

# 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. Limited Direct Retail Sales Temporary Event**

A *Limited Direct Retail Sales Temporary Event* is restricted to licensed cultivators, propagators, manufacturers, and retailers and allows for temporary events with regulated on-site sales directly with consumers with rules to be promulgated by the Cannabis Control Board.

### **Recommended Language:**

7 V.S.A. § 910a is amended to read:

7 V.S.A. § 910a. Limited Direct Retail Sales Temporary Event

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

(a) 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 at a permitted temporary event.

(b) Propagators can sell cannabis seeds and living plants produced by the licensee directly to consumers based on rules and regulations developed by the Cannabis Control Board at a permitted temporary event.

(c) Manufacturers can sell cannabis products produced by the licensee directly to consumers based on rules and regulations developed by the Cannabis Control Board at a permitted temporary event.

(d) Retailers can sell cannabis and cannabis products not branded by the licensee directly to consumers based on rules and regulations developed by the Cannabis Control Board at a permitted temporary event.

(b) A Limited direct sales temporary event shall be 24 hours or less at one location and one alternative location, indoors and/or outdoors. A permit holder may obtain and hold up to two temporary events within a 48 hour period from the start date of the first event.

(c) 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.

(d) All inventory is to be pre-approved through product registration by the Cannabis Control Board 30 days before the event is planned to take place.

(e) Pre-approved advertising by the Cannabis Control Board during the permitting process to allow for all licensees to fairly promote the event.

(f) A Limited direct sales temporary event is not subject to 7 V.S.A. § 863 (a)(1) and (a)(2).

(g) A Limited direct sales temporary event shall be further articulated based on rules and regulations developed by the Cannabis Control Board through a public rulemaking process by January 1, 2026. Temporary event retail permits shall be issued no later than March 1, 2026. The Cannabis Control Board rulemaking process shall address:

- Security
- Compliance
- Insurance
- Advertising
- Inventory pre-approval and taxation

~~§ 910.~~ § 911. Cannabis establishment fee schedule

(6) Events.

(A) Limited Direct Retail Sales Temporary Events shall be assessed a one-time permit fee of \$100.00.

### **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 in 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.