

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Agriculture, Food Resiliency, and Forestry to which was
3 referred Senate Bill No. 323 entitled “An act relating to miscellaneous
4 agricultural subjects” respectfully reports that it has considered the same and
5 recommends that the House propose to the Senate that the bill be amended as
6 follows:

7 First: In Sec. 23, 7 V.S.A. chapter 31, subchapter 3, in section 851, in
8 subsection (b) after “opportunities that may exist.” by inserting “The purpose
9 of this subchapter is also to support small-business hemp producers and
10 processors in taking advantage of opportunities for the cultivation and sale of
11 hemp and hemp products.”

12 Second: In Sec. 23, 7 V.S.A. chapter 31, subchapter 3, in section 854, by
13 striking out all instances of “857” and inserting in lieu thereof “858”

14 Third: In Sec. 23, 7 V.S.A. chapter 31, subchapter 3, in section 855, by
15 striking out subdivisions (a)(8) and (9) in their entirety and inserting in lieu
16 thereof six new subdivisions to be subdivisions (8), (9), (10), (11), (12), and
17 (13) to read as follows:

18 (8) prohibit hazardous additives to hemp products, or specify additive
19 limits, relative to substances that are toxic, not generally recognized as safe, or
20 designed to make the product more addictive or more appealing to persons
21 under 21 years of age or to mislead consumers;

1 (9) specify when a registered hemp product that contains more than 0.4
2 mg tetrahydrocannabinol shall be restricted for sale to persons 21 years of age
3 or older or restricted for sale in specified settings, or both;

4 (10) define “craft processors” as a class of small businesses with
5 different needs and risks and exempt craft processor licensees from the
6 requirements of this subchapter that the Board finds to be unnecessary to
7 protect the public health, safety, and welfare;

8 (11) waive or reduce licensing fees for craft processor applicants
9 pursuant to rule or readily accessible policy;

10 (12) exempt certain product categories from the requirement to register
11 under this chapter; or

12 (13) establish sanitary requirements for licensed processing facilities.

13 Fourth: In Sec. 23, 7 V.S.A. chapter 31, subchapter 3, in section 855, by
14 striking out subsection (b) in its entirety and inserting in lieu thereof a new
15 subsection (b) to read as follows:

16 (b) The Board shall adopt rules to:

17 (1) establish requirements for the licensure of processors of hemp,
18 hemp-derived process intermediaries, and hemp products; and

19 (2) regulate the use of processing facilities and equipment to permit
20 processors to use the same equipment for hemp and cannabis processing and to
21 prevent cross contamination between hemp and cannabis.

1 Fifth: In Sec. 23, 7 V.S.A. chapter 31, subchapter 3, by striking out section
2 858 in its entirety and inserting in lieu thereof a new section 858 to read as
3 follows:

4 § 858. FEES

5 (a) The following fees shall apply to each license or registration application
6 or each annual license or registration renewal under this subchapter:

7 (1) Producer: \$50.00.

8 (2) Processor: \$500.00.

9 (3) Product: \$75.00.

10 (b) Notwithstanding subsection (a) of this section, the Board may issue
11 longer registrations, prorated at the same cost per year, for products it deems
12 low risk and shelf-stable. The products may be defined and distinguished in
13 readily accessible published guidance.

14 Sixth: By adding two new sections to be Sec. 23a and Sec. 23b to read as
15 follows:

16 Sec. 23a. 7 V.S.A. § 845 is amended to read:

17 § 845. CANNABIS REGULATION FUND

18 (a) There is established the Cannabis Regulation Fund, which shall be
19 managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund
20 shall be maintained by the Cannabis Control Board.

1 (b) The Fund shall be composed of:

2 (1) all State application fees, annual license fees, renewal fees, and civil
3 penalties collected by the Board pursuant to chapter 31, subchapter 3 (hemp),
4 ~~chapters~~ chapter 33 (cannabis establishments), and chapter 37 (medical
5 cannabis dispensaries) of this title;

6 * * *

7 Sec. 23b. 7 V.S.A. § 834 is added to read:

8 § 834. SALES RESTRICTIONS

9 (a) As used in this section, “unregistered hemp” or “unregistered cannabis”
10 means a product required by State law or rule of the Cannabis Control Board to
11 be registered with the Cannabis Control Board, including a product derived
12 from the unregistered hemp or unregistered cannabis, that is not registered on
13 the date a transaction occurs.

14 (b) No person shall cause unregistered hemp or unregistered cannabis
15 purchased by mail or through a computer network, telephonic network, or
16 other electronic network to be shipped to anyone other than a licensed cannabis
17 laboratory in this State.

18 (c) No person shall, with knowledge or reason to know of the violation,
19 provide substantial assistance to a person in violation of this section.

1 (d) A violation of this section is punishable as follows:

2 (1) A knowing or intentional violation of this section shall be punishable
3 by imprisonment for not more than five years or a fine of not more than
4 \$5,000.00, or both.

5 (2) In addition to or in lieu of any other civil or criminal remedy
6 provided by law, upon a determination that a person has violated this section,
7 the Attorney General may impose a civil penalty in an amount not to exceed
8 \$5,000.00 for each violation. For purposes of this subsection, each shipment
9 or transport of unregistered hemp or unregistered cannabis shall constitute a
10 separate violation.

11 (3) The Attorney General may seek an injunction to restrain a threatened
12 or actual violation of this section.

13 (4) In any action brought pursuant to this section, the State shall be
14 entitled to recover the costs of investigation, expert witness fees, the action,
15 and reasonable attorney's fees.

16 (5) A person who violates this section engages in an unfair and
17 deceptive trade practice in violation of the State's Consumer Protection Act, 9
18 V.S.A. §§ 2451 et seq.

19 (6) If a court determines that a person has violated the provisions of this
20 section, the court shall order any profits, gain, gross receipts, or other benefit

1 from the violation to be disgorged and paid to the State Treasurer for deposit in
2 the General Fund.

3 (7) Unless otherwise expressly provided, the penalties or remedies, or both,
4 under this section are in addition to any other penalties and remedies available
5 under any other law of this State.

6 Seventh: By striking out Sec. 27, effective date, and its corresponding
7 reader assistance heading in its entirety and inserting in lieu thereof a new
8 Sec. 27 and reader assistance heading to read as follows:

9 * * * Effective Dates * * *

10 Sec. 27. EFFECTIVE DATES

11 (a) Sections 22, 23, 23a, 23b, 24, and 25 shall be effective on passage.

12 (b) All other sections shall take effect on July 1, 2026.

13

14

15 (Committee vote: _____)

16

17

Representative _____

18

FOR THE COMMITTEE