

S.278 – An act relating to cannabis, with amendments as proposed by the House

Sections	Page	Description of bill as passed by the Senate	House Action
		* * * Packaging Limits * * *	
Sec. 1, 7 VSA § 881, Rulemaking; Cannabis Establishments	1	* Rulemaking for product manufacturers for single packages of cannabis containing not more than 200 mg of THC (up from 100 mg)	FLOOR - SECTION DELETED
		* * * Transaction Limit * * *	
Sec. 2, 7 VSA § 907, Retailer License	1	* Increases single transaction from one ounce to two ounces of cannabis or equivalent in cannabis products if 21 or older	No change
Sec. 3, 18 VSA § 4230, Cannabis	2	* Increases the amount of permissible possession of cannabis from one to two ounces of cannabis and from five to 10 grams of hashish (no change on cultivation)	No change
Sec. 4, 18 VSA § 4230a, Cannabis possession by person 21 years or older	3	* Increases the amount of permissible possession of cannabis from one to two ounces of cannabis and from five to 10 grams of hashish (no change on cultivation)	No change
		* * * Event Permit; Pilot Program * * *	HGOMA Amends heading
Sec. 5, 7 VSA § 912, Event Permit	3-7	* Two-year event pilot program allowing CCB to grant up to 10 permits for public events and 10 permits for private events annually	HGOMA Reduces # of permits to 5 public & 5 private FLOOR - event must be held in an opt-in municipality FLOOR deletes consumption at events, restricts event permit holders to cannabis retail establishments, and deletes private events in favor of 10 public event permits
Sec. 6, 7 VSA § 913, Delivery Permit	7	* Two-year delivery permit pilot program for tier 1 and tier 2 cultivators and tier 1 and tier 2 manufacturers that do not also hold a retailer license	HGOMA DELETED

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Sec. 7, 32 V.S.A. § 7902, Cannabis Excise Tax	7	* Conforming amendment to incorporate event and delivery permits	HGOMA deletes reference to delivery permit
Sec. 8, 32 V.S.A. § 7904, Returns; Records	7-8	* Conforming amendment to incorporate event and delivery permits	HGOMA deletes reference to delivery permit
Sec. 9, 32 V.S.A. § 7906, Licenses	8	* Conforming amendment to incorporate event and delivery permits	HGOMA deletes reference to delivery permit
Sec. 10, Session law; CCB; Rules and Report	9	* CCB shall institute rulemaking for the event and delivery permits by 7/1/27 and submit report to committees of jurisdiction on pilot programs.	HGOMA deletes reference to delivery permit
		* * * Outdoor Cultivator Fees * * *	
Sec. 10a, 7 VSA § 910, Cannabis Establishment Fee Schedule	9-10	* Amends fee schedule to reduce fees for outdoor cultivators by 50% and to eliminate the outdoor cultivator tier 6 (up to 37,500 square feet of plant canopy from 20,000)	FLOOR deletes contingency & delays effective date in Sec. 32
		* * * Municipal Authority * * *	
Sec. 11, 7 VSA § 863, Regulation by Local Government	11-13	* Allows 5% of voters in a municipality to petition to hold a vote on allow cannabis retailers * Exempts indoor cultivators and tier one manufacturers, as well as outdoor cultivators from being subject to public nuisance ordinances * Municipalities shall not adopt an ordinance or bylaw that completely or effectively prohibits the operation of cannabis establishments within the municipality	HGOMA deletes exemption for indoor cultivators and renumbers remaining sections FLOOR deletes section except for conforming language removing references to integrated licenses
		* * * Distribution of Local License Fees to Municipalities * * *	
Sec. 12, 7 V.S.A. § 846, Fees; Authority	13	* Annual rather than quarterly distribution of local license fees	No change

Sections	Page	Description of bill as passed by the Senate	House Action
Sec. 12a, 7 V.S.A. § 847, Appeals	13	* Adding that CCB can enforce a final administrative penalty by filing a civil collection action in Superior Court	FLOOR ADDS NEW SECTION
		* * * Two-Year Employee Identification Cards * * *	
Sec. 13, 7 VSA § 910, Cannabis Establishments Fee Schedule	14	* Biennial rather than annual employee licenses * Gives CCB the ability to issue longer product registrations for low-risk and shelf-stable products	HGOMA Implementation delayed for one year to 7/1/27 in Sec. 32
		* * * Repeal of Integrated License Provisions * * *	
Sec. 14, 7 VSA § 861, Definitions	14-15	* Repeals definition of “integrated license”	No change
Sec. 15, 7 VSA § 866, Youth	15	* Deletes reference to integrated licenses	No change
Sec. 16, 7 VSA § 881, Rulemaking; Cannabis Establishments	16	* Deletes reference to integrated licenses	No change
Sec. 17, 7 VSA § 901, General Provisions	17-18	* Deletes reference to integrated licenses	HGOMA Conforming amendments
Sec. 18, 7 VSA § 904, Cultivator License	18	* Deletes reference to integrated licenses	No change
Sec. 19, 7 VSA § 904a, Small Cultivators	18-19	* Deletes reference to integrated licenses	No change
Sec. 20, 7 VSA § 910, Cannabis Establishment Fee Schedule	19	* Repeals \$100,000 annual licensing fee for an integrated license	No change
Sec. 21, 7 VSA § 974, Rulemaking	19-20	* Deletes reference to integrated licenses	No change
Sec. 22, 7 VSA § 987	20	* Repeals one time contribution of \$50,000 per integrated license to Cannabis Business Development Fund	No change
		* * * CBDF Grants for Cultivators, Manufacturers, and Economic Empowerment Businesses * * *	HGOMA Deletes heading

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Sec. 23, 7 VSA § 987, Cannabis Development Fund	20	* Expanding access to Fund to tier 1 cultivators, tier 1 manufacturers, and businesses granted economic empowerment status by the Board	HGOMA DELETED SECTION
		*** Household Income; Cannabis Business Expenses Deduction ***	
Sec. 24, 32 VSA § 6061, Definitions	20-21	* Modified adjusted gross income definition for purposes of the property tax credit	No change
		*** Outdoor Cannabis Cultivation; Use Value Appraisal Program ***	
Sec. 25, 7 VSA § 869, Cultivation of Cannabis; Environmental and Land Use Standards; Regulation of Cultivation	21	* Amends definition of licensed cultivators who are regulated in the same manner as farming * Provides that licensed cultivators are eligible to enroll in the Use Value Appraisal Program and are exempt from tax on retail sales under certain sections of Title 32	No change
Sec. 26, 32 VSA § 3102, Confidentiality of Tax Records	22	* Allows the Tax Commissioner to disclose a return or return information to the CCB for the purpose of administering the Cannabis Excise Tax and Sales and Use Tax	No change
		*** Cannabis Cultivator Cooperative Corporations ***	
Sec. 27, 7 VSA § 904c, Cannabis Cultivator Cooperative Corporations	22	* Allows licensed cannabis cultivators to form cannabis cultivator cooperative corporations	No change
		*** Commercial Cannabis Compact ***	
Sec. 27a, Commercial Cannabis Compact; Intent	23	* Intent that Vermont be prepared for the possibility of regional or interstate cannabis markets by authorizing the Governor to form agreements with other states that have commercial cannabis markets.	No change
Sec. 27b, 7 VSA § 834, Commercial Cannabis Compact	23-29	* Sets forth the conditions under which the Governor is authorized to enter into a commercial cannabis compact with other states	No change
Sec. 28	29	DELETED BY SENATE APPROPRIATIONS	No change
		*** Repeals ***	
Sec. 29, Repeals	29-30	(a) 7 V.S.A. § 909 (integrated license) is repealed on July 1, 2026. (b) 7 V.S.A. § 862 is repealed on July 1, 2026.	HGOMA deletes repeal of delivery permits

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		(c) 7 V.S.A. § 912 (cannabis event permit) is repealed on July 1, 2028.	
		* * * Residential Rental Agreements; Cannabis Restrictions Prohibited * * *	
Sec. 30, 9 VSA § 4468b, Rental Agreements; Cannabis Restrictions Prohibited	30	* Prohibiting restrictions on possession and use of cannabis and cannabis products in a rental agreement but allowing a rental agreement to prohibit the use of lighted cannabis within the rental premises	HGOMA adds cannabis products " <u>intended for inhalation</u> "
Sec. 31, 18 VSA § 4230a, Cannabis possession by a person 21 years of age or older	30-31	* Amends subsection (b)(2)(E) to provide that a landlord is not prohibited from banning use of lighted cannabis or cannabis products in a lease agreement	HGOMA adds cannabis products " <u>intended for inhalation</u> "
		* * * Effective Dates * * *	
Sec. 32, Effective Dates	31	(a) This section shall take effect on passage. (b) Sec. 24 shall take effect retroactively on January 1, 2025, and shall apply to property tax credit claims filed on and after January 1, 2026. (c) Sec. 10a shall take effect on 7/1/26 provided \$105,000 transferred to Cannabis Business Development Fund to replace reduction in fee revenue (d) All other sections shall take effect on July 1, 2026.	HGOMA delays (c) effective date to Jan. 1, 2027, AND delays Sec 13 (switch to biennial licensing for employees) to take effect July 1, 2027 FLOOR amends (c) to remove contingency and make effective July 1, 2027