

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 entireties 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.

21 (b) The Fund shall be composed of:

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

5 * * *

6 **Sec. 23b. 7 V.S.A. § 1010 is amended to read:**

7 **§ 1010. INTERNET SALES**

8 **(a) As used in this section:**

9 (1) “Cigarette” has the same meaning as in 32 V.S.A. § 7702(1).

10 (2) “Unregistered” means a product required by State law or rule of the
11 Cannabis Control Board to be registered with the Cannabis Control Board, that
12 is not so registered on the date a transaction occurs.

13 * * *

14 (b)(1) No person shall cause cigarettes, roll-your-own tobacco, little cigars,
15 snuff, tobacco substitutes, substances containing nicotine or otherwise intended
16 for use with a tobacco substitute, or tobacco paraphernalia, ordered or
17 purchased by mail or through a computer network, telephonic network, or
18 other electronic network, to be shipped to anyone other than a licensed
19 wholesale dealer or retail dealer in this State.

20 (2) No person shall cause unregistered cannabis, unregistered hemp, or
21 any unregistered product derived therefrom, purchased by mail or through a

1 computer network, telephonic network, or other electronic network, to be
2 shipped to anyone other than a licensed cannabis laboratory in this State.

3 * * *

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5 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE