTH

5 \* \* \*

6 (d) In accordance with section 864 of this title, advertising by a cannabis  
7 establishment shall not depict a person under 21 years of age consuming  
8 cannabis or cannabis products or be designed to be or have the effect of being  
9 particularly appealing to persons under 21 years of age. Cannabis  
10 establishments shall not ~~advertise their products via place a paid advertisement~~  
11 ~~in any third-party~~ medium unless ~~the licensee can show that~~ not more than ~~45~~  
12 ~~30~~ percent of the audience is reasonably expected to be under 21 years of age.

13 Sec. 5. EFFECTIVE DATE

14 This act shall take effect on July 1, 2026.