

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred House Bill No. 321 entitled “An act relating to
4 miscellaneous cannabis amendments” respectfully reports that it has
5 considered the same and recommends that the Senate propose to the House that
6 the bill be amended as follows:

7 First: By adding a new section to be Sec. 2a to read as follows:

8 Sec. 2a. 7 V.S.A. § 845 is amended to read:

9 § 845. CANNABIS REGULATION FUND

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

13 (b) The Fund shall be composed of:

14 (1) all State application fees, annual license fees, renewal fees, and civil
15 penalties collected by the Board pursuant to chapters 33 (cannabis
16 establishments) and 37 (medical cannabis dispensaries) of this title;

17 (2) all annual and renewal fees collected by the Board pursuant to
18 chapter 35 (medical cannabis registry) of this title; and

19 (3) 70 percent of the cannabis excise tax revenue raised pursuant to 32
20 V.S.A. § 7902, provided, in the event that revenue raised by the cannabis
21 excise tax exceeds the revenue estimated in the July Consensus Revenue

1 Forecast adopted by the Emergency Board pursuant to section 305a of this
2 title, 30 percent of the revenue exceeding the estimated amount, not to exceed
3 total cannabis excise tax funding of \$10,000,000.00 per fiscal year, shall be
4 deposited into the Substance Misuse Prevention Special Fund established
5 pursuant to 18 V.S.A. § 4812, and the remainder of the revenue exceeding the
6 estimated amount shall be deposited into the Vermont Land Access and
7 Opportunity Fund established pursuant to 10 V.S.A. § 325u(g).

8 (c) Monies from the Fund shall only be appropriated for the purposes of
9 implementation, administration, and enforcement of this chapter and chapters
10 33, 35, and 37 of this title.

11 (d) At the end of each fiscal year, the balance in the Cannabis Regulation
12 Fund shall be transferred to the General Fund.

13 Second: By adding a new section to be Sec. 2b to read as follows:

14 Sec. 2b. 10 V.S.A. § 325u is amended to read:

15 § 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

16 * * *

17 (b) Organization of Board. The Board shall be composed of:

18 * * *

19 (10) one member, appointed by the Vermont Developmental Disabilities
20 Council; ~~and~~

1 (iii) Outdoor cultivator tier 3. Outdoor cultivators with up to
2 5,000 square feet of plant canopy in an outdoor cultivation space shall be
3 assessed an annual licensing fee of ~~\$4,000.00~~ \$2,000.00.

4 (iv) Outdoor cultivator tier 4. Outdoor cultivators with up to
5 10,000 square feet of plant canopy in an outdoor cultivation space shall be
6 assessed an annual licensing fee of ~~\$8,000.00~~ \$4,000.00.

7 (v) Outdoor cultivator tier 5. Outdoor cultivators with up to
8 20,000 square feet of plant canopy in an outdoor cultivation space shall be
9 assessed an annual licensing fee of ~~\$18,000.00~~ \$9,000.00.

10 ~~(vi) Outdoor cultivator tier 6. Outdoor cultivators with up to~~
11 ~~37,500 square feet of plant canopy in an outdoor cultivation space shall be~~
12 ~~assessed an annual licensing fee of \$34,000.00.~~

13 (B) Indoor cultivators.

14 (i) Indoor cultivator tier 1. Indoor cultivators with up to 1,000
15 square feet of plant canopy in an indoor cultivation space shall be assessed an
16 annual licensing fee of \$1,500.00.

17 (ii) Indoor cultivator tier 2. Indoor cultivators with up to 2,500
18 square feet of plant canopy in an indoor cultivation space shall be assessed an
19 annual licensing fee of \$3,750.00.

1 (iii) Indoor cultivator tier 3. Indoor cultivators with up to 5,000
2 square feet of plant canopy in an indoor cultivation space shall be assessed an
3 annual licensing fee of ~~\$8,000.00~~ \$16,000.00.

4 (iv) Indoor cultivator tier 4. Indoor cultivators with up to 10,000
5 square feet of plant canopy in an indoor cultivation space shall be assessed an
6 annual licensing fee of ~~\$16,000.00~~ \$32,000.00.

7 (v) Indoor cultivator tier 5. Indoor cultivators with up to 15,000
8 square feet of plant canopy in an indoor cultivation space shall be assessed an
9 annual licensing fee of ~~\$36,000.00~~ \$72,000.00.

10 ~~(vi) Indoor cultivator tier 6. Indoor cultivators with up to 25,000~~
11 ~~square feet of plant canopy in an indoor cultivation space shall be assessed an~~
12 ~~annual licensing fee of \$75,000.00.~~

13 (C) Mixed cultivator tiers.

14 (i) Mixed cultivator tier 1. Mixed cultivators with the following at
15 the same licensed premises shall be assessed an annual licensing fee of
16 ~~\$2,250.00~~ \$1,875.00: up to 1,000 square feet of plant canopy in an indoor
17 cultivation space and up to 125 cannabis plants in an outdoor cultivation space.

18 (ii) Mixed cultivator tier 2. Mixed cultivators with the following
19 at the same licensed premises shall be assessed an annual licensing fee of
20 \$5,625.00: up to 2,500 square feet of plant canopy in an indoor cultivation
21 space and up to 312 cannabis plants in an outdoor cultivation space.

1 (iii) Mixed cultivator tier 3. Mixed cultivators with the following
2 at the same licensed premises shall be assessed an annual licensing fee of
3 ~~\$5,500.00~~ \$3,500.00: up to 1,000 square feet of plant canopy in an indoor
4 cultivation space and up to 625 cannabis plants in an outdoor cultivation space.

5 (iv) Mixed cultivator tier 4. Mixed cultivators with the following
6 at the same licensed premises shall be assessed an annual licensing fee of
7 ~~\$9,500.00~~ \$5,500.00: up to 1,000 square feet of plant canopy in an indoor
8 cultivation space and up to 1,250 cannabis plants in an outdoor cultivation
9 space.

10 (v) Mixed cultivator tier 5. Mixed cultivators with the following
11 at the same licensed premises shall be assessed an annual licensing fee of
12 ~~\$19,500.00~~ \$10,500.00: up to 1,000 square feet of plant canopy in an indoor
13 cultivation space and up to 2,500 cannabis plants in an outdoor cultivation
14 space.

15 * * *

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

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

1 ~~(9)~~(10) Products. Cannabis establishments licensed by the Board shall
2 be assessed ~~an annual~~ a product licensing fee of \$50.00 per year for every type
3 of cannabis and cannabis product that is sold in accordance with this chapter.
4 Product registrations shall be valid for two years unless the Board determines,
5 through readily accessible published guidance, that such a registration should
6 be longer or shorter and shall be prorated at the same cost per year.

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

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

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

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

19 Fourth: By inserting two new sections to be Secs. 15a and 15b to read as
20 follows:

1 Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

2 (a) A licensed retail cannabis establishment in good standing with the
3 Board may apply to the Board for a cannabis showcase event permit. Multiple
4 retailers may apply and be granted permission to participate in each event, but
5 the Board shall allow not more than five events between July 1, 2025 and
6 December 31, 2026, and such events shall be issued in geographically
7 dispersed locations.

8 (b) A permit issued under this section shall authorize the recipient to
9 coordinate, oversee, and be the responsible administrator of a single, defined
10 commercial event, held at a defined access-controlled location, for a defined
11 period not to exceed 24 hours, at which cannabis or cannabis products lawfully
12 may be purchased and possessed by screened participants acting in conformity
13 with terms set out by the Board in the issued permit.

14 (c) To be eligible for a cannabis showcase event permit, an applicant retail
15 cannabis establishment shall demonstrate to the Board's satisfaction:

16 (1) written approval to pursue a permit in the proposed location, from
17 the cannabis control commission created by the municipality pursuant to 7
18 V.S.A. § 863, if one exists, or from the local legislative body or designee;

19 (2) partnership with a minimum of three tier 1 or tier 2 licensed
20 cultivators or product manufacturers that are in good standing with the Board

1 and wholly independent of the retail cannabis establishment and its affiliates
2 who will be showcased at the event;

3 (3) a commitment that the retailer will not offer for sale any cannabis or
4 cannabis products produced from a cultivator license or product manufacturer
5 license held by the retailer;

6 (4) a transparent revenue-sharing agreement that, in the Board's sole
7 judgment, meaningfully promotes the goals of the General Assembly to
8 promote market access for small cultivators;

9 (5) a security plan to ensure intoxicated persons or persons under 21
10 years of age cannot access the space subject to the permit, that the premises are
11 secured from diversion or inversion, and that the premises lawfully may be
12 used for the purpose intended;

13 (6) a product sale plan that describes quantities and types of cannabis
14 and cannabis products that will be offered for sale and explains how they will
15 be transported to the site, monitored, secured, displayed, and sold in
16 conformity with State law and Board rule;

17 (7) actual capacity and intent to administer and enforce and apply the
18 required plans;

19 (8) proof of commercially reasonable insurance for the proposed event;

20 and

1 (9) compliance with such other requirements as the Board may
2 prescribe.

3 (d) Deviation from security and sales plans, product tracking and taxation
4 requirements, or permit terms shall be a violation subject to adverse licensing
5 action consistent with Board rules.

6 (e) Permittee cannabis establishments shall be assessed a fee of \$250.00 to
7 apply for a Cannabis Showcase Event Permit of which 50 percent shall be
8 distributed to the host municipality and 50 percent shall be deposited in the
9 Cannabis Regulation Fund.

10 Sec 15b. CANNABIS RETAIL SALES REPORT

11 The Cannabis Control Board shall monitor and evaluate events authorized
12 under Sec. 15a of this act. On or before January 15, 2026, the Board shall
13 provide an interim report and, on or before January 15, 2027, a final report to
14 the House Committee on Government Operations and Military Affairs and the
15 Senate Committee on Economic Development, Housing and General Affairs
16 on a concise assessment of the benefits, challenges, and administrative
17 viability of offering cannabis retail sales at events outside the confines of a
18 retail cannabis establishment. The Board may recommend best practices for,
19 among other considerations, security, inventory tracking, tax enforcement,
20 permit administration, local government coordination, and optimizing market
21 access for small cultivators.

1 Fifth: By striking out Sec. 16, effective date, in its entirety and inserting in
2 lieu thereof the following:

3 Sec. 16. EFFECTIVE DATES

4 This act shall take effect on July 1, 2025, except that Sec. 2a, 7 V.S.A.
5 § 845, shall take effect on July 1, 2026.

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10 (Committee vote: _____)

11

12

Senator _____

13

FOR THE COMMITTEE