

Final Proposed Filing - Coversheet

Instructions:

In accordance with Title 3 Chapter 25 of the Vermont Statutes Annotated and the “Rule on Rulemaking” adopted by the Office of the Secretary of State, this filing will be considered complete upon filing and acceptance of these forms with the Office of the Secretary of State, and the Legislative Committee on Administrative Rules.

All forms shall be submitted at the Office of the Secretary of State, no later than 3:30 pm on the last scheduled day of the work week.

The data provided in text areas of these forms will be used to generate a notice of rulemaking in the portal of “Proposed Rule Postings” online, and the newspapers of record if the rule is marked for publication. Publication of notices will be charged back to the promulgating agency.

**PLEASE REMOVE ANY COVERSHEET OR FORM NOT
REQUIRED WITH THE CURRENT FILING BEFORE DELIVERY!**

Certification Statement: As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I approve the contents of this filing entitled:

Rule 4: Compliance and Enforcement

_____, on _____
/s/ James Pepper , on 5/12/2025
(signature) (date)

Printed Name and Title:

James Pepper, Chair, Cannabis Control Board

RECEIVED BY: _____

- ☐ Coversheet
- ☐ Adopting Page
- ☐ Economic Impact Analysis
- ☐ Environmental Impact Analysis
- ☐ Strategy for Maximizing Public Input
- ☐ Scientific Information Statement (if applicable)
- ☐ Incorporated by Reference Statement (if applicable)
- ☐ Clean text of the rule (Amended text without annotation)
- ☐ Annotated text (Clearly marking changes from previous rule)
- ☐ ICAR Minutes
- ☐ Copy of Comments
- ☐ Responsiveness Summary

1. TITLE OF RULE FILING:

Rule 4: Compliance and Enforcement

2. PROPOSED NUMBER ASSIGNED BY THE SECRETARY OF STATE

25P 005

3. ADOPTING AGENCY:

Cannabis Control Board

4. PRIMARY CONTACT PERSON:

(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).

Name: Gabriel M. Gilman

Agency: Cannabis Control Board

Mailing Address: 89 Main Street, 3rd Floor, Montpelier, VT
05602-2948

Telephone: 802-261-1510 Fax:

E-Mail: gabriel.gilman@vermont.gov

Web URL *(WHERE THE RULE WILL BE POSTED)*: ccb.vermont.gov/laws-
rules-and-regulations

5. SECONDARY CONTACT PERSON:

(A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON).

Name: Patrick Crowley

Agency: Cannabis Control Board

Mailing Address: 89 Main Street, 3rd Floor, Montpelier, VT
05602-2948

Telephone: 802-636-7548 Fax:

E-Mail: patrick.crowley@vermont.gov

6. RECORDS EXEMPTION INCLUDED WITHIN RULE:

(DOES THE RULE CONTAIN ANY PROVISION DESIGNATING INFORMATION AS CONFIDENTIAL; LIMITING ITS PUBLIC RELEASE; OR OTHERWISE, EXEMPTING IT FROM INSPECTION AND COPYING?) No

IF YES, CITE THE STATUTORY AUTHORITY FOR THE EXEMPTION:

PLEASE SUMMARIZE THE REASON FOR THE EXEMPTION:

7. LEGAL AUTHORITY / ENABLING LEGISLATION:

(THE SPECIFIC STATUTORY OR LEGAL CITATION FROM SESSION LAW INDICATING WHO THE ADOPTING ENTITY IS AND THUS WHO THE SIGNATORY SHOULD BE. THIS SHOULD BE A SPECIFIC CITATION NOT A CHAPTER CITATION).

7 V.S.A. §§ 843(a) (creating the Cannabis Control Board); 843(b) (1) (charging the Board with rulemaking); 843(c) (1) (providing that the Board shall have a chair).

8. EXPLANATION OF HOW THE RULE IS WITHIN THE AUTHORITY OF THE AGENCY:

The rule responds directly to statutory directives to adopt rules pertaining to designated topics set out in statute, to include 7 V.S.A. §§ 863, 864, 881, 882, and 32 V.S.A. § 7906.

9. THE FILING HAS CHANGED SINCE THE FILING OF THE PROPOSED RULE.

10. THE AGENCY HAS INCLUDED WITH THIS FILING A LETTER EXPLAINING IN DETAIL WHAT CHANGES WERE MADE, CITING CHAPTER AND SECTION WHERE APPLICABLE.

11. SUBSTANTIAL ARGUMENTS AND CONSIDERATIONS WERE RAISED FOR OR AGAINST THE ORIGINAL PROPOSAL.

12. THE AGENCY HAS INCLUDED COPIES OF ALL WRITTEN SUBMISSIONS AND SYNOPSES OF ORAL COMMENTS RECEIVED.

13. THE AGENCY HAS INCLUDED A LETTER EXPLAINING IN DETAIL THE REASONS FOR THE AGENCY'S DECISION TO REJECT OR ADOPT THEM.

14. CONCISE SUMMARY (150 WORDS OR LESS):

This is a comprehensive update to rules governing adult-use cannabis establishments and the medical cannabis system. Amendments to Rule 1 streamline renewal; establish siting requirements for retailers; simplify license changes; provide for tier changes based on performance; require deposit accounts; increase flexibility to address past misconduct by applicants; and retire a cumbersome system of prequalification. Amendments to Rule 2 clarify safety standards and allowable use of the Inventory Tracking System; prohibit consignment; standardize transport manifests; disallow illusory brands; standardize warning symbols; provide for product remediation; provide for curbside transactions; implement propagation cultivator licensing; integrate hemp-

derived additives; and prohibit cannabinoids in beverage alcohol. Amendments to Rule 3 provide for retailer medical endorsements and raise standards for medical products. Amendments to Rule 4 create a process for orders concerning adulterated products.

15. EXPLANATION OF WHY THE RULE IS NECESSARY:

The rule is necessary for the Board to ensure a safe and fair legalized market for cannabis in Vermont. Enforcement mechanisms help ensure product safety, consumer safety, and public safety. They also ensure that all participants in the market are held to fair and consistent standards and afforded appropriate process before the imposition of adverse regulatory action.

16. EXPLANATION OF HOW THE RULE IS NOT ARBITRARY:

The rule will mark the second revision to the essential operating rules of the Cannabis Control Board since the adult-use cannabis market opened in October 2022. Each proposed amendment responds rationally to an operating need, opportunity for improvement, or legislative instruction since the underlying rule was last adopted.

17. LIST OF PEOPLE, ENTERPRISES AND GOVERNMENT ENTITIES AFFECTED BY THIS RULE:

This rule affects applicants, licensees, and those involved in the adult-use and medical-use regulated cannabis markets. This includes currently registered patients, caregivers, and dispensaries. The rule may have relevance to agencies with overlapping enforcement duties, including the Department of Public Safety; Department of State's Attorneys & Sheriffs; Agency of Agriculture, Food & Markets; Department of Health; Department of Labor; Division of Fire Safety; and Department of Liquor & Lottery

18. BRIEF SUMMARY OF ECONOMIC IMPACT (150 WORDS OR LESS):

The rule will have few or no broad economic impacts, as it directly affects only those applicants and licensees who become the subject of formal enforcement orders and proceedings. Though the fairness and efficacy of enforcement is important to the general integrity of the regulated cannabis market, no specific group can be said to incur material costs or savings.

19. A HEARING WAS HELD.

20. HEARING INFORMATION

(THE FIRST HEARING SHALL BE NO SOONER THAN 30 DAYS FOLLOWING THE POSTING OF NOTICES ONLINE).

IF THIS FORM IS INSUFFICIENT TO LIST THE INFORMATION FOR EACH HEARING, PLEASE ATTACH A SEPARATE SHEET TO COMPLETE THE HEARING INFORMATION.

Date: 2/20/2025

Time: 09:00 AM

Street Address: Cannabis Control Board, 89 Main Street, 3rd Floor, Montpelier

Zip Code: 05602

URL for Virtual: ccb.vermont.gov/event/ccb-rules-hearing

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

Date:

Time: AM

Street Address:

Zip Code:

URL for Virtual:

21. DEADLINE FOR COMMENT (NO EARLIER THAN 7 DAYS FOLLOWING LAST HEARING):

2/28/2025

KEYWORDS (PLEASE PROVIDE AT LEAST 3 KEYWORDS OR PHRASES TO AID IN THE SEARCHABILITY OF THE RULE NOTICE ONLINE).

Cannabis

Marijuana

Dispensary

Cultivator

adult-use

Adopting Page

Instructions:

This form must accompany each filing made during the rulemaking process:

Note: To satisfy the requirement for an annotated text, an agency must submit the entire rule in annotated form with proposed and final proposed filings. Filing an annotated paragraph or page of a larger rule is not sufficient. Annotation must clearly show the changes to the rule.

When possible, the agency shall file the annotated text, using the appropriate page or pages from the Code of Vermont Rules as a basis for the annotated version. New rules need not be accompanied by an annotated text.

1. TITLE OF RULE FILING:

Rule 4: Compliance and Enforcement

2. ADOPTING AGENCY:

Cannabis Control Board

3. TYPE OF FILING (*PLEASE CHOOSE THE TYPE OF FILING FROM THE DROPDOWN MENU BASED ON THE DEFINITIONS PROVIDED BELOW*):

- **AMENDMENT** - Any change to an already existing rule, even if it is a complete rewrite of the rule, it is considered an amendment if the rule is replaced with other text.
- **NEW RULE** - A rule that did not previously exist even under a different name.
- **REPEAL** - The removal of a rule in its entirety, without replacing it with other text.

This filing is **AN AMENDMENT OF AN EXISTING RULE** .

4. LAST ADOPTED (*PLEASE PROVIDE THE SOS LOG#, TITLE AND EFFECTIVE DATE OF THE LAST ADOPTION FOR THE EXISTING RULE*):

#23-032; Rule 3: Compliance and Enforcement; last adoption effective October 21, 2023.

Economic Impact Analysis

Instructions:

In completing the economic impact analysis, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule; estimates the costs and benefits for each category of people enterprises and government entities affected by the rule; compares alternatives to adopting the rule; and explains their analysis concluding that rulemaking is the most appropriate method of achieving the regulatory purpose. If no impacts are anticipated, please specify “No impact anticipated” in the field.

Rules affecting or regulating schools or school districts must include cost implications to local school districts and taxpayers in the impact statement, a clear statement of associated costs, and consideration of alternatives to the rule to reduce or ameliorate costs to local school districts while still achieving the objectives of the rule (see 3 V.S.A. § 832b for details).

Rules affecting small businesses (excluding impacts incidental to the purchase and payment of goods and services by the State or an agency thereof), must include ways that a business can reduce the cost or burden of compliance or an explanation of why the agency determines that such evaluation isn’t appropriate, and an evaluation of creative, innovative or flexible methods of compliance that would not significantly impair the effectiveness of the rule or increase the risk to the health, safety, or welfare of the public or those affected by the rule.

1. TITLE OF RULE FILING:

Rule 4: Compliance and Enforcement

2. ADOPTING AGENCY:

Cannabis Control Board

3. CATEGORY OF AFFECTED PARTIES:

LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:

The rule will have a direct economic impact only on those few licensees and entities that become the subject of formal enforcement proceedings.

4. IMPACT ON SCHOOLS:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS CLEARLY STATING ANY ASSOCIATED COSTS:

No impact anticipated.

5. **ALTERNATIVES:** *CONSIDERATION OF ALTERNATIVES TO THE RULE TO REDUCE OR AMELIORATE COSTS TO LOCAL SCHOOL DISTRICTS WHILE STILL ACHIEVING THE OBJECTIVE OF THE RULE.*

n/a

6. **IMPACT ON SMALL BUSINESSES:**

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON SMALL BUSINESSES (EXCLUDING IMPACTS INCIDENTAL TO THE PURCHASE AND PAYMENT OF GOODS AND SERVICES BY THE STATE OR AN AGENCY THEREOF):

No impact anticipated.

7. **SMALL BUSINESS COMPLIANCE:** *EXPLAIN WAYS A BUSINESS CAN REDUCE THE COST/BURDEN OF COMPLIANCE OR AN EXPLANATION OF WHY THE AGENCY DETERMINES THAT SUCH EVALUATION ISN'T APPROPRIATE.*

The simplest way a business can reduce costs associated with administrative compliance and enforcement is to maintain continuous and conscientious awareness of regulatory requirements and to act in conformity with those requirements.

8. **COMPARISON:**

COMPARE THE IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING SEPARATE REQUIREMENTS FOR SMALL BUSINESS:

Because most all cannabis establishments are small businesses, separate requirements for small business are not a consideration. By comparison to no rule on the subject, clear and simple enforcement rules tend to improve access to due process for those without resources to engage an attorney. Since its first adoption, the rule has provided that administrative sanctions are halved for the very smallest cultivators and manufacturers.

9. **SUFFICIENCY:** *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*

The Board looked to comparable compliance and enforcement processes employed by the Office of Professional Regulation, the Agency of Agriculture, and the Department of Liquor & Lottery.

Environmental Impact Analysis

Instructions:

In completing the environmental impact analysis, an agency analyzes and evaluates the anticipated environmental impacts (positive or negative) to be expected from adoption of the rule; compares alternatives to adopting the rule; explains the sufficiency of the environmental impact analysis. If no impacts are anticipated, please specify “No impact anticipated” in the field.

Examples of Environmental Impacts include but are not limited to:

- Impacts on the emission of greenhouse gases
- Impacts on the discharge of pollutants to water
- Impacts on the arability of land
- Impacts on the climate
- Impacts on the flow of water
- Impacts on recreation
- Or other environmental impacts

1. TITLE OF RULE FILING:

Rule 4: Compliance and Enforcement

2. ADOPTING AGENCY:

Cannabis Control Board

3. GREENHOUSE GAS: *EXPLAIN HOW THE RULE IMPACTS THE EMISSION OF GREENHOUSE GASES (E.G. TRANSPORTATION OF PEOPLE OR GOODS; BUILDING INFRASTRUCTURE; LAND USE AND DEVELOPMENT, WASTE GENERATION, ETC.):*

No impact anticipated.

4. WATER: *EXPLAIN HOW THE RULE IMPACTS WATER (E.G. DISCHARGE / ELIMINATION OF POLLUTION INTO VERMONT WATERS, THE FLOW OF WATER IN THE STATE, WATER QUALITY ETC.):*

No impact anticipated.

5. LAND: *EXPLAIN HOW THE RULE IMPACTS LAND (E.G. IMPACTS ON FORESTRY, AGRICULTURE ETC.):*

No impact anticipated.

6. RECREATION: *EXPLAIN HOW THE RULE IMPACTS RECREATION IN THE STATE:*

No impact anticipated.

7. **CLIMATE:** *EXPLAIN HOW THE RULE IMPACTS THE CLIMATE IN THE STATE:*
No impact anticipated.
8. **OTHER:** *EXPLAIN HOW THE RULE IMPACT OTHER ASPECTS OF VERMONT'S ENVIRONMENT:*
No impact anticipated.
9. **SUFFICIENCY:** *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*
The Board reviewed its 2023 filing of this rule and found no reason to anticipate any impact on the environment. Amendments are substantially procedural.

Public Input Maximization Plan

Instructions:

Agencies are encouraged to hold hearings as part of their strategy to maximize the involvement of the public in the development of rules. Please complete the form below by describing the agency's strategy for maximizing public input (what it did do, or will do to maximize the involvement of the public).

This form must accompany each filing made during the rulemaking process:

1. TITLE OF RULE FILING:

Rule 4: Compliance and Enforcement

2. ADOPTING AGENCY:

Cannabis Control Board

3. PLEASE DESCRIBE THE AGENCY'S STRATEGY TO MAXIMIZE PUBLIC INVOLVEMENT IN THE DEVELOPMENT OF THE PROPOSED RULE, LISTING THE STEPS THAT HAVE BEEN OR WILL BE TAKEN TO COMPLY WITH THAT STRATEGY:

The State cannabis industry is small and closely regulated, so licensees are easily reached by direct email notice. Board meetings provide additional opportunity to announce rulemaking and invite engagement. Meetings occur at least monthly, feature strong attendance, and are routinely summarized in contemporaneous reports in the general and industry press. In addition to complying with standard APA publication requirements, the Board will provide direct email notice to known stakeholders in government, peripheral industries, industry associations, and activist groups. Outreach will be based on known interest, without regard to each stakeholder's policy viewpoint.

4. BEYOND GENERAL ADVERTISEMENTS, PLEASE LIST THE PEOPLE AND ORGANIZATIONS THAT HAVE BEEN OR WILL BE INVOLVED IN THE DEVELOPMENT OF THE PROPOSED RULE:

We expect to engage and invite feedback from cannabis consumers; licensees; the Department of Public Safety,

Public Input

the Department of State's Attorneys & Sheriffs; the Agency of Agriculture, Food & Markets; the Attorney General's Consumer Protection Division; the Department of Health; the Department of Labor; the Division of Fire Safety; the Department of Liquor & Lottery; the Department of Taxes; public health advocacy groups; the Vermont Medical Society; the Cannabis Retail Association of Vermont, Vermont Growers Association, the Cannabis Trades Association, and other industry advocacy groups.

**STATE OF VERMONT
CANNABIS CONTROL BOARD**

RULE 4: COMPLIANCE AND ENFORCEMENT

- 4.1 Section 1: General Provisions
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 - 4.2.2 Complaints
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- 4.9 Process for Notices of Violation Without Immediate Effect

- 4.10 Process for Notices of Violation with Immediate Effect
- 4.11 Extensions and Consolidations
- 4.12 Health and Safety Notices
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 - 4.12.3 Process for a Health and Safety Notice
- 4.13 Administrative Appeals Process
- 4.14 Letter of Warning
- 4.15 Confidentiality

4 Rule 4: Compliance and Enforcement

4.1 Section 1: General Provisions

4.1.1 Authority

The Cannabis Control Board adopts this rule pursuant to 7 V.S.A. §§ 863, 864, 881, 882, 32 V.S.A. § 7906, and other applicable law.

4.1.2 Scope and Purpose

The Board is charged with implementing and regulating a legal market for Cannabis in Vermont. This rule provides for enforcing compliance with the Board's rules.

4.1.3 Definitions

All definitions in 7 V.S.A. §§ 861 and 951 and Board Rules 1 and 2 shall apply to this rule. The following definitions shall also apply:

- (a) "Administrative penalty" means a monetary fine.
- (b) "Board designee" means a person designated by the Board to act as its agent for the purpose of executing the Board's responsibilities. This may be an employee of the Board or of another government agency.
- (c) "Caregiver" means a resident of Vermont who has been issued a Caregiver registration card by the Board, identifying the person as someone who has agreed to undertake responsibility for managing the well-being of a Patient with respect to the use of Cannabis or Cannabis Products for symptom relief.
- (d) "Corrective action plan" means a required set of actions imposed by the Board upon a Cannabis Establishment or dispensary for the purpose of curing a violation of Board Rules or of 7 V.S.A. chapter 33, 35, 37, or 39.
- (e) "Inventory Tracking System" means a method implemented by the Board for tracing all Cannabis and Cannabis Products grown, manufactured, and sold in Vermont.
- (f) "Licensee" means a person who has been issued a license pursuant to Board Rule 1 or Board Rule 3.
- (g) "Notice of Violation" means a document in which the Board informs a licensee or a person engaged in the transfer or sale of Cannabis or Cannabis Product that they are the subject of an enforcement action by the Board and includes such other information as required by this rule.
- (h) "Patient" means a resident of Vermont who has been issued a registration card by the Board, identifying the person as having a qualifying medical condition pursuant to the provisions of this rule.
- (i) "Pesticide" shall have the same meaning as "economic poison" as defined in 6 V.S.A. § 911(5).
- (j) "Physical site of operations" means:
 - i. a cultivator's or propagation cultivator's grow site,

- ii. a wholesaler's product storage facility,
- iii. a manufacturer's site of manufacture,
- iv. a retailer's store location, or
- v. a testing laboratory's testing facility.

4.1.4 Applicability

This rule applies to persons who engage in the sale or transfer of Cannabis or Cannabis Products, including sales or transfers related to cultivating, manufacturing, wholesaling, or retailing Cannabis or Cannabis Products. This rule also applies to those who provide testing services to persons who engage in the sale or transfer of Cannabis or Cannabis Products.

4.1.5 Time

- (a) In computing any time period, measured in days, that is established or allowed by this rule or by order of the Board or Chair:
 - (1) the day of the act or event that triggers the period shall be excluded;
 - (2) every day, including intermediate Saturdays, Sundays, and legal holidays shall be counted;
 - (3) the last day of the period shall be counted, but if the last day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday.
- (b) A "legal holiday" means:
 - (1) any day declared a holiday by the President or Congress of the United States; and
 - (2) any day declared a holiday by the State of Vermont.

4.2 Complaints and Investigations

4.2.1 Investigations

The Board shall be empowered to conduct investigations of all persons who engage in the sale or transfer of Cannabis or Cannabis Products to ensure compliance with Board rules or of 7 V.S.A. chapter 33, 35, 37, or 39. The Board shall further be empowered to conduct investigations of those who provide testing services to persons who engage in the sale or transfer of Cannabis or Cannabis Products. Such investigations may include undercover investigations. Investigations shall be carried out by Board designees.

4.2.2 Complaints

The Board may accept complaints from any person regarding compliance with these rules, provided that a complaint without further corroboration will not comprise the basis for disciplinary action by the Board. Anyone may file a complaint in a manner determined by the Board and made readily available to the public. Complainants do not have a right to receive updates on disciplinary actions.

4.3 Duty to Cooperate

4.3.1 General Duty

Licensees and Cannabis Establishment identification card holders shall cooperate with the Board and Board designees who are conducting investigations relevant to the enforcement of the Board's rules and related law.

4.3.2 Cooperation with Inspections

Licensees and Cannabis Establishment identification card holders shall cooperate with the Board and Board designees who are conducting inspections and shall give the Board and Board designees immediate access to facilities and records upon request, including access to their physical site of operations.

4.4 Violations and Penalties

4.4.1 Violations Generally

Any violation may be subject to an enforcement action by the Board. The Board will assess the penalty and the severity of the penalty as provided in this rule.

4.4.2 Penalties

One or more of the following penalties may be imposed for a violation in accordance with the categories defined in section 4.5 of this rule:

- (a) Requirement to produce or comply with a corrective action plan.
- (b) Administrative penalty.
- (c) Suspension of a license or Cannabis Establishment identification card.
- (d) Revocation of a license or Cannabis Establishment identification card.

4.5 Categories of Violations and Associated Penalties

The Board will levy administrative penalties and other penalties in accordance with the following categories, provided that the maximum administrative penalties for violations associated with the operations of tier I cultivators and tier I manufacturers shall be half the amount provided for in the categories.

To the extent a violation is not listed in this section the Board shall have discretion to assign the violation to an appropriate category and issue a penalty accordingly.

4.5.1 Category I Violations and Penalties

Category I violations are of a severity that could make a person ineligible to receive, renew, or maintain a license or Cannabis Establishment identification card and include:

- (a) Operating without all required permits, Board approvals, certificates, registrations and/or licenses;
- (b) Making an intentionally false statement to the Board or a Board designee;
- (c) Intentionally destroying or concealing evidence of a violation;
- (d) Failure to abide by a corrective action plan;
- (e) Failure to pay taxes to the Department of Taxes;
- (f) Knowingly permitting unlawful activity on the premises of a Cannabis Establishment or dispensary, or during transportation of Cannabis or Cannabis Product, that results in death or serious physical injury;
- (g) Operating a Cannabis Establishment or dispensary while the license for the Cannabis Establishment or dispensary is suspended or revoked;
- (h) Attempting to change control of a licensee without prior approval of the Board in accordance with Rule 1.17;
- (i) Transporting Cannabis or Cannabis Product outside of the boundaries of this State;
- (j) Making verbal or physical threats to the Board or a Board designee;
- (k) Refusing to allow an inspection or obstructing a Board designee from performing his or her official duties;
- (l) Purchasing, selling, or transferring Cannabis or Cannabis Product that has not passed the required analysis by an independent testing laboratory;
- (m) Labeling Cannabis or Cannabis Products with potency limits that do not match independent laboratory test results;
- (n) Purchasing, manufacturing, selling or otherwise utilizing Cannabis or Cannabis Products from a source that is not a licensed Cannabis Establishment or dispensary;
- (o) Purchasing, manufacturing, selling or otherwise utilizing Cannabis or Cannabis Products from a Cannabis Establishment or dispensary whose license has been suspended or revoked;
- (p) Purchasing or selling Cannabis or Cannabis Product not found in the Inventory Tracking System;
- (q) Failure to properly collect taxes;
- (r) Transporting or storing Cannabis or Cannabis Product from an unlicensed source;
- (s) Diversion of Cannabis or Cannabis Products, including by mislabeling Medical Products or selling or providing Medical Products other than to an eligible Patient or Caregiver;
- (t) Intentionally selling or transferring unauthorized or unlawful Cannabis Products; or
- (u) Conduct of a character likely to deceive, defraud, or harm the public.
- (v) **Knowingly** using unauthorized pesticides, soil amendments, fertilizers or other crop production aids.

Before consideration of the factors described in section 4.7 of this rule, the Board will presume that the following are appropriate penalties for Category I violations. In no event shall a Category I penalty be greater than those permitted in this section.

For a category I violation which is the:

- (w) First violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$20,000, a suspension of a license or Cannabis Establishment identification card for not more than 60 days, and/or revocation of a license or Cannabis Establishment identification card.
- (x) Second or subsequent violation in the immediately preceding 3 years, a corrective action plan, a suspension of license or Cannabis Establishment identification card for a length of time to be determined by the Board, and/or revocation of a license or Cannabis Establishment identification card.

4.5.2 Category II Violations and Penalties

Category II violations are violations of a severity that create a threat to public health or safety and include:

- (a) Making an unintentional false statement or representation of fact to the Board or Board designee;
- (b) Unintentionally destroying or concealing evidence of a violation;
- (c) Failing to verify the age of, or selling or otherwise providing Cannabis or Cannabis Products to, a person who is less than 21 years, provided that patients with registry cards may purchase Cannabis or Cannabis Products at dispensary retail operations in accordance with Board Rule 3 and 7 V.S.A. chapters 35 and 37;
- (d) Allowing a person under 21 years of age to enter a transport vehicle or a building or enclosure on the premises of a Cannabis Establishment where Cannabis or Cannabis Product is located, provided that Patients with registry cards may enter dispensary retail operations in accordance with Board Rule 3 and 7 V.S.A. chapters 35 and 37;
- (e) Permitting employment or otherwise accepting work by a person without a Cannabis Establishment identification card or temporary work permit;
- (f) Allowing a person who is less than 21 years of age to work at a Cannabis Establishment or dispensary;
- (g) Failure to separate Medical Cannabis or Cannabis Product sales from adult use retail sales;
- (h) Unlawful transfer of Cannabis or Cannabis Product from a dispensary into the adult use market;
- (i) Selling or transferring Cannabis or Cannabis Product in excess of transaction limits;
- (j) Failing to maintain required security systems;
- (k) Any intentional variance from approved procedures in a testing laboratory;
- (l) Failing to notify the Board of theft of Cannabis or Cannabis Products as required by Rule 2.2.17;

- (m) Negligently using unauthorized pesticides, soil amendments, fertilizers or other crop production aids;
- (n) Transferring, moving, or disturbing Cannabis or Cannabis Product which has been placed on stop sale or quarantined by the Board without Board approval; or
- (o) Failing to destroy, selling, or transferring Cannabis or Cannabis Product that has been ordered destroyed by the Board, or that has been adulterated or contaminated without successful remediation;
- (p) Selling or transferring unauthorized or unlawful Cannabis Products;
- (q) Altering, manipulating, or falsifying a certificate of analysis;
- (r) Failing to report lost, stolen, or adulterated Cannabis or Cannabis Products; or
- (s) Failing to abide by Cannabis and Cannabis Product testing requirements.

Before consideration of the factors described in section 4.7 of this rule, the Board will presume that the following are appropriate penalties for Category II violations. In no event shall a Category II penalty be greater than those permitted in this section.

For a category II violation which is the:

- (t) First violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$15,000, and/or a suspension for not more than 20 days of a license or Cannabis Establishment identification card.
- (u) Second violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$20,000, and/or a suspension for not more than 30 days of a license or Cannabis Establishment identification card.
- (v) Third or subsequent violation in the immediately preceding 3 years, a corrective action plan, a suspension of license or cannabis establishment identification card for a length of time to be determined by the Board, and/or revocation of a license or Cannabis Establishment identification card.

4.5.3 Category III Violations and Penalties

Category III violations are violations of a severity that create a potential threat to public health or safety and include:

- (a) Allowing consumption by any person of alcohol, Cannabis, or other intoxicants on the premises of the Cannabis Establishment or dispensary, or in areas adjacent to the premises of the Cannabis Establishment or dispensary that are under the licensee's control, except as authorized by the Board;
- (b) Failing to keep any required records, including updating the Inventory Tracking System;
- (c) Failing to respond to a Notice of Violation or failing to pay administrative penalties;
- (d) Knowingly permitting any activity on the premises of the Cannabis Establishment or dispensary, or during the transport of Cannabis or Cannabis Products from the premises, that violates Vermont law and that the licensee or an employee has knowledge of;
- (e) Selling or transferring unauthorized products or using unauthorized ingredients;
- (f) Failing to notify the Board of a modification or expansion of the facilities of the Cannabis Establishment or dispensary;

- (g) Violating packaging or labeling requirements, provided that the person or licensee who created the nonconforming label, and any retailer who allows the nonconforming label to be available for sale to a consumer, may both be liable for a violation under this subsection;
- (h) Violating advertising laws or regulations;
- (i) Storing or delivering Cannabis or Cannabis Products outside the Inventory Tracking System;
- (j) Failing to meet requirements for the disposal of Cannabis or Cannabis Product waste;
- (k) Violating restrictions on product samples for employees and business partners;
- (l) Exceeding maximum serving requirements for Cannabis or Cannabis Products;
- (m) Failing to comply with requirements for employee hygiene;
- (n) Failing to maintain a reasonably sanitary Cannabis Establishment or dispensary in line with industry standards or applicable regulations;
- (o) Failing to maintain adequate food safety standards, where relevant;
- (p) Selling or failing to dispose of Cannabis, Cannabis Products or food items that are spoiled;
- (q) Failing to properly update the licensee's point of contact with the Board;
- (r) Failure to maintain quality assurance/quality control program in a testing laboratory;
- (s) Failure to maintain current standard operating procedures, where relevant; or
- (t) Failure to file and maintain accurate governing documents, or failure to operate in conformity with governing documents of record.

Before consideration of the factors described in section 4.7 of this rule, the Board will presume that the following are appropriate penalties for Category III violations. In no event shall a Category III penalty be greater than those permitted in this section.

For a category III violation which is the:

- (u) First violation in the immediately preceding 3 years, a corrective action plan and/or an administrative penalty of not more than \$10,000.
- (v) Second violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$15,000, and/or a suspension for not more than 10 days of a license or Cannabis Establishment identification card.
- (w) Third violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$20,000 and/or a suspension for not more than 20 days of a license or Cannabis Establishment identification card.
- (x) Fourth or subsequent violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$20,000, a suspension of license or Cannabis Establishment identification card for a length of time to be determined by the Board, and/or a revocation of license or Cannabis Establishment identification card.

4.5.4 Category IV Violations and Penalties

Category IV violations create a climate which is conducive to abuses associated with the sale or production of Cannabis or Cannabis Products and include:

- (a) Failing to have in the immediate possession of each Cannabis Establishment or dispensary employee, while on the premises of a Cannabis Establishment or dispensary, a Cannabis Establishment identification card;
- (b) Removing, altering or covering any required notice or sign;
- (c) Failing to post any required signs;
- (d) Failure to meet employee training and supervision requirements;
- (e) Improper storage of Cannabis, Cannabis Products, or other foods;
- (f) Failure to take reasonable steps to address pest infestations;
- (g) Lack of compliance with the statutory and regulatory requirements for the operation of a Cannabis Establishment or dispensary in another jurisdiction;
- (h) Violating Cannabis and Cannabis Product transportation regulations.

Before consideration of the factors described in section 4.7 of this rule, the Board will presume that the following are appropriate penalties for Category IV violations. In no event shall a Category IV penalty be greater than those permitted in this section.

For a category IV violation which is the:

- (i) First violation in the immediately preceding 3 years, a corrective action plan and/or an administrative penalty of not more than \$5,000.
- (j) Second violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$10,000, and/or a suspension for not more than 10 days of a license or Cannabis Establishment identification card.
- (k) Third violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$15,000, and/or a suspension for not more than 20 days of a license or Cannabis Establishment identification card.
- (l) Fourth or subsequent violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$20,000, and/or a suspension for not more than 30 days of a license or Cannabis Establishment identification card.

4.5.5 Category V Violations and Penalties

Category V violations are inconsistent with the orderly regulation of the sale or production of Cannabis or Cannabis Products and include:

- (a) Failing to notify the Board of any change in Cannabis Establishment or dispensary contact information;
- (b) Making a payment with a check returned for insufficient funds;
- (c) Failing to properly submit reports required by the Board; or
- (d) Failure to pay for costs involved in screening or testing related to required testing within 60 days.

Before consideration of the factors described in section 4.7 of this rule, the Board will presume that the following are appropriate penalties for Category V violations. In no event shall a Category V penalty be greater than those permitted in this section.

For a category V violation which is the:

- (e) First violation in the immediately preceding 3 years, a corrective action plan and/or an administrative penalty of not more than \$2,500.
- (f) Second violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$5,000, and/or a suspension for not more than 5 days of a license or Cannabis Establishment identification card.
- (g) Third violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$10,000, and/or a suspension for not more than 10 days of a license or Cannabis Establishment identification card.
- (h) Fourth or subsequent violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$15,000, and/or a suspension for not more than 20 days of a license or Cannabis Establishment identification card.

4.6 Health and Safety Orders

4.6.1 Health and Safety Orders Generally

- (a) The Board may issue one or more of the following health and safety orders. These orders may be issued in addition to Rule 4.4.2 penalties.
 - i. Stop-sale order.
 - ii. Quarantine of Cannabis or Cannabis Product.
 - iii. Destruction and, if necessary, the prohibition of Cannabis or Cannabis Product.
 - iv. Cease and desist order.
- (b) A Board designee may issue a health and safety order on the Board's behalf, provided that any cease and desist order must be authorized by the Board chair. The order shall be accompanied by a written statement of procedural rights explaining how person(s) subject to the order may, within 72 hours, be heard as to why the order should be modified, stayed, or vacated by the Board, as well as how to appeal from an adverse decision of the Board.

4.6.2 Limitations on Health and Safety Orders

The Board may issue health and safety orders only when necessary to mitigate a threat or potential threat to health and safety, including when required to address adulteration pursuant to 7 V.S.A. § 904(e) or to secure illicit or unmarketable Cannabis or Cannabis Products. This section 4.6.2 shall not be construed as limiting the Board's authority to direct that Cannabis or Cannabis Products be secured for investigative or evidentiary purposes.

4.6.3 Disposal, Quarantine, and Assignment of Costs

- (a) Licensees who are required to destroy Cannabis or Cannabis Product must dispose of it in accordance with applicable regulations in Board Rule 2.
- (b) The Cannabis Establishment or dispensary in possession of Cannabis or Cannabis Product that the Board orders destroyed or quarantined is responsible for the destruction or quarantine. The Board shall not be a tribunal for determining any potential assignment of costs among licensees for such destruction or quarantine.

4.7 Mitigating and Aggravating Factors

The Board may consider mitigating and aggravating factors when considering the severity of a penalty. Factors may include:

- (a) Any prior violations that the person has admitted to or was found to have engaged in.
- (b) Whether the violation impacted public health and safety.
- (c) Whether the violation is ongoing or has stopped.
- (d) Good faith measures by the person to prevent the violation, including the following:
 - i. Proper supervision;
 - ii. Consistent and documented employee training; and
 - iii. Standard operating procedures established prior to the Board's investigation that include procedures directly addressing the conduct for which imposition of a penalty is being considered.
- (e) Person's history of success or failure with compliance checks or prior corrective action plans.
- (f) Corrective action(s) taken by the person related to the current violation or prior violations.
- (g) Willfulness and deliberateness of the violation.
- (h) Circumstances surrounding the violation.
- (i) The size of the licensee or operation.
- (j) The revenues of the licensee or operation.
- (k) Person self-reporting the violation(s).
- (l) Owner or management personnel is the violator or has directed an employee or other individual to violate these rules or the law.

4.8 Issuance of a Notice of Violation

4.8.1 Notice of Violation

If the Board finds that a person has violated any board rule or related law, the Board may issue a Notice of Violation.

4.8.2 Content of A Notice of Violation

A Notice of Violation shall contain the following:

- (a) A concise statement of the nature of the violation.
- (b) The factual basis for the violation.
- (c) The penalty or penalties to be imposed.
- (d) Health and safety orders, if necessary.
- (e) Information about how to contest the violation, pay a waiver penalty if applicable, and submit a corrective action plan if applicable.

4.8.3 Waiver Amount

If the Board assesses an administrative penalty, the amount assessed on the Notice of Violation shall be the waiver amount. Paying the waiver amount will constitute acceptance of the Board's administrative penalty.

4.8.4 Sufficiency of Service

- (a) The Board may accomplish service of a Notice of Violation in any of the following ways:
 - i. By delivering the notice using certified mail to a licensee's business address provided in accordance with Board Rule 1.
 - ii. By delivering the notice using certified mail to the registered agent of a licensee as recorded in the licensee's business registration with the Vermont Secretary of State.
 - iii. By delivering the notice using certified mail to a Cannabis Establishment identification card holder's address, as provided pursuant to Board Rule 1.16.3.
 - iv. By hand delivery to:
 - 1. a Cannabis Establishment identification card holder;
 - 2. a person who controls a licensee; or
 - 3. a person acting in violation of Board rules or of 7 V.S.A. chapter 33, 35, 37, or 39.
- (b) The Board shall also deliver a Notice of Violation by electronic mail provided pursuant to Board Rule 1, provided that this shall not constitute service unless a licensee chooses to accept service of a Notice of Violation by electronic mail.

4.9 Process for Notices of Violation Without Immediate Effect

Except as provided in section 4.10 of this rule, penalties imposed by a Notice of Violation will not take effect until the Board has rendered a final decision in accordance with the following process:

- (a) Within 15 days after service of a Notice of Violation, a person may contest the violation and/or the penalty to the Board by filing a response in writing. The response must specifically identify each issue and fact in dispute and state the position of the person, the pertinent facts to be determined by the Board, and the reasons supporting the person's position.

- (b) A failure to contest the violation within 15 days will constitute an admission of the violation and acceptance of the penalty.
- (c) The Board shall consider the person's response and issue a final decision in writing within 15 days after receiving the person's response.
- (d) A person who faces suspension or revocation of their license or Cannabis Establishment identification card may request a hearing before the Board. The hearing shall take place within 20 days of the Board receiving the request for a hearing unless the person waives the timeline. Evidence may be introduced at the hearing in accordance with 3 V.S.A. § 810. The Board may issue a final decision on the record at the hearing or may issue a final decision in writing within 15 days after the hearing is complete.
- (e) To the extent a person is contesting whether a violation occurred, the Board may not find that a violation occurred unless such a finding is supported by a preponderance of the evidence.
- (f) The Board's final decision may uphold its original Notice of Violation, may revise the penalty or penalties to be more or less severe, or may dismiss the Notice of Violation.
- (g) A person who is aggrieved by the Board's final decision may appeal in accordance with 7 V.S.A. 847.

4.10 Process for Notices of Violation with Immediate Effect

Suspensions, revocations, or health and safety orders imposed by Notices of Violation will have immediate effect if they are accompanied by a written finding that the licensee's violation poses an imminent threat to public health, safety, or welfare.

If an administrative penalty or a requirement to produce a corrective action plan accompanies a penalty imposed with immediate effect, the administrative penalty or corrective action plan will not take effect until the conclusion of the process provided for in this section.

- (a) The Board's initial Notice of Violation will plainly state that the penalty takes effect immediately. The Board will confirm the Notice of Violation and penalty within 7 days.
- (b) Within 15 days of service of such a violation, a person may contest the violation and/or the penalty to the Board by filing a response in writing. The response must specifically identify each issue and fact in dispute and state the position of the person, the pertinent facts to be determined by the Board, and the reasons supporting the person's position.
- (c) A failure to contest the violation within 15 days will constitute an admission of the violation and acceptance of the penalty.
- (d) The Board shall consider the person's response and issue a final decision in writing within 10 days after receiving the licensee's response.
- (e) A person who faces suspension or revocation of their license or Cannabis Establishment identification card may request a hearing before the Board. The hearing shall take place within 10 days of the Board receiving the request for a hearing unless the licensee waives the timeline. Evidence may be introduced at the hearing in accordance with 3 V.S.A. §

810. The Board may issue a final decision on the record at the hearing or may issue a final decision in writing within 10 days after the hearing is complete.

- (f) To the extent a person is contesting whether a violation occurred, the Board may not find that a violation occurred unless such a finding is supported by a preponderance of the evidence.
- (g) The Board's final decision may uphold its original Notice of Violation, may revise the penalty or penalties to be more or less severe, or may dismiss the Notice of Violation.
- (h) A person who is aggrieved by the Board's final decision may appeal in accordance with 7 V.S.A. 847.

4.11 Extensions and Consolidations

- (a) The Board may extend a deadline contained in section 4.9 or section 4.10 of this rule only for good cause. The Board must give written notice of the finding of good cause to the person who is the subject of the Notice of Violation prior to the expiration of the relevant deadline.
- (b) The Board may consolidate decisions and hearings for multiple persons to the extent that the disputed issues in the Notices of Violation relate to substantially similar facts.

4.12 Health and Safety Notices

4.12.1 Purpose of a Health and Safety Notice

The Board may find that, even without finding a violation by a person or license holder, the Board must act to protect public health and safety.

4.12.2 Content of a Health and Safety Notice

If the Board finds that Cannabis or a Cannabis Product is or may be unsafe to the public, it may issue a Health and Safety Notice to any Cannabis Establishment and include within it a health and safety order, as provided for in section 4.6 of this rule.

The Health and Safety Notice will contain the following:

- (a) The identity of the Cannabis or Cannabis Product at issue and a concise statement of the nature of the threat to public health.
- (b) The factual basis for the threat to public health.
- (c) The health and safety order(s) to be imposed.
- (d) Information about how to contest the Health and Safety Notice.

4.12.3 Process for a Health and Safety Notice

All Health and Safety Notices will have immediate effect. Licensees may contest the notice pursuant to the process established by section 4.10 of this rule.

4.13 Administrative Appeals Process

- (a) Appeal to Appellate Officer. A party to a contested case may appeal a final decision of The Cannabis Control Board (Board) to an Appellate Officer by filing with the Executive Director of the Board a written notice of appeal within 30 days of the decision in accordance with 7 V.S.A. § 847. The notice of appeal shall include a statement of questions to be determined by the Appellate Officer. Thereafter, every time a party files a paper, they must send a copy to the other party. The Director shall assign the case to an Appellate Officer. Board staff shall prepare the record of the proceeding or decision and deliver it to the assigned Appellate Officer.
- (b) Composition of record on appeal. The record on appeal shall consist of any original documents listed in 3 V.S.A. § 809(e), including exhibits, any transcript of the proceedings, if any, and any other relevant documents submitted by the appellant to the Board. The record shall be produced within 14 days of the notice of appeal unless good cause is shown for a delay.
- (c) Transcript of the proceedings. Tape-recordings of any oral proceedings shall be sufficient for a transcript. If a stenographic record of the oral proceedings was made the Board shall file the transcript with the Appellate Officer.
- (d) Appellate Prehearing Conference. In any appeal, upon 14 days' notice to the parties, the Appellate Officer may direct the parties to appear for a conference to consider simplification of the issues, possibility of settlement, and such other matters as may aid in disposition of the proceedings by the Appellate Officer.
- (e) Briefs; Oral Argument. The appellant must submit a brief within 30 days after the date on the notice that the record is complete. The Board must file any responsive brief within 21 days after the appellant's brief is filed. Briefs shall not exceed 15 double-spaced pages. A case shall be deemed ripe for oral argument when the responsive brief is filed or when the time for filing the responsive brief has expired. Oral argument may be scheduled in advance of the filing of the responsive brief consistent with the requirements of this Rule. Each party will be allowed 15 minutes for oral argument.
- (f) Taking Additional Evidence on Appeal. Upon motion and good cause shown, the Appellate Officer may schedule a hearing to take additional evidence on whether irregularities in procedure occurred that are not otherwise of record. The hearing on those irregularities is to be limited to those matters not of record. The Appellate Officer is not authorized to rehear substantive evidence that otherwise was or could have been raised before the hearing authority.
- (g) Decision. The Appellate Officer shall issue a written decision within 45 days of final hearing affirming the order of the Board, or reversing and remanding with instructions to the hearing authority on requirements to conform the Board's order to the law.
- (h) Further Appeal. An individual aggrieved by a decision of the Appellate Officer may appeal directly to the Supreme Court as authorized by 7 V.S.A. § 847(c) and in accordance with the Vermont Rules of Appellate Procedure.

4.14 Letter of Warning

The Board may issue a letter of warning to a person instead of a Notice of Violation or other order. Letters of warning will notify a person of a concern with their compliance or operating standards and will be a part of the person's record with the Board. No penalty will be associated with a letter of warning.

4.15 Confidentiality

The Board abides by the confidentiality requirements of 7 V.S.A. §§ 901a, 952(c), and 973(b).

PROPOSED

**STATE OF VERMONT
CANNABIS CONTROL BOARD**

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4 **Rule 4: Compliance and Enforcement**

4.1 **Section 1: General Provisions**

4.1.1 Authority

The Cannabis Control Board adopts this rule pursuant to 7 V.S.A. §§ 863, 864, 881, 882, 32 V.S.A. § 7906, and other applicable law.

4.1.2 Scope and Purpose

The Board is charged with implementing and regulating a legal market for Cannabis in Vermont. This rule provides for enforcing compliance with the Board's rules.

4.1.3 Definitions

All definitions in 7 V.S.A. §§ 861 and 951 and Board Rules 1 and 2 shall apply to this rule. The following definitions shall also apply:

- (a) "Administrative penalty" means a monetary fine.
- (b) "Board designee" means a person designated by the Board to act as its agent for the purpose of executing the Board's responsibilities. This may be an employee of the Board or of another government agency.
- (c) "Caregiver" means a resident of Vermont who has been issued a Caregiver registration card by the Board, identifying the person as someone who has agreed to undertake responsibility for managing the well-being of a Patient with respect to the use of Cannabis or Cannabis Products for symptom relief.
- (d) "Corrective action plan" means a required set of actions imposed by the Board upon a Cannabis Establishment or dispensary for the purpose of curing a violation of Board Rules or of 7 V.S.A. chapter 33, 35, 37, or 39.
- (e) "Inventory Tracking System" means a method implemented by the Board for tracing all Cannabis and Cannabis Products grown, manufactured, and sold in Vermont.
- (f) "Licensee" means a person who has been issued a license pursuant to Board Rule 1 or Board Rule 3. ~~A licensee does not include a person who has been issued a provisional license.~~
- (g) "Notice of Violation" means a document in which the Board informs a licensee or a person engaged in the transfer or sale of Cannabis or Cannabis Product that they are the subject of an enforcement action by the Board and includes such other information as required by this rule.
- (h) "Patient" means a resident of Vermont who has been issued a registration card by the Board, identifying the person as having a qualifying medical condition pursuant to the provisions of this rule.
- (i) "Pesticide" shall have the same meaning as "economic poison" as defined in 6 V.S.A. § 911(5).
- (j) "Physical site of operations" means:

- i. a cultivator's or propagation cultivator's grow site,
- ii. a wholesaler's product storage facility,
- iii. a manufacturer's site of manufacture,
- iv. a retailer's store location, or
- v. a testing laboratory's testing facility.

4.1.4 Applicability

This rule applies to persons who engage in the sale or transfer of Cannabis or Cannabis Products, including sales or transfers related to cultivating, manufacturing, wholesaling, or retailing Cannabis or Cannabis Products. This rule also applies to those who provide testing services to persons who engage in the sale or transfer of Cannabis or Cannabis Products.

4.1.5 Time

- (a) In computing any time period, measured in days, that is established or allowed by this rule or by order of the Board or Chair:
 - (1) the day of the act or event that triggers the period shall be excluded;
 - (2) every day, including intermediate Saturdays, Sundays, and legal holidays shall be counted;
 - (3) the last day of the period shall be counted, but if the last day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday.
- (b) A "legal holiday" means:
 - (1) any day declared a holiday by the President or Congress of the United States; and
 - (2) any day declared a holiday by the State of Vermont.

4.2 Complaints and Investigations

4.2.1 Investigations

The Board shall be empowered to conduct investigations of all persons who engage in the sale or transfer of Cannabis or Cannabis Products to ensure compliance with Board rules or of 7 V.S.A. chapter 33, 35, 37, or 39. The Board shall further be empowered to conduct investigations of those who provide testing services to persons who engage in the sale or transfer of Cannabis or Cannabis Products. Such investigations may include undercover investigations. Investigations shall be carried out by Board designees.

4.2.2 Complaints

The Board may accept complaints from any person regarding compliance with these rules, provided that a complaint without further corroboration will not comprise the basis for disciplinary action by the Board. Anyone may file a complaint in a manner determined by the Board and made readily available to the public. Complainants do not have a right to receive updates on disciplinary actions.

4.3 Duty to Cooperate

4.3.1 General Duty

Licensees and Cannabis Establishment identification card holders shall cooperate with the Board and Board designees who are conducting investigations relevant to the enforcement of the Board's rules and related law.

4.3.2 Cooperation with Inspections

Licensees and Cannabis Establishment identification card holders shall cooperate with the Board and Board designees who are conducting inspections and shall give the Board and Board designees immediate access to facilities and records upon request, including access to their physical site of operations.

4.4 Violations and Penalties

4.4.1 Violations Generally

Any violation may be subject to an enforcement action by the Board. The Board will assess the penalty and the severity of the penalty as provided in this rule.

4.4.2 Penalties

One or more of the following penalties may be imposed for a violation in accordance with the categories defined in section 4.5 of this rule:

- (a) Requirement to produce or comply with a corrective action plan.
- (b) Administrative penalty.
- (c) Suspension of a license or Cannabis Establishment identification card.
- (d) Revocation of a license or Cannabis Establishment identification card.

4.5 Categories of Violations and Associated Penalties

The Board will levy administrative penalties and other penalties in accordance with the following categories, provided that the maximum administrative penalties for violations associated with the operations of tier I cultivators and tier I manufacturers shall be half the amount provided for in the categories.

To the extent a violation is not listed in this section the Board shall have discretion to assign the violation to an appropriate category and issue a penalty accordingly.

4.5.1 Category I Violations and Penalties

Category I violations are of a severity that could make a person ineligible to receive, renew, or maintain a license or Cannabis Establishment identification card and include:

- (a) Operating without all required permits, Board approvals, certificates, registrations and/or licenses;
- (b) Making an intentionally false statement to the Board or a Board designee;
- (c) Intentionally destroying or concealing evidence of a violation;
- (d) Failure to abide by a corrective action plan;
- (e) Failure to pay taxes to the Department of Taxes;
- (f) Knowingly permitting unlawful activity on the premises of a Cannabis Establishment or dispensary, or during transportation of Cannabis or Cannabis Product, that results in death or serious physical injury;
- (g) Operating a Cannabis Establishment or dispensary while the license for the Cannabis Establishment or dispensary is suspended or revoked;
- (h) Attempting to change control of a licensee without prior approval of the Board in accordance with Rule 1.17;
- (i) Transporting Cannabis or Cannabis Product outside of the boundaries of this State;
- (j) Making verbal or physical threats to the Board or a Board designee;
- (k) Refusing to allow an inspection or obstructing a Board designee from performing his or her official duties;
- (l) Purchasing, selling, or transferring Cannabis or Cannabis Product that has not passed the required analysis by an independent testing laboratory;
- (m) Labeling Cannabis or Cannabis Products with potency limits that do not match independent laboratory test results;
- (n) Purchasing, manufacturing, selling or otherwise utilizing Cannabis or Cannabis Products from a source that is not a licensed Cannabis Establishment or dispensary;
- (o) Purchasing, manufacturing, selling or otherwise utilizing Cannabis or Cannabis Products from a Cannabis Establishment or dispensary whose license has been suspended or revoked;
- (p) Purchasing or selling Cannabis or Cannabis Product not found in the Inventory Tracking System;
- (q) Failure to properly collect taxes;
- ~~(r)~~ Transporting or storing Cannabis or Cannabis Product from an unlicensed source;
- ~~(s)~~ For diversion of Cannabis or Cannabis Products, including by mislabeling Medical Products or selling or providing Medical Products other than to an eligible Patient or Caregiver; or
- ~~(t)~~ Intentionally selling or transferring unauthorized or unlawful Cannabis Products; or
- ~~(u)~~ Conduct of a character likely to deceive, defraud, or harm the public.
- ~~(v)~~ Knowingly using unauthorized pesticides, soil amendments, fertilizers or other crop production aids.

Before consideration of the factors described in section 4.7 of this rule, the Board will presume that the following are appropriate penalties for Category I violations. In no event shall a Category I penalty be greater than those permitted in this section.

For a category I violation which is the:

~~(+)~~(w) First violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$20,000, a suspension of a license or Cannabis Establishment identification card for not more than 60 days, and/or revocation of a license or Cannabis Establishment identification card.

~~(+)~~(x) Second or subsequent violation in the immediately preceding 3 years, a corrective action plan, a suspension of license or Cannabis Establishment identification card for a length of time to be determined by the Board, and/or revocation of a license or Cannabis Establishment identification card.

4.5.2 Category II Violations and Penalties

Category II violations are violations of a severity that create a threat to public health or safety and include:

- (a) Making an unintentional false statement or representation of fact to the Board or Board designee;
- (b) Unintentionally destroying or concealing evidence of a violation;
- (c) Failing to verify the age of, or selling or otherwise providing Cannabis or Cannabis Products to, a person who is less than 21 years, provided that patients with registry cards may purchase Cannabis or Cannabis Products at dispensary retail operations in accordance with Board Rule 3 and 7 V.S.A. chapters 35 and 37;
- (d) Allowing a person under 21 years of age to enter a transport vehicle or a building or enclosure on the premises of a Cannabis Establishment where Cannabis or Cannabis Product is located, provided that Patients with registry cards may enter dispensary retail operations in accordance with Board Rule 3 and 7 V.S.A. chapters 35 and 37;
- (e) Permitting employment or otherwise accepting work by a person without a Cannabis Establishment identification card or temporary work permit;
- (f) Allowing a person who is less than 21 years of age to work at a Cannabis Establishment or dispensary;
- (g) Failure to separate ~~M~~medical Cannabis or Cannabis Product sales from adult use retail sales;
- (h) Unlawful transfer of Cannabis or Cannabis Product from a dispensary into the adult use market;
- (i) Selling or transferring Cannabis or Cannabis Product in excess of transaction limits;
- (j) Failing to maintain required security systems;
- (k) Any intentional variance from approved procedures in a testing laboratory;
- (l) Failing to notify the Board of theft of Cannabis or Cannabis Products as required by Rule 2.2.17;

- (m) ~~Negligently u~~Using unauthorized pesticides, soil amendments, fertilizers or other crop production aids;
- (n) Transferring, moving, or disturbing Cannabis or Cannabis Product which has been placed on stop sale or quarantined by the Board without Board approval; or
- (o) Failing to destroy, selling, or transferring Cannabis or Cannabis Product that has been ordered destroyed by the Board, or that has been adulterated or contaminated without successful remediation;
- (p) Selling or transferring unauthorized or unlawful Cannabis Products;
- (q) Altering, manipulating, or falsifying a certificate of analysis;
- (r) Failing to report lost, stolen, or adulterated ~~C~~eannabis or ~~C~~eannabis ~~P~~products; or
- (s) Failing to abide by Cannabis and Cannabis Product testing requirements.

Before consideration of the factors described in section 4.7 of this rule, the Board will presume that the following are appropriate penalties for Category II violations. In no event shall a Category II penalty be greater than those permitted in this section.

For a category II violation which is the:

- (t) First violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$15,000, and/or a suspension for not more than 20 days of a license or Cannabis Establishment identification card.
- (u) Second violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$20,000, and/or a suspension for not more than 30 days of a license or Cannabis Establishment identification card.
- (v) Third or subsequent violation in the immediately preceding 3 years, a corrective action plan, a suspension of license or cannabis establishment identification card for a length of time to be determined by the Board, and/or revocation of a license or Cannabis Establishment identification card.

4.5.3 Category III Violations and Penalties

Category III violations are violations of a severity that create a potential threat to public health or safety and include:

- (a) Allowing consumption by any person of alcohol, Cannabis, or other intoxicants on the premises of the Cannabis Establishment or dispensary, or in areas adjacent to the premises of the Cannabis Establishment or dispensary that are under the licensee's control, except as authorized by the Board;
- (b) Failing to keep any required records, including updating the Inventory Tracking System;
- (c) Failing to respond to a Notice of Violation or failing to pay administrative penalties;
- (d) Knowingly permitting any activity on the premises of the Cannabis Establishment or dispensary, or during the transport of Cannabis or Cannabis Products from the premises, that violates Vermont law and that the licensee or an employee has knowledge of;
- (e) Selling or transferring unauthorized products or using unauthorized ingredients;
- (f) Failing to notify the Board of a modification or expansion of the facilities of the Cannabis Establishment or dispensary;

- (g) Violating packaging or labeling requirements, provided that the person or licensee who created the nonconforming label, and any retailer who allows the nonconforming label to be available for sale to a consumer, may both be liable for a violation under this subsection;
- (h) Violating advertising laws or regulations;
- (i) Storing or delivering Cannabis or Cannabis Products outside the Inventory Tracking System;
- (j) Failing to meet requirements for the disposal of Cannabis or Cannabis Product waste;
- (k) Violating restrictions on product samples for employees and business partner~~employee and vendor sampling~~;
- (l) Exceeding maximum serving requirements for Cannabis or Cannabis Products;
- (m) Failing to comply with requirements for employee hygiene;
- (n) Failing to maintain a reasonably sanitary Cannabis Establishment or dispensary in line with industry standards or applicable regulations;
- (o) Failing to maintain adequate food safety standards, where relevant;
- (p) Selling or failing to dispose of Cannabis, Cannabis Products or food items that are spoiled;
- (q) Failing to properly update the licensee's point of contact with the Board;
- (r) Failure to maintain quality assurance/quality control program in a testing laboratory;~~or~~
- ~~(s)~~ Failure to maintain current standard operating procedures, where relevant; or-
- ~~(s)(t)~~ Failure to file and maintain accurate governing documents, or failure to operate in conformity with governing documents of record.

Before consideration of the factors described in section 4.7 of this rule, the Board will presume that the following are appropriate penalties for Category III violations. In no event shall a Category III penalty be greater than those permitted in this section.

For a category III violation which is the:

- ~~(+)(u)~~ First violation in the immediately preceding 3 years, a corrective action plan and/or an administrative penalty of not more than \$10,000.
- ~~(+)(v)~~ Second violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$15,000, and/or a suspension for not more than 10 days of a license or Cannabis Establishment identification card.
- ~~(+)(w)~~ Third violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$20,000 and/or a suspension for not more than 20 days of a license or Cannabis Establishment identification card.
- ~~(+)(x)~~ Fourth or subsequent violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$20,000, a suspension of license or Cannabis Establishment identification card for a length of time to be determined by the Board, and/or a revocation of license or Cannabis Establishment identification card.

4.5.4 Category IV Violations and Penalties

Category IV violations create a climate which is conducive to abuses associated with the sale or production of Cannabis or Cannabis Products and include:

- (a) Failing to have in the immediate possession of each Cannabis Establishment or dispensary employee, while on the premises of a Cannabis Establishment or dispensary, a Cannabis Establishment identification card ~~or temporary work permit~~;
- (b) Removing, altering or covering any required notice or sign;
- (c) Failing to post any required signs;
- (d) Failure to meet employee training and supervision requirements;
- (e) Improper storage of Cannabis, Cannabis Products, or other foods;
- (f) Failure to take reasonable steps to address pest infestations;
- (g) Lack of compliance with the statutory and regulatory requirements for the operation of a Cannabis Establishment or dispensary in another jurisdiction;
- (h) Violating Cannabis and Cannabis Product transportation regulations.

Before consideration of the factors described in section 4.7 of this rule, the Board will presume that the following are appropriate penalties for Category IV violations. In no event shall a Category IV penalty be greater than those permitted in this section.

For a category IV violation which is the:

- (i) First violation in the immediately preceding 3 years, a corrective action plan and/or an administrative penalty of not more than \$5,000.
- (j) Second violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$10,000, and/or a suspension for not more than 10 days of a license or Cannabis Establishment identification card.
- (k) Third violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$15,000, and/or a suspension for not more than 20 days of a license or Cannabis Establishment identification card.
- (l) Fourth or subsequent violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$20,000, and/or a suspension for not more than 30 days of a license or Cannabis Establishment identification card.

4.5.5 Category V Violations and Penalties

Category V violations are inconsistent with the orderly regulation of the sale or production of Cannabis or Cannabis Products and include:

- (a) Failing to notify the Board of any change in Cannabis Establishment or dispensary contact information;
- (b) Making a payment with a check returned for insufficient funds;
- (c) Failing to properly submit reports required by the Board; or
- (d) Failure to pay for costs involved in screening or testing related to required testing within 60 days.

Before consideration of the factors described in section 4.7 of this rule, the Board will presume that the following are appropriate penalties for Category V violations. In no event shall a Category V penalty be greater than those permitted in this section.

For a category V violation which is the:

- (e) First violation in the immediately preceding 3 years, a corrective action plan and/or an administrative penalty of not more than \$2,500.
- (f) Second violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$5,000, and/or a suspension for not more than 5 days of a license or Cannabis Establishment identification card.
- (g) Third violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$10,000, and/or a suspension for not more than 10 days of a license or Cannabis Establishment identification card.
- (h) Fourth or subsequent violation in the immediately preceding 3 years, a corrective action plan, an administrative penalty of not more than \$15,000, and/or a suspension for not more than 20 days of a license or Cannabis Establishment identification card.

4.6 Health and Safety Orders

4.6.1 Health and Safety Orders Generally

(a) The Board may issue one or more of the following health and safety orders ~~for a violation related to public health and safety~~. These orders may be issued in addition to Rule 4.4.2 penalties.

- (a)i. Stop-sale order.
- (b)ii. Quarantine of Cannabis or Cannabis Product.
- (c)iii. Destruction and, if necessary, the prohibition of Cannabis or Cannabis Product.
- iv. Cease and desist order.

(d)(b) A Board designee may issue a health and safety order on the Board's behalf, provided that any cease and desist order must be authorized by the Board chair. The order shall be accompanied by a written statement of procedural rights explaining how person(s) subject to the order may, within 72 hours, be heard as to why the order should be modified, stayed, or vacated by the Board, as well as how to appeal from an adverse decision of the Board.

4.6.2 Limitations on Health and Safety Orders

The Board may issue health and safety orders only when necessary to mitigate a ~~there is a~~ threat or potential threat to health and safety, including when required to address adulteration pursuant to 7 V.S.A. § 904(e) or to secure illicit or unmarketable Cannabis or Cannabis Products. This section 4.6.2 shall not be construed as limiting the Board's authority to direct that Cannabis or Cannabis Products be secured for investigative or evidentiary purposes.

4.6.3 Disposal, Quarantine, and Assignment of Costs

- (a) Licensees who are required to destroy Cannabis or Cannabis Product must dispose of it in accordance with applicable regulations in Board Rule 2.
- (b) The Cannabis Establishment or dispensary in possession of Cannabis or Cannabis Product that the Board orders destroyed or quarantined is responsible for the destruction or quarantine. The Board shall not be a tribunal for determining any potential assignment of costs among licensees for such destruction or quarantine.

4.7 Mitigating and Aggravating Factors

The Board may consider mitigating and aggravating factors when considering the severity of a penalty. Factors may include:

- (a) Any prior violations that the person has admitted to or was found to have engaged in.
- (b) Whether the violation impacted public health and safety.
- (c) Whether the violation is ongoing or has stopped.
- (d) Good faith measures by the person to prevent the violation, including the following:
 - i. Proper supervision;
 - ii. Consistent and documented employee training; and
 - iii. Standard operating procedures established prior to the Board's investigation that include procedures directly addressing the conduct for which imposition of a penalty is being considered.
- (e) Person's history of success or failure with compliance checks or prior corrective action plans.
- (f) Corrective action(s) taken by the person related to the current violation or prior violations.
- (g) Willfulness and deliberateness of the violation.
- (h) Circumstances surrounding the violation.
- (i) The size of the licensee or operation.
- (j) The revenues of the licensee or operation.
- (k) Person self-reporting the violation(s).
- (l) Owner or management personnel is the violator or has directed an employee or other individual to violate these rules or the law.

4.8 Issuance of a Notice of Violation

4.8.1 Notice of Violation

If the Board finds that a person has violated any board rule or related law, the Board may issue a Notice of Violation.

4.8.2 Content of A Notice of Violation

A Notice of Violation shall contain the following:

- (a) A concise statement of the nature of the violation.
- (b) The factual basis for the violation.
- (c) The penalty or penalties to be imposed.
- (d) Health and safety orders, if necessary.
- (e) Information about how to contest the violation, pay a waiver penalty if applicable, and submit a corrective action plan if applicable.

4.8.3 Waiver Amount

If the Board assesses an administrative penalty, the amount assessed on the Notice of Violation shall be the waiver amount. Paying the waiver amount will constitute acceptance of the Board's administrative penalty.

4.8.4 Sufficiency of Service

- (a) The Board may accomplish service of a Notice of Violation in any of the following ways:
 - i. By delivering the notice using certified mail to a licensee's business address provided in accordance with Board Rule 1.
 - ii. By delivering the notice using certified mail to the registered agent of a licensee as recorded in the licensee's business registration with the Vermont Secretary of State.
 - iii. By delivering the notice using certified mail to a Cannabis Establishment identification card holder's address, as provided pursuant to Board Rule 1.16.3.
 - iv. By hand delivery to:
 - 1. a Cannabis Establishment identification card holder;
 - 2. a person who controls a licensee; or
 - 3. a person acting in violation of Board rules or of 7 V.S.A. chapter 33, 35, 37, or 39.
- (b) The Board shall also deliver a Notice of Violation by electronic mail provided pursuant to Board Rule 1, provided that this shall not constitute service unless a licensee chooses to accept service of a Notice of Violation by electronic mail.

4.9 Process for Notices of Violation Without Immediate Effect

Except as provided in section 4.10 of this rule, penalties imposed by a Notice of Violation will not take effect until the Board has rendered a final decision in accordance with the following process:

- (a) Within 15 days after service of a Notice of Violation, a person may contest the violation and/or the penalty to the Board by filing a response in writing. The response must specifically identify each issue and fact in dispute and state the position of the person, the

pertinent facts to be determined by the Board, and the reasons supporting the person's position.

- (b) A failure to contest the violation within 15 days will constitute an admission of the violation and acceptance of the penalty.
- (c) The Board shall consider the person's response and issue a final decision in writing within 15 days after receiving the person's response.
- (d) A person who faces suspension or revocation of their license or Cannabis Establishment identification card may request a hearing before the Board. The hearing shall take place within 20 days of the Board receiving the request for a hearing unless the person waives the timeline. Evidence may be introduced at the hearing in accordance with 3 V.S.A. § 810. The Board may issue a final decision on the record at the hearing or may issue a final decision in writing within 15 days after the hearing is complete.
- (e) To the extent a person is contesting whether a violation occurred, the Board may not find that a violation occurred unless such a finding is supported by a preponderance of the evidence.
- (f) The Board's final decision may uphold its original Notice of Violation, may revise the penalty or penalties to be **more or** less severe, or may dismiss the Notice of Violation.
- (g) A person who is aggrieved by the Board's final decision may appeal in accordance with 7 V.S.A. 847.

4.10 Process for Notices of Violation with Immediate Effect

Suspensions, revocations, or health and safety orders imposed by Notices of Violation will have immediate effect if they are accompanied by a written finding that the licensee's violation poses an imminent threat to public health, safety, or welfare.

If an administrative penalty or a requirement to produce a corrective action plan accompanies a penalty imposed with immediate effect, the administrative penalty or corrective action plan will not take effect until the conclusion of the process provided for in this section.

- (a) The Board's initial Notice of Violation will plainly state that the penalty takes effect immediately. The Board will confirm the Notice of Violation and penalty within 7 days.
- (b) Within 15 days of service of such a violation, a person may contest the violation and/or the penalty to the Board by filing a response in writing. The response must specifically identify each issue and fact in dispute and state the position of the person, the pertinent facts to be determined by the Board, and the reasons supporting the person's position.
- (c) A failure to contest the violation within 15 days will constitute an admission of the violation and acceptance of the penalty.
- (d) The Board shall consider the person's response and issue a final decision in writing within 10 days after receiving the licensee's response.
- (e) A person who faces suspension or revocation of their license or Cannabis Establishment identification card may request a hearing before the Board. The hearing shall take place within 10 days of the Board receiving the request for a hearing unless the licensee waives

the timeline. Evidence may be introduced at the hearing in accordance with 3 V.S.A. § 810. The Board may issue a final decision on the record at the hearing or may issue a final decision in writing within 10 days after the hearing is complete.

- (f) To the extent a person is contesting whether a violation occurred, the Board may not find that a violation occurred unless such a finding is supported by a preponderance of the evidence.
- (g) The Board's final decision may uphold its original Notice of Violation, may revise the penalty or penalties to be more or less severe, or may dismiss the Notice of Violation.
- (h) A person who is aggrieved by the Board's final decision may appeal in accordance with 7 V.S.A. 847.

4.11 Extensions and Consolidations

- (a) The Board may extend a deadline contained in section 4.9 or section 4.10 of this rule only for good cause. The Board must give written notice of the finding of good cause to the person who is the subject of the Notice of Violation prior to the expiration of the relevant deadline.
- (b) The Board may consolidate decisions and hearings for multiple persons to the extent that the disputed issues in the Notices of Violations relate to substantially similar facts.

4.12 Health and Safety Notices

4.12.1 Purpose of a Health and Safety Notice

The Board may find that, even without finding a violation by a person or license holder, the Board must act to protect public health and safety.

4.12.2 Content of a Health and Safety Notice

If the Board finds that Cannabis or a Cannabis Product is or may be unsafe to the public, it may issue a Health and Safety Notice to any Cannabis Establishment and include within it a health and safety order, as provided for in section 4.6 of this rule.

The Health and Safety Notice will contain the following:

- (a) The identity of the Cannabis or Cannabis Product at issue and a concise statement of the nature of the threat to public health.
- (b) The factual basis for the threat to public health.
- (c) The health and safety order(s) to be imposed.
- (d) Information about how to contest the Health and Safety Notice.

4.12.3 Process for a Health and Safety Notice

All Health and Safety Notices will have immediate effect. Licensees may contest the notice pursuant to the process established by section 4.10 of this rule.

4.13 Administrative Appeals Process

- (a) Appeal to Appellate Officer. A party to a contested case may appeal a final decision of The Cannabis Control Board (Board) to an Appellate Officer by filing with the Executive Director of the Board a written notice of appeal within 30 days of the decision in accordance with 7 V.S.A. § 847. The notice of appeal shall include a statement of questions to be determined by the Appellate Officer. Thereafter, every time a party files a paper, they must send a copy to the other party. The Director shall assign the case to an Appellate Officer. Board staff shall prepare the record of the proceeding or decision and deliver it to the assigned Appellate Officer.
- (b) Composition of record on appeal. The record on appeal shall consist of any original documents listed in 3 V.S.A. § 809(e), including exhibits, any transcript of the proceedings, if any, and any other relevant documents submitted by the appellant to the Board. The record shall be produced within 14 days of the notice of appeal unless good cause is shown for a delay.
- (c) Transcript of the proceedings. Tape-recordings of any oral proceedings shall be sufficient for a transcript. If a stenographic record of the oral proceedings was made the Board shall file the transcript with the Appellate Officer.
- (d) Appellate Prehearing Conference. In any appeal, upon 14 days' notice to the parties, the Appellate Officer may direct the parties to appear for a conference to consider simplification of the issues, possibility of settlement, and such other matters as may aid in disposition of the proceedings by the Appellate Officer.
- (e) Briefs; Oral Argument. The appellant must submit a brief within 30 days after the date on the notice that the record is complete. The Board must file any responsive brief within 21 days after the appellant's brief is filed. Briefs shall not exceed 15 double-spaced pages. A case shall be deemed ripe for oral argument when the responsive brief is filed or when the time for filing the responsive brief has expired. Oral argument may be scheduled in advance of the filing of the responsive brief consistent with the requirements of this Rule. Each party will be allowed 15 minutes for oral argument.
- (f) Taking Additional Evidence on Appeal. Upon motion and good cause shown, the Appellate Officer may schedule a hearing to take additional evidence on whether irregularities in procedure occurred that are not otherwise of record. The hearing on those irregularities is to be limited to those matters not of record. The Appellate Officer is not authorized to rehear substantive evidence that otherwise was or could have been raised before the hearing authority.
- (g) Decision. The Appellate Officer shall issue a written decision within 45 days of final hearing affirming the order of the Board, or reversing and remanding with instructions to the hearing authority on requirements to conform the Board's order to the law.
- (h) Further Appeal. An individual aggrieved by a decision of the Appellate Officer may appeal directly to the Supreme Court as authorized by 7 V.S.A. § 847(c) and in accordance with the Vermont Rules of Appellate Procedure.

4.14 Letter of Warning

The Board may issue a letter of warning to a person instead of a Notice of Violation or other order. Letters of warning will notify a person of a concern with their compliance or operating standards and will be a part of the person's record with the Board. No penalty will be associated with a letter of warning.

4.15 Confidentiality

The Board abides by the confidentiality requirements of 7 V.S.A. §§ 901a, 952(c), and 973(b).

PROPOSED



INTERAGENCY COMMITTEE ON ADMINISTRATIVE RULES (ICAR) MINUTES

Meeting Date/Location: December 9, 2024, virtually via Microsoft Teams

Members Present: Chair Sean Brown, Jennifer Mojo, Michael Obuchowski, Natalie Weill, Diane Sherman and Nicole Dubuque

Members Absent: John Kessler, Jared Adler

Minutes By: Anna Reinold

- 2:00 p.m. meeting called to order, welcome and introductions.
- Review and approval of [minutes](#) from the November 15, 2024 meeting.
- No additions/deletions to agenda. Agenda approved as drafted.
- No public comments made.
- Presentation of Proposed Rules on pages 2-5 to follow.
 1. Licensing of Cannabis Establishments, Cannabis Control Board, page 2
 2. Regulation of Cannabis Establishments, Cannabis Control Board, page 3
 3. Medical Cannabis, Cannabis Control Board, page 4
 4. Compliance and Enforcement, Cannabis Control Board, page 5
- Next scheduled meeting is Monday, January 13, 2025 at 2:00 p.m.
- 2:54 p.m. meeting adjourned.

1) **Proposed Rule:** Licensing of Cannabis Establishments, Cannabis Control Board

Presented By: Gabriel Gilman

Motion made to accept the rule by Sean Brown, seconded by Nicole Dubuque, and passed unanimously with the following recommendations:

1. Proposed Filing - Coversheet:
 - a. #8: Correct the spelling of 'prequalification'.
 - b. #11 and #12: Edit these sections to be more concise and consistent with the amount of information in the Economic Impact Analysis.
 - c. #12: Replace 'irrational' with 'potentially unfair' or 'unfavorable'.
2. Economic Impact Analysis:
 - a. #3: Edit to be consistent with the Coversheet and convey all details of the Economic Impact Analysis.
 - b. #6: Consult the Department of Financial Regulation (DFR) to inquire of any banking and insurance issues, concerns or advice.
 - c. #7: Correct this section to include information that was cutoff in submission.
 - d. #8: Shorten the second sentence and consider changing 'license types' to 'category of license'.
3. Environmental Impact Analysis:
 - a. #8: Consider a response similar to the one used here in the Compliance and Enforcement Rule.
4. Public Input Maximization Plan
 - a. #3: Consider providing direct email notice the industry press and general press as appropriate.
 - b. #4: Note that DFR has been consulted/engaged (after following direction on #2a above).
5. Page 61:
 - a. 1.7.1 Medical Use Endorsement: Add language directing applicants to your website to find specified board guidance.

2) **Proposed Rule:** Regulation of Cannabis Establishments, Cannabis Control Board

Presented By: Gabriel Gilman

Motion made to accept the rule by Sean Brown, seconded by Jennifer Mojo, and passed unanimously with the following recommendations:

1. Proposed Filing - Coversheet:
 - a. #8: Correct the spelling of 'obligations' and 'cannabinoids'.
 - b. #11 and #12: Edit these sections to be more concise and consistent with the amount of information in the Economic Impact Analysis.
2. Economic Impact Analysis:
 - a. #3: Edit to be consistent with the Coversheet and convey all details of the Economic Impact Analysis.
 - b. #6: Consult DFR on banking and insurance aspects.
 - c. #8: Shorten the second sentence and consider changing 'license types' to 'category of license'.

3) **Proposed Rule:** Medical Cannabis, Cannabis Control Board

Presented By: Gabriel Gilman

Motion made to accept the rule by Sean Brown, seconded by Nicole Dubuque, and passed unanimously with the following recommendations:

1. Proposed Filing - Coversheet:
 - a. #5: Correct spelling of 'confidentiality'.
 - b. #5: The beginning of the second sentence needs to be corrected.
 - c. #8: Correct the spelling of 'eligibility' and 'accommodate'.
 - d. #9: Consult with the Department of Mental Health (DMH) and designated agencies to ensure review of this proposed rule.
 - e. #11 and #12: Edit these sections to be more concise and consistent with the amount of information in the Economic Impact Analysis.
2. Economic Impact Analysis:
 - a. #3: Edit to be consistent with the Coversheet and convey all details of the Economic Impact Analysis.
3. Environmental Impact Analysis:
 - a. #9: Need a response.
4. Public Input Maximization Plan
 - a. #3: Consider providing direct email notice the industry press and general press as appropriate.
5. Page 13:
 - a. Section 1: General Provisions: 3.1.3: Remove the letter 'k' from the end of the word 'definitions'.

4) **Proposed Rule:** Compliance and Enforcement, Cannabis Control Board

Presented By: Gabriel Gilman

Motion made to accept the rule by Sean Brown, seconded by Diane Sherman, and passed unanimously with the following recommendations:

1. Proposed Filing - Coversheet:
 - a. #8: Consider consulting the Attorney General Office (AGO) Consumer Protection Division for interrelationship with 'unfair and deceptive acts and practices in commerce' in Title 9 VSA Consumer Fraud laws as well as in AGO Rules adopted thereunder.
 - b. #11 and #12: Edit these sections to be more concise and consistent with the amount of information in the Economic Impact Analysis.
2. Economic Impact Analysis:
 - a. #3: Edit to be consistent with the Coversheet and convey all details of the Economic Impact Analysis.
 - b. #8: Consider AGO processes related to compliance and enforcement of consumer fraud and protection rules and laws on "unfair and deceptive acts or practices in commerce."
3. Public Input Maximization Plan
 - a. #3: Consider providing direct email notice the industry press and general press as appropriate.
 - b. #4: Include AGO on consumer protection aspects.

The Vermont Statutes Online

The Statutes below include the actions of the 2024 session of the General Assembly.

NOTE: The Vermont Statutes Online is an unofficial copy of the Vermont Statutes Annotated that is provided as a convenience.

Title 7 : Alcoholic Beverages, Cannabis, and Tobacco

Chapter 031 : Cannabis

Subchapter 002 : CANNABIS CONTROL BOARD

(Cite as: **7 V.S.A. § 843**)

§ 843. Cannabis Control Board; duties; members

(a) Creation. There is created within the Executive Branch an independent commission named the Cannabis Control Board for the purpose of safely, equitably, and effectively implementing and administering the laws enabling access to adult-use cannabis in Vermont.

(b) Duties. The duties of the Board shall be:

(1) rulemaking in accordance with this chapter, chapters 33-37 of this title, and 3 V.S.A. chapter 25;

(2) administration of a program for licensed cannabis establishments, which shall include compliance and enforcement;

(3) administration of the Medical Cannabis Registry on and after March 1, 2022;

(4) administration of a program for licensed medical cannabis dispensaries, which shall include compliance and enforcement, on and after March 1, 2022; and

(5) submission of an annual budget to the Governor.

(c) Membership.

(1) The Board shall be composed of a chair and two members appointed by the Governor in accordance with sections 841 and 842 of this title.

(2) All Board members shall serve for a term of three years or until a successor is appointed and shall be eligible for reappointment, provided that no member may serve more than three terms.

(3) A vacancy created before the expiration of a term shall be filled in the same manner as the original appointment for the unexpired portion of the term. A member appointed to fill a vacancy created before the expiration of a term shall not be deemed to have served a term for the purpose of subdivision (2) of this subsection.

(4) A member may be removed only for cause by the remaining members of the Commission in accordance with the Vermont Administrative Procedure Act. The Board shall adopt rules pursuant to 3 V.S.A. chapter 25 to define the basis and process for removal.

(d) Conflicts of interest.

(1) No Board member shall, during his or her term or terms on the Board, be an officer of, director of, organizer of, employee of, consultant to, or attorney for any person subject to regulation by the Board.

(2) No Board member shall participate in creating or applying any law, rule, or policy or in making any other determination if the Board member, individually or as a fiduciary, or the Board member's spouse, parent, or child wherever residing or any other member of the Board member's family residing in his or her household has an economic interest in the matter before the Board or has any more than a de minimus interest that could be substantially affected by the proceeding.

(3) No Board member shall, during his or her term or terms on the Board, solicit, engage in negotiations for, or otherwise discuss future employment or a future business relationship of any kind with any person subject to supervision or regulation by the Board.

(4) No Board member may appear before the Board or any other State agency on behalf of a person subject to supervision or regulation by the Board for a period of one year following his or her last day as a member of the Cannabis Control Board.

(e) Salaries. The Chair and all members of the Board shall be full-time State employees and shall be exempt from the State classified system. The Chair shall receive compensation equal to two-thirds that of a Superior Court judge, and other members shall receive compensation equal to one-half that of a Superior Court judge.

(f) Executive Director. The Board shall appoint an Executive Director who shall have prior experience in legislative or regulatory matters. The Director shall be a full-time State employee, shall be exempt from the State classified system, and shall serve at the pleasure of the Board. The Director shall be responsible for:

(1) supervising and administering the operation and implementation of this chapter and chapters 35 and 37 of this title and the rules adopted by the Board as directed by the Board;

(2) assisting the Board in its duties and administering the licensing requirements of this chapter and chapters 35 and 37 of this title;

(3) acting as Secretary to the Board, but as a nonvoting member of the Board;

(4) employing such staff as may be required to carry out the functions of the Board; and

(5) preparing an annual budget for submission to the Board.

(g) Consultant. The Board is authorized to hire a consultant as needed to assist with its duties under this section.

(h) [Repealed.] (Added 2019, No. 164 (Adj. Sess.), §§ 2, 6e(3), eff. Oct. 7, 2020; amended 2021, No. 62, § 2, eff. June 7, 2021; 2023, No. 65, § 1, eff. June 14, 2023; 2023, No. 87 (Adj. Sess.), § 100, eff. March 13, 2024.)

(802) 828-2863

MEMORANDUM

OFFICE OF THE SECRETARY OF STATE

Primary Contact: Gabriel M. Gilman, Cannabis Control Board 89 Main Street, 3rd Floor, Montpelier, VT 05602-2948 Tel: 802-261-1510 E-Mail: gabriel.gilman@vermont.gov

Secondary Contact: Patrick Crowley, Cannabis Control Board 89 Main Street, 3rd Floor, Montpelier, VT 05602-2948 Tel: 802-636-7548 E-mail: patrick.crowley@vermont.gov.

URL: <https://ccb.vermont.gov/laws-rules-and-regulations>

From: APA Coordinator, VSARA

RE: Rule 1: Licensing of Cannabis Establishments.

Date 05/20/2025

We received Proposed Rule on 01/10/2025
Final Proposed Rule on 05/20/2025
Adopted Rule on

We have assigned the following rule number(s):

Proposed Rule Number: 25P002

Adopted Rule Number:

(Final Proposals are not assigned a new number; they retain the Proposed Rule Number.)

The following problems were taken care of by phone/should be taken care of immediately:

We cannot accept this filing until the following problems are taken care of:

The ad for this proposed rule appeared/will appear in newspapers of record on 01/23/2025 & / / .

This rule takes effect on

Adoption Deadline: 09/10/2025

Please note: Agency requests a combined notice for 25P002, 25P003, 25P004 and 25P005

If you have any questions, please call me at 828-2863. OR

E-Mail me at: sos.statutoryfilings@vermont.gov

cc: Emery Mattheis

(802) 828-2863

MEMORANDUM

OFFICE OF THE SECRETARY OF STATE

Primary Contact: Gabriel M. Gilman, Cannabis Control Board 89 Main Street, 3rd Floor, Montpelier, VT 05602-2948 Tel: 802-261-1510 E-Mail: gabriel.gilman@vermont.gov

Secondary Contact: Patrick Crowley, Cannabis Control Board 89 Main Street, 3rd Floor, Montpelier, VT 05602-2948 Tel: 802-636-7548 E-mail: patrick.crowley@vermont.gov.

URL: <https://ccb.vermont.gov/laws-rules-and-regulations>

From: APA Coordinator, VSARA

RE: Rule 2: Regulation of Cannabis Establishments.

Date 05/21/2025

We received Proposed Rule on 01/10/2025
Final Proposed Rule on 05/20/2025
Adopted Rule on

We have assigned the following rule number(s):

Proposed Rule Number: 25P003

Adopted Rule Number:

(Final Proposals are not assigned a new number; they retain the Proposed Rule Number.)

The following problems were taken care of by phone/should be taken care of immediately: Final Proposed filing did not include a signature or date, the agency was notified that the filing was not accepted. The agency resubmitted the filing with the appropriate signature no further action required.

We cannot accept this filing until the following problems are taken care of:

The notice for this proposed rule appeared/will appear online on: 1/15/2025 and in the newspapers of record on 1/23/2025.

This rule takes effect on

Adoption Deadline: 09/10/2025

Please note: Agency requests a combined notice for 25P002, 25P003, 25P004 and 25P005

If you have any questions, please call me at 828-2863. OR

E-Mail me at: sos.statutoryfilings@vermont.gov

cc: Emery Mattheis

(802) 828-2863

MEMORANDUM

OFFICE OF THE SECRETARY OF STATE

Primary Contact: Gabriel M. Gilman, Cannabis Control Board 89 Main Street, 3rd Floor, Montpelier, VT 05602-2948 Tel: 802-261-1510 E-Mail: gabriel.gilman@vermont.gov

Secondary Contact: Patrick Crowley, Cannabis Control Board 89 Main Street, 3rd Floor, Montpelier, VT 05602-2948 Tel: 802-636-7548 E-mail: patrick.crowley@vermont.gov.

URL: <https://ccb.vermont.gov/laws-rules-and-regulations>

From: APA Coordinator, VSARA

RE: Rule 3: Medical Cannabis.

Date 05/20/2025

We received Proposed Rule on 01/10/2025
Final Proposed Rule on 05/20/2025
Adopted Rule on

We have assigned the following rule number(s):

Proposed Rule Number: 25P004

Adopted Rule Number:

(Final Proposals are not assigned a new number; they retain the Proposed Rule Number.)

The following problems were taken care of by phone/should be taken care of immediately:

We cannot accept this filing until the following problems are taken care of:

The ad for this proposed rule appeared/will appear in newspapers of record on 01/23/2025 & / / .

This rule takes effect on

Adoption Deadline: 09/10/2025

Please note: Agency requests a combined notice for 25P002, 25P003, 25P004 and 25P005

If you have any questions, please call me at 828-2863. OR

E-Mail me at: sos.statutoryfilings@vermont.gov

cc: Emery Mattheis

(802) 828-2863

MEMORANDUM

OFFICE OF THE SECRETARY OF STATE

Primary Contact: Gabriel M. Gilman, Cannabis Control Board 89 Main Street, 3rd Floor, Montpelier, VT 05602-2948 Tel: 802-261-1510 E-Mail: gabriel.gilman@vermont.gov

Secondary Contact: Patrick Crowley, Cannabis Control Board 89 Main Street, 3rd Floor, Montpelier, VT 05602-2948 Tel: 802-636-7548 E-mail: patrick.crowley@vermont.gov.

URL: <https://ccb.vermont.gov/laws-rules-and-regulations>

From: APA Coordinator, VSARA

RE: Rule 4: Compliance and Enforcement

Date 05/20/2025

We received Proposed Rule on 01/10/2025
Final Proposed Rule on 05/20/2025
Adopted Rule on

We have assigned the following rule number(s):

Proposed Rule Number: 25P005

Adopted Rule Number:

(Final Proposals are not assigned a new number; they retain the Proposed Rule Number.)

The following problems were taken care of by phone/should be taken care of immediately:

We cannot accept this filing until the following problems are taken care of:

The ad for this proposed rule appeared/will appear in newspapers of record on 01/23/2025 & / / .

This rule takes effect on

Adoption Deadline: 09/10/2025

Please note: Agency requests a combined notice for 25P002, 25P003, 25P004 and 25P005

If you have any questions, please call me at 828-2863. OR
E-Mail me at: sos.statutoryfilings@vermont.gov

cc: Emery Mattheis

OFFICE OF THE SECRETARY OF STATE
VERMONT STATE ARCHIVES & RECORDS ADMINISTRATION (VSARA)
(802) 828-2863

TO:	Seven Days Legals (legals@sevendaysvt.com)	Tel: (802) 865-1020 x110.
	The Caledonian Record Julie Poutre (adv@caledonian-record.com)	Tel: 748-8121 FAX: 748-1613
	Times Argus / Rutland Herald Classified Ads (classified.ads@rutlandherald.com)	Tel: 802-747-6121 ext 2238 FAX: 802-776-5600
	The Valley News (advertising@vnews.com)	Tel: 603-298-8711 FAX: 603-298-0212
	The Addison Independent (legals@addisonindependent.com)	Tel: 388-4944 FAX: 388-3100 Attn: Display Advertising
	The Bennington Banner / Brattleboro Reformer Lylah Wright (lwright@reformer.com)	Tel: 254-2311 ext. 132 FAX: 447-2028 Attn: Lylah Wright
	The Chronicle (ads@bartonchronicle.com)	Tel: 525-3531 FAX: 525-3200
	Herald of Randolph (ads@ourherald.com)	Tel: 728-3232 FAX: 728-9275 Attn: Brandi Comette
	Newport Daily Express (jlafoe@newportvermontdailyexpress.com)	Tel: 334-6568 FAX: 334-6891 Attn: Jon Lafoe
	News & Citizen (mike@stowereporter.com)	Tel: 888-2212 FAX: 888-2173
	St. Albans Messenger Legals (legals@samessenger.com ; cfoley@orourkemediagroup.com)	Tel: 524-9771 ext. 117 FAX: 527-1948 Attn: Legals
	The Islander (islander@vermontislander.com)	Tel: 802-372-5600 FAX: 802-372-3025
	Vermont Lawyer (hunter.press.vermont@gmail.com)	Attn: Will Hunter

FROM: APA Coordinator, VSARA

Date of Fax: May 20, 2025

RE: The "Proposed State Rules " ad copy to run on

January 23, 2025

PAGES INCLUDING THIS COVER MEMO:

3

***NOTE* 8-pt font in body. 12-pt font max. for headings - single space body. Please include dashed lines where they appear in ad copy. Otherwise minimize the use of white space. Exceptions require written approval.**

If you have questions, or if the printing schedule of your paper is disrupted by holiday etc. please contact VSARA at 802-828-3700, or E-Mail sos.statutoryfilings@vermont.gov, Thanks.

PROPOSED STATE RULES

By law, public notice of proposed rules must be given by publication in newspapers of record. The purpose of these notices is to give the public a chance to respond to the proposals. The public notices for administrative rules are now also available online at <https://secure.vermont.gov/SOS/rules/>. The law requires an agency to hold a public hearing on a proposed rule, if requested to do so in writing by 25 persons or an association having at least 25 members.

To make special arrangements for individuals with disabilities or special needs please call or write the contact person listed below as soon as possible.

To obtain further information concerning any scheduled hearing(s), obtain copies of proposed rule(s) or submit comments regarding proposed rule(s), please call or write the contact person listed below. You may also submit comments in writing to the Legislative Committee on Administrative Rules, State House, Montpelier, Vermont 05602 (802-828-2231).

Administrative Rules of the Board of Pharmacy.

Vermont Proposed Rule: 25P001

AGENCY: Board of Pharmacy, Office of Professional Regulation

CONCISE SUMMARY: This update reflects changes in pharmacy's legal and practice landscape since 2015 by regulating, among other things: - new types of pharmacy entity, such as virtual distributors and manufacturers, 503B outsourcers, and third-party logistics providers; - the prescribing of opioids; - devices containing prescription drugs; - naloxone dispensing; and - changes to prescriptions for schedule II controlled substances. The rule also reflects statutory changes to pharmacy professionals' scopes of practice, including immunizations, and simplifies the licensing of pharmacy technicians into a single credential instead of the current two-tiered system. The rule creates standards for workplace conditions pharmacy staffing necessary to protect the public. The rule streamlines and narrows the legal duties of Pharmacy Managers, clarifying that licensed pharmacies are themselves responsible for compliance with the Rules.

FOR FURTHER INFORMATION, CONTACT: Emily Tredeau, Office of Professional Regulation 89 Main Street, 3rd Floor, Montpelier, VT 05602-3402 Tel: 802-828-1505 Email: emily.b.tredeau@vermont.gov URL: <https://sos.vermont.gov/pharmacy/statutes-rules-resources/>.

FOR COPIES: Carrie Phillips, Office of Professional Regulation 89 Main Street, 3rd Floor, Montpelier, VT 05602-3402 Tel: 802-828-1505 Email: carrie.phillips@vermont.gov.

Note: The four rules below are being promulgated by the Cannabis Control Board who has requested the notices be combined to facilitate a savings for the board. Please note the title and number of the rule(s) you are interested in when contacting the board.

- Rule 1: Licensing of Cannabis Establishments.
Vermont Proposed Rule: **25P002**
- Rule 2: Regulation of Cannabis Establishments.
Vermont Proposed Rule: **25P003**

- Rule 3: Medical Cannabis.
Vermont Proposed Rule: **25P004**
- Rule 4: Compliance and Enforcement
Vermont Proposed Rule: **25P005**

AGENCY: Cannabis Control Board.

CONCISE SUMMARY: This is a comprehensive update to rules governing adult-use cannabis establishments and the medical cannabis system. Amendments to Rule 1 streamline renewal; establish siting requirements for retailers; simplify license changes; provide for tier changes based on performance; require deposit accounts; increase flexibility to address past misconduct by applicants; and retire a cumbersome system of prequalification. Amendments to Rule 2 clarify safety standards and allowable use of the Inventory Tracking System; prohibit consignment; standardize transport manifests; disallow illusory brands; standardize warning symbols; provide for product remediation; provide for curbside transactions; implement propagation cultivator licensing; integrate hemp-derived additives; and prohibit cannabinoids in beverage alcohol. Amendments to Rule 3 provide for retailer medical endorsements and raise standards for medical products. Amendments to Rule 4 create a process for orders concerning adulterated products.

FOR FURTHER INFORMATION, CONTACT: Gabriel M. Gilman, Cannabis Control Board 89 Main Street, 3rd Floor, Montpelier, VT 05602-2948 Tel: 802-261-1510 E-Mail: gabriel.gilman@vermont.gov URL: <https://ccb.vermont.gov/laws-rules-and-regulations>.

FOR COPIES: Patrick Crowley, Cannabis Control Board 89 Main Street, 3rd Floor, Montpelier, VT 05602-2948 Tel: 802-636-7548 E-mail: patrick.crowley@vermont.gov. -----



Proposed Rules Postings

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Deadline For Public Comment

Deadline: Feb 28, 2025

The deadline for public comment has expired. Contact the agency or primary contact person listed below for assistance.

Rule Details

Rule Number:	25P005
Title:	Rule 4: Compliance and Enforcement.
Type:	Standard
Status:	Final Proposed
Agency:	Vermont Cannabis Control Board
Legal Authority:	7 V.S.A. §§ 843(a); 843(b)(1); and 843(c)(1).
Summary:	<p>This is a comprehensive update to rules governing adult-use cannabis establishments and the medical cannabis system. Amendments to Rule 1 streamline renewal; establish siting requirements for retailers; simplify license changes; provide for tier changes based on performance; require deposit accounts; increase flexibility to address past misconduct by applicants; and retire a cumbersome system of prequalification. Amendments to Rule 2 clarify safety standards and allowable use of the Inventory Tracking System; prohibit consignment; standardize transport manifests; disallow illusory brands; standardize warning symbols; provide for product remediation; provide for curbside transactions; implement propagation cultivator licensing; integrate hemp-derived additives; and prohibit cannabinoids in beverage alcohol. Amendments to Rule 3 provide for retailer medical endorsements and raise standards for medical products. Amendments to Rule 4 create a process for orders concerning adulterated products.</p>
Persons Affected:	<p>This rule affects applicants, licensees, and those involved in the adult-use and medical-use regulated cannabis markets. This includes currently registered patients, caregivers, and dispensaries. The rule may have relevance to agencies with overlapping enforcement duties,</p>

	including the Department of Public Safety; Department of State's Attorneys & Sheriffs; Agency of Agriculture, Food & Markets; Department of Health; Department of Labor; Division of Fire Safety; and Department of Liquor & Lottery
Economic Impact:	The rule will have few or no broad economic impacts, as it directly affects only those applicants and licensees who become the subject of formal enforcement orders and proceedings. Though the fairness and efficacy of enforcement is important to the general integrity of the regulated cannabis market, no specific group can be said to incur material costs or savings.
Posting date:	Jan 15,2025

Hearing Information

	Information for Hearing # 1
Hearing date:	02-20-2025 09:00 AM ADD TO YOUR CALENDAR
Location:	Cannabis Control Board Conference Room
Address:	89 Main Street, 3rd Floor
City:	Montpelier
State:	VT
Zip:	05620-2948
Hearing Notes:	Also virtually via MS Teams at https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting Meeting ID: 219 147 510# Dial in by phone +1 802-828-7667,,219147510 Phone conference ID: 219 147 510#; or by visiting ccb.vermont.gov/event/ccb-rules-hearing .
	Information for Hearing # 2
Hearing date:	02-20-2025 09:00 AM ADD TO YOUR CALENDAR
Location:	Virtually via MS Teams
Address:	https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting
City:	Meeting ID: 219 147 510# Dial in by phone +1 802-828-7667,,219147510 Phone conference ID: 219 147 510#; or by visiting ccb.ve
State:	VT
Zip:	n/a
Hearing Notes:	Virtually via MS Teams at https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting Meeting ID: 219 147 510# Dial in by phone +1 802-828-7667,,219147510 Phone conference ID: 219 147 510#; or by visiting ccb.vermont.gov/event/ccb-rules-hearing .

Contact Information

	Information for Primary Contact
PRIMARY CONTACT PERSON - A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE.	
Level:	Primary
Name:	Gabriel M. Gilman
Agency:	Vermont Cannabis Control Board
Address:	89 Main Street, 3rd Floor
City:	Montpelier
State:	VT
Zip:	05620-2948
Telephone:	802-261-1510
Fax:	

Email: gabriel.gilman@vermont.gov
[SEND A COMMENT](#)

Website Address: https://ccb.vermont.gov/laws-rules-and-regulations
[VIEW WEBSITE](#)

Information for Secondary Contact

SECONDARY CONTACT PERSON - A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON.

Level: Secondary
Name: Patrick Crowley
Agency: Vermont Cannabis Control Board
Address: 89 Main Street, 3rd Floor
City: Montpelier
State: VT
Zip: 05620-2948
Telephone: 802-636-7548
Fax:
Email: patrick.crowley@vermont.gov
[SEND A COMMENT](#)

Keyword Information

Keywords:

- Cannabis
- Marijuana
- Dispensary
- Cultivator
- Adult-Use

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