

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.

1 (c) Monies from the Fund shall only be appropriated for the purposes of  
2 implementation, administration, and enforcement of this chapter and chapters  
3 33, 35, and 37 of this title.

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

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

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

8 § 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

9 \* \* \*

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

11 \* \* \*

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

14 (11) one member, appointed by Vermont Psychiatric Survivors; and

15 (12) one member, appointed by Migrant Justice.

16 \* \* \*

17 Third: By striking out Sec. 12, 7 V.S.A. § 910, in its entirety and inserting  
18 in lieu thereof the following:

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

20 § 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

1       The following fees shall apply to each person or product licensed by the  
2       Board:

3           (1) Cultivators.

4               (A) Outdoor cultivators.

5                   (i) Outdoor cultivator tier 1. Outdoor cultivators with up to 1,000  
6       square feet of plant canopy or fewer than 125 cannabis plants in an outdoor  
7       cultivation space shall be assessed an annual licensing fee of ~~\$750.00~~ \$375.00.

8                   (ii) Outdoor cultivator tier 2. Outdoor cultivators with up to 2,500  
9       square feet of plant canopy in an outdoor cultivation space shall be assessed an  
10      annual licensing fee of ~~\$1,875.00~~ \$925.00.

11                  (iii) Outdoor cultivator tier 3. Outdoor cultivators with up to  
12      5,000 square feet of plant canopy in an outdoor cultivation space shall be  
13      assessed an annual licensing fee of ~~\$4,000.00~~ \$2,000.00.

14                  (iv) Outdoor cultivator tier 4. Outdoor cultivators with up to  
15      10,000 square feet of plant canopy in an outdoor cultivation space shall be  
16      assessed an annual licensing fee of ~~\$8,000.00~~ \$4,000.00.

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

1                   ~~(vi) Outdoor cultivator tier 6. Outdoor cultivators with up to~~  
2                   ~~37,500 square feet of plant canopy in an outdoor cultivation space shall be~~  
3                   ~~assessed an annual licensing fee of \$34,000.00.~~

4                   (B) Indoor cultivators.

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

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

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

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

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

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

4                   (C) Mixed cultivator tiers.

5                   (i) Mixed cultivator tier 1. Mixed cultivators with the following at  
6 the same licensed premises shall be assessed an annual licensing fee of  
7 ~~\$2,250.00~~ \$1,875.00: up to 1,000 square feet of plant canopy in an indoor  
8 cultivation space and up to 125 cannabis plants in an outdoor cultivation space.

9                   (ii) Mixed cultivator tier 2. Mixed cultivators with the following  
10 at the same licensed premises shall be assessed an annual licensing fee of  
11 \$5,625.00: up to 2,500 square feet of plant canopy in an indoor cultivation  
12 space and up to 312 cannabis plants in an outdoor cultivation space.

13                   (iii) Mixed cultivator tier 3. Mixed cultivators with the following  
14 at the same licensed premises shall be assessed an annual licensing fee of  
15 ~~\$5,500.00~~ \$3,500.00: up to 1,000 square feet of plant canopy in an indoor  
16 cultivation space and up to 625 cannabis plants in an outdoor cultivation space.

17                   (iv) Mixed cultivator tier 4. Mixed cultivators with the following  
18 at the same licensed premises shall be assessed an annual licensing fee of  
19 ~~\$9,500.00~~ \$5,500.00: up to 1,000 square feet of plant canopy in an indoor  
20 cultivation space and up to 1,250 cannabis plants in an outdoor cultivation  
21 space.

1 (v) Mixed cultivator tier 5. Mixed cultivators with the following  
2 at the same licensed premises shall be assessed an annual licensing fee of  
3 ~~\$19,500.00~~ \$10,500.00: up to 1,000 square feet of plant canopy in an indoor  
4 cultivation space and up to 2,500 cannabis plants in an outdoor cultivation  
5 space.

6 \* \* \*

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

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

12 ~~(9)~~(10) Products. Cannabis establishments licensed by the Board shall  
13 be assessed ~~an annual~~ a product licensing fee of \$50.00 per year for every type  
14 of cannabis and cannabis product that is sold in accordance with this chapter.  
15 Product registrations shall be valid for two years unless the Board determines,  
16 through readily accessible published guidance, that such a registration should  
17 be longer or shorter and shall be prorated at the same cost per year.

18 ~~(10)~~(11) Local licensing fees. Cannabis establishments licensed by the  
19 Board shall be assessed an annual local licensing fee of \$100.00 in addition to  
20 each fee assessed under subdivisions (1)–(7) of this section. Local licensing

1 fees shall be distributed to the municipality in which the cannabis  
2 establishment is located pursuant to section 846(c) of this title.

3 ~~(11)(12)~~ ~~One-time fees~~ Application fee.

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

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

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

12 Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

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

19 (b) A permit issued under this section shall authorize the recipient to  
20 coordinate, oversee, and be the responsible administrator of a single, defined  
21 commercial event, held at a defined access-controlled location, for a defined

1 period not to exceed 24 hours, at which cannabis or cannabis products lawfully  
2 may be purchased and possessed by screened participants acting in conformity  
3 with terms set out by the Board in the issued permit.

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

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

9 (2) partnership with a minimum of three tier 1 or tier 2 licensed  
10 cultivators or product manufacturers that are in good standing with the Board  
11 and wholly independent of the retail cannabis establishment and its affiliates  
12 who will be showcased at the event;

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

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

19 (5) a security plan to ensure intoxicated persons or persons under 21  
20 years of age cannot access the space subject to the permit, that the premises are



1 secured from diversion or inversion, and that the premises lawfully may be  
2 used for the purpose intended;

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

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

9 (8) proof of commercially reasonable insurance for the proposed event;  
10 and

11 (9) compliance with such other requirements as the Board may  
12 prescribe.

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

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

1        (f) The Board shall prioritize social equity applicants, as defined by 7  
2        V.S.A. § 911 and any related rules, when deciding whether to approve an  
3        application under this section.

4        Sec 15b. CANNABIS RETAIL SALES REPORT

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

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

18       Sec. 16. EFFECTIVE DATES

19       This act shall take effect on July 1, 2025, except that Sec. 2a, 7 V.S.A.  
20       § 845, shall take effect on July 1, 2026.

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4 (Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

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FOR THE COMMITTEE