

# Vermont Cannabis Equity Coalition's Recommended Statutory Language for Bill H.321, An Act Relating to Miscellaneous Cannabis Amendments

May 2, 2025

## 1. Equity Funding: Industry and Community Reinvestment

These recommendations are directly from the Act 166 (2024) working group on Cannabis Social Equity Programs ([link to report](#)).

Recommendation from the CCB's Report to the General Assembly Pursuant to Pursuant to 7 V.S.A. § 989 (Social Equity Program Report - 2025):

- a. Expand the scope of the Cannabis Business Development Fund to include Tier 1 outdoor cultivators and Tier 1 manufacturers with priority for Social Equity applicants
    1. Expanding the scope to include Tier 1 outdoor cultivators and manufacturers would increase the number of potential beneficiaries by 97 licensees
  - a. Appropriate \$1M\* of cannabis excise tax revenue annually to the CBDF to be used for the following purposes:
    1. Providing direct funding to social equity businesses through beneficiary payments (\$450,000)
    2. Contracting with a CDBF Services Coordinator to identify business needs, improve financial viability, and match licensees with service providers (\$100,000)
    3. Establishing a network of advisors at partner organizations that can provide technical support and assistance tailored to individual need, including:
      - a. Business planning, supply chain logistics, regulatory and tax compliance, HR management, land access and transfer
      - b. On-farm workshops, biosecurity; post-harvest handling, sanitation and food safety
      - c. Value chain facilitation, professional development, sustainability, business expansion (\$450,000)
- \*\$1M would represent 4.5% of the FY25 cannabis excise tax projection according to the JFO Consensus Revenue Forecast (July 2024)
- b. Direct 25% of the Cannabis Excise Tax Revenue to the Land Access and Opportunity Board (LAOB) for community reinvestment.
  - The recently submitted report from the Act 166 study group (pursuant to 7 V.S.A. § 987) on Cannabis Social Equity Programs recommends to allocate 25% of the Cannabis Excise Tax to the Land Access and Opportunity Board for community reinvestment purposes.

## 2. Revising the CCB's ~~Cannabis Showcase~~ Producer Event Permit

As introduced, the CCB's Cannabis Showcase Event Permit doesn't allow for equitable participation or profit share by producers. We propose amending the bill to allow for direct sales for producers (licensed cultivators and manufacturers) in the pilot program. This pilot program would be done with language specifying its intention to prepare for expanded direct sales for small cultivators and manufacturers at events, and on and off site. Retail licensees already can host on-site events at which they invite cultivators and manufacturers to directly meet consumers and showcase their products like the CCB language proposes. The expressed need from the CCB is to understand how to appropriately and effectively regulate and administer direct sales for cultivators and manufacturers; and the expressed need from cultivators and manufacturers is greater economic agency and profitability through direct sales to consumers. This proposal represents an incremental progression for the regulatory community, the legislature, and the small businesses trying to be profitable in a fundamentally inequitable state regulated market. Currently, the CCB has closed the window on accessing a retail license (currently the only method of having agency and greater market share over the sales of your product) - and producers have very few, if any, available avenues for marketing their products and surviving as businesses in the current regulatory environment.

### Findings:

Direct sales to consumers for small producers are essential for business viability, market equity, and consumer choice. This bill creates a pilot program for events at which cultivators and manufacturers can directly sell their products to event attendees. This pilot event program is created with the intention of preparing for further expansion of direct sales for cultivators and manufacturers through events and on and off site sales using scale appropriate regulations.

Sec. \_\_. 7 V.S.A. § 909a is added to read:

#### § 909a. CANNABIS ~~SHOWCASE~~ PRODUCER EVENT PERMIT

(a) A ~~retail cultivator or manufacturer~~ cannabis establishment licensed and in good standing with the Board may apply to the Board for a cannabis showcase event permit.

(b) A permit issued under this section, 909a, shall confer upon the recipient establishment authority to coordinate, oversee, and be the responsible administrator of a single, defined commercial event, held at a defined access-controlled location, for a defined period not to exceed 24 hours, at which cannabis or cannabis products lawfully may be purchased, and possessed by screened participants acting in conformity with terms set out by the Board in the issued permit.

- (1) Cultivators can sell cannabis, cannabis products, seeds, and immature plants produced by the licensee directly to consumers based on rules and regulations developed by the Cannabis Control Board.
- (2) Manufacturers can sell cannabis products produced by the licensee directly to consumers based on rules and regulations developed by the Cannabis Control Board.

(c) To be eligible for a cannabis showcase event permit, an applicant ~~retail cultivator or manufacturer~~ cannabis establishment must demonstrate to the Board's satisfaction:

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

(a) A local cannabis control commission may not functionally prohibit holding Producer Events in a municipality, but may offer regulatory requirements similar to those of similar businesses and events.

(b) Producer Event Permits are not subject to 7 V.S.A. § 863 (a)(1) and (a)(2).

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

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

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

~~(5) actual capacity and intent to administer and enforce and apply the required plans;~~

~~(6)~~ (5) proof of commercially reasonable insurance for the proposed event; and

~~(7)~~ (6) compliance with such other requirements as the Board may prescribe.

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

(e) There shall be no limit to the number of events a licensed manufacturer or cultivator may hold

(e) (f) The Board ~~may~~ must adopt rules and forms necessary to implement this section by November 1, 2025.

Sec \_\_. 7 V.S.A. § 910 is amended to read:

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

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(12) Cannabis Showcase Event Permit fee. Permittee cannabis establishments shall be assessed a fee of ~~\$XXX~~ 100 to apply for a Cannabis ~~Showcase~~ Producer Event Permit under section 909a of this chapter, of which fifty percent shall be distributed to the host municipality and fifty percent shall be deposited in the Cannabis Regulation Fund.

Sec \_\_\_\_\_

The Cannabis Control Board shall monitor and evaluate events authorized under Section \_\_\_\_\_ of this Act. The Board shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing, and General Affairs, by January 15, 2026, a concise assessment of the benefits, challenges, and what the CCB needs to equitably and effectively administer ~~relative viability of offering~~ retail direct sales for licensed cultivators and manufacturers not subject to 7 V.S.A. § 863 (a)(1) and (a)(2) at events outside the confines of a retail cannabis establishment, and for on and off site direct sales to customers for licensed small cultivators and manufacturers. The Board may recommend best practices for, among other considerations, point of sales, security, inventory tracking, tax enforcement, permit administration, local government coordination, and optimizing market access for small cultivators and manufacturers on- and off-site.

### **3. Public Consumption Anywhere Lit Tobacco Is Allowed**

This section proposes public consumption limited to wherever lit tobacco is allowed, as is the law in the State of New York. Current consumption laws in VT are inherently inequitable, in effect allowing only people who own their own private land or residences to consume cannabis legally, as it otherwise prohibits consumption in public places, and owners of rentals determine policy for their tenants. This law creates unsafe conditions for consumption, and increases the likelihood of continuing inequitable and racialized enforcement of cannabis law.

#### **Recommended Language:**

7 V.S.A. § 833 is amended to read:

7 V.S.A. § 833. **CONSUMPTION USE OF CANNABIS IN A PUBLIC PLACE**

(a) No person shall consume possess lighted cannabis or use cannabis products a public place unless specifically authorized by law any place where the use or possession of a lighted tobacco product, tobacco product, or tobacco substitute is prohibited by law pursuant to 18 V.S.A. chapter 37. Violations shall be punished in accordance with 18 V.S.A. § 4230a.

### **4. Agricultural Use and Exemptions**

Provide Outdoor Cultivators with agricultural wetlands exemptions. Outdoor cultivators have

encountered unreasonable and costly barriers which they otherwise would not have been subject to if they were growing any other agricultural crop regulated under the Required Agriculture Practices (RAPs).

According to the Vermont DEC:

*“The growing of food and crops is allowed under the Vermont Wetland Rules, provided it complies with other applicable laws and with the most recent Acceptable Agricultural Practices. The clearing of forested wetland for agricultural purposes requires a permit.”*

**VCEC Recommendation:**

*“The growing of adult-use outdoor cannabis is allowed under the Vermont Wetland Rules, provided it complies with other applicable laws and with the most recent Acceptable Agricultural Practices and Required Agricultural Practices. The clearing of forested wetland for the cultivation of outdoor adult-use cannabis requires a permit.”*

Strike the municipal cultivation districts and setbacks for outdoor cultivation from Act 166 (2024).

**Recommended Language:**

7 V.S.A. § 869 (f)(2) is amended to read:

7 V.S.A. § 869. Cultivation of cannabis; environmental and land use standards; regulation of cultivation

(2) not be regulated by a municipal bylaw adopted under 24 V.S.A. chapter 117 in the same manner that Required Agricultural Practices are not regulated by a municipal bylaw under 24 V.S.A. § 4413(d)(1)(A), ~~except that there shall be the following minimum setback distance between the cannabis plant canopy and a property boundary or edge of a highway:~~

~~(A) if the cultivation occurs in a cannabis cultivation district adopted by a municipality pursuant to 24 V.S.A. § 4414a, the setback shall be not larger than 25 feet as established by the municipality;~~

~~(B) if the cultivation occurs outside of a cannabis cultivation district adopted by a municipality pursuant to 24 V.S.A. § 4414a or no cannabis cultivation district has been adopted by the municipality, the setback shall be not larger than 50 feet as established by the municipality; and~~

~~(C) if a municipality does not have zoning, the setback shall be 10 feet;~~

## **5. Complete Expungement of any and all Cannabis Related Charges and Not Re-criminalizing**

This section proposes the expungement of any and all cannabis-related charges cost-free and without the need for an individual to petition to courts for the clearing of their records. The burden for expungement should be on the entity complicit in the criminalization of cannabis and the enforcement of that criminalization; not on the individuals victimized by the criminalization of cannabis.

**Recommended Language:**

13 V.S.A. § 7602 is amended to read:

13 V.S.A. § 7602. EXPUNGEMENT AND SEALING OF RECORD, POST CONVICTION; PROCEDURE

(a)(1) A person may file a petition with the court requesting expungement or sealing of the criminal history record related to the conviction if:

\* \* \*

(B) the person was convicted of an offense for which the underlying conduct is no longer prohibited by law or designated as a criminal offense;

(C) pursuant to the conditions set forth in subsection (g) of this section, the person was convicted of a violation of 23 V.S.A. § 1201(a) or § 1091 related to operating under the influence of alcohol or other substance, excluding a violation of those sections resulting in serious bodily injury or death to any person other than the operator, or related to operating a school bus with a blood alcohol concentration of 0.02 or more or operating a commercial vehicle with a blood alcohol concentration of 0.04 or more; ~~or~~

(D) pursuant to the conditions set forth in subsection (h) of this section, the person was convicted under 1201(c)(3)(A) of a violation of subdivision 1201(a) of this title related to burglary when the person was 25 years of age or younger, and the person did not carry a dangerous or deadly weapon during commission of the offense; or

(E) the person was convicted of dispensing or selling cannabis prior to March 1, 2022. (e) For petitions filed pursuant to subdivision (a)(1)(B) of this section for a conviction for possession or dispensing of a regulated drug under 18 V.S.A. chapter 84, subchapter 1 in an amount that is no longer prohibited by law or for which criminal sanctions have been removed:

(1) The petitioner shall bear the burden of establishing that ~~his or her~~ the petitioner's conviction was based on possessing an amount of regulated drug that is no longer prohibited by law or for which criminal sanctions have been removed.

(2) There shall be a rebuttable presumption that the amount of the regulated drug specified in the affidavit of probable cause associated with the petitioner's conviction was the amount possessed or dispensed by the petitioner.

## **6. Homegrown Allowances**

Increase homegrown allowances to 6 mature and 12 immature plants to bring into alignment with Act 65 (2023) medical homegrown allowances for Medical Cannabis Program-registered caregivers and patients.

**Recommended Language:**

18 V.S.A. § 4230e is amended to read:

18 V.S.A. § 4230e. Cultivation of cannabis by a person 21 years of age or older

(a)(1) Except as otherwise provided in this section, a person 21 years of age or older who cultivates not more than ~~two~~ six mature cannabis plants and ~~four~~ twelve immature cannabis plants shall not be penalized or sanctioned in any manner by the State or any of its political subdivisions or denied any right or privilege under State law.

## **7. Position the Administration of Eligible Conditions and Oversight Under the Cannabis Control Board**

These recommendations are directly from the Act 166 (2024) Section 11a legislative report ([link to report](#)).

**Recommended Language from the CCB's Report to the General Assembly Pursuant to Section 11a of Act 166 (Medical Cannabis Program Report - 2024):**

7 V.S.A. § 951 is amended to read:

7 V.S.A. § 951. Definitions

CANNABIS CONTROL BOARD REPORTING; MEDICAL CANNABIS REGISTRY

(a) The Cannabis Control Board shall work in consultation with the Vermont Department of Health, the Vermont Medical Society, the Green Mountain Patients' Alliance, the Cannabis Retailers Association of Vermont, and other interested parties to assess the efficacy of the Medical Cannabis Program in serving registered and prospective patients. The assessment shall include recommendations regarding:

(1) improvements to the process of evaluating and approving new qualifying conditions;  
Recommendation: Authorize a health care professional (7 V.S.A. § 951) with specialized cannabis medical education to recommend access to the Vermont Medical Cannabis Registry for a patient in their care; or Authorize a non-legislative entity to evaluate and either recommend or approve new qualifying conditions;

## **8. Strike the Retail Siting Rules Language in Section 4, Which Is in the Bill to Create the Effect of a Two-Year Moratorium for New Retail Licenses**

Under Act 166 (2024), the CCB developed administrative rules with industry input to determine if towns like Burlington need another retailer. Reducing market channels at this early stage of the market is inappropriate especially when the industry is urging lawmakers to expand new market channels.

**Recommended Language:**

7 V.S.A. § 881 is amended to read:

7 V.S.A. § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

(5) Rules concerning retailers shall include:

(F) location or siting requirements that increase the geographic distribution of new cannabis retail establishments based on ~~regional~~ population, and market needs, ~~and~~ ~~community input~~;

## **9. Strike the Harvest and Trim License Proposal and Replace With Sensible Employment Identification Card Reform**

The proposed Harvest and Trim license is a solution in search of a problem, as cultivators are not requesting it. Instead, it is sowing uncertainty across the industry because these services are currently operating successfully. Cultivators worry that this new license may impose additional burdens and potentially make it more difficult to find help for harvesting and trimming. A more effective approach, which the industry is advocating for, would be to allow individuals with employee identification cards to work for multiple licensed businesses simultaneously.



**VCEC Recommendation:**

Strike all instances of the Harvest and Trim license from Bill H.321.

Allow the individuals with employee identification cards to work for multiple licensed businesses simultaneously.

**Recommended Language:**

7 V.S.A. § 884 is amended to read:

7 V.S.A. § 884. Cannabis establishment identification card

(a) Every owner, principal, and employee of a cannabis establishment shall obtain an identification card issued by the Board. A person may apply for an identification card prior to obtaining employment with a licensee. An employee identification card shall authorize the person to work for any licensee. A person with an employee identification may work for more than one licensee.

(b)(1)(A) Prior to issuing the identification card to an owner or principal of a cannabis establishment, the Board shall obtain from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation.

(B) Prior to issuing the identification card to an employee of a cannabis establishments, the Board shall obtain a copy of a fingerprint-based identity history summary record from the Federal Bureau of Investigation.

(2) The Board shall adopt rules that set forth standards for determining whether a person should be denied a cannabis establishment identification card because of his or her criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Once an identification card application has been submitted, a person may serve as an employee of a cannabis establishments pending the background check, provided the person is supervised in his or her duties by someone who is a cardholder. The Board shall issue a temporary permit to the person for this purpose, which shall expire upon the issuance of the identification card or disqualification of the person in accordance with this section.

(d) An identification card shall expire one year after its issuance or, in the case of owners and principals, upon the expiration of the cannabis establishment's license, whichever occurs first. (Added 2019, No. 164 (Adj. Sess.), § 7, eff. Oct. 7, 2020; amended 2021, No. 158 (Adj. Sess.), § 14, eff. May 31, 2022.)

**10. An Alternative Option for Direct Sales Limited to Small Producers:  
Supplemental Direct Retail Sales License for Small Producers**

*A Supplemental Direct Retail Sales License for Small Producers* is limited to smaller tiers of production for licensed cultivators and manufacturers and allows for regulated on-site and



off-site sales of their own products directly to consumers based on rules determined through a public rulemaking process conducted by the Cannabis Control Board.

**Recommended Language:**

7 V.S.A. § 907a is amended to read:

7 V.S.A. § 907a. Supplemental Direct Retail Sales License for Small Cultivators and Manufacturers:

(a) In addition to the authorized conduct in 7 V.S.A § 904 for licensed cultivators, 7 V.S.A. § 906 for licensed manufacturers, and 7 V.S.A § 907 for licensed retailers:

a. Tier 1 and 2 cultivators with a Supplemental Direct Retail Sales License may sell cannabis, cannabis products using cannabis produced by the licensee, immature cannabis plants, and cannabis seeds directly to consumers based on rules and regulations developed by the Cannabis Control Board; and,

b. Tier 1 and 2 product manufacturers with a Supplemental Direct Retail Sales License may sell cannabis products produced by the licensee directly to consumers based on rules and regulations developed by the Cannabis Control Board.

c. The Cannabis Control Board is to finalize rules for this license to be scale appropriate, accessible, and affordable, accounting for the limited production and sales of smaller tier licensees through a public rulemaking process by November 15, 2025; they must allow for on and off-site sales; and must address:

(a) Security

(b) Taxation

(c) Point of Sales requirements and training

(d) Tracking

(e) Inspection

(f) Transportation

d. Supplemental Direct Retail Sales licensees are not subject to 7 V.S.A. § 863 (a)(1) and (a)(2).

e. The Supplemental Direct Retail Sales License shall be open for application beginning no later than December 15, 2025.

§ 910 (4)(c). Licensed cultivators and manufacturers who sell directly to the public with a Supplemental Direct Retail Sales License shall be assessed an annual licensing fee of \$250.00

## **11. Fee Schedule Reform**

Lieutenant Governor offered a proposal to the Cultivators license application fee schedule that seeks to reduce costs for Outdoor Cultivators and make up for that deficit by increasing the costs for Indoor Cultivators. We support reducing fees for outdoor cultivators, and increasing fees on Tier 3 Indoor cultivators, while keeping tiers 1 and 2 where they currently are. Rather than increase fees on Tiers 4 and 5 Indoor we propose that these tiers be struck from statute. This has always been a goal of our coalition - we have always supported more licenses at smaller scales of production than fewer licenses at larger scales of production. There is only 1 licensee in each tier, and the scale of production of these businesses affects market saturation and equitable access to market for smaller producers. They can become tier 3 indoor producers and there will

be reduced fee loss as a result. Last year, the legislature created new municipal authorities affecting outdoor cultivators which the CCB estimates will affect at least 12 businesses. This change is less substantial, we can point to clear reasons and outcomes, and it is oriented more towards basic principles of market equity and access and agency.

#### § 910. Cannabis establishment fee schedule

The following fees shall apply to each person or product licensed by the Board: (1) Cultivators.

##### (A) Outdoor cultivators.

(i) Outdoor cultivator tier 1. Outdoor cultivators with up to 1,000 square feet of plant canopy or fewer than 125 cannabis plants in an outdoor cultivation space shall be assessed an annual licensing fee of \$~~750~~375.00.

(ii) Outdoor cultivator tier 2. Outdoor cultivators with up to 2,500 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of \$~~1,875~~925.00.

(iii) Outdoor cultivator tier 3. Outdoor cultivators with up to 5,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of \$~~42~~,000.00.

(iv) Outdoor cultivator tier 4. Outdoor cultivators with up to 10,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of \$~~84~~,000.00.

(v) Outdoor cultivator tier 5. Outdoor cultivators with up to 20,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of \$~~189~~,000.00.

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

##### (B) Indoor cultivators.

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

(ii) Indoor cultivator tier 2. Indoor cultivators with up to 2,500 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$3500.00.

(iii) Indoor cultivator tier 3. Indoor cultivators with up to 5,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$~~816~~,000.00.

~~(iv) Indoor cultivator tier 4. Indoor cultivators with up to 10,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$1632,000.00.~~

~~(v) Indoor cultivator tier 5. Indoor cultivators with up to 15,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$3672,000.00.~~

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

(C) Mixed cultivator tiers.

(i) Mixed cultivator tier 1. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$2,250~~**\$1,875**.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 125 cannabis plants in an outdoor cultivation space.

(ii) Mixed cultivator tier 2. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$5,625~~**\$8,425**.00: up to 2,500 square feet of plant canopy in an indoor cultivation space and up to 312 cannabis plants in an outdoor cultivation space.

(iii) Mixed cultivator tier 3. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$53~~**\$3**,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 625 cannabis plants in an outdoor cultivation space.

(iv) Mixed cultivator tier 4. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$95~~**\$5**,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 1,250 cannabis plants in an outdoor cultivation space.

(v) Mixed cultivator tier 5. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$19~~**\$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.

(2) Wholesalers. Wholesalers shall be assessed an annual licensing fee of \$4,000.00. (3) Manufacturers.

(A) Manufacturer tier 1. Manufacturers that process and manufacture cannabis in order to produce cannabis products without using solvent-based extraction and not more than \$50,000.00 per year in cannabis products based on the manufacturer's total annual sales in cannabis products shall be assessed an annual licensing fee of \$750.00.

(B) Manufacturer tier 2. Manufacturers that process and manufacture cannabis in order to produce cannabis products without using solvent-based extraction shall be assessed an annual licensing fee of \$2,500.00.