



**Vermont House Agriculture, Food Resiliency, & Forestry
Committee**

April 8, 2026

Discussion Prompts

- **Federal Status**
 - History- CBD products caught in definition changes
- **Hemp in Vermont**
- **What are we trying to do here?**
 - THC % determines 1 of 4 'buckets'
 - Authority to initiate rulemaking
 - Understand interest from Vermont hemp businesses
 - Notice and Comment Rulemaking on outstanding questions
 - Intrastate market interest?
- **Fees**



VERMONT

CANNABIS
CONTROL
BOARD



FEDERAL STATUS

Agricultural Improvement Act of 2018 (“2018 Farm Bill”) 7 USC 1639o
(1)Hemp.—The term “hemp” means the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and **all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers,** whether growing or not, with a **delta-9 tetrahydrocannabinol** concentration of not more than **0.3 percent on a dry weight basis.**



FEDERAL STATUS

“0.3% loophole”: Applying the 0.3% concentration threshold to heavier products results in greater amounts of THC. For example, a 50 -gram chocolate bar could have around 150 mg of THC and still be compliant with the 0.3% THC threshold

“THCA loophole”: The 0.3% threshold specifically applies to “delta -9 THC.” As written, it does not include delta -9 THCA (the precursor to THC) which readily converts into THC when smoked, heated, or combusted.

"Derivatives loophole": The definition of hemp also includes "all derivatives" of the cannabis plant. As a result, some hemp businesses are taking CBD (cannabidiol) derived from hemp and chemically converting it into intoxicating cannabinoid derivatives like delta-8 THC, THCO acetates, and HHC, none of which have been well-studied for human safety.



FEDERAL STATUS

FY2026 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act Total

THC Limit: The 0.3% THC threshold now applies to the **total THC concentration**, which includes delta-9 THC, delta-8 THC, tetrahydrocannabinolic acid (THCA), and any other cannabinoids determined by the Secretary of Health and Human Services to have similar effects to THC.

Per Container Limit: Final consumer products are limited to a maximum of **0.4 milligrams of combined total THC per container**, a threshold that industry experts argue would eliminate approximately 99% of currently available products, including many non-intoxicating CBD items that contain trace amounts of THC.

Synthetic and Manufactured Cannabinoids: The law explicitly excludes cannabinoids that are synthesized or manufactured outside the Cannabis sativa plant, directly targeting products like delta8 and delta-10 THC that grew in popularity under the 2018 Farm Bill framework. Effective date: November 12, 2026

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HEMP IN VERMONT

Act 143 (2018), 6 V.S.A. § 564(a): “The Secretary shall establish a pilot program to research the growth, cultivation, and marketing of industrial hemp.

The Agency of Agriculture, Food & Markets adopted the first and only Hemp Rules, effective May 21, 2020. [CVR 20-031-023](#)

- Act 174 (2022) amended 6 V.S.A. § 564(a): “The Secretary may establish and administer a State Hemp Program to regulate the growing, processing, testing, or marketing of industrial hemp and hemp products in the State.”
- In October 2022, AAFM notified participants that it would stop licensing and provided instructions for registering “to grow hemp” with the USDA-AMS Domestic Hemp Production Program.



(INTOXICATING) HEMP IN VERMONT

Act 158 (2022), 7 V.S.A. § 862: "The [Cannabis Control] Board shall have the authority to regulate synthetic cannabinoids and hemp-derived cannabinoids, including delta-8 and delta-10 tetrahydrocannabinol.

Prohibited synthetic cannabinoids *including delta-9 tetrahydrocannabinol that has been chemically or mechanically concentrated or otherwise derived from hemp and then sprayed, infused, or otherwise artificially introduced onto or into any product, including hemp or hemp products, so as to impart intoxicating properties mimicking those of cannabis and cannabis products.*

- (a) contains total tetrahydrocannabinol in a concentration exceeding 0.3 percent on a dry weight basis;
- (b) contains more than 1.5 mg tetrahydrocannabinol per serving, where “serving” is the amount reasonably ingested by a typical consumer in a single instance; or
- (c) contains more than 10 mg total tetrahydrocannabinol per package, unless the ratio of cannabidiol to tetrahydrocannabinol is at least 20:1;
- (d) has the dominant market appeal of mimicking the intoxicating effects of tetrahydrocannabinol. Promulgated as final rules effective October 21, 2023.

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<.4% THC per package (Not impacted by federal definition change)



.4% THC to Board Rule 2.17 (intoxicating Product)(Result of federal definition change, encompasses full spectrum products, low thc beverages, gummies, other products)



Intoxicating Hemp Product (CCB already has statutory authority and rule for)



Cannabis Product (CCB already has rules for and can only be found in a dispensary)



SO WHAT DOES S.323 ACCOMPLISH?

Provides the CCB rulemaking authority to largely address the regulatory gap for products between .4% THC and what is an intoxicating product as defined in CCB Rule 2.17

- Provides flexibility to assume there will be adjustments to levels for non-intoxicating hemp products, or category carveouts at the federal level- FDA is supposed to be working on what 'package' means and potential carveouts
 - Allows businesses caught in this federal change to prove they are legitimate to financial institutions and insurance companies
- Allows for the CCB to solicit public feedback to create rules around key questions:
 - *Hemp being processed at cannabis manufacturing facilities*
 - *How to handle possession and transfer of hemp intermediaries*
 - *Which testing, labelling, safety standard apply to hemp products intended for human consumption?*
 - *Are there products or additives that should be prohibited?*
 - *Are hemp products that contain certain amounts of THC restricted to people 21+?*
- Amendments would be appropriate to create a regulatory space for OTC or Out of Dispensary products if the general assembly wants them to be lawful for intrastate sale despite their federal status if nothing changes in November.
 - This would not necessarily change how these products are viewed and considered federally



FEES

PRODUCER: \$50.00

PROCESSOR: \$500.00

PRODUCT: \$75.00

These aim to strike a balance between unknown continued market interest in a post November 12 world, potential for interstate commerce if something changes, and the FTE required of the CCB to add a new license type and compliance considerations to its program