

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) ~~The Commissioner of Finance and Management shall do the following~~
5 ~~not later than July 31 each year:~~

6 (1) ~~transfer the unexpended and unobligated balance of the Cannabis~~
7 ~~Regulation Fund to the General Fund at the close of the prior fiscal year; and~~

8 (2) ~~report the amount of the transfer made pursuant to subdivision (1) of~~
9 ~~this subsection to the Joint Fiscal Committee. At the end of each fiscal year,~~
10 ~~the balance in the Cannabis Regulation Fund shall be transferred to the General~~
11 ~~Fund.~~

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

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

15 § 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

16 The following fees shall apply to each person or product licensed by the
17 Board:

18 (1) Cultivators.

19 (A) Outdoor cultivators.

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

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

7 (iii) Outdoor cultivator tier 3. Outdoor cultivators with up to
8 5,000 square feet of plant canopy in an outdoor cultivation space shall be
9 assessed an annual licensing fee of ~~\$4,000.00~~ \$2,000.00.

10 (iv) Outdoor cultivator tier 4. Outdoor cultivators with up to
11 10,000 square feet of plant canopy in an outdoor cultivation space shall be
12 assessed an annual licensing fee of ~~\$8,000.00~~ \$4,000.00.

13 (v) Outdoor cultivator tier 5. Outdoor cultivators with up to
14 20,000 square feet of plant canopy in an outdoor cultivation space shall be
15 assessed an annual licensing fee of ~~\$18,000.00~~ \$9,000.00.

16 ~~(vi) Outdoor cultivator tier 6. Outdoor cultivators with up to~~
17 ~~37,500 square feet of plant canopy in an outdoor cultivation space shall be~~
18 ~~assessed an annual licensing fee of \$34,000.00.~~

19 (B) Indoor cultivators.

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

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

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

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

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

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

19 (C) Mixed cultivator tiers.

20 (i) Mixed cultivator tier 1. Mixed cultivators with the following at
21 the same licensed premises shall be assessed an annual licensing fee of

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

VT LEG #383316 v.2

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

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

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

12 ~~(10)~~(11) Local licensing fees. Cannabis establishments licensed by the
13 Board shall be assessed an annual local licensing fee of \$100.00 in addition to
14 each fee assessed under subdivisions (1)–(7) of this section. Local licensing
15 fees shall be distributed to the municipality in which the cannabis
16 establishment is located pursuant to section 846(c) of this title.

17 ~~(11)~~(12) ~~One-time fees~~ Application fee.

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

20 ~~(B) An applicant may choose to be assessed an initial one-time~~
21 ~~intent to apply fee of \$500.00. If the applicant subsequently seeks a license~~

1 ~~within one year after paying the intent to apply fee, the initial one-time~~
2 ~~application fee of \$1,000.00 shall be reduced by \$500.00.~~

3 Third: By inserting two new sections to be Secs. 15a and 15b to read as
4 follows:

5 Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

6 (a) A licensed retail cannabis establishment in good standing with the
7 Board may apply to the Board for a cannabis showcase event permit. Multiple
8 retailers may apply and be granted permission to participate in each event, but
9 the Board shall allow no more than five events between July 1, 2025 and
10 December 31, 2026, and such events shall be issued in geographically
11 dispersed locations.

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

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

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

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

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

11 (5) a transparent revenue-sharing agreement that, in the Board's sole
12 judgment, meaningfully promotes the goals of the General Assembly to
13 promote market access for small cultivators;

14 (6) a security plan to ensure intoxicated persons or persons under 21
15 years of age cannot access the space subject to the permit, that the premises are
16 secured from diversion or inversion, and that the premises lawfully may be
17 used for the purpose intended;

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

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

3 (9) proof of commercially reasonable insurance for the proposed event;
4 and

5 (10) compliance with such other requirements as the Board may
6 prescribe.

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

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

14 Sec 15b. CANNABIS RETAIL SALES REPORT

15 The Cannabis Control Board shall monitor and evaluate events authorized
16 under Sec. 15a of this act. The Board shall report to the House Committee on
17 Government Operations and Military Affairs and the Senate Committee on
18 Economic Development, Housing and General Affairs, on or before January
19 15, 2026, a concise assessment of the benefits, challenges, and administrative
20 viability of offering cannabis retail sales at events outside the confines of a
21 retail cannabis establishment. The Board may recommend best practices for,

1 among other considerations, security, inventory tracking, tax enforcement,
2 permit administration, local government coordination, and optimizing market
3 access for small cultivators.

4 Fourth: By striking out Sec. 16, effective date, in its entirety and inserting
5 in lieu thereof the following:

6 Sec. 16. EFFECTIVE DATES

7 This act shall take effect on July 1, 2025, except that Sec. 2a, 7 V.S.A.
8 § 845, shall take effect on July 1, 2026.

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12
13 (Committee vote: _____)

14 _____

15 Senator _____

16 FOR THE COMMITTEE