



CANNABIS CONTROL BOARD

89 Main Street Montpelier, VT 05602 | ccb.vermont.gov

GUIDANCE ON ESCROW FOR CESSASION OF OPERATIONS

MAY 2022

**JAMES PEPPER, CHAIR
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Introduction

Board Rule 1.4.5(b) requires a license applicant to submit documentation of a bond or escrow account to be held in case the cannabis establishment must cease operations. Rule 1.4.5(b) states that the amount will be determined by Board guidance.

The following are the escrow requirements in case of cessation of operations.

No Requirement

Any cannabis establishment that has an insurance escrow account pursuant to Board Rule 2.2.2(b) does not need to hold an additional escrow account for the cessation of operations requirement of Rule 1.4.5(b). Nor does any such cannabis establishment need to increase the amount in their insurance escrow account.

In addition, the following cannabis establishment licensees do not need a cessation of operations escrow account:

- i. Tier 1 Cultivators
- ii. Tier 1 Manufacturers
- iii. Testing Laboratories

\$2,500 Requirement

The following cannabis establishment licensees need to have a \$2,500 cessation of operations escrow account:

- iv. Tier 2 manufacturers
- v. Tier 2 Cultivators
- vi. Tier 3 Cultivators

\$5,000 Requirement

The following cannabis establishment licensees need to have a \$5,000 cessation of operations escrow account:

- vii. Retailers
- viii. Wholesalers
- ix. Tier 3 Manufacturers
- x. Tier 4 Cultivators
- xi. Tier 5 Cultivators
- xii. Tier 6 Cultivators
- xiii. Integrated Licensees