

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Government Operations and Military Affairs to which  
3 was referred House Bill No. 321 entitled “An act relating to miscellaneous  
4 cannabis amendments” respectfully reports that it has considered the same and  
5 recommends that the bill be amended by striking out all after the enacting  
6 clause and inserting in lieu thereof the following:

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

8 § 832. CANNABIS POSSESSED UNLAWFULLY SUBJECT TO SEIZURE  
9 AND FORFEITURE

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

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

14 § 844. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

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

1        (b) A fingerprint-based state and national criminal history record check  
2        shall be conducted for each natural person prior to being issued a cannabis  
3        establishment identification card pursuant to chapter 33 (cannabis  
4        establishments) of this title or a medical cannabis dispensary identification  
5        card pursuant to chapter 37 (medical cannabis dispensaries) of this title. The  
6        Board may require that such record checks be completed as a condition  
7        precedent to license renewal.

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

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

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

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

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

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

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

11           § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

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

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

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

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

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

1 (I) the type of business organization, the identity of its  
2 controlling owners and principals, and the identity of the controlling owners  
3 and principals of its affiliates; and

4 (II) the sources, amount, and nature of its capital, assets, and  
5 financing; the identity of its financiers; and the identity of the controlling  
6 owners and principals of its financiers;

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

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

11 (C) oversight requirements, including provisions to ensure that a  
12 licensed establishment complies with State and federal regulatory requirements  
13 governing insurance, securities, workers' compensation, unemployment  
14 insurance, and occupational health and safety;

15 (D) inspection requirements;

16 (E) records to be kept by licensees and the required availability of the  
17 records;

18 (F) employment and training requirements;

19 (G) security requirements, including any appropriate lighting,  
20 physical security, video, and alarm requirements;

21 (H) health and safety requirements;

1 (I) regulation of additives to cannabis and cannabis products,  
2 including cannabidiol derived from hemp and substances that are toxic or  
3 designed to make the product more addictive, more appealing to persons under  
4 21 years of age, or to mislead consumers;

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

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

8 (L) sanitary requirements;

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

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

13 (O) requirements for banking and financial transactions, including  
14 provisions to ensure that the Board, the Department of Financial Regulation,  
15 and financial institutions have access to relevant information concerning  
16 licensed establishments to comply with State and federal regulatory  
17 requirements;

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

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



1 (5) Rules concerning retailers shall include:

2 \* \* \*

3 (F) location or siting requirements that increase the geographic  
4 distribution of ~~new~~ cannabis retail establishments based on regional  
5 population, and market needs, and community input; and

6 \* \* \*

7 (9) Rules concerning trim and harvest services shall include:

8 (A) requirements for verification of the licenses of clients;

9 (B) essential content and permissible terms of written service  
10 contracts, including provisions for security and diversion prevention;

11 (C) provisions to ensure safe and lawful transportation and lodging of  
12 travelling personnel;

13 (D) essential content of employee health, safety, and skills training,  
14 including first aid and recognition of common pests and pathogens;

15 (E) requirements appropriate to minimize the risk of pest and  
16 pathogen transmission; and

17 (F) procedures for documenting lawful compensation.

18 \* \* \*

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

2 § 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

3 (a) The Board shall obtain from the Vermont Crime Information Center a  
4 copy of a fingerprint-based Vermont criminal history records, out-of-state  
5 criminal history records, and criminal history records from the Federal Bureau  
6 of Investigation for each license applicant, principal of an applicant, and  
7 person who controls an applicant who is a natural person. Checks may be  
8 repeated for good cause or with prudent frequency as determined by the Board.

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

15 (c) Notwithstanding subsection (a) of this section or subsection 844(b) of  
16 this title, if required records are not reasonably available to the Board due to  
17 circumstances beyond its control, with the consent of the applicant, the Board  
18 may accept third-party criminal background checks ~~submitted by an applicant~~  
19 ~~for a cannabis establishment license or renewal in lieu of obtaining the records~~  
20 ~~from the Vermont Crime Information Center a copy of the person's Vermont~~  
21 ~~fingerprint-based criminal history records, out of state criminal history~~



1 ~~records, and criminal history records from the Federal Bureau of Investigation~~  
2 from a reputable commercial provider. Any such third-party background  
3 check shall:

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

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

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

10 § 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

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

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

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

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

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

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

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

2 § 886. INCAPACITY OR DISTRESS; SPECIAL PERMITTING;

3 IMMUNITY

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

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

18 (c) A person acting in conformity with the terms and scope of a special  
19 permit issued pursuant to subsection (b) of this section shall be immune from  
20 civil and criminal liability in relation to possession, transportation, or transfer  
21 of cannabis within the borders of this State. The Board shall not be liable for

1 economic losses resulting from forfeiture, seizure, sequestration, sale stoppage,  
2 transportation, storage, or destruction of cannabis or cannabis products.

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

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

11 § 901. GENERAL PROVISIONS

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

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

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

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

2 (A) a cultivator license;

3 (B) a propagator license;

4 (C) a wholesaler license;

5 (D) a product manufacturer license;

6 (E) a retailer license;

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

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

9 (H) an integrated license.

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

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

13 (ii) retailer licenses.

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

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

1           (B) An applicant and its affiliates that control a dispensary registered  
2 on April 1, 2022 may obtain one integrated license provided in subdivision  
3 (1)~~(G)~~(H) of this subsection (d) or a maximum of one of each type of license  
4 provided in subdivisions (1)(A)–(F) of this subsection (d). An integrated  
5 licensee may not hold a separate cultivator, propagator, wholesaler, product  
6 manufacturer, retailer, or testing laboratory license, and no applicant or its  
7 affiliates that control a dispensary shall hold more than one integrated license.  
8 An integrated license shall permit only one location for each of the types of  
9 activities permitted by the license: cultivation, propagator, wholesale  
10 operations, product manufacturing, retail sales, and testing.

11           (C) An applicant and its affiliates may obtain multiple testing  
12 laboratory licenses.

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

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

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

3 (h) [Repealed.]

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

5 § 904. CULTIVATOR LICENSE

6 \* \* \*

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

8 (1) Packaging shall include:

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

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

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

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

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

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





1 Sec. 12. 7 V.S.A. § 910 is amended to read:

2 § 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

3 The following fees shall apply to each person or product licensed by the  
4 Board:

5 \* \* \*

6 (8) Trim and harvest services. Trim and harvest services shall be  
7 assessed an annual licensing fee of \$500.00.

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

11 ~~(9)~~(10) Products. Cannabis establishments licensed by the Board shall  
12 be assessed an annual product licensing fee of \$50.00 for every type of  
13 cannabis and cannabis product that is sold in accordance with this chapter.  
14 The Board may issue longer product registrations, prorated at the same cost per  
15 year, for products it deems low risk and shelf stable. Such products may be  
16 defined and distinguished in readily accessible published guidance.

17 ~~(10)~~(11) Local licensing fees. Cannabis establishments licensed by the  
18 Board shall be assessed an annual local licensing fee of \$100.00 in addition to  
19 each fee assessed under subdivisions (1)–(7) of this section. Local licensing  
20 fees shall be distributed to the municipality in which the cannabis  
21 establishment is located pursuant to section 846(c) of this title.

1           ~~(11)~~(12) ~~One-time fees~~ Application fee.

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

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

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

9           § 3260. BULK SALES

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

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

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

15 \* \* \*

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

18 Sec. 6d. [Deleted.]

19 Sec. 15. CANNABIS CONTROL BOARD; ENFORCEMENT ATTORNEY;  
20 POSITION

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

3        Sec. 16. EFFECTIVE DATE

4        This act shall take effect July 1, 2025.

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11        (Committee vote: \_\_\_\_\_)

12

\_\_\_\_\_

13

Representative \_\_\_\_\_

14

FOR THE COMMITTEE