

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.

21 * * *

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

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

4 § 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

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

7 (1) Cultivators.

8 (A) Outdoor cultivators.

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

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

15 (iii) Outdoor cultivator tier 3. Outdoor cultivators with up to
16 5,000 square feet of plant canopy in an outdoor cultivation space shall be
17 assessed an annual licensing fee of ~~\$4,000.00~~ \$2,000.00.

18 (iv) Outdoor cultivator tier 4. Outdoor cultivators with up to
19 10,000 square feet of plant canopy in an outdoor cultivation space shall be
20 assessed an annual licensing fee of ~~\$8,000.00~~ \$4,000.00.

1 (v) Outdoor cultivator tier 5. Outdoor cultivators with up to
2 20,000 square feet of plant canopy in an outdoor cultivation space shall be
3 assessed an annual licensing fee of ~~\$18,000.00~~ \$9,000.00.

4 ~~(vi) Outdoor cultivator tier 6. Outdoor cultivators with up to~~
5 ~~37,500 square feet of plant canopy in an outdoor cultivation space shall be~~
6 ~~assessed an annual licensing fee of \$34,000.00.~~

7 (B) Indoor cultivators.

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

11 (ii) Indoor cultivator tier 2. Indoor cultivators with up to 2,500
12 square feet of plant canopy in an indoor cultivation space shall be assessed an
13 annual licensing fee of ~~\$3,750.00~~ \$7,500.00.

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

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

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

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

7 (C) Mixed cultivator tiers.

8 (i) Mixed cultivator tier 1. Mixed cultivators with the following at
9 the same licensed premises shall be assessed an annual licensing fee of
10 ~~\$2,250.00~~ \$1,875.00: up to 1,000 square feet of plant canopy in an indoor
11 cultivation space and up to 125 cannabis plants in an outdoor cultivation space.

12 (ii) Mixed cultivator tier 2. Mixed cultivators with the following
13 at the same licensed premises shall be assessed an annual licensing fee of
14 ~~\$5,625.00~~ \$8,425.00: up to 2,500 square feet of plant canopy in an indoor
15 cultivation space and up to 312 cannabis plants in an outdoor cultivation space.

16 (iii) Mixed cultivator tier 3. Mixed cultivators with the following
17 at the same licensed premises shall be assessed an annual licensing fee of
18 ~~\$5,500.00~~ \$3,500.00: up to 1,000 square feet of plant canopy in an indoor
19 cultivation space and up to 625 cannabis plants in an outdoor cultivation space.

20 (iv) Mixed cultivator tier 4. Mixed cultivators with the following
21 at the same licensed premises shall be assessed an annual licensing fee of

1 ~~\$9,500.00~~ \$5,500.00: up to 1,000 square feet of plant canopy in an indoor
2 cultivation space and up to 1,250 cannabis plants in an outdoor cultivation
3 space.

4 (v) Mixed cultivator tier 5. Mixed cultivators with the following
5 at the same licensed premises shall be assessed an annual licensing fee of
6 ~~\$19,500.00~~ \$10,500.00: up to 1,000 square feet of plant canopy in an indoor
7 cultivation space and up to 2,500 cannabis plants in an outdoor cultivation
8 space.

9 * * *

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

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

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

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

6 ~~(11)~~(12) ~~One-time fees~~ Application fee.

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

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

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

15 Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

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

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

7 **(c) To be eligible for a cannabis showcase event permit, an applicant retail**
8 **cannabis establishment shall demonstrate to the Board’s satisfaction:**

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

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

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

20 **(4) a product sale plan that describes quantities and types of cannabis**
21 **and cannabis products that will be offered for sale and explains how they will**

1 be transported to the site, monitored, secured, displayed, and sold in
2 conformity with State law and Board rule;

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

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

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

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

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

16 (f) The Board may adopt rules and forms necessary to implement this
17 section.

18 Sec 15b. CANNABIS RETAIL SALES REPORT

19 The Cannabis Control Board shall monitor and evaluate events authorized
20 under Sec. 15a of this act. The Board shall report to the House Committee on
21 Government Operations and Military Affairs and the Senate Committee on

Economic Development, Housing and General Affairs, on or before January 15, 2026, a concise assessment of the benefits, challenges, and administrative viability of offering cannabis retail sales at events outside the confines of a retail cannabis establishment. The Board may recommend best practices for, among other considerations, security, inventory tracking, tax enforcement, permit administration, local government coordination, and optimizing market access for small cultivators.

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

Sec. 16. EFFECTIVE DATES

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

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE