

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 321
3 entitled “An act relating to miscellaneous cannabis amendments” respectfully
4 reports that it has considered the same and recommends that the report of the
5 Committee on Economic Development, Housing and General Affairs be
6 amended by striking out all after the enacting clause and inserting in lieu
7 thereof the following:

8 Sec. 1. 7 V.S.A. § 832 is amended to read:

9 § 832. CANNABIS POSSESSED UNLAWFULLY SUBJECT TO SEIZURE

10 AND FORFEITURE

11 Cannabis possessed unlawfully in violation of this title or administrative
12 rules adopted pursuant to this title may be seized by law enforcement and is
13 subject to forfeiture.

14 Sec. 2. 7 V.S.A. § 844 is amended to read:

15 § 844. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

16 (a) The Board shall establish a user agreement with the Vermont Crime
17 Information Center in accordance with 20 V.S.A. chapter 117 for the purpose
18 of obtaining Vermont criminal history records, out-of-state criminal history
19 records, and criminal history records from the Federal Bureau of Investigation
20 as required by chapters 33 (cannabis establishments) and 37 (medical cannabis
21 dispensaries) of this title.

1 (b) A fingerprint-based state and national criminal history record check
2 shall be conducted for each natural person prior to being issued a cannabis
3 establishment identification card pursuant to chapter 33 (cannabis
4 establishments) of this title or a medical cannabis dispensary identification
5 card pursuant to chapter 37 (medical cannabis dispensaries) of this title. The
6 Board may require that such record checks be completed as a condition
7 precedent to license renewal.

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) At the end of each fiscal year, the balance in the Cannabis Regulation
5 Fund shall be transferred to the General Fund.

6 Sec. 2b. 10 V.S.A. § 325u is amended to read:

7 § 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

8 * * *

9 (b) Organization of Board. The Board shall be composed of:

10 * * *

11 (10) one member, appointed by the Vermont Developmental Disabilities
12 Council; ~~and~~

13 (11) one member, appointed by Vermont Psychiatric Survivors; and

14 (12) one member, appointed by Migrant Justice.

15 * * *

16 Sec. 3. 7 V.S.A. § 861(23) is amended to read:

17 (23)(A) “Hemp products” or “hemp-infused products” means all
18 products with the federally defined tetrahydrocannabinol concentration level
19 for hemp derived from, or made by, processing hemp plants or plant parts that
20 are prepared in a form available for commercial sale, including cosmetics,
21 personal care products, food intended for animal or human consumption, cloth,

1 cordage, fiber, fuel, paint, paper, construction materials, plastics, and any
2 product containing one or more hemp-derived cannabinoids, such as
3 cannabidiol.

4 (B) Notwithstanding subdivision (A) of this subdivision (23), “hemp
5 products” and “hemp-infused products” do not include any substance,
6 manufacturing intermediary, or product that:

7 (i) is prohibited or deemed a regulated cannabis product by
8 administrative rule of the Cannabis Control Board; or

9 (ii) contains more than 0.3 percent total tetrahydrocannabinol on a
10 dry-weight basis.

11 (C) A hemp-derived product or substance that is excluded from the
12 definition of “hemp products” or “hemp-infused products” pursuant to
13 subdivision (B) of this subdivision (23) shall be considered a cannabis product
14 as defined by subdivision 831(3) of this title; provided, however, that a person
15 duly licensed or registered by the Cannabis Control Board lawfully may
16 possess such products in conformity with the person’s license or hemp
17 processor registration.

18 Sec. 4. 7 V.S.A. § 881 is amended to read:

19 § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

20 (a) The Board shall adopt rules to implement and administer this chapter in
21 accordance with subdivisions (1)–~~(8)~~(9) of this subsection.

- 1 (1) Rules concerning any cannabis establishment shall include:
- 2 (A) the form and content of license and renewal applications;
- 3 (B) qualifications for licensure that are directly and demonstrably
- 4 related to the operation of a cannabis establishment, including:
- 5 (i) a requirement to submit an operating plan, which shall include
- 6 information concerning:
- 7 (I) the type of business organization, the identity of its
- 8 controlling owners and principals, and the identity of the controlling owners
- 9 and principals of its affiliates; and
- 10 (II) the sources, amount, and nature of its capital, assets, and
- 11 financing; the identity of its financiers; and the identity of the controlling
- 12 owners and principals of its financiers;
- 13 (ii) a requirement to file an amendment to its operating plan in the
- 14 event of a significant change in organization, operation, or financing; and
- 15 (iii) the requirement for a fingerprint-based criminal history record
- 16 check and regulatory record check pursuant to section 883 of this title;
- 17 (C) oversight requirements, including provisions to ensure that a
- 18 licensed establishment complies with State and federal regulatory requirements
- 19 governing insurance, securities, workers' compensation, unemployment
- 20 insurance, and occupational health and safety;
- 21 (D) inspection requirements;

1 (E) records to be kept by licensees and the required availability of the
2 records;

3 (F) employment and training requirements;

4 (G) security requirements, including any appropriate lighting,
5 physical security, video, and alarm requirements;

6 (H) health and safety requirements;

7 (I) regulation of additives to cannabis and cannabis products,
8 including cannabidiol derived from hemp and substances that are toxic or
9 designed to make the product more addictive, more appealing to persons under
10 21 years of age, or to mislead consumers;

11 (J) procedures for seed-to-sale traceability of cannabis, including any
12 requirements for tracking software;

13 (K) regulation of the storage and transportation of cannabis;

14 (L) sanitary requirements;

15 (M) procedures for the renewal of a license, which shall allow
16 renewal applications to be submitted up to 90 days prior to the expiration of
17 the cannabis establishment's license;

18 (N) procedures for suspension and revocation of a license;

19 (O) requirements for banking and financial transactions, including
20 provisions to ensure that the Board, the Department of Financial Regulation,
21 and financial institutions have access to relevant information concerning

1 licensed establishments to comply with State and federal regulatory
2 requirements;

3 (P) disclosure or eligibility requirements for a financier, its owners
4 and principals, and its affiliates, which may include:

5 (i) requirements to disclose information to a licensed
6 establishment, the Board, or the Department of Financial Regulation;

7 (ii) a minimum age requirement and a requirement to conduct a
8 background check for natural persons;

9 (iii) requirements to ensure that a financier complies with
10 applicable State and federal laws governing financial institutions, licensed
11 lenders, and other financial service providers; and

12 (iv) any other requirements, conditions, or limitations on the type
13 or amount of loans or capital investments made by a financier or its affiliates,
14 which the Board, in consultation with the Department of Financial Regulation,
15 determines are necessary to protect the public health, safety, and general
16 welfare;

17 (Q) policies and procedures for conducting outreach and promoting
18 participation in the regulated cannabis market by diverse groups of individuals,
19 including those who have been disproportionately harmed by cannabis
20 prohibition;

21 (R) advertising and marketing; ~~and~~

1 (S) requirements for cannabis control testing of hemp, hemp-infused
2 products, cannabis, and cannabis products; and

3 (T) requirements and criteria governing licensee applications to
4 change ownership, control, or location.

5 * * *

6 (5) Rules concerning retailers shall include:

7 * * *

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

11 * * *

12 (9) Rules concerning trim and harvest services shall include:

13 (A) requirements for verification of the licenses of clients;

14 (B) essential content and permissible terms of written service
15 contracts, including provisions for security and diversion prevention;

16 (C) provisions to ensure safe and lawful transportation and lodging of
17 travelling personnel;

18 (D) essential content of employee health, safety, and skills training,
19 including first aid and recognition of common pests and pathogens;

20 (E) requirements appropriate to minimize the risk of pest and
21 pathogen transmission; and

* * *

1 ~~from the Vermont Crime Information Center a copy of the person's Vermont~~
2 ~~fingerprint-based criminal history records, out-of-state criminal history~~
3 ~~records, and criminal history records from the Federal Bureau of Investigation~~
4 from a reputable commercial provider. Any such third-party background
5 check shall:

6 ~~(1) be conducted by a third-party consumer reporting agency or~~
7 ~~background screening company that is in compliance with the federal Fair~~
8 ~~Credit Reporting Act; and~~

9 ~~(2) include a multistate and multi-jurisdiction~~ multijurisdiction criminal
10 record locator. Consumer credit scores shall not be a basis for license denial.

11 Sec. 6. 7 V.S.A. § 884 is amended to read:

12 § 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

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

18 (b)(1)(A) Prior to issuing the identification card to an owner or principal of
19 a cannabis establishment, the Board shall obtain from the Vermont Crime
20 Information Center a copy of the person's Vermont fingerprint-based criminal

1 history records, out-of-state criminal history records, and criminal history
2 records from the Federal Bureau of Investigation.

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

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

12 (c) Once an identification card application has been submitted, ~~a person~~ the
13 Board, for good cause, may serve issue a temporary permit authorizing the
14 applicant to serve as an employee of a cannabis establishment pending the
15 background check, provided the person is supervised ~~in his or her duties~~ by
16 someone who is a cardholder. ~~The Board shall issue a temporary permit to the~~
17 ~~person for this purpose, which shall expire upon the issuance of the~~
18 ~~identification card or disqualification of the person in accordance with this~~
19 ~~section~~ Good cause exists if, among other reasons, the application is
20 reasonably expected to take more than 12 days to process.

1 (d) An identification card shall expire one year after its issuance or, in the
2 case of owners and principals, upon the expiration of the cannabis
3 establishment's license, whichever occurs first.

4 Sec. 7. 7 V.S.A. § 886 is added to read:

5 § 886. INCAPACITY OR DISTRESS; SPECIAL PERMITTING;

6 IMMUNITY

7 (a) It is the purpose of this section to authorize the Board to effectively
8 oversee cannabis establishments and the persons authorized to operate such
9 establishments in case of incapacity of a principal, dysfunction, operating
10 distress, interruption in licensure, abrupt closure, or judicial intervention
11 including receivership.

12 (b) The Board may issue a special permit temporarily authorizing a
13 licensed or unlicensed designee of suitable ability and judgment to temporarily
14 operate a cannabis establishment, or to possess, transport, or dispose of
15 cannabis and cannabis products, as specified by the terms of the permit. The
16 permit shall be printed on official Board letterhead, bear the signature of the
17 Chair of the Board, state clearly a means of prompt authentication by law
18 enforcement and licensees, and specify start and end dates and times. A
19 person's eligibility for a permit under this subsection shall not be limited by
20 subdivision 901(d)(3) of this title.

1 (c) A person acting in conformity with the terms and scope of a special
2 permit issued pursuant to subsection (b) of this section shall be immune from
3 civil and criminal liability in relation to possession, transportation, or transfer
4 of cannabis within the borders of this State. The Board shall not be liable for
5 economic losses resulting from forfeiture, seizure, sequestration, sale stoppage,
6 transportation, storage, or destruction of cannabis or cannabis products.

7 (d) If appropriate to facilitate judicial proceedings involving a cannabis
8 establishment or its principals, including an action for receivership, a State
9 court of competent jurisdiction may request that the Board determine whether a
10 person is suited by background and qualifications to hold a special permit
11 issued pursuant to subsection (b) of this section for a purpose specified by the
12 court. In the alternative, the court may ask that the Board recommend such
13 person.

14 Sec. 8. 7 V.S.A. § 901 is amended to read:

15 § 901. GENERAL PROVISIONS

16 (a) Except as otherwise permitted by law, a person shall not engage in the
17 cultivation, preparation, processing, packaging, transportation, testing, or sale
18 of cannabis or cannabis products without obtaining a license from the Board.

19 (b) All licenses shall be valid for one year and expire at midnight on the
20 eve of the anniversary of the date the license was issued. A licensee may apply
21 to renew the license annually.

1 (c) Applications for licenses and renewals shall be submitted on forms
2 provided by the Board and shall be accompanied by the fees provided for in
3 section 910 of this title.

4 (d)(1) There shall be ~~seven~~ eight types of licenses available:

5 (A) a cultivator license;

6 (B) a propagator license;

7 (C) a wholesaler license;

8 (D) a product manufacturer license;

9 (E) a retailer license;

10 (F) a testing laboratory license; ~~and~~

11 (G) a trim and harvest service license; and

12 (H) an integrated license.

13 (2)(A) The Board shall develop tiers for:

14 (i) cultivator licenses based on the plant canopy size of the
15 cultivation operation or plant count for breeding stock; and

16 (ii) retailer licenses.

17 (B) The Board may develop tiers for other types of licenses.

18 (3)(A) Except as provided in subdivisions (B) and (C) of this
19 subdivision (3), an applicant and its affiliates may obtain a maximum of one
20 type of each type of license as provided in subdivisions (1)(A)–~~(F)~~(G) of this
21 subsection (d). Each license shall permit only one location of the

1 establishment, however a trim and harvest service licensee may provide
2 services at multiple other licensed cannabis establishments.

3 (B) An applicant and its affiliates that control a dispensary registered
4 on April 1, 2022 may obtain one integrated license provided in subdivision
5 (1)(G)(H) of this subsection (d) or a maximum of one of each type of license
6 provided in subdivisions (1)(A)–(F) of this subsection (d). An integrated
7 licensee may not hold a separate cultivator, propagator, wholesaler, product
8 manufacturer, retailer, or testing laboratory license, and no applicant or its
9 affiliates that control a dispensary shall hold more than one integrated license.
10 An integrated license shall permit only one location for each of the types of
11 activities permitted by the license: cultivation, propagator, wholesale
12 operations, product manufacturing, retail sales, and testing.

13 (C) An applicant and its affiliates may obtain multiple testing
14 laboratory licenses.

15 (e) A dispensary that obtains a retailer license or an integrated license
16 pursuant to this chapter shall maintain the dispensary and retail operations in a
17 manner that protects patient and caregiver privacy in accordance with rules
18 adopted by the Board.

19 (f) Each licensee shall obtain and maintain commercial general liability
20 insurance in accordance with rules adopted by the Board. Failure to provide

1 proof of insurance to the Board, as required, may result in revocation of the
2 license.

3 (g) All licenses may be renewed according to procedures adopted through
4 rulemaking by the Board.

5 (h) [Repealed.]

6 Sec. 9. 7 V.S.A. § 904 is amended to read:

7 § 904. CULTIVATOR LICENSE

8 * * *

9 (d) Each cultivator shall create packaging for its cannabis.

10 (1) Packaging shall include:

11 (A) The name and registration number of the cultivator.

12 (B) The strain and variety of cannabis contained.

13 (C) The potency of the cannabis represented by the amount of
14 tetrahydrocannabinol and cannabidiol in milligrams total and per serving.

15 (D) A ~~“produced on” date reflecting the date that the cultivator~~
16 ~~finished producing the cannabis~~ “harvested on” date reflecting the date the
17 cultivator harvested the cannabis and a “packed on” date reflecting the date the
18 product was packaged for sale.

19 (E) Appropriate warnings as prescribed by the Board in rule.

20 (F) Any additional requirements contained in rules adopted by the
21 Board in accordance with this chapter. Rules shall take into consideration that

different labeling requirements may be appropriate depending on whether the cannabis is sold to a wholesaler, product manufacturer, or retailer.

(2) Packaging shall not be designed to appeal to persons under 21 years of age.

* * *

Sec. 10. 7 V.S.A. § 904b is amended to read:

§ 904b. PROPAGATION CULTIVATOR LICENSE

(a) A propagation cultivator licensed under this section may:

(1) cultivate not more than 3,500 square feet of cannabis clones, immature cannabis plants, or mature cannabis plants;

(2) test, transport, and sell cannabis clones and immature cannabis plants to licensed cultivators and retailers; and

(3) test, transport, and sell cannabis seeds that meet the federal definition of hemp to a licensed cultivator or retailer or to the public.

(b) A licensed propagation cultivator shall not cultivate mature cannabis plants for the purpose of producing, harvesting, transferring, or selling cannabis flower for or to any person.

Sec. 11. 7 V.S.A. § 904c is added to read:

§ 904c. TRIM AND HARVEST SERVICE LICENSE

A trim and harvest service licensed under this section may contract with cultivators licensed under section 904 or 904a of this chapter, on a seasonal or

1 temporary basis, to supply specified cannabis maintenance services within the
2 scope of each client-cultivator's license.

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 * * *

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

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

13 ~~(9)~~(10) Products. Cannabis establishments licensed by the Board shall
14 be assessed an annual product licensing fee of \$50.00 for every type of
15 cannabis and cannabis product that is sold in accordance with this chapter.
16 The Board may issue longer product registrations, prorated at the same cost per
17 year, for products it deems low risk and shelf stable. Such products may be
18 defined and distinguished in readily accessible published guidance.

19 ~~(10)~~(11) Local licensing fees. Cannabis establishments licensed by the
20 Board shall be assessed an annual local licensing fee of \$100.00 in addition to
21 each fee assessed under subdivisions (1)–(7) of this section. Local licensing

1 fees shall be distributed to the municipality in which the cannabis
2 establishment is located pursuant to section 846(c) of this title.

3 ~~(11)(12)~~ ~~One-time fees~~ Application fee.

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

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

10 Sec. 12a. CANNABIS CONTROL BOARD REPORT; PROPOSAL FOR
11 FEES AND APPROPRIATIONS FOR FISCAL YEAR 2027

12 (a) On or before November 15, 2025, the Cannabis Control Board shall
13 submit to the House Committees on Ways and Means and on Government
14 Operations and Military Affairs and the Senate Committees on Finance and on
15 Economic Development, Housing and General Affairs a report that includes
16 the following information:

17 (1) a summary of all cannabis fees in effect in fiscal year 2026,
18 including the amounts of revenue derived from each fee in fiscal year 2025;

19 (2) a projection of the fee revenues in fiscal year 2026;

20 (3) any available information regarding comparable fees in other
21 jurisdictions;

1 (4) any policies or trends that might affect the viability of the fee
2 amount; and

3 (5) a recommendation regarding how the cannabis establishment fee
4 schedule as set forth in 7 V.S.A. § 910 may be adjusted to better promote the
5 intent of the General Assembly to encourage participation in the regulated
6 cannabis market by small local farmers and social equity applicants.

7 (b) As part of the report required under subsection (a) of this section, the
8 Cannabis Control Board shall recommend whether a portion of the cannabis
9 excise tax established pursuant to 32 V.S.A. § 7902 should be allocated to the
10 Cannabis Business Development Fund for uses as provided pursuant to 7
11 V.S.A. § 987 and the Vermont Land Access and Opportunity Board to fulfill
12 the duties of the Board.

13 Sec. 13. 32 V.S.A. § 3260 is amended to read:

14 § 3260. BULK SALES

15 (a) Whenever a person (transferor) required to collect or withhold a trust
16 tax pursuant to chapter 151, 207, 225, or 233 of this title shall make any sale,
17 transfer, long-term lease, or assignment (transfer) in bulk of any part or the
18 whole of the assets of a business, otherwise than in the ordinary course of the
19 business, the purchaser, transferee or assignee (transferee) shall, at least 10
20 days before taking possession of the subject of the transfer or before payment
21 thereof if earlier, notify the Commissioner in writing of the proposed sale

1 and of the price, terms, and conditions thereof whether or not the transferor has
2 represented to or informed the transferee that the transferor owes any trust tax
3 pursuant to chapter 151, 207, 225, or 233 and whether or not the transferee has
4 knowledge that such taxes are owed, and whether any taxes are in fact owed.

5 (b) Whenever the transferee shall fail to give notice to the Commissioner as
6 required by subsection (a) of this section, or whenever the Commissioner shall
7 inform the transferee that a possible claim for tax exists, any sums of money,
8 property, or choses in action, or other consideration, which the transferee is
9 required to transfer over to or for the transferor, shall be subject to a first
10 priority right and lien for any taxes theretofore or thereafter determined to be
11 due from the transferor to the State, and the transferee is forbidden to transfer
12 the consideration to or for the transferor to the extent of the amount of the
13 State's claim.

14 (c) For failure to comply with this section, the transferee shall be
15 personally liable for the payment to the State of any taxes theretofore or
16 thereafter determined to be due to the State from the transferor and the liability
17 may be assessed and enforced in the same manner as the liability for tax under
18 chapter 151, 207, 225, or 233.

19 * * *

1 Sec. 13a. 32 V.S.A. § 7702 is amended to read:

2 § 7702. DEFINITIONS

3 As used in this chapter unless the context otherwise requires:

4 * * *

5 (15) “Other tobacco products” means any product manufactured from,
6 derived from, or containing tobacco or nicotine, whether natural or synthetic,
7 including nicotine alkaloids and nicotine analogs, that is intended for human
8 consumption by smoking, chewing, or in any other manner, including products
9 sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including
10 any liquids, whether nicotine based or not, or delivery devices sold separately
11 for use with a tobacco substitute, but shall not include cigarettes, little cigars,
12 roll-your-own tobacco, snuff, new smokeless tobacco as defined in this section,
13 or cannabis products as defined in 7 V.S.A. § 831.

14 * * *

15 (20) “New smokeless tobacco” means any tobacco product
16 manufactured from, derived from, or containing tobacco or nicotine, whether
17 natural or synthetic, including nicotine alkaloids and nicotine analogs, that is
18 not intended to be smoked, has a moisture content of less than 45 percent, or is
19 offered in individual single-dose tablets or other discrete single-use units.

20 * * *

1 Sec. 14. 2020 Acts and Resolves No. 164, Sec. 6d, as amended by 2023 Acts
2 and Resolves No. 3, Sec. 90, is further amended to read:

3 Sec. 6d. [Deleted.]

4 Sec. 15. CANNABIS CONTROL BOARD; ENFORCEMENT ATTORNEY;
5 POSITION

6 One full-time, permanent, exempt position of Enforcement Attorney is
7 authorized in the Cannabis Control Board in fiscal year 2026.

8 Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

9 (a) A licensed retail cannabis establishment in good standing with the
10 Board may apply to the Board for a cannabis showcase event permit. Multiple
11 retailers may apply and be granted permission to participate in each event, but
12 the Board shall allow not more than five events between July 1, 2025 and
13 December 31, 2026, and such events shall be issued in geographically
14 dispersed locations.

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

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

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

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

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

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

16 (5) 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 (6) 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 (7) actual capacity and intent to administer and enforce and apply the
4 required plans;

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

7 (9) 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 shall prioritize social equity applicants, as defined by 7
17 V.S.A. § 911 and any related rules, when deciding whether to approve an
18 application under this section.

19 Sec 15b. CANNABIS RETAIL SALES REPORT

20 The Cannabis Control Board shall monitor and evaluate events authorized
21 under Sec. 15a of this act. On or before January 15, 2026, the Board shall

1 provide an interim report and, on or before January 15, 2027, a final report to
2 the House Committee on Government Operations and Military Affairs and the
3 Senate Committee on Economic Development, Housing and General Affairs
4 on a concise assessment of the benefits, challenges, and administrative
5 viability of offering cannabis retail sales at events outside the confines of a
6 retail cannabis establishment. The Board may recommend best practices for,
7 among other considerations, security, inventory tracking, tax enforcement,
8 permit administration, local government coordination, and optimizing market
9 access for small cultivators.

10 Sec. 16. EFFECTIVE DATES

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

13
14
15
16
17
18 (Committee vote: _____)

19 _____
20 Senator _____

21 FOR THE COMMITTEE