

**Vermont Cannabis Control Board**

**November 2021**

Proposed Rule 1 & 2: Definitions Guidance

7 V.S.A. Chapter 31 and 33 definitions that apply to the rules

(1) "**Advertise**" means the publication or dissemination of an advertisement.

(2) "**Advertisement**" means any written or verbal statement, illustration, or depiction that is calculated to induce sales of cannabis or cannabis products, including any written, printed, graphic, or other material; billboard, sign, or other outdoor display; other periodical literature, publication, or in a radio or television broadcast; the Internet; or in any other media. The term does not include:

(A) any label affixed to any cannabis or cannabis product or any individual covering, carton, or other wrapper of that container that constitutes a part of the labeling under provisions of these standards;

(B) any editorial or other reading material, such as a news release, in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any cannabis establishment, and that is not written by or at the direction of the licensee;

(C) any educational, instructional, or otherwise noncommercial material that is not intended to induce sales and that does not propose an economic transaction, but that merely provides information to the public in an unbiased manner; or

(D) a sign attached to the premises of a cannabis establishment that merely identifies the location of the cannabis establishment.

(3) "**Affiliate**" means a person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with another person.

(4) "**Applicant**" means a person that applies for a license to operate a cannabis establishment pursuant to this chapter.

(5) "**Board**" means the Cannabis Control Board.

(6)(A) "**Cannabis**" means all parts of the plant *Cannabis sativa* L., except as provided by subdivision (B) of this subdivision (2), whether growing or harvested, and includes:

(i) the seeds of the plant;

(ii) the resin extracted from any part of the plant; and

(iii) any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.

(B) "Cannabis" does not include:

(i) the mature stalks of the plant and fiber produced from the stalks;

- (ii) oil or cake made from the seeds of the plant;
- (iii) any compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, fiber, oil, or cake;
- (iv) the sterilized seed of the plant that is incapable of germination; or
- (v) hemp or hemp products, as defined in 6 V.S.A. § 562.

(7) "**Cannabis cultivator**" or "**cultivator**" means a person licensed by the Board to engage in the cultivation of cannabis in accordance with this chapter.

(8) "**Cannabis establishment**" means a cannabis cultivator, wholesaler, product manufacturer, retailer, or testing laboratory licensed by the Board to engage in commercial cannabis activity in accordance with this chapter.

(9) "**Cannabis product**" means concentrated cannabis and a product that is composed of cannabis and other ingredients and is intended for use or consumption, including an edible product, ointment, and tincture. Cannabis product shall include a vaporizer cartridge containing cannabis oil that is intended for use with a battery-powered device.

(10) "**Cannabis product manufacturer**" or "**product manufacturer**" means a person licensed by the Board to manufacture cannabis products in accordance with this chapter.

(11) "**Cannabis retailer**" or "**retailer**" means a person licensed by the Board to sell cannabis and cannabis products to adults 21 years of age and older for off-site consumption in accordance with this chapter.

(12) "**Cannabis testing laboratory**" or "**testing laboratory**" means a person licensed by the Board to test cannabis and cannabis products in accordance with this chapter.

(13) "**Cannabis wholesaler**" or "**wholesaler**" means a person licensed by the Board to purchase, process, transport, and sell cannabis and cannabis products in accordance with this chapter.

(14) "**Chair**" means the Chair of the Cannabis Control Board.

(15) "**Characterizing flavor**" means a taste or aroma, other than the taste or aroma of cannabis, imparted either prior to or during consumption of a cannabis product. The term includes tastes or aromas relating to any fruit, chocolate, vanilla, honey, maple, candy, cocoa, dessert, alcoholic beverage, mint, menthol, wintergreen, herb or spice, or other food or drink or to any conceptual flavor that imparts a taste or aroma that is distinguishable from cannabis flavor but may not relate to any particular known flavor.

(16) "**Child-resistant packaging**" means packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance in the container within a reasonable time and not difficult for normal adults to use properly, but does not mean packaging that all children under five years of age cannot open or obtain a toxic or harmful amount of the substance in the container within a reasonable time.

(17) "**Controls**," "**is controlled by**," and "**under common control**" mean the power to direct, or cause the direction or management and policies of a person, whether through the direct or beneficial

ownership of voting securities, by contract, or otherwise. A person who directly or beneficially owns 10 percent or more equity interest, or the equivalent thereof, of another person shall be deemed to control the person.

(18) "**Dispensary**" means a business organization licensed pursuant to chapter 37 of this title or 18 V.S.A. chapter 86.

(19) "**Enclosed, locked facility**" means a building, room, greenhouse, outdoor fenced-in area, or other location that is enclosed on all sides and prevents cannabis from easily being viewed by the public. The facility shall be equipped with locks or other security devices that permit access only by:

(A) Employees, agents, or owners of the cultivator, all of whom shall be 21 years of age or older.

(B) Government employees performing their official duties.

(C) Contractors performing labor that does not include cannabis cultivation, packaging, or processing. Contractors shall be accompanied by an employee, agent, or owner of the cultivator when they are in areas where cannabis is being grown, processed, packaged, or stored.

(D) Registered employees of other cultivators, members of the media, elected officials, and other individuals 21 years of age or older visiting the facility, provided they are accompanied by an employee, agent, or owner of the cultivator.

(20) "**Flavored oil cannabis product**" means any oil cannabis product that contains an additive to give it a characterizing flavor.

(21) "**Integrated licensee**" means a person licensed by the Board to engage in the activities of a cultivator, wholesaler, product manufacturer, retailer, and testing laboratory in accordance with this chapter.

(22) "**Municipality**" means a town, city, or incorporated village.

(23) "**Person**" shall include any natural person; corporation; municipality; the State of Vermont or any department, agency, or subdivision of the State; and any partnership, unincorporated association, or other legal entity.

(24) "**Plant canopy**" means the square footage dedicated to live plant production and does not include areas such as office space or areas used for the storage of fertilizers, pesticides, or other products.

(25) "**Principal**" means an individual vested with the authority to conduct, manage, or supervise the business affairs of a person, and may include the president, vice president, secretary, treasurer, manager, or similar executive officer of a business; a director of a corporation, nonprofit corporation, or mutual benefit enterprise; a member of a nonprofit corporation, cooperative, or member-managed limited liability company; and a partner of a partnership.

(26) "**Small cultivator**" means a cultivator with a plant canopy or space for cultivating plants for breeding stock of not more than 1,000 square feet.

### Guidance regarding the definition of Social Equity Applicants

Laws about social equity issues are complicated, and as a result of complying with these laws the Board's definitions regarding who qualifies as a social equity applicant in Proposed Rule 1 may not be easy to understand.

To put it more simply, a social equity applicant means the following:

1. An individual may be a social equity applicant if:
  - a. They are:
    - Black, or
    - Hispanic, or
  - b. They have:
    - been incarcerated for a cannabis-related offense, or
    - a family member who has been incarcerated for a cannabis-related offense, or
  - c. They are:
    - from a community that has historically been disproportionately impacted by cannabis prohibition and are able to demonstrate to the Board that they were personally harmed by the disproportionate impact.
  
2. A business may be a social equity applicant if it is owned or controlled by individuals who qualify as social equity applicants.

The Board's license application will have a straightforward process for providing the information the Board will need to determine whether an individual or a business qualifies as a social equity applicant.