PROPOSED RULE # _____.

Proposed Filing - Coversheet

Instructions:

In accordance with Title 3 Chapter 25 of the Vermont Statutes Annotated and the "Rule on Rulemaking" (CVR 04-000-001) adopted by the Office of the Secretary of State, this filing will be considered complete upon filing and acceptance of these forms and enclosures with the Office of the Secretary of State, and the Legislative Committee on Administrative Rules.

All forms shall be submitted to the Office of the Secretary of State, no later than 3:30 pm on the last scheduled day of the work week.

The data provided in text areas of Proposed Filing Coversheet will be used to generate a notice of rulemaking in the portal of "Proposed Rule Postings" online, and the newspapers of record. Publication of notices will be charged back to the promulgating agency.

PLEASE REMOVE ANY COVERSHEET OR FORM NOT REQUIRED WITH THE CURRENT FILING BEFORE DELIVERY!

Certification Statement: As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I approve the contents of this filing entitled:

Rule 2: Regulation of Cannabis Establishments

/s/ James Pepper , on 3/30/2023

(signature) (date)

Printed Name and Title:

James Pepper, Chair, Cannabis Control Board

RECEIVED BY: _____

- ☐ Coversheet
- ☐ Adopting Page
- ☐ Economic Impact Analysis
- ☐ Environmental Impact Analysis
- ☐ Strategy for Maximizing Public Input
- ☐ Scientific Information Statement (if applicable)
- ☐ Incorporated by Reference Statement (if applicable)
- ☐ Clean text of the rule (Amended text without annotation)
- ☐ Annotated text (Clearly marking changes from previous rule)
- ☐ ICAR Filing Confirmed

1. TITLE OF RULE FILING:
   Rule 2: Regulation of Cannabis Establishments
2. ADOPTING AGENCY:
   Cannabis Control Board
3. PRIMARY CONTACT PERSON:
(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).

Name: Gabriel M. Gilman

Agency: Cannabis Control Board

Mailing Address: 89 Main Street, Montpelier, VT 05620-7001

Telephone: (802)261-1510 Fax:

E-Mail: gabriel.gilman@vermont.gov

Web URL *(WHERE THE RULE WILL BE POSTED)*:
https://ccb.vermont.gov/

4. SECONDARY CONTACT PERSON:
(A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON).

Name: Kimberley Lashua

Agency: Cannabis Control Board

Mailing Address: 89 Main Street, Montpelier, VT 05620-7001

Telephone: (802)836-7708 Fax:

E-Mail: kimberley.lashua@vermont.gov

5. RECORDS EXEMPTION INCLUDED WITHIN RULE:
(DOES THE RULE CONTAIN ANY PROVISION DESIGNATING INFORMATION AS CONFIDENTIAL; LIMITING ITS PUBLIC RELEASE; OR OTHERWISE, EXEMPTING IT FROM INSPECTION AND COPYING?) Yes

IF YES, CITE THE STATUTORY AUTHORITY FOR THE EXEMPTION:

7 V.S.A. § 901(h)(creating an exemption specific to cannabis licensees); see also 1 V.S.A. 317(c)(9) (exempting trade secrets from the provisions of the Vermont Public Records Act).

PLEASE SUMMARIZE THE REASON FOR THE EXEMPTION:

The exemption keeps information confidential that is related to public safety, security, transportation, and trade secrets in order to keep citizens safe and participants in the cannabis industry on a fair commercial playing field.

6. LEGAL AUTHORITY / ENABLING LEGISLATION:

(THE SPECIFIC STATUTORY OR LEGAL CITATION FROM SESSION LAW INDICATING WHO THE ADOPTING ENTITY IS AND THUS WHO THE SIGNATORY SHOULD BE. THIS SHOULD BE A SPECIFIC CITATION NOT A CHAPTER CITATION).

7 V.S.A. § 843(b)(1)

7. EXPLANATION OF HOW THE RULE IS WITHIN THE AUTHORITY OF THE AGENCY:

The following statutory citations provide legal authority for the provisions of the proposed rules: 7 V.S.A. §§ 843, 865, 866, 881, 883, 884, 901, 902, 903, 904, 907, Section 8 of Act 164 (2020).

8. CONCISE SUMMARY **(150 WORDS OR LESS)**:

Rule 2 regulates the operation of any entity that has received a license to participate in the legal market for cannabis. Proposed amendments improve upon omitted or ambiguous definitions; address the need of outdoor cultivators to use artificial lighitning in limited circumstances; clarify the entities to which the rule applies; refine excrow requirements; update the text of mandated health warnings; clarify location requirements; recognize personal-use cultivation; allow for the sale of clones; and refine rules pertaining to laboratories.

9. EXPLANATION OF WHY THE RULE IS NECESSARY:

The Cannabis Control Board is charged with implementing and regulating a legal market for cannabis in Vermont. This rule is necessary to protect public health and safety by regulating the businesses in that market. Although Title 7 provides a robust statutory architecture for cannabis licensing, that architecture must be supplemented through administrative rulemaking in order to specify operating requirements that effectuate the intent of the General Assembly to develop a safe, clean, fair, and environmentally responsible cannabis marketplace.

10. EXPLANATION OF HOW THE RULE IS NOT ARBITRARY AS DEFINED IN 3 V.S.A. § 801(b)(13)(A):

This is not a new rule, but rather a set of amendments to an existing rule. There is extensive factual basis for these rule amendments, the rule amendments are rationally connected to the factual basis, and the

Board believes the rule amendments makes sense to a reasonable person.

In formulating these rules the Board received extensive information from agencies with expertise on relevant portions, incoporated the experience of other states in implementing and regulating their own cannabis markets, and heard input from many prospective market participants and others who are affected by the cannabis market in Vermont.

The decisions embodied by these amendments are directly and rationally connected to the input the Board has received. The decisions made by the Board in drafting this rule will make sense to a reasonable person.

11. LIST OF PEOPLE, ENTERPRISES AND GOVERNMENT ENTITIES AFFECTED BY THIS RULE:

All individuals who seek to participate in a legal cannabis market either as consumers or sellers, businesses that seek to join the market, businesses that may service the cannabis industry, such as construction, HVAC, and agricultural enterprises, the Health Department, the Agency of Agriculture, Food, and Markets, the Board of Natural Resources, the Agency of Natural Resources, and others.

12. BRIEF SUMMARY OF ECONOMIC IMPACT **(150 WORDS OR LESS)**:

On the whole, these rule amendments will have only a small economic impact. Most of the amendments are technical and will have no economic impact. One amendment could increase the economic viability of outdoor cannabis cultivators by allowing a limited use of lighting in the spring to lengthen the growing season.

13. A HEARING IS SCHEDULED .

IF A HEARING WILL NOT BE SCHEDULED, PLEASE EXPLAIN WHY.

14. HEARING INFORMATION

(THE FIRST HEARING SHALL BE NO SOONER THAN 30 DAYS FOLLOWING THE POSTING OF NOTICES ONLINE).

IF THIS FORM IS INSUFFICIENT TO LIST THE INFORMATION FOR EACH HEARING, PLEASE ATTACH A SEPARATE SHEET TO COMPLETE THE HEARING INFORMATION NEEDED FOR THE NOTICE OF RULEMAKING.

Date: 5/10/2023
Time: 10:00 AM
Street Address: 89 Main Street, Montpelier, VT
Zip Code: 05620-7001

Date: 5/15/2023
Time: 06:00 PM
Street Address: 89 Main Street, Montpelier, VT
Zip Code: 05620-7001

Date:
Time: AM
Street Address:
Zip Code:

Date:
Time: AM
Street Address:
Zip Code:

15. DEADLINE FOR COMMENT (NO EARLIER THAN 7 DAYS FOLLOWING LAST HEARING): 5/22/2023
16. KEYWORDS (PLEASE PROVIDE AT LEAST 3 KEYWORDS OR PHRASES TO AID IN THE SEARCHABILITY OF THE RULE NOTICE ONLINE).

Cannabis

Cannabis Control Board

Cannabis Establishment

Licensing

Licensing Cannabis Establishments

Adopting Page

Instructions:

This form must accompany each filing made during the rulemaking process:

Note: To satisfy the requirement for an annotated text, an agency must submit the entire rule in annotated form with proposed and final proposed filings. Filing an annotated paragraph or page of a larger rule is not sufficient. Annotation must clearly show the changes to the rule.

When possible, the agency shall file the annotated text, using the appropriate page or pages from the Code of Vermont Rules as a basis for the annotated version. New rules need not be accompanied by an annotated text.

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1. TITLE OF RULE FILING:
   Rule 2: Regulation of Cannabis Establishments
2. ADOPTING AGENCY:
   Cannabis Control Board
3. TYPE OF FILING (*PLEASE CHOOSE THE TYPE OF FILING FROM THE DROPDOWN MENU BASED ON THE DEFINITIONS PROVIDED BELOW*):
   - **AMENDMENT -** Any change to an already existing rule, even if it is a complete rewrite of the rule, it is considered an amendment if the rule is replaced with other text.
   - **NEW RULE -** A rule that did not previously exist even under a different name.
   - **REPEAL** - The removal of a rule in its entirety, without replacing it with other text.

   This filing is **AN AMENDMENT OF AN EXISTING RULE** .

4. LAST ADOPTED (*PLEASE PROVIDE THE SOS LOG#, TITLE AND EFFECTIVE DATE OF THE LAST ADOPTION FOR THE EXISTING RULE*):
   Adopted Rule #: 22-009. Rule 2: Regulation of Cannabis Establishments. Effective Date: 3/29/2022.

Economic Impact Analysis

Instructions:

In completing the economic impact analysis, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule; estimates the costs and benefits for each category of people enterprises and government entities affected by the rule; compares alternatives to adopting the rule; and explains their analysis concluding that rulemaking is the most appropriate method of achieving the regulatory purpose. If no impacts are anticipated, please specify "No impact anticipated" in the field.

Rules affecting or regulating schools or school districts must include cost implications to local school districts and taxpayers in the impact statement, a clear statement of associated costs, and consideration of alternatives to the rule to reduce or ameliorate costs to local school districts while still achieving the objectives of the rule (see 3 V.S.A. § 832b for details).

Rules affecting small businesses (excluding impacts incidental to the purchase and payment of goods and services by the State or an agency thereof), must include ways that a business can reduce the cost or burden of compliance or an explanation of why the agency determines that such evaluation isn't appropriate, and an evaluation of creative, innovative or flexible methods of compliance that would not significantly impair the effectiveness of the rule or increase the risk to the health, safety, or welfare of the public or those affected by the rule.

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1. TITLE OF RULE FILING:

   Rule 2: Regulation of Cannabis Establishments

2. ADOPTING AGENCY:

   Cannabis Control Board

3. CATEGORY OF AFFECTED PARTIES:

   LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:

   The rule amendments are largely technical edits that clarify the rule. Generally speaking, the categories of people who are affected by this rule include cannabis businesses, cannabis consumers, existing medical cannabis businesses, testing facilities, bank and insurance industries, the Cannabis Control Board, and local governments. The extraordinary economic benefits

that derive from a legal cannabis market, including the jobs created, will continue. Cultivators who avail themselves of limited artificial lighting as allowed by the proposed amendments each may see efficiency benefits estimated between $250-$750 per annum, depending on scale and culitvation practices.

4. IMPACT ON SCHOOLS:
INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS CLEARLY STATING ANY ASSOCIATED COSTS:

Schools are not affected by these rule amendments.

5. ALTERNATIVES: *CONSIDERATION OF ALTERNATIVES TO THE RULE TO REDUCE OR AMELIORATE COSTS TO LOCAL SCHOOL DISTRICTS WHILE STILL ACHIEVING THE OBJECTIVE OF THE RULE.*

Schools are not affected by these rule amendments.

6. IMPACT ON SMALL BUSINESSES:
INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON SMALL BUSINESSES (EXCLUDING IMPACTS INCIDENTAL TO THE PURCHASE AND PAYMENT OF GOODS AND SERVICES BY THE STATE OR AN AGENCY THEREOF):

These amendments will not significantly affect small businesses. One change will likely have the effect of expanding economic opportunity for outdoor cultivators. The ability to use lights for a limited time at the beginning of an outdoor cultivation cycle will lengthen the grow cycle and potentially result in more product per harvest for outdoor growers.

7. SMALL BUSINESS COMPLIANCE: *EXPLAIN WAYS A BUSINESS CAN REDUCE THE COST/BURDEN OF COMPLIANCE OR AN EXPLANATION OF WHY THE AGENCY DETERMINES THAT SUCH EVALUATION ISN'T APPROPRIATE.*

The change that may have a measurable impact on business will increase economic opportunity for business.

8. COMPARISON:
COMPARE THE IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING SEPARATE REQUIREMENTS FOR SMALL BUSINESS:

As noted above, not implementing these rule amendments will leave businesses worse off.

9. SUFFICIENCY: *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*
The Board created the original rule with extraordinary public input. The original fiing for Rule 2, from March of 2022, provides extensive documentation of that input. Over the course of the first 9 months of cannabis market operation the Board has implemented the rules and observed their practical application. They have also received extensive public feedback, both during the public comment periods of the Board's meetings, and in written feedback gathered through the Board's comments portal on its website. These observations and public input comprise the analysis informing these amendments.

Environmental Impact Analysis

Instructions:

In completing the environmental impact analysis, an agency analyzes and evaluates the anticipated environmental impacts (positive or negative) to be expected from adoption of the rule; compares alternatives to adopting the rule; explains the sufficiency of the environmental impact analysis. If no impacts are anticipated, please specify "No impact anticipated" in the field.

Examples of Environmental Impacts include but are not limited to:

- Impacts on the emission of greenhouse gases
- Impacts on the discharge of pollutants to water
- Impacts on the arability of land
- Impacts on the climate
- Impacts on the flow of water
- Impacts on recreation
- Or other environmental impacts

---

1. TITLE OF RULE FILING:

   Rule 2: Regulation of Cannabis Establishments

2. ADOPTING AGENCY:

   Cannabis Control Board

3. GREENHOUSE GAS: *EXPLAIN HOW THE RULE IMPACTS THE EMISSION OF GREENHOUSE GASES (E.G. TRANSPORTATION OF PEOPLE OR GOODS; BUILDING INFRASTRUCTURE; LAND USE AND DEVELOPMENT, WASTE GENERATION, ETC.):*
   The proposed amendments will not impact greenhouse gas emissions.

4. WATER: *EXPLAIN HOW THE RULE IMPACTS WATER (E.G. DISCHARGE / ELIMINATION OF POLLUTION INTO VERMONT WATERS, THE FLOW OF WATER IN THE STATE, WATER QUALITY ETC.):*
   Nothing in the proposed amendments to Rule 2 will impact water.

5. LAND: *EXPLAIN HOW THE RULE IMPACTS LAND (E.G. IMPACTS ON FORESTRY, AGRICULTURE ETC.):*
   The entire market for legalized cannabis in Vermont

will be served by less than 15 acres of total cannabis plant canopy. This is much smaller than all but the very smallest farming operations in Vermont. Well under 15 acres have been licensed. For this reason the impact on land of these amendments will be negligable.

6. RECREATION: *EXPLAIN HOW THE RULE IMPACT RECREATION IN THE STATE:*
   There will no impact on recreation from these amendments.

7. CLIMATE: *EXPLAIN HOW THE RULE IMPACTS THE CLIMATE IN THE STATE:*
   No proposed amendment will have a climate impact.

8. OTHER: *EXPLAIN HOW THE RULE IMPACT OTHER ASPECTS OF VERMONT'S ENVIRONMENT:*

9. SUFFICIENCY: *DESCRIBE HOW THE ANALYSIS WAS CONDUCTED, IDENTIFYING RELEVANT INTERNAL AND/OR EXTERNAL SOURCES OF INFORMATION USED.*
   For the original environmental analysis, included in the original filing for Rule 2 from March 2022, the Board relied on a review of the proposed rules by Jacob Policzer, an outside expert in environmental and sustainability issues related to cannabis. The analysis of these amendments is based on a review of that original filing to understand where the proposed amendments might affect the original analysis.

Public Input Maximization Plan

Instructions:

Agencies are encouraged to hold hearings as part of their strategy to maximize the involvement of the public in the development of rules. Please complete the form below by describing the agency's strategy for maximizing public input (what it did do, or will do to maximize the involvement of the public).

This form must accompany each filing made during the rulemaking process:

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1. TITLE OF RULE FILING:

   Rule 2: Regulation of Cannabis Establishments

2. ADOPTING AGENCY:

   Cannabis Control Board

3. PLEASE DESCRIBE THE AGENCY'S STRATEGY TO MAXIMIZE PUBLIC INVOLVEMENT IN THE DEVELOPMENT OF THE PROPOSED RULE, LISTING THE STEPS THAT HAVE BEEN OR WILL BE TAKEN TO COMPLY WITH THAT STRATEGY:

   The Board's strategy has been, and will continue to be, to hear from all possible stakeholders in a legal cannabis market.

   The Board's original rule filings were the result of extraordinary public involvement and input, as detailed further in the original filing for Rule 2 in March 2022. These amendments result from the Board's own experience implementing and regulating the cannabis market over the last year, as well as the public input it has received at every public meeting it holds--which happen weekly--along with written comments submitted through its web portal.

4. BEYOND GENERAL ADVERTISEMENTS, PLEASE LIST THE PEOPLE AND ORGANIZATIONS THAT HAVE BEEN OR WILL BE INVOLVED IN THE DEVELOPMENT OF THE PROPOSED RULE:

   The Board has relied extensively on the expertise of other Vermont state government agencies in its work and

development of its rules, including the Department of Health, the Agency of Agriculture, Food and Markets, and the Natural Resources Board.

The Board will continue to seek the advice of experienced regulators to ensure any changes that may be made during the notice and comment period are consistent with the best practices of regulatory experts in the relevant field.

STATE OF VERMONT
CANNABIS CONTROL BOARD

RULE 2: REGULATION OF CANNABIS ESTABLISHMENTS

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- 2.1.2 Scope and Purpose
- 2.1.3 Definitions
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- 2.1.5 Time
- 2.1.6 Severability

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2.15 Confidentiality

2.16 Regulatory Waiver

2. Rule 2: Regulation of Cannabis Establishments

Not every applicable prohibition, restriction, and requirement is contained in this rule. All Cannabis Establishments must abide by the prohibitions, restrictions, and requirements of Chapter 33, Title 7 of the Vermont Statutes. Cannabis Establishments must also abide by all other applicable laws, including but not limited to worker's compensation laws and tax laws.

2.1 General Provisions

2.1.1 Authority

The Cannabis Control Board adopts this rule pursuant to 7 V.S.A. §§ 865, 866, 881, 883, 884, 904, 907, and other applicable law.

2.1.2 Scope and Purpose

The Board is charged with implementing and regulating a legal market for Cannabis in Vermont. This rule regulates Cannabis Establishments.

2.1.3 Definitions

All definitions in 7 V.S.A. § 861 shall apply to this rule. The following definitions shall also apply:

(a) "Board designee" means a person designated by the Board to act as its agent for the purpose of executing the Board's responsibilities. This may be an employee of the Board, another government agency, or a contractor.
(b) "Clone" means a plant section from a female cannabis plant not yet root-bound, growing in a water solution, which is capable of developing into a new plant.
(c) "Distillate" means a concentrate where a segment of cannabinoids from an initial extraction are segregated through heating and cooling, with all impurities removed.
(d) "Full Spectrum" means a cannabis concentrate product or infused product that is:
    i. derived from a cannabis concentrate;
    ii. contains cannabinoids, aromatics, essential vitamins and minerals, fatty acids, protein, chlorophyll, flavonoids, and terpenes; and
    iii. has not been reformulated or has not had cannabinoid isolates or distillates added to it.
(e) "Greenhouse" means a structure or a thermally isolated area of a building that maintains a specialized sunlit environment exclusively for, and essential to, the cultivation or maintenance of Cannabis plants and that is in use for a period of 180 days or more each calendar year.
(f) "Harvest lot" means cannabis grown in the same manner. To meet the criteria for a single harvest lot, the given lot of cannabis would need to be on the same flowering, fertilizer, and pesticide application schedule. A single harvest lot may contain one or multiple cultivars of cannabis.

(g) "Home occupancy business" means a business operated on the premises of an individual's home or property where the individual is domiciled.
(h) "Indoor cultivation" means growing Cannabis using artificial lighting.
(i) "Interest holder" has the same meaning as defined in 11A V.S.A. § 11.01(11).
(j) "Inventory Tracking System" means a method implemented by the Board for tracing all Cannabis and Cannabis Products grown, manufactured, and sold in Vermont.
(k) "Isolate" means a cannabis concentrate that is more than 98 percent comprised of a single cannabinoid compound created by a chemical process.
(l) "Licensee" means a person who has been issued a license pursuant to Board Rule 1. A licensee does not include a person who has been issued a prequalification approval.
(m) "Outdoor cultivation" means growing Cannabis in a manner that does not use artificial lighting , provided that outdoor cultivators may use the minimum amount of artificial lighting necessary to keep photoperiod plants in a vegetative state. Artificial lighting for outdoor cultivation must not extend beyond May 1st in a calendar or past when the specific cultivar can sustain vegetative growth under natural sunlight, whichever comes first.
(n) "Pesticide" shall have the same meaning as "economic poison" as defined in 6 V.S.A. § 911(5).
(o) "Physical site of operations" means:
    i. a cultivator's grow site;
    ii. a wholesaler's product storage facility;
    iii. a manufacturer's site of manufacture;
    iv. a retailer's store location; or
    v. a testing laboratory's testing facility.
(p) "Plastic" means a synthetic material made from linking monomers through a chemical reaction to create a polymer chain that can be molded or extruded at high heat into various solid forms that retain their defined shapes during their life cycle and after disposal, including material derived from either petroleum or a biologically based polymer, such as corn or other plant sources.
(q) "Process lot" means whole or partial harvest lots that follow different paths toward market or diverted into waste. For example, a single harvest lot would be broken into two process lots if half was sold fresh frozen to a manufacturer, and half was dried, cured, and sold as bulk flower to a retailer.
(r) "Tincture" means a solvent, such as alcohol or glycerin, infused with cannabis. A tincture may include additional plant material. Tinctures may be sold in any volume but the total milligrams of tetrahydrocannabinol per container must not exceed 500mg.

Any time this rule references a retail Cannabis Establishment or otherwise references retail stores, such references shall include the retail portion of an integrated licensee unless the text of the rule plainly states that it does not.

2.1.4 Applicability

This rule applies to any entity that has been licensed pursuant to Rule 1 of the Board's rules.

2.1.5 Time

(a) In computing any time period, measured in days, that is established or allowed by this rule or by order of the Board or Chair:
    (1) the day of the act or event that triggers the period shall be excluded;
    (2) every day, including intermediate Saturdays, Sundays, and legal holidays shall be counted;
    (3) the last day of the period shall be counted, but if the last day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday.

(b) A "legal holiday" means:
    (1) any day declared a holiday by the President or Congress of the United States; and
    (2) any day declared a holiday by the State of Vermont.

2.1.6 Severability

If any portion of this rule is found to be invalid, the remaining portion of the rule shall remain in force and effect.

2.2 Generally Applicable Regulations

The requirements in this section are generally applicable to participants in the regulated market for Cannabis and Cannabis Products.

2.2.1 Business Records

Cannabis Establishments are required to maintain the following records in such a way that they can be readily accessed from the physical site of operations and made available for inspection by the Board, upon request:

(a) employee list;
(b) information related to facility security;
(c) advertising records, if applicable;
(d) inventory records;
(e) insurance records;
(f) visitor log, to the extent required by this rule;
(g) all records retained for tax purposes;
(h) waste log;
(i) surveillance logs, if applicable;
(j) testing records, including all Certificates of Analysis;
(k) sampling unit records;
(l) standard operating procedures manuals; and
(m) corrective action plan and preventive action records, if applicable.

2.2.2 Insurance

(a) A Cannabis Establishment shall obtain and maintain commercially reasonable levels of insurance, as may be further defined in published Board guidance developed in consultation with the Department of Financial Regulation.
(b) A Cannabis Establishment that documents an inability to obtain commercially reasonable levels of insurance coverage as required by subsection (a) of this section must place in escrow a sum in one of the following amounts:
    i. For retailers, wholesalers, integrated licensees, testing laboratories, tier 3 manufacturers, and tier 4, 5, and 6 cultivators of any type, a sum of no less than $250,000 to be expended for coverage of liabilities.
    ii. For tier 2 manufacturers and tier 2 and 3 cultivators of any type, a sum of no less than $50,000 to be expended for coverage of liabilities.
    iii. For tier 1 manufacturers and tier 1 cultivators of any type a sum of no less than $10,000 to be expended for coverage of liabilities.
(c) The escrow account required in subsection (b) of this section must be replenished within ten business days of any expenditure.
(d) The escrow account required by subsection (b) of this section must held by a third party to the satisfaction of the Board.
(e) The escrow account required by subsection (b) of this section, and the escrow account required by Rule 1.4.5(b), may be disbursed only in accordance with guidance issued by the Board.
(f) Cannabis Establishments must be prepared to demonstrate compliance with this subsection at any time, with records maintained in such a way that they can be readily accessed from the physical site of operations upon the request of the Board or Board designee.

2.2.3 Continuing Disclosure and Background Check Requirements

At the Board's discretion, the entities or persons named in Rule 1.4.2 or 1.4.3 may be required to resubmit any information described in those sections if the Board has reason to believe that information has changed since the time of a license application or license renewal. They may be subject to the same background checks and financial disclosures provided for in those sections. The information may be shared with other state agencies, as provided for by Rule 1.4.8.

2.2.4 Health, Safety, and Sanitation

Cannabis Establishments shall:
(a) develop safe and sanitary handling procedures for all products;
(b) provide regular training on health, safety, and sanitation procedures;
(c) ensure that employees follow procedures;
(d) not produce or sell products with perishable meat or dairy content;
(e) immediately report to the Board breaches in health, safety, and sanitary procedures that pose a risk to consumer safety; and
(f) comply with applicable health, safety, and sanitation rules, including, but not limited to, the Vermont Occupational and Safety and Health Administration Rules, applicable fire safety rules, applicable building standards and occupancy rules, and the Good

Manufacturing Practices for Food Rule, as adopted by the Vermont Department of Health.

Subsection (e) does not assign responsibility for enforcing those regulations to their respective state agencies, nor does it indicate such responsibility.

2.2.5 Employment and Training

(a) Licensee Training: In accordance with 7 V.S.A. 865(a), the agents of those who control a Cannabis Establishment shall complete an enforcement seminar once every three years. For the purposes of this section, an agent refers to anyone who is an employee of the establishment, who works at the establishment, or who plays a significant operational role within the licensee, including members of the licensee's board of directors or similar governing body.
(b) General Employee Training: within 60 days of hire and annually after that, employees of Cannabis Establishments must complete trainings regarding the following topics, except that employees of retail establishments may not sell Cannabis or Cannabis Products to consumers without first completing trainings regarding the first 5 topics of the following list:
    i. the Cannabis Establishment's operating, security, health, safety, and sanitary procedures;
    ii. compliance, enforcement, inspection, incident reporting, and record-keeping;
    iii. acceptable forms of identification for staff and visitors, if permitted by this rule;
    iv. inventory control and appropriate tracking systems;
    v. cash handling;
    vi. human trafficking and domestic violence awareness;
    vii. diversity, equity, and inclusion;
    viii. racism and bias; and
    ix. sexual harassment and discrimination.
(c) Retail Employee Training: customer-facing employees of retail Cannabis Establishments must complete trainings regarding the following topics, and may not sell Cannabis or Cannabis Products to consumers until they do so:
    i. the health effects of Cannabis and Cannabis Products;
    ii. preventing the sale of Cannabis to minors; and
    iii. signs of overconsumption and signs of mental health or substance abuse disorder.

2.2.6 Tracking of Cannabis and Cannabis Products

(a) Cannabis Establishments shall comply with the Inventory Tracking System in a manner determined by the Board and shall cooperate with any third-party vendors the Board utilizes for the purpose of implementing the system. The Inventory Tracking System policy shall be readily available to the public and will not change without at least 90 days of notice.
(b) Cannabis Establishments shall be responsible for costs associated with compliance with, and adoption of, the Inventory Tracking System.

(c) All Cannabis and Cannabis Products must be tracked using the Inventory Tracking System from the time the Cannabis is grown by a cultivator until it is sold to a consumer by a retailer. A Cannabis Establishment must reconcile all on-premises and in-transit Cannabis or Cannabis Product inventories each month and must complete the reconciliation within 15 days of the end of each month.
(d) Cannabis Establishments must have the ability to reconcile transported and on-hand Cannabis and Cannabis Product inventory with the Inventory Tracking System and the associated transaction history and transportation order receipts.
(e) If Cannabis or Cannabis Product is not ultimately sold to a consumer, it must be disposed of in the manner prescribed by section 2.2.8 of this rule and the disposal must be entered into the Inventory Tracking System.
(f) Cannabis Establishments and the individuals using the Inventory Tracking System are responsible for the accuracy of all information entered into the Inventory Tracking System. Any misstatements or omissions may be considered a license violation affecting public safety.

2.2.7 Transportation of Cannabis and Cannabis Products

Cannabis and Cannabis Products may be transported by the following individuals in the following ways:

(a) Only individuals who have a Cannabis Establishment identification card issued pursuant to Rule 1.16 are permitted to transport Cannabis or Cannabis Products between Cannabis Establishments. Individuals transporting Cannabis or Cannabis Products must carry their identification card at all times while transporting Cannabis or Cannabis Products.
(b) Transportation must take place in a vehicle, except that transportation in a vehicle is not required if the licensee is transporting Cannabis or Cannabis Product from one licensed premises to another within the same or a contiguous property, or any transport where the destination Cannabis Establishment can be seen by the unaided eye from the originating Cannabis Establishment.
(c) When Cannabis or Cannabis Products are transported in a vehicle:
    i. they must not be visible from outside the vehicle;
    ii. the driver must not be able to access them from the driver's seat; and
    iii. the vehicle must be unmarked.
(d) Vehicles used for transportation must be registered and current in their registration, inspection, and insurance. Vehicles must have a valid registration with a state's Department of Motor Vehicles, or equivalent agency.

Cannabis Establishments must conduct transports as follows:

(e) Cannabis Establishments may transport Cannabis and Cannabis Products only between Cannabis Establishments.
(f) The transporting Cannabis Establishment must enter all Cannabis and Cannabis Products to be transported into the Inventory Tracking System.
(g) Prior to departure from a Cannabis Establishment, the establishment must generate a transport manifest that contains the following:
    i. departure date, location, and approximate time of departure;
    ii. name and location of the destination Cannabis Establishment(s);

iii. name and identification card number of those transporting the Cannabis or Cannabis Product;
iv. product name and quantities (by weight and unit) of each product to be delivered to the specific Cannabis Establishment(s);
v. estimated time of arrival at each Cannabis Establishment;
vi. transport vehicle's make, model, and license plate number; and
vii. a signature line and time notation to be signed by an employee of the Cannabis Establishment who receives the transported product.

(h) Cannabis Establishments must transmit transport manifests to receiving Cannabis Establishments before departure.
(i) While transporting Cannabis or Cannabis Products, individuals must log the times of arrival at, and departure from, any stops, whether planned or unplanned. Logs must be maintained contemporaneously and must give a reason for stops that are not at Cannabis Establishments.
(j) To the extent possible, individuals transporting Cannabis or Cannabis Products must stay with their vehicles while transporting Cannabis or Cannabis Products. Where Cannabis Licensed Agents have the option to stay with their vehicle, they must choose that option. Except for the entry and exit of those transporting the Cannabis or Cannabis Product, vehicles must be locked and secured.
(k) No transport of Cannabis or Cannabis Products shall cross state borders.

Cannabis Establishments must receive transports as follows:

(l) Cannabis Establishments receiving Cannabis or Cannabis Product from a transport must log the time of receipt.
(m) Upon receipt of a transport, the receiving Cannabis Establishment shall ensure that the products received are as described in the transport manifest and shall adjust its records and the Inventory Tracking System to reflect the receipt of inventory within 24 hours of when it is received. If there are discrepancies, the receiving Cannabis Establishments must specify them.

Transports must meet these additional conditions:

(n) Storage and transportation shall be under conditions that will protect Cannabis and Cannabis Products from loss and theft, as well as against physical, chemical, and microbial contamination and against deterioration of product.
(o) If a Cannabis Establishment is transporting over 20 pounds of Cannabis on a dry weight basis, the Cannabis must be transported in a secure, locked storage compartment within the transportation vehicle.
(p) Cannabis Establishments shall report to the Board any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, within not more than 24 hours of such accidents, diversions, losses, or other reportable incidents.
(q) In the event Cannabis has failed required testing, has been contaminated, or otherwise presents a risk of cross-contamination to other Cannabis, such Cannabis may only be transported if it is physically segregated and contained in a sealed package that prevents cross-contamination.

2.2.8 Waste Disposal

(a) All applicable federal, state, and local statutes, regulations, and ordinances apply to waste disposal from Cannabis Establishments. This includes, but is not limited to, all regulations pertinent to chemical, dangerous, and hazardous waste, such as those that may be generated during product manufacturing processes, as well as all pesticides and other agricultural chemicals.
(b) Cannabis or Cannabis Products must be rendered unusable and unrecognizable before disposal. The acceptable methods for rendering Cannabis and Cannabis Product unusable and unrecognizable will be enumerated by the Board in a policy that will be readily available to the public.
(c) Organic material that has either no tetrahydrocannabinol content or a tetrahydrocannabinol content under 0.3%, doesn't need to be rendered unusable or unrecognizable. It can be composted onsite or disposed of in a manner otherwise consistent with applicable law and regulation.
(d) Disposal of Cannabis and Cannabis Products must be tracked with the Inventory Tracking System, as provided for by section 2.2.6 of this rule.

2.2.9 Packaging

(a) The following requirements apply to all Cannabis and Cannabis Product packaging as it is transferred between Cannabis Establishments. Such packaging must:
    i. meet the requirements of section 2.2.10(b) of this rule;
    ii. clearly identify package contents;
    iii. be free from false or misleading statements; and
    iv. not use objects, such as toys, inflatables, movie characters, cartoon characters, child-friendly depictions of food or other consumables, or include any other display, depiction, or image designed in any manner likely to be appealing to minors or anyone under 21 years of age.
(b) Packaging that is intended for consumer purchase at a retail location shall be reusable and shall not be plastic. In addition, such packaging shall meet further requirements to the extent provided for in sections 2.3.5, 2.6.3, 2.7.3, and 2.8.4 of this rule.

2.2.10 Warning Labels

The Board will make copies of the labels below readily available for use by Cannabis Establishments.

(a) All marketing, advertising, branding, packaging, and promotion must include the following warning unaltered, in a readable font that is no smaller than 6pts:

When the warning above appears on product packaging with multiple layers, the label must appear on the base layer of the packaging.

When 6pt font is used, letters must be capitalized to ease readability.

(a) All product packaging must use the following warning symbols:

i. Minimum Size
    1. Packaging and Labeling: 0.5” x .05”
    2. Edible Cannabis Product: at least 25 percent of the serving’s height and width, but not less than 0.25” x 0.25”.

ii. Required Colors: When used on the marketing layer, the universal symbol and “not safe for kids” icons must be reproduced in black and red. Coloring is not required for on-product markings
    1. Black (CMYK): 0, 0, 0, 100
    2. Red (CMYK): 0, 95, 100, 0
    3. Red (Pantone): PMS 485

iii. Background: the icons must be placed on a white or light-colored background. The interior of the icons must remain white.

iv. Restrictions:
    1. Do not recreate or modify the icons in any manner
    2. Do not stretch or distort the icon.
    3. Do not use the icons smaller than the minimum size.
    4. Do not change the required icon colors.
    5. Do not use the icons on a dark background.

(b) All product packaging must include the following statement on the marketing layer of the packaging, including capitalization, in at least 10-point Times New Roman, Helvetica or Ariel and bolded font:

KEEP OUT OF REACH OF CHILDREN AND PETS

(c) All product packaging for products that contain multiple servings must contain the following statement on the marketing layer of the packaging, including capitalization, in at least 10-point Times New Roman, Helvetica or Ariel and bolded font:

INCLUDES MULTIPLE SERVINGS

2.2.11 Advertising

In addition to those contained in 7 V.S.A. § 864 and section 2.2.10(a) of this rule, the following prohibitions and requirements apply to advertising Cannabis or Cannabis Products:

(a) Cannabis Establishments are prohibited from using objects, such as toys, inflatables, movie characters, cartoon characters, child-friendly depictions of food or other consumables, or include any other display, depiction, or image designed in any manner likely to be appealing to minors or anyone under 21 years of age. This includes, but is not limited to, brand logo development and any advertising used for the purposes of marketing the licensee's dispensary and/or products.
(b) Cannabis Establishments are prohibited from advertising or promoting in a manner that is false, untrue, or misleading.
(c) Cannabis Establishments are prohibited from including in its advertising any statement concerning a brand or product that is inconsistent with any statement on the labeling thereof.
(d) Websites for Cannabis Establishments must have age-gating.
(e) Social media accounts for Cannabis Establishments may only promote products using links to their age-gated websites.

2.2.12 Audience Composition Presumptions for Advertising

When considering whether a proposed advertisement meets the requirements of 7 V.S.A. § 864 and of this rule, the Board will make the following presumptions:

(a) That more than 15% of the audience will be under 21 years of age, unless the prospective advertiser can show by a preponderance of the evidence that less than 15% of the audience is reasonably expected to be under 21 years of age. Evidence must include reliable, verifiable, and current audience composition data.
(b) That the audience for any outdoor advertisement is the general public, and those under 21 years of age will have the same prevalence in that audience as they do in the general public, unless a prospective advertiser can demonstrate that an outdoor space will not be accessed by the general public and that those who can access it meet the audience metric of 7 V.S.A. § 864(c).
(c) That, except for signage as defined in 7 V.S.A. § 861(2)(D), window displays, or items, text, or objects inside a retail Cannabis Establishment that are visible to a person standing outside the establishment are outdoor advertisements for the purposes of this rule.

2.2.13 Visitors

(a) Visitors are only permitted to the extent provided for in this rule.
(b) If this rule makes no provision for visitors at a type of Cannabis Establishment then visitors are not permitted at that type of Cannabis Establishment, provided that the following individuals may be admitted to Cannabis Establishments:

i. Contractors, or professional advisors such as lawyers or accountants, if they are accompanied by a Cannabis Establishment principal or employee who has an identification card issued pursuant to Rule 1.16;
ii. Persons entering for an educational purpose if they are accompanied by a Cannabis Establishment principal or employee who has an identification card issued pursuant to Rule 1.16;
iii. Board designees or other state and municipal officials; and
iv. Those making lawful deliveries pursuant to section 2.2.7 of this rule.

(c) A Cannabis Establishment shall not permit a person under 21 years of age to enter a building or enclosure on the premises where Cannabis or Cannabis Product is located. The Cannabis Establishment is responsible for ensuring compliance with age limitations.
(d) For home occupancy businesses, the provisions of this section apply only to the areas where Cannabis or Cannabis Product is kept, which must be secured in accordance with the provisions of this rule.
(e) This section shall not be interpreted to limit the actions of emergency responders in the course of their duties.
(f) This section 2.2.13 does not apply to retail Cannabis Establishments.

2.2.14 Inspections

Cannabis Establishments shall submit to inspections of their physical site of operations and their records upon request of the Board or a Board designee. Inspection may include uncompensated retention of product samples for laboratory analysis.

2.2.15 Inversion and Diversion from the Legal Market is Prohibited

No Cannabis Establishment may purchase or obtain Cannabis or Cannabis Products from an entity that is not licensed pursuant to Board Rule 1. Except for retail Cannabis Establishments, no Cannabis Establishment may sell or transfer Cannabis or Cannabis Products to any person other than a licensed Cannabis Establishment.

2.2.16 Compliance in Other Jurisdictions

To the extent the controller or principal of a licensee also controls or is a principal of a licensed Cannabis Establishment, or the equivalent of a Cannabis Establishment, in a different jurisdiction, that Cannabis Establishment must remain in compliance with the laws and regulations of its jurisdiction.

2.2.17 Reporting Theft or Loss

(a) Cannabis Establishments must report theft of Cannabis or Cannabis Product to the Board immediately after discovery of the theft and enter the associated loss into the Inventory Tracking System.
(b) Cannabis Establishments must enter any loss of Cannabis or Cannabis Product into the Inventory Tracking System.

2.2.18 Co-Location

Cannabis Establishments may operate at the same location, subject to the following conditions:

(a) The co-located operation is not in violation of any local ordinances or regulations.
(b) Each Cannabis Establishment operating at the same location shall do all the following:
    i. Have distinct and identifiable spaces, areas, or plots, with each licensee operating in its own separate space, area, or plot.
    ii. Post notice of its license in its distinct area, space, or plot.
    iii. Maintain all the business operations, compliance requirements, and record-keeping that a Cannabis Establishment would maintain if it were operating in its own location.
    iv. Otherwise comply with the provisions in the relevant statutes and these rules.
(c) Co-located Cultivation Cannabis Establishments must limit their total canopy to the relevant Tier 6 plant canopy limit, provided that the Board retains discretion to waive this limit.
(d) Co-located cultivation Cannabis Establishments must utilize the security measures that would be required if the combined plant canopy of all the co-located cultivators were treated as belonging to a single Cannabis Establishment.
(e) Co-located Cannabis Establishments that include non-cultivation licensees must utilize the security measures that are the most stringent required of any one of the co-located establishments, as provided by this Rule.
(f) No person may operate in a manner that has the effect of subverting 7 V.S.A. § 901(d)(3)(A) or any other licensure requirements contained in 7 V.S.A. chapter 33 or Board Rule 1, and no person shall exercise control over a Cannabis Establishment without the disclosures required in Board Rule 1.4. At its discretion the Board may require additional information from Cannabis Establishments to ensure compliance with this section.
(g) Multiple retail Cannabis Establishments may not operate at the same location, except that retailers may co-locate to the extent one retailer is providing a mentorship or accelerator program for another.

This section does not apply to dispensaries, which are governed by section 2.10.3 of this rule and by Rule 3.

2.2.19 Adulterated Cannabis and Cannabis Product

(a) Licensees must abide by all orders of the Board issued pursuant to 7 V.S.A. § 904(e)(1) and Board Rule 4. All licensees shall make a prompt report to the Board upon discovery of adulterated Cannabis or Cannabis Product, regardless of cause or fault.
(b) If Cannabis or Cannabis Product is adulterated due to the willful or intentional misuse of a pesticide, the Cannabis must be destroyed in accordance with section 2.2.8 of this rule and reported to the Board by:
    i. The cultivator, or
    ii. A testing laboratory, which must destroy whatever adulterated Cannabis or Cannabis Product is in its possession.

(c) If Cannabis or Cannabis Product is adulterated due to no fault of the license holder they may attempt to remediate if doing so can be done safely, provided that Cannabis or Cannabis Product that tests at impermissible levels of human pathogens may not be remediated. Adulteration without fault may occur due to atmospheric drift of an adulterant, or a similar natural phenomenon.
    i. Remediation may include refinement into a manufactured product using a licensed manufacturer.
    ii. Any remediated product needs to be retested for the adulterant subsequent to remediation.
    iii. If an adulteration poses a public health issue subsequent to remediation the Cannabis or Cannabis Product will need to be destroyed in accordance with section 2.2.8 of this rule.
    iv. If Cannabis or Cannabis Product found to contain actionable levels of aspergillus, a label so indicating must travel with the product, and appropriate steps shall be taken to make aware those staff who may be exposed.

2.2.20 Cannabis Establishment Identification Card Requirement

(a) All persons working at a Cannabis Establishment must have an identification card issued by the Board pursuant to Rule 1.16.
(b) Any person working at a Cannabis Establishment must have their identification card in their possession at all times while working at the Cannabis Establishment.

2.2.21 Product Licensing

Cannabis Establishments must license products in accordance with 7 V.S.A. § 910(2) and policy issued by the Board.

2.2.22 Security Requirements for Licensees not Otherwise Specified

The Board will establish reasonable security requirements through the adoption of a policy for any license type that may be established by the legislature and is not otherwise contemplated by this rule.

2.2.23 One Location Rule

Licensees will be in compliance with the one location requirement of 7 V.S.A. § 901(d)(3)(A) only if the physical site of operations for a Cannabis Establishment is within two abutting SPANs. A SPAN will be considered abutting if it shares a boundary with a SPAN, or if it is adjacent to a SPAN and is separated only by a river, stream, or public highway.

2.3 Regulations Applicable to Cultivators

The requirements in this section apply to Cannabis Establishments with any cultivator license.

2.3.1 Pesticides

Cultivators shall abide by the rules and guidelines regarding pesticides that are adopted by the Vermont Agency of Agriculture, Food and Markets.

Cannabis Establishments with a cultivator license shall maintain a record of pesticide usage in such a way that it can be readily accessed from the physical site of operations upon the request of the Board or Board designee.

2.3.2 Visitors to Cultivation Sites

(a) Visitors must be escorted at all times by a Cannabis Establishment employee who has an identification card issued pursuant to Rule 1.16.
(b) Visitors may not consume cannabis in any form on site.
(c) Visitors may not purchase cannabis on site, provided that this shall not be interpreted to prohibit sales at retail Cannabis Establishments that are co-located with a cultivation Cannabis Establishment in accordance with all applicable regulations.
(d) A Cannabis Establishment shall not permit a person under 21 years of age to enter a building or enclosure on the premises where cannabis is located. The Cannabis Establishment is responsible for ensuring compliance with age limitations.
(e) Cannabis Establishments must issue identification badges to visitors, provided that this provision does not apply to any tier 1 cultivation licensees. The badge will:
    i. have a design approved by the Board;
    ii. be visibly displayed while on the physical site of operations; and
    iii. be returned upon exit.
(f) Visitors must be logged with time of entry and exit, and the log will be made available to the Board or a Board designee upon request. Logs must be retained for 1 calendar year.
(g) A safety protocol must be established by license holder before allowing visitors.
(h) Subsections (e) through (g) of this section do not apply to the following individuals:
    i. Contractors, or professional advisors such as lawyers or accountants, if they are accompanied by a Cannabis Establishment principal or employee who has an identification card issued pursuant to Rule 1.16;
    ii. Board designees or other state and municipal officials; and
    iii. Those making lawful deliveries pursuant to section 2.2.7 of this rule.
(i) For home occupancy businesses, the provisions of this section 2.3.2 apply only to the areas where Cannabis is kept, which must be secured in accordance with the provisions of this rule.
(j) This section shall not be interpreted to limit the actions of emergency responders in the course of their duties.

2.3.3 Testing

Cultivators must have their products tested in accordance with rules and guidance established in section 2.9 of this rule. Testing for potency of a crop must take place prior to packaging for transfer to another licensee. Other testing will occur in accordance with the relevant regulations and policies. All test results shall be saved for no less than 1 year.

2.3.4 Cultivator Processing

(a) The word "process" in 7 V.S.A. § 904(a) means:
    i. packaging or wrapping Cannabis flower in any manner that Cannabis flower may be transported or consumed.
    ii. Trimming Cannabis flower, or other activities necessary for preparing Cannabis flower for packaging or transport.
(b) The word "process" in 7 V.S.A. § 904(a) does not mean transforming Cannabis flower into another substance through manufacturing.

2.3.5 Cultivator Packaging

(a) Except as provided in subsection (b) of this section 2.3.5, when a cultivator transfers Cannabis to another licensee packaging must meet the requirements of:
    i. Section 2.2.9(a) of this rule; and
    ii. 7 V.S.A. § 904(d)(1).
(b) When a cultivator transfers Cannabis to a retail licensee and the Cannabis is intended for consumer purchase as packaged, packaging must:
    i. include the cultivator's license number and process lot number;
    ii. Meet the requirements of section 2.2.9 of this rule;
    iii. Meet the requirements of 7 V.S.A. § 904(d)(1);
    iv. Meet the requirements of 7 V.S.A. § 907(c); and
    v. Include testing results, which can be conveyed using a website address, QR code, or similar means of providing access to information accessible on a website.

2.3.6 Cultivator Inspections

(a) The Board or Board designee will conduct inspections, which may or may not be noticed in advance, to ensure compliance with these rules and Title 7, Chapter 33 of the Vermont Statutes.
(b) Inspections may include:
    i. collecting samples;
    ii. taking photographs or video;
    iii. talking to employees, principals, or owners;
    iv. inspecting records;
    v. inspecting equipment or vehicles used for growing, processing, or transporting Cannabis; and
    vi. taking any other reasonable measure to evaluate compliance.
(c) Information obtained from inspections at non-cultivator Cannabis Establishments may inform inspections at cultivator licensees.
(d) Cannabis samples obtained during inspections may be used to assess consumer safety issues and may also be used by the Board for genetic testing and research into taxonomic determinations of cannabis cultivars or varieties grown.

2.3.7 Sanitation

To the extent not already required by section 2.2.4 of this rule, cultivators will ensure:

(a) that any illness or bodily injury to an individual at a cultivation site does not become a source of microbial contamination to a Cannabis crop;
(b) that litter and waste are properly removed so they do not become a source of microbial contamination; and
(c) sufficient sanitation to minimize potential for attracting, breeding, or harboring pests.

2.3.8 Cultivation and Operations Information

Cultivating licensees shall submit cultivation and operations information to the Board within 60 days of gaining a license. The information shall include the following:

(a) cultivation schedule;
(b) waste management plan; and
(c) integrated pest management plan.

2.3.9 Vendor and Employee Samples

(a) Vendor samples must meet the following requirements:
    i. Cultivators may provide a sample of flower to another licensee, provided that such samples may not be consumed on any licensed premises. Samples must be tested in accordance with rules and guidance established in section 2.9 of this rule.
    ii. Samples will be limited to the following aggregate amounts in a calendar month: four grams per strain of flower per vendor, and no more than seven strains of flower per vendor.
    iii. Vendor samples must be labeled: VENDOR SAMPLE NOT FOR RESALE.
    iv. Samples must be designated and identified in the Inventory Tracking System.
(b) Employee Samples must meet the following requirements:
    i. Cultivators may provide samples to employees to determine whether to make product available to sell, provided that such samples may not be consumed on any licensed premises.
    ii. Samples will be limited to the following aggregate amounts in a calendar month: four grams per strain of flower per employee, and no more than seven strains of flower per employee.
    iii. Employee samples must be labeled: QUALITY CONTROL SAMPLE NOT FOR RESALE.
    iv. Samples must be designated and identified in the Inventory Tracking System.

2.3.10 Cannabis Cultivation for Personal Use

A cultivator may grow Cannabis for their personal use in accordance with 18 V.S.A. § 4230e. Any Cannabis plant grown for this purpose must be specifically designated by the cultivator such that a Board designee can readily identify which plants are being grown for personal use if the plants are at or near a cultivator's physical site of operations. No plant grown for personal use

may supply Cannabis to the regulated market, and Cannabis grown for personal use must not be entered into the Inventory Tracking System.

2.4 Regulations Applicable to Outdoor and Mixed Cultivators

The requirements in this section apply to Cannabis Establishments with an outdoor or mixed cultivator license.

2.4.1 Outdoor Security Management Practices

The Board deems the following to be Outdoor Security Management Practices:

(a) fencing;
(b) video surveillance system with unobscured views of area;
(c) alarm system;
(d) photographic surveillance;
(e) motion activated flood-light, which may face away from the plant canopy;
(f) security services, which may include the physical presence of a security guard; and
(g) controlled point of access.

2.4.2 Standards For Outdoor Security Management Practices

(a) Fencing must be sufficient to prevent unauthorized entry to any cultivation areas.
(b) Electronic security measures and security services, if applicable pursuant to section 2.4.3, must be operating for no less than the three-week period preceding a harvest, as well as while drying, curing, or storing a harvested crop.
(c) Video and photographic surveillance equipment must:
    i. retain footage for a minimum of 30 days;
    ii. include date and time stamps on images without significantly obscuring the images;
    iii. be capable of producing usable images in the lighting conditions in which it is placed;
    iv. be placed in a way that allows for the clear and certain identification of any persons or activities at or in the immediate vicinity of any Cannabis or Cannabis Product, provided that video recordings may be motion-activated; and
    v. be exportable and transferrable to standard computing equipment and have a resolution of 720p or greater or the equivalent of such a resolution.

2.4.3 Minimum Outdoor Security Management Practices

Outdoor cultivators and the outdoor portion of a mixed cultivator's crop must implement Outdoor Security Management Practices to the extent required in this section unless they apply to the Board for a variance from the fencing requirement, which the Board will consider on a case-by-case basis.

(a) Tier 1 outdoor cultivators and mixed cultivators must utilize at least 1 of the Outdoor Security Management Practices in section 2.4.1.

(b) Tier 2 outdoor cultivators must utilize at least 2 of the Outdoor Security Management Practices in section 2.4.1 and one of them must be fencing.
(c) Tier 3 outdoor cultivators must utilize at least 3 of the Outdoor Security Management Practices in section 2.4.1 and one of them must be fencing.
(d) Tier 4 outdoor cultivators must utilize at least 4 of the Outdoor Security Management Practices in section 2.4.1 and one of them must be fencing.
(e) Tier 5 outdoor cultivators must utilize at least 5 of the Outdoor Security Management Practices in section 2.4.1 and one of them must be fencing.
(f) Tier 6 outdoor cultivators must utilize all of the Outdoor Security Management Practices in section 2.4.1.

2.4.4 Visibility From a Public Road

If a crop would be visible from a public road, as defined in 24 V.S.A. § 4303(33), a physical barrier of concealment must be created such that the crop is not visible from the public road. Such barriers may include, but are not limited to, fencing, hedges, or building structures.

2.4.5 Additional Requirements

(a) At the Board's discretion, a physical site of operations may be inspected by a Board designee to determine security risks and visibility from a public road either before or after the Board has granted a license. The Board retains the right to require additional Outdoor Security Management Practices or barriers subsequent to such an inspection.
(b) If a Cannabis Establishment experiences more than one incident of theft in a one-year time period, additional Outdoor Security Management Practices may be required at the Board's discretion.

2.4.6 Security for Drying, Curing, and Storage

Security for Cannabis drying, curing, and storage must meet the requirements of section 2.5.1 of this rule.

2.4.7 Allowance for Winter Indoor Storage

Mother plants, Cannabis plant-seeds, and clones in propagation or vegetation phase of development may be kept indoors during winter months when outdoor cultivation is not possible, provided that outdoor cultivation licensees may not cultivate Cannabis indoors.

2.5 Regulations Applicable to Indoor and Mixed Cultivators

The requirements in this section apply to Cannabis Establishments with an indoor or mixed cultivator license.

2.5.1 Security

Indoor cultivators and the indoor portion of a mixed cultivator's crop must utilize the following security measures:

(a) All perimeter doors and windows must be locked, and only individuals with a Cannabis Establishment identification card, granted in accordance with Board Rule 1.16, may have keys or a key equivalent.
(b) All perimeter doors and windows must have operational security alarms, provided that Tier 1 and mixed cultivators are not required to have security alarms unless the Board requires it, which the Board retains the discretion to do on a case-by-case basis.
(c) Video surveillance with continuous monitoring of any space that contains Cannabis, whether growing or harvested, or Cannabis Products. Video surveillance must meet the standards of section 2.4.2(c) of this rule.

2.5.2 Security for Drying, Curing, and Storage

Security for Cannabis drying, curing, and storage must meet the requirements of section 2.5.1 of this rule.

2.5.3 Energy Standards for Buildings

(a) Vermont Commercial Building Energy Standards (CBES) will apply to indoor cultivation facilities in the following areas to the same extent they would for any other commercial building:
    i. The building envelope must meet CBES for insulation.
    ii. Non-cultivation lighting must meet CBES for new buildings and retrofits.
    iii. Ventilation must meet CBES.
    iv. HVAC systems must meet CBES for efficiency, except that HVAC equipment used for cultivation does not need economizers and heat recapture.
(b) Greenhouses must meet CBES for HVAC equipment efficiency, except that HVAC equipment used for cultivation does not need economizers and heat recapture.
(c) Fans and clean water pumps at indoor cultivation facilities should, at the date of equipment purchase, comply with the most recent energy efficiency standards adopted by the federal Department of Energy.

2.5.4 Energy Standards for Lighting

Cannabis Establishments shall have one year from the date of licensure to come into compliance with the following requirements:

(a) Lighting for indoor cultivation must have a minimum of 1.9 Photosynthetic Photon Efficacy (PPE).
(b) Lighting for greenhouses:
    i. The envelop must have a minimum u-factor of 0.7.

ii. If a greenhouse uses lighting fixtures to supplement the sun, the cultivation lighting must have a minimum of 1.7 PPE, except that if a greenhouse has a total connected lighting load of less than 40 kilowatts it is exempt from lighting requirements.

2.5.5 Energy Standards for Dehumidification

Cannabis Establishments shall have one year from the date of licensure to come into compliance with the following requirements:

One of the following dehumidification systems must be used for indoor cultivation:

(a) Standalone dehumidifiers must meet the following minimum integrated energy factors:
    i. Minimum integrated energy factor of 1.77 L/kWh for product case volumes of 8.0 cubic feet or less, or
    ii. Minimum integrated energy factor of 2.41 L/kWh for product case volumes greater than 8.0 cubic feet.
(b) Integrated HVAC system with on-site heat recovery designed to fulfill to least 75 percent of the annual energy for dehumidification reheat.
(c) Chilled water system with on-site heat recovery designed to fulfill at least 75 percent of the annual energy for dehumidification reheat.
(d) Solid or liquid desiccant dehumidification system for system designs that require dewpoint of 50° Fahrenheit or less.

2.5.6 Energy Usage Reporting and Reduction Efforts

(a) License holders must report energy efficiency benchmarks annually to the Board as a condition of license renewal.
(b) License holders must annually update and submit to the Board written operating procedures regarding equipment maintenance, calibration and proper operation, for all major energy equipment, including, but not limited to, horticultural lighting, HVAC systems, and dehumidification systems.
(c) License holders must annually assess and report to the Board on opportunities to reduce energy, which should include:
    i. identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities;
    ii. consideration of opportunities for renewable energy generation, including, where applicable, identification of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
    iii. strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and
    iv. engagement with energy efficiency programs offered by Efficiency Vermont, Burlington Electric Department, or Vermont Gas Systems.

2.6 Regulations Applicable to Manufacturers

The requirements in this section apply to Cannabis Establishments with a manufacturing license.

Manufacturers shall abide by any requirements and limitations contained in 7 V.S.A. § 881(a)(3), 7 V.S.A. § 868, and 18 V.S.A. § 4230h, in addition to the requirements of this section.

2.6.1 Manufacturer Security

Manufacturers must meet all requirements of section 2.5.1 of this rule.

2.6.2 Testing

Manufacturers must have their products tested in accordance with rules and guidance established in section 2.9 of this rule. Test results shall be saved for no less than one year.

2.6.3 Manufacturer Packaging

(a) Except as provided in subsection (b) of this section 2.6.3, when a manufacturer transfers Cannabis to another licensee packaging must meet the requirements of section 2.2.9(a) of this rule.
(b) When a manufacturer transfers Cannabis Product to a retail licensee and the Cannabis Product is intended for consumer purchase as packaged, packaging must meet the following requirements:
    i. include the manufacturer's license number and process lot number;
    ii. All requirements of section 2.2.9 of this rule.
    iii. All requirements contained in 7 V.S.A. § 881(a)(3)(A), (B), and (C).
    iv. For consumable Cannabis Products packaging must include:
        1. the number of servings in the package and serving size, provided that servings must be easy for a consumer to measure, either by clear and visible marking on the Cannabis Product or physical separation of servings; and
        2. a warning that the impairment effects of the Cannabis Product may be delayed by two hours or more.
        3. Solid concentrates must include the following warning: Use with caution. Exceeding recommended serving size can have severe adverse effects.
        4. Vape oil cartridges must include the following warning: Use with caution to avoid overconsumption. Start low and go slow.
    v. For non-consumable Cannabis Products packaging must include:
        1. the ingredients used in production, including but not limited to scents or other additives, and common irritants warnings; and
        2. notice that the product is not for consumption.
    vi. Disposable vape pens or other disposable vaping devices are prohibited. Disposable vape pens are all-in-one, pre-charged vape pens that are not intended for multiple uses and that can be used for e-liquids, oils, extracts, or distillates.

2.6.4 Additives

(a) For Cannabis Products intended for oral ingestion, such as food, drinks, oil-based tinctures, and similar products, manufacturers may use any additive that the Food and Drug Administration has deemed Generally Recognized As Safe.
(b) For Cannabis Products intended for inhalation, the Board will maintain an approved ingredient list that will be readily available to the public.
(c) Manufacturers shall abide by any prohibition contained in 7 V.S.A. § 868.

2.6.5 Records

Manufacturers shall maintain the following records in such a way that they can be readily accessed from the physical site of operations upon the request of the Board or Board designee:
(a) Records of purchases from any manufacturer or supplier of an ingredient, additive, component, or other substance, compound, or material obtained by the manufacturer.
(b) Records of the name and business address of the manufacturer of any cartridge, battery, atomizer coil, hardware, device, or other component in vaporized products.
(c) A copy of a Certificate of Analysis for each thickening agent, thinning agent, or terpene used in production. These Certificates of Analysis shall be provided to a retailer or wholesaler upon request.

2.6.6 Vendor and Employee Samples

(a) Vendor samples must meet the following requirements:
    i. Manufacturers may provide a sample of Cannabis Product to another licensee, provided that such samples may not be consumed on any licensed premises. Samples must be tested in accordance with rules and guidance established in section 2.9 of this rule.
    ii. Samples will be limited to the following aggregate amounts in a calendar month: Five grams of concentrate or extract, or 100 servings of edibles per vendor, so long as the tetrahydrocannabinol content of each individual edible sample does not exceed five milligrams per serving and is within any applicable statutory or regulatory potency levels.
    iii. Vendor samples must be labeled: VENDOR SAMPLE NOT FOR RESALE.
    iv. Samples must be designated and identified in the Inventory Tracking System.
(b) Employee Samples must meet the following requirements:
    i. Manufacturers may provide a sample of Cannabis Product to an employee to determine whether to make a product available to sell, provided that such samples may not be consumed on any licensed premises.
    ii. Samples will be limited to the following aggregate amounts in a calendar month: five grams of concentrate or extract, or 100 servings of edibles per employee, provided that the tetrahydrocannabinol content of each individual edible sample

does not exceed five milligrams per serving and is within any applicable statutory or regulatory potency levels.

iii. Employee samples must be labeled: QUALITY CONTROL SAMPLE NOT FOR RESALE.

iv. Samples must be designated and identified in the Inventory Tracking System.

2.7 Regulations Applicable to Wholesalers

The requirements in this section apply to Cannabis Establishments with a wholesaler license.

2.7.1 Wholesaler Security

(a) Wholesalers must meet all requirements of section 2.5.1 of this rule.

(b) Manufactured Cannabis Product, but not Cannabis flower, must be kept in a reasonably secure locked space.

2.7.2 Wholesaler Processing

(a) The word "process" in 7 V.S.A. § 905(b) means:

i. Packaging or wrapping Cannabis flower in any manner that Cannabis flower may be transported or consumed.

ii. Trimming Cannabis flower, or other activities necessary for preparing Cannabis flower for packaging or transport.

iii. Packaging Cannabis Products in any manner that Cannabis Products may be packaged.

(b) The word "process" in 7 V.S.A. § 905(b) does not mean transforming Cannabis flower into another substance through manufacturing.

2.7.3 Wholesaler Packaging

(a) Except as provided in subsections (b) and (c) of this section 2.7.3, when a wholesaler transfers Cannabis or Cannabis Product to another licensee packaging must meet the requirements of section 2.2.9(a) of this rule.

(b) When a wholesaler transfers Cannabis to a retail licensee and the Cannabis is intended for consumer purchase as packaged, packaging must meet the requirements of section 2.3.5(b) of this rule.

(c) When a wholesaler transfers Cannabis Products to a retail licensee, and the Cannabis Products are intended for consumer purchase as packaged, packaging must meet the requirements of section 2.6.3(b) of this rule.

2.8 Regulations Applicable to Retailers

The requirements in this section apply to Cannabis Establishments with a retailer license.

2.8.1 Buffer Zones

Retail Cannabis Establishments shall not be located at a place where the sale of a regulated drug would constitute a violation of 18 V.S.A. § 4237(d).

2.8.2 Retail Security

Retailers must meet all requirements of section 2.5.1 of this rule, provided that retailers may have unlocked doors to the extent necessary to allow customer access, along with the following additional requirements:

(a) Alarm systems installed by retailers must be installed by an alarm installation company with expertise in industry standard commercial-grade alarm systems.
(b) Video surveillance must include point-of-sale areas, all entrances, exits, and any area where Cannabis or Cannabis Product is stored or handled.
(c) Strict access controls to areas where Cannabis and Cannabis Product is stored or handled.
(d) Video footage must be kept for at least 30 days, and video recording devices must be continuously recording.
(e) Employees shall wear identification badges that clearly identify them as employees while on duty.
(f) Upon request, a retailer shall make available to the Board or Board designee all information related to security alarm systems, monitoring, alarm activity, maps of camera locations and camera coverage, surveillance equipment maintenance log, authorized user list, operation instructions, and any other relevant information.
(g) The number of customers in the retail area at any given time may not be more than can be easily monitored by the employees present in the retail area.
(h) The requirements of 7 V.S.A. § 881(a)(5), to the extent not already covered by this rule.

2.8.3 Age Verification and Customer Personal Information

(a) Immediately upon a visitor entering the retail premises an individual who has been issued an identification card pursuant to Board Rule 1.16 shall inspect the visitor's proof of identification and determine the visitor's age. This age check shall take place in the immediate vicinity of the entrance to the retail premises.
(b) "Acceptable form of identification" shall mean a photo identification issued by a government, and it must be current and valid.
(c) No individual shall be admitted unless the retailer has verified that the acceptable form of identification matches the visitor and that the visitor is 21 years of age or older.
(d) Prior to completing a transaction for the purchase of Cannabis or a Cannabis Product, an individual who has been issued an identification card pursuant to Board Rule 1.16 shall inspect the visitor's proof of identification and determine the visitor's age.
(e) A retailer may not acquire or record visitor personal information other than information typically required by a retail transaction, which can include information to determine the visitor's age.
(f) A retailer may not record or retain any additional personal information from a visitor without the visitor's permission.
(g) Retailers shall refuse to sell to any visitor who is unable to produce valid proof of their age using an acceptable form of identification.

2.8.4 Retailer Packaging

(a) Packaging for all Cannabis and Cannabis Products sold in retail establishments must meet the following requirements:
    i. All requirements contained in section 2.2.9 of this rule.
    ii. Packaging must have information regarding the test results of the Cannabis or Cannabis Product, provided that packaging may convey such information using a website address, QR code, or similar means of providing access to information available on a website.
(b) For Cannabis, packaging must meet the requirements contained in section 2.3.5(b) and 907(c) of this rule in addition to subsection (a) of this section 2.8.4.
(c) For Cannabis Products, packaging must meet the requirements contained in section 2.6.3(b) of this rule in addition to subsection (a) of this section 2.8.4.

2.8.5 Collection and Reuse of Consumer Packaging Waste

(a) Retail Cannabis Establishments may collect, reuse, and recycle consumer packaging waste. Only retail Cannabis Establishments may collect consumer packaging waste for reuse and recycling. Such Cannabis Establishments may collect consumer packaging waste from consumers or from other licensees.
(b) Any receptacles used for collection of Consumer Packaging Waste shall be located inside the Cannabis Establishment such that they are subject to the same security measures as the rest of the establishment. They shall be reasonably supervised by a licensee to ensure any consumer packaging waste is only removed by a licensee.
(c) Any receptacles used for collection of consumer packaging waste shall be labeled. The label must at least identify the receptacle as "consumer packaging waste." A licensee may choose to include additional information on the receptacle label.
(d) Licensees collecting consumer packaging waste pursuant to this section 2.8.5 must ensure at a minimum that any remaining Cannabis or Cannabis Product in consumer packaging waste is removed and destroyed to the extent practicable. The waste disposal requirements of section 2.2.8 of this rule shall apply.
(e) Once any remaining Cannabis or Cannabis Product has been removed and destroyed pursuant to these rules, a licensee may:
    i. Reuse consumer packaging waste if the packaging has been sanitized and disinfected.
    ii. Transfer consumer packaging waste to another licensee for reuse or may transfer consumer packaging waste to a person for recycling or reuse.
(f) A Cannabis Establishment that is reusing consumer packaging waste must sanitize and disinfect the packaging.
(g) Child-resistant containers may be reused as child-resistant containers to the extent they continue to meet the requirements of 7 V.S.A. § 861(16).

2.8.6 Standard Operating Procedures

Retailers must maintain standard operating procedures regarding the following subjects in such a way that they can be readily accessed from the physical site of operations upon the request of the Board or Board designee :

(a) security measures;
(b) employee security policies, including personal safety and crime prevention techniques;
(c) description of establishment's hours of operation and after-hours contact information for management;
(d) plan for storage of inventory;
(e) procedures to ensure accurate recordkeeping, including inventory protocols and compliance with the Inventory Tracking System;
(f) quality control plans;
(g) emergency procedures in case of a fire or other emergency;
(h) how confidential information will be maintained; and
(i) policy for immediate dismissal of an employee who has diverted Cannabis or Cannabis Product or engaged in unsafe practices.

2.8.7 Retailer Samples

Retailers may accept vendor samples as permitted by sections 2.3.9 and 2.6.6 of this rule but are prohibited from offering such samples for sale. Acceptance of such samples must be logged in the Inventory Tracking System.

2.8.8 Employee Samples

(a) Retailers may provide a sample of Cannabis or Cannabis Product to an employee to determine whether to make a product available to sell, provided that such samples may not be consumed on any licensed premises.
(b) Samples will be limited to the following aggregate amounts in a calendar month: five grams of concentrate or extract, or 100 servings of edibles per employee, provided that the tetrahydrocannabinol content of each individual edible sample does not exceed five milligrams per serving and is within any applicable statutory or regulatory potency levels.
(c) Employee samples must be labeled: QUALITY CONTROL SAMPLE NOT FOR RESALE.
(d) Samples must be designated and identified in the Inventory Tracking System.

2.8.9 Display Samples

Retailers may provide samples of Cannabis flower in enclosed containers for viewing or smelling by visitors. Such samples may not be touched by visitors or sold or transferred to visitors and their use and disposal must be tracked in the Inventory Tracking System.

2.8.10 Safety Information Flyer

Retailers shall display a safety information flyer created by the Board at the point of purchase, in accordance with 7 V.S.A. § 907(d). The Board shall make the flyer readily available to the public

and to retail establishments for their use. The Board may update the flyer at any time and will provide notice to licensed retail establishments when it makes such an update.

2.8.11 Clones

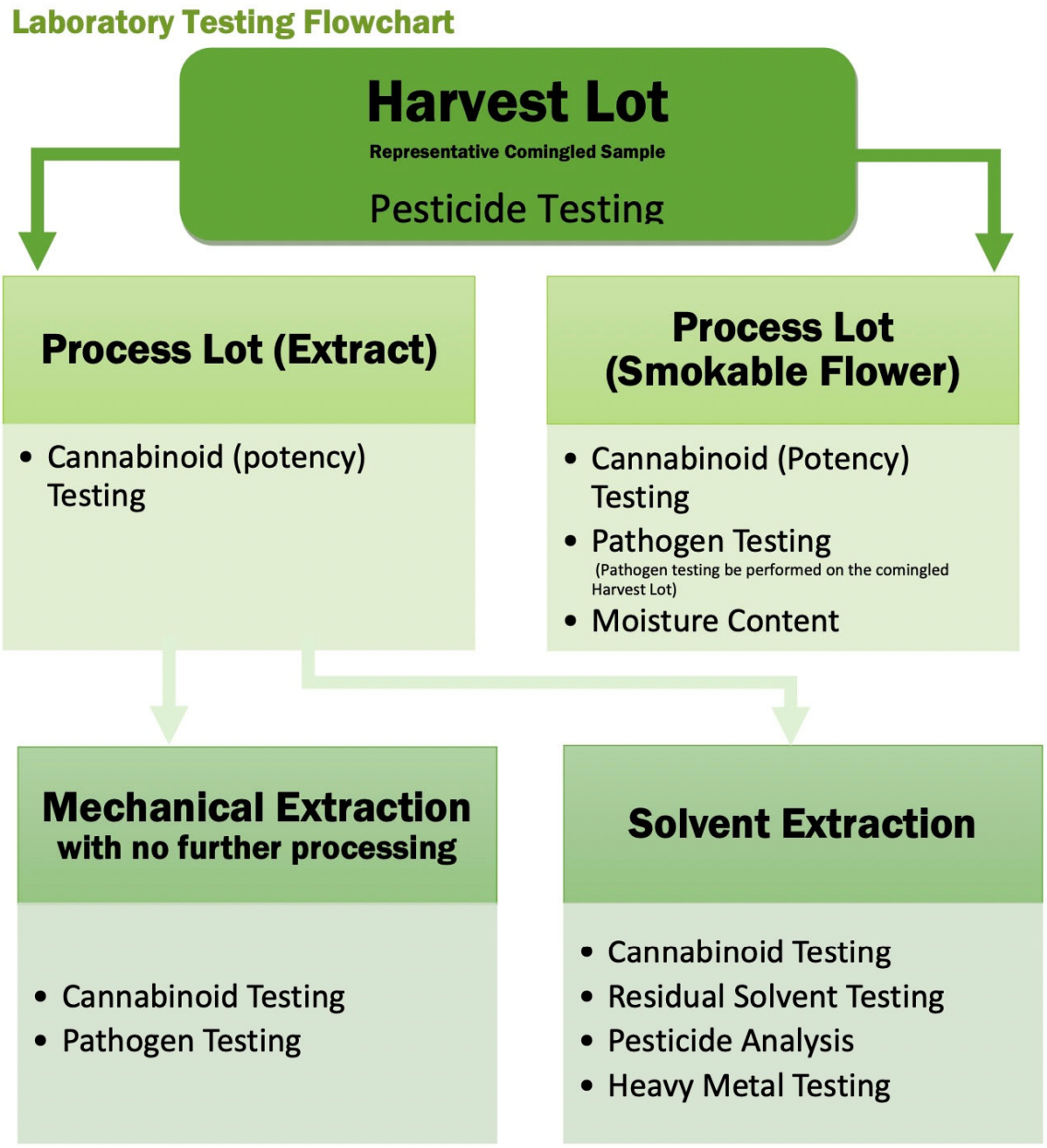
Retailers may sell clones to the extent permitted in guidance adopted by the Board.

2.9 Regulations Applicable to Testing Laboratories, Cultivators, and Manufacturers

The requirements in this section apply to Cannabis Establishments with a testing laboratory license, as well as to cultivators and manufacturers who must have their product tested in accordance with the standards in this section.

2.9.1 Testing Requirements

The following flowchart summarizes the testing requirements that each laboratory must be prepared to administer, and the testing requirements that cultivators and manufacturers of Cannabis and Cannabis Product must undergo. Terms, processes, and requirements are further explained in guidance issued by the Board. Such guidance will not be altered without at least 90 days of notice to licensees and the general public.



Cannabinoids	
THC – Tetrahydrocannabinol	THCA – Tetrahydrocannabinol Acid
CBD – Cannabidiol	CBDA – Cannabidiolic Acid
THCV – Tetrahydrocannabivarin	CBC – Cannabichromene
CBG – Cannabigerol	CBDV – Cannabidivarin
CBGA – Cannabigerolic Acid	CBN – Cannabinol

- Note 1: Testing for other contaminants may be deemed necessary at the Board's discretion.

Sampling for the purposes of testing shall be representative sampling. The Board will define representative sampling in a policy that will be readily accessible to the public.

2.9.2 Potency Parameters

(a) Cannabis must have no greater than a 20% variation from the label representation regarding total theoretical THC as defined by subsections (f) and (g) in this section 2.9.2, and other cannabinoids.
(b) Cannabis Product with a label representation of between 0 milligrams to 10 milligrams of total cannabinoid content must have no greater than a 25% variation from the label representation.
(c) Cannabis Product with a label representation of between 10 milligrams to 100 milligrams of total cannabinoid content must have no greater than a 20% variation from the label representation.
(d) Cannabis Product with a label representation of greater than 100 milligrams of total cannabinoid content must have no greater than a 10% variation from the label representation.

In assessing potency, laboratories will use the following formulation:

(e) Tetrahydrocannabinolic acid (THCA) is the precursor of delta-9 tetrahydrocannabinol (THC).
(f) The laboratory determination of potency will be determined by total theoretical THC.
(g) Total theoretical THC content is the maximum amount of possible delta-9 THC in a cannabis crop if total conversion from THCA to THC were to occur. The calculated amount of total theoretical THC is determined as follows:
    i. the sum of the concentration of delta-9 tetrahydrocannabinol added to the amount of tetrahydrocannabinolic acid after it is multiplied by 0.877 on a dry weight basis and reported to two significant figures.
    ii. The following mathematical equation expresses this calculation:

$$Total\ theoretical\ THC = ([delta\ 9\ THC] + ([THCA] * 0.877))$$

2.9.3 Moisture Parameters

Moisture parameters will be set in accordance with guidance issued by the Board. Such guidance will not be altered without at least 90 days of notice to licensees and the general public.

2.9.4 Microbiological Parameters

The following human pathogens will be measured, and the limits set, in accordance with guidance issued by the Board. Such guidance will not be altered without at least 90 days of notice to licensees and the general public.

(a) Shiga, toxin producing escherichia coli (STEC) – Bacteria
(b) Salmonella species – Bacteria
(c) Aspergillus flavus, Aspergillus fumigatus, Aspergillus niger, Aspergillus terreus - Fungus

2.9.5 Metal parameters

The following metals will be measured and the limits set in accordance with guidance issued by the Board. Such guidance will not be altered without at least 90 days of notice to licensees and the general public.

Arsenic
Cadmium
Lead
Mercury
Chromium
Copper
Nickel
Zinc

2.9.6 Pesticides

Cultivators shall abide by the rules and guidelines regarding pesticides that are adopted by the Vermont Agency of Agriculture, Food and Markets.

2.9.7 Residual Solvent Parameters

Residual solvents will be measured and the limits set in accordance with guidance issued by the Board. Such guidance will not be altered without at least 90 days of notice to licensees and the general public.

2.9.8 New Tests

When a laboratory seeks to gain certification for a new test, it must also submit to the Board the method validation summaries for any new test.

2.9.9 Proficiency

A laboratory must maintain analytical proficiency for each test it administers.

2.9.10 Records

In addition to all other relevant disclosure requirements, upon request of the Board or Board designee laboratories shall provide full access to all test records.

2.9.11 Maintenance of Certifications

Laboratories must maintain their certifications and accreditations and notify the Board if any lapse.

2.9.12 Remediation of Adulterated Cannabis

Adulterated Cannabis or Cannabis Product may be remediated to the extent prescribed by section 2.2.19 of this rule.

2.9.13 Other Parameters or Testing Methods

The Board retains discretion to change or add testing parameters, required pathogens, or other substances to the testing required under this rule.

2.10 Regulations Applicable to Integrated Licensees

The requirements in this section apply to applications for an integrated license.

2.10.1 All Cannabis Establishment Regulations Applicable

All regulations in sections 2.2 through 2.9 of this rule applies to integrated license holders. When manufacturing, integrated licensees will be permitted to utilize all lawful methods of extraction.

2.10.2 Dispensaries and Medical Cannabis

Except to the extent provisions in this section 2.10 impact dispensary operations, dispensaries and the medical cannabis registry are not regulated by this rule. They are regulated by Board Rule 3 and by Chapters 35 and 37 of Title 7 of the Vermont Statutes.

2.10.3 Co-located Operations

(a) Integrated licensees may commingle Cannabis cultivation for adult-use sales with cultivation for dispensaries.
(b) Prior to transfer to either a dispensary or a retail establishment, the licensee must create and maintain strict separation between Cannabis and Cannabis Product that will be sold through a retailer and Cannabis and Cannabis Product that will be sold through a dispensary to a registered patient. The separation must be documented in the Inventory Tracking System.
(c) Integrated licensees may co-locate operations from different license types in the same location, but co-located operations must maintain all relevant security requirements for each license type and must maintain all Inventory Tracking System requirements.
(d) Dispensaries may be co-located with retail Cannabis Establishments, provided that:
    i. integrated licensees must have a system in place to ensure that staff give priority of service, including priority of entrance and sales, to registered dispensary

patients before adult use consumers. This shall include curbside sale, if requested, for dispensary patients.

ii. Strict protocols must be in place to ensure that medical products for dispensary patients are not sold to adult-use consumers.

2.10.4 Duty to Maintain Continuity of Services to Medical Patients

(a) Integrated licensees must ensure their dispensary operations maintain continuity of services to medical Cannabis patients.
(b) If an integrated licensee has commingled their cultivation pursuant to 2.10.3(a), continuity of services will include designating sufficient biomass at an integrated licensee's cultivation facility to meet demand for medical Cannabis and Cannabis Products as indicated by dispensary sales data for the preceding 3 months. Such records and calculations will be provided to the Board or a Board designee upon request.

2.10.5 Use of Dispensary Cultivation for Integrated Licensees

Dispensary operations may transfer Cannabis and Cannabis Products to integrated licensees to the extent provided by Section 8 of Act 164 (2020), subject to the conditions in this section.

Beginning on the date retail establishments that are not part of an integrated license may begin sales:

(a) The tiered plant canopy limits in Board Rule 1.3.1 that apply to all cultivator licenses apply to the cultivator portion of an integrated license, except for cultivation dedicated to medical cannabis sold through a dispensary.
(b) Other than cultivation for a dispensary, the cultivator portion of an integrated license will be deemed to be in the largest cultivator tier that the Board has opened for an application acceptance period pursuant to Board Rules 1.3.1 and 1.10 and will be subject to the cultivation limit of that tier. The relevant maximum tier will be within the method of cultivation the integrated licensee has chosen to utilize in accordance with Board Rule 1.3.1.
(c) If an integrated licensee has chosen not to commingle their dispensary and adult use Cannabis cultivation, the dispensary grow will be regulated by Board Rule 3 while the adult use grow will be subject to subsection (b) of this rule 2.10.5.
(d) If an integrated licensee has chosen to commingle their dispensary and adult use Cannabis cultivation pursuant to section 2.10.3 of this rule, the cultivation will be subject to subsection (b) of this rule 2.10.5, with the following exception:
    i. The total biomass of Cannabis required to meet the demand for medical Cannabis and Cannabis Products as indicated by dispensary sales data for the preceding 3 months will not be counted towards the total permissible square footage. If the total biomass set aside for medical Cannabis and Cannabis Products is ultimately not needed for that purpose, it may not be transferred to the adult-use market.

(e) The Board at its discretion may require integrated licensees to provide the Board with any records that might demonstrate compliance or noncompliance with this section, including but not limited to sales and manufacturing data.

2.10.6 Duty to Purchase From Small Cultivators

Integrated Licensees shall abide by the requirement in Section 10 of Act 62 (2021) regarding the purchase of Cannabis from small cultivators.

2.11 Licensee's Ongoing Duty to Disclose

A Cannabis Establishment has an ongoing duty to fully and transparently update the information submitted with their licensing application or their last renewal form if they have renewed their license.

2.11.1 Disclosure Insufficient For Changes In Control

If a Cannabis Establishment seeks to change location or alter the interest holders that control it, mere disclosure may be insufficient to meet its obligations under this rule. It must seek a license renewal prior to any change in control, to the extent required by Board Rule 1.17.

2.12 Waiver Provisions for Tier 1 Cultivators

Tier 1 indoor cultivators, tier 1 outdoor cultivators, and tier 1 mixed cultivators are not required to comply with the requirements of the following subsections of this rule:

(a) 2.2.1(l);
(b) 2.2.4(a);
(c) 2.2.4(b);
(d) 2.2.4(c);
(e) 2.2.5(b)(i);
(f) 2.2.5(b)(v);
(g) 2.2.7(j);
(h) 2.3.2(g);
(i) 2.5.3, provided that only home occupancy businesses are exempted from the provisions of this section;
(j) 2.5.6(b); and
(k) 2.5.6(c).

2.13 Universal Application of Licensure Requirements

No person may operate in a manner that has the effect of subverting 7 V.S.A. § 901(d)(3)(A) or any other licensure requirements contained in 7 V.S.A. chapter 33 or Board Rule 1, and no person shall exercise control over a Cannabis Establishment without the disclosures required in Board Rule 1.4. At its discretion the Board may require additional information from Cannabis Establishments to ensure compliance with this section.

2.14 Municipalities

Municipalities may regulate Cannabis Establishments to the extent permitted in 7 V.S.A. § 863.

To ensure coordination with the Board, municipalities must:

(a) Notify the Board if they create a local control commission. The Board will not require local approval as a condition of an application pursuant to 7 V.S.A. § 863(c) unless the Board has received notice of the creation of a local control commission from the municipality.
(b) Notify the Board if a local control commission grants or denies a local control license.
(c) Notify the Board if a local control commission suspends or revokes a local control license.
(d) Decide on grants or denials of local control licenses within 45 days of receiving an application. A delay of more than 45 days without a decision will constitute a presumptive grant of a local control license. This period may be tolled if the local control commission is communicating with the applicant about conditions the applicant must meet to be approved for a local control license. The Board will retain discretion to determine whether the time-period will be tolled and may request documentation regarding the process from either the municipality or the applicant, or both.

2.15 Confidentiality

Information about Cannabis Establishments will be kept confidential by the Board to the extent required by 7 V.S.A. § 901(h).

2.16 Regulatory Waiver

The Board, in accordance with the purposes and intent of Title 7 V.S.A. chapter 33 of the Vermont Statutes and this rule, may waive a regulatory requirement regarding the operations of a Cannabis Establishment to the extent such waiver does not conflict with any other state law, if in the Board's determination, such a waiver:

(a) is necessary to achieve the purpose of Vermont law; and
(b) does not create a danger to the public health, safety, or welfare.

STATE OF VERMONT
CANNABIS CONTROL BOARD

RULE 2: REGULATION OF CANNABIS ESTABLISHMENTS

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2. Rule 2: Regulation of Cannabis Establishments

Not every applicable prohibition, restriction, and requirement is contained in this rule. All Cannabis Establishments must abide by the prohibitions, restrictions, and requirements of Chapter 33, Title 7 of the Vermont Statutes. Cannabis Establishments must also abide by all other applicable laws, including but not limited to worker's compensation laws and tax laws.

2.1 General Provisions

2.1.1 Authority

The Cannabis Control Board adopts this rule pursuant to 7 V.S.A. §§ 865, 866, 881, 883, 884, 904, 907, and other applicable law.

2.1.2 Scope and Purpose

The Board is charged with implementing and regulating a legal market for Cannabis in Vermont. This rule regulates Cannabis Establishments.

2.1.3 Definitions

All definitions in 7 V.S.A. § 861 shall apply to this rule. The following definitions shall also apply:

(a) "Board designee" means a person designated by the Board to act as its agent for the purpose of executing the Board's responsibilities. This may be an employee of the Board, another government agency, or a contractor.

(b) "Clone" means a plant section from a female cannabis plant not yet root-bound, growing in a water solution, which is capable of developing into a new plant.

(c) "Distillate" means a concentrate where a segment of cannabinoids from an initial extraction are segregated through heating and cooling, with all impurities removed.

(d) "Full Spectrum" means a cannabis concentrate product or infused product that is:

i. derived from a cannabis concentrate;

ii. contains cannabinoids, aromatics, essential vitamins and minerals, fatty acids, protein, chlorophyll, flavonoids, and terpenes; and

iii. has not been reformulated or has not had cannabinoid isolates or distillates added to it.

~~(a)~~

~~(b)~~(e) "Greenhouse" means a structure or a thermally isolated area of a building that maintains a specialized sunlit environment exclusively for, and essential to, the cultivation or maintenance of Cannabis plants and that is in use for a period of 180 days or more each calendar year.

~~(c)~~(f) "Harvest lot" means cannabis grown in the same manner. To meet the criteria for a single harvest lot, the given lot of cannabis would need to be on the same flowering, fertilizer, and pesticide application schedule. A single harvest lot may contain one or

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multiple cultivars of cannabis. ~~means a grower's harvested Cannabis produced during a single growing season in a contiguous area containing the same cultivar or variety.~~

~~(d)~~(g) "Home occupancy business" means a business operated on the premises of an individual's home or property where the individual is domiciled.

~~(e)~~(h) "Indoor cultivation" means growing Cannabis using artificial lighting.

~~(f)~~(i) "Interest holder" has the same meaning as defined in 11A V.S.A. § 11.01(11).

(j) "Inventory Tracking System" means a method implemented by the Board for tracing all Cannabis and Cannabis Products grown, manufactured, and sold in Vermont.

~~(g)~~(k) "Isolate" means a cannabis concentrate that is more than 98 percent comprised of a single cannabinoid compound created by a chemical process.

~~(h)~~(l) "Licensee" means a person who has been issued a license pursuant to Board Rule 1. A licensee does not include a person who has been issued a prequalification approval.

~~(i)~~(m) "Outdoor cultivation" means growing Cannabis in ~~an expanse of open or cleared ground or in a structure~~a manner that does not use artificial lighting ~~and is not a greenhouse~~, provided that outdoor cultivators may use the minimum amount of artificial lighting necessary to keep photoperiod plants in a vegetative state. Artificial lighting for outdoor cultivation must not extend beyond May 1st in a calendar or past when the specific cultivar can sustain vegetative growth under natural sunlight, whichever comes first.

~~(j)~~(n) "Pesticide" shall have the same meaning as "economic poison" as defined in 6 V.S.A. § 911(5).

~~(k)~~(o) "Physical site of operations" means:

i. a cultivator's grow site;
ii. a wholesaler's product storage facility;
iii. a manufacturer's site of manufacture;
iv. a retailer's store location; or
v. a testing laboratory's testing facility.

~~(l)~~(p) "Plastic" means a synthetic material made from linking monomers through a chemical reaction to create a polymer chain that can be molded or extruded at high heat into various solid forms that retain their defined shapes during their life cycle and after disposal, including material derived from either petroleum or a biologically based polymer, such as corn or other plant sources.

(q) "Process lot" means whole or partial harvest lots that follow different paths toward market or diverted into waste. For example, a single harvest lot would be broken into two process lots if half was sold fresh frozen to a manufacturer, and half was dried, cured, and sold as bulk flower to a retailer.~~means any amount of Cannabis concentrate, Cannabis Product or Cannabis-infused product of the same type, processed at the same time, using the same ingredients and same standard operating procedures.~~

~~(m)~~(r) "Tincture" means a solvent, such as alcohol or glycerin, infused with cannabis. A tincture may include additional plant material. Tinctures may be sold in any volume but the total milligrams of tetrahydrocannabinol per container must not exceed 500mg.

Any time this rule references a retail Cannabis Establishment or otherwise references retail stores, such references shall include the retail portion of an integrated licensee unless the text of the rule plainly states that it does not.

2.1.4 Applicability

This rule applies to ~~Cannabis Establishments and persons who control, operate, manage, or are employed by Cannabis Establishments~~any entity that has been licensed pursuant to Rule 1 of the Board's rules.

2.1.5 Time

(a) In computing any time period, measured in days, that is established or allowed by this rule or by order of the Board or Chair:
  (1) the day of the act or event that triggers the period shall be excluded;
  (2) every day, including intermediate Saturdays, Sundays, and legal holidays shall be counted;
  (3) the last day of the period shall be counted, but if the last day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday.

(b) A "legal holiday" means:
  (1) any day declared a holiday by the President or Congress of the United States; and
  (2) any day declared a holiday by the State of Vermont.

2.1.6 Severability

If any portion of this rule is found to be invalid, the remaining portion of the rule shall remain in force and effect.

2.2 Generally Applicable Regulations

The requirements in this section are generally applicable to participants in the regulated market for Cannabis and Cannabis Products.

2.2.1 Business Records

Cannabis Establishments are required to maintain the following records in such a way that they can be readily accessed from the physical site of operations and made available for inspection by the Board, upon request:

(a) employee list;
(b) information related to facility security;
(c) advertising records, if applicable;
(d) inventory records;
(e) insurance records;
(f) visitor log, to the extent required by this rule;
(g) all records retained for tax purposes;
(h) waste log;
(i) surveillance logs, if applicable;
(j) testing records, including all Certificates of Analysis;
(k) sampling unit records;

(l) standard operating procedures manuals; and
(m) corrective action plan and preventive action records, if applicable.

2.2.2 Insurance

(a) A Cannabis Establishment shall obtain and maintain commercially reasonable levels of insurance, as may be further defined in published Board guidance developed in consultation with the Department of Financial Regulation.
(b) A Cannabis Establishment that documents an inability to obtain commercially reasonable levels of insurance coverage as required by subsection (a) of this section must place in escrow a sum in one of the following amounts:
    i. For retailers, wholesalers, integrated licensees, testing laboratories, tier 3~~1~~ manufacturers, and tier 4, 5, and 6 cultivators of any type, a sum of no less than $250,000 to be expended for coverage of liabilities.
    ii. For tier ~~12 and~~ 2~~3~~ manufacturers and tier 2 and 3 cultivators of any type, a sum of no less than $50,000 to be expended for coverage of liabilities.
    iii. For tier 1 manufacturers and tier 1 cultivators of any type a sum of no less than $10,000 to be expended for coverage of liabilities.
(c) The escrow account required in subsection (b) of this section must be replenished within ten business days of any expenditure.
(d) The escrow account required by subsection (b) of this section must held by a third party to the satisfaction of the Board.
~~(c)~~(e) The escrow account required by subsection (b) of this section, and the escrow account required by Rule 1.4.5(b), may be disbursed only in accordance with guidance issued by the Board.
~~(d)~~(f) Cannabis Establishments must be prepared to demonstrate compliance with this subsection at any time, with records maintained in such a way that they can be readily accessed from the physical site of operations upon the request of the Board or Board designee.

2.2.3 Continuing Disclosure and Background Check Requirements

At the Board's discretion, the entities or persons named in Rule 1.4.2 or 1.4.3 may be required to resubmit any information described in those sections if the Board has reason to believe that information has changed since the time of a license application or license renewal. They may be subject to the same background checks and financial disclosures provided for in those sections. The information may be shared with other state agencies, as provided for by Rule 1.4.8.

2.2.4 Health, Safety, and Sanitation

Cannabis Establishments shall:
(a) develop safe and sanitary handling procedures for all products;
(b) provide regular training on health, safety, and sanitation procedures;
(c) ensure that employees follow procedures;
~~(c)~~(d) not produce or sell products with perishable meat or dairy content;

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~~(d)~~(e) immediately report to the Board breaches in health, safety, and sanitary procedures that pose a risk to consumer safety; and

~~(e)~~(f) comply with applicable health, safety, and sanitation rules, including, but not limited to, the Vermont Occupational and Safety and Health Administration Rules, applicable fire safety rules, applicable building standards and occupancy rules, and the Good Manufacturing Practices for Food Rule, as adopted by the Vermont Department of Health.

Subsection (e) does not assign responsibility for enforcing those regulations to their respective state agencies, nor does it indicate such responsibility.

2.2.5 Employment and Training

(a) Licensee Training: In accordance with 7 V.S.A. 865(a), the agents of those who control a Cannabis Establishment shall complete an enforcement seminar once every three years. For the purposes of this section, an agent refers to anyone who is an employee of the establishment, who works at the establishment, or who plays a significant operational role within the licensee, including members of the licensee's board of directors or similar governing body.

(b) General Employee Training: within 60 days of hire and annually after that, employees of Cannabis Establishments must complete trainings regarding the following topics, except that employees of retail establishments may not sell Cannabis or Cannabis Products to consumers without first completing trainings regarding the first 5 topics of the following list:
    i. the Cannabis Establishment's operating, security, health, safety, and sanitary procedures;
    ii. compliance, enforcement, inspection, incident reporting, and record-keeping;
    iii. acceptable forms of identification for staff and visitors, if permitted by this rule;
    iv. inventory control and appropriate tracking systems;
    v. cash handling;
    vi. human trafficking and domestic violence awareness;
    vii. diversity, equity, and inclusion;
    viii. racism and bias; and
    ix. sexual harassment and discrimination.

(c) Retail Employee Training: customer-facing employees of retail Cannabis Establishments must complete trainings regarding the following topics, and may not sell Cannabis or Cannabis Products to consumers until they do so:
    i. the health effects of Cannabis and Cannabis Products;
    ii. preventing the sale of Cannabis to minors; and
    iii. signs of overconsumption and signs of mental health or substance abuse disorder.

2.2.6 Tracking of Cannabis and Cannabis Products

(a) Cannabis Establishments shall comply with the Inventory Tracking System in a manner determined by the Board and shall cooperate with any third-party vendors the Board utilizes for the purpose of implementing the system. The Inventory Tracking System

policy shall be readily available to the public and will not change without at least 90 days of notice.

(b) Cannabis Establishments shall be responsible for costs associated with compliance with, and adoption of, the Inventory Tracking System.

(c) All Cannabis and Cannabis Products must be tracked using the Inventory Tracking System from the time the Cannabis is grown by a cultivator until it is sold to a consumer by a retailer. A Cannabis Establishment must reconcile all on-premises and in-transit Cannabis or Cannabis Product inventories each month and must complete the reconciliation within 15 days of the end of each month.

(d) Cannabis Establishments must have the ability to reconcile transported and on-hand Cannabis and Cannabis Product inventory with the Inventory Tracking System and the associated transaction history and transportation order receipts.

(e) If Cannabis or Cannabis Product is not ultimately sold to a consumer, it must be disposed of in the manner prescribed by section 2.2.8 of this rule and the disposal must be entered into the Inventory Tracking System.

(f) Cannabis Establishments and the individuals using the Inventory Tracking System are responsible for the accuracy of all information entered into the Inventory Tracking System. Any misstatements or omissions may be considered a license violation affecting public safety.

2.2.7 Transportation of Cannabis and Cannabis Products

Cannabis and Cannabis Products may be transported by the following individuals in the following ways:

(a) Only individuals who have a Cannabis Establishment identification card issued pursuant to Rule 1.16 are permitted to transport Cannabis or Cannabis Products between Cannabis Establishments. Individuals transporting Cannabis or Cannabis Products must carry their identification card at all times while transporting Cannabis or Cannabis Products.

(b) Transportation must take place in a vehicle, except that transportation in a vehicle is not required if the licensee is transporting Cannabis or Cannabis Product from one licensed premises to another within the same or a contiguous property, or any transport where the destination Cannabis Establishment can be seen by the unaided eye from the originating Cannabis Establishment.

(c) When Cannabis or Cannabis Products are transported in a vehicle:
   i. they must not be visible from outside the vehicle;
   ii. the driver must not be able to access them from the driver's seat; and
   iii. the vehicle must be unmarked.

(d) Vehicles used for transportation must be registered and current in their registration, inspection, and insurance. Vehicles must have a valid registration with a state's Department of Motor Vehicles, or equivalent agency.

Cannabis Establishments must conduct transports as follows:

(e) Cannabis Establishments may transport Cannabis and Cannabis Products only between Cannabis Establishments.

(f) The transporting Cannabis Establishment must enter all Cannabis and Cannabis Products to be transported into the Inventory Tracking System.

(g) Prior to departure from a Cannabis Establishment, the establishment must generate a transport manifest that contains the following:
    i. departure date, location, and approximate time of departure;
    ii. name and location of the destination Cannabis Establishment(s);
    iii. name and identification card number of those transporting the Cannabis or Cannabis Product;
    iv. product name and quantities (by weight and unit) of each product to be delivered to the specific Cannabis Establishment(s);
    v. estimated time of arrival at each Cannabis Establishment;
    vi. transport vehicle's make, model, and license plate number; and
    vii. a signature line and time notation to be signed by an employee of the Cannabis Establishment who receives the transported product.

(h) Cannabis Establishments must transmit transport manifests to receiving Cannabis Establishments before departure.

(i) While transporting Cannabis or Cannabis Products, individuals must log the times of arrival at, and departure from, any stops, whether planned or unplanned. Logs must be maintained contemporaneously and must give a reason for stops that are not at Cannabis Establishments.

(j) To the extent possible, individuals transporting Cannabis or Cannabis Products must stay with their vehicles while transporting Cannabis or Cannabis Products. Where Cannabis Licensed Agents have the option to stay with their vehicle, they must choose that option. Except for the entry and exit of those transporting the Cannabis or Cannabis Product, vehicles must be locked and secured.

(k) No transport of Cannabis or Cannabis Products shall cross state borders.

Cannabis Establishments must receive transports as follows:

(l) Cannabis Establishments receiving Cannabis or Cannabis Product from a transport must log the time of receipt.

(m) Upon receipt of a transport, the receiving Cannabis Establishment shall ensure that the products received are as described in the transport manifest and shall adjust its records and the Inventory Tracking System to reflect the receipt of inventory within 24 hours of when it is received. If there are discrepancies, the receiving Cannabis Establishments must specify them.

Transports must meet these additional conditions:

(n) Storage and transportation shall be under conditions that will protect Cannabis and Cannabis Products from loss and theft, as well as against physical, chemical, and microbial contamination and against deterioration of product.

(o) If a Cannabis Establishment is transporting over 20 pounds of Cannabis on a dry weight basis, the Cannabis must be transported in a secure, locked storage compartment within the transportation vehicle.

(p) Cannabis Establishments shall report to the Board any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, within not more than 24 hours of such accidents, diversions, losses, or other reportable incidents.

(q) In the event Cannabis has failed required testing, has been contaminated, or otherwise presents a risk of cross-contamination to other Cannabis, such Cannabis may only be

transported if it is physically segregated and contained in a sealed package that prevents cross-contamination.

2.2.8 Waste Disposal

(a) All applicable federal, state, and local statutes, regulations, and ordinances apply to waste disposal from Cannabis Establishments. This includes, but is not limited to, all regulations pertinent to chemical, dangerous, and hazardous waste, such as those that may be generated during product manufacturing processes, as well as all pesticides and other agricultural chemicals.
(b) Cannabis or Cannabis Products must be rendered unusable and unrecognizable before disposal. The acceptable methods for rendering Cannabis and Cannabis Product unusable and unrecognizable will be enumerated by the Board in a policy that will be readily available to the public.
(c) Organic material that has either no tetrahydrocannabinol content or a tetrahydrocannabinol content under 0.3%, doesn't need to be rendered unusable or unrecognizable. It can be composted onsite or disposed of in a manner otherwise consistent with applicable law and regulation.
(d) Disposal of Cannabis and Cannabis Products must be tracked with the Inventory Tracking System, as provided for by section 2.2.6 of this rule.

2.2.9 Packaging

(a) The following requirements apply to all Cannabis and Cannabis Product packaging as it is transferred between Cannabis Establishments. Such packaging must:
    i. meet the requirements of section 2.2.10(b) of this rule;
    ii. clearly identify package contents;
    iii. be free from false or misleading statements; and
    iv. not use objects, such as toys, inflatables, movie characters, cartoon characters, child-friendly depictions of food or other consumables, or include any other display, depiction, or image designed in any manner likely to be appealing to minors or anyone under 21 years of age.
(b) Packaging that is intended for consumer purchase at a retail location shall be reusable and shall not be plastic. In addition, such packaging shall meet further requirements to the extent provided for in sections 2.3.5, 2.6.3, 2.7.3, and 2.8.4 of this rule.

2.2.10 Warning Labels

The Board will make copies of the labels below readily available for use by Cannabis Establishments.

(a) All marketing, advertising, branding, packaging, and promotion must include the following warning ~~exactly as it is below~~ unaltered, in a readable font that is no smaller than 6pts:

Product may impair the ability to drive or operate heavy machinery. This product can be habit-forming. Use of this product may be harmful to your physical or mental health, especially if you are under the age of 25, pregnant, human milk or breastfeeding, or are at risk for certain disorders. This product may be unlawful outside of the State of Vermont. ***Keep out of reach of children and pets.*** *National Position Control Center 800-222-1222.*
~~Cannabis has not been analyzed or approved by the Food and Drug Administration (FDA). For use by individuals 21 years of age and older or registered qualifying patient only.~~ ***~~KEEP THIS PRODUCT AWAY FROM CHILDREN AND PETS. DO NOT USE IF PREGNANT OR BREASTFEEDING.~~*** *~~Possession or use of cannabis may carry significant legal penalties in some jurisdictions and under federal law. It may not be transported outside of the state of Vermont.~~* ***~~The effects of edible cannabis may be delayed by two hours or more.~~*** *~~Cannabis may be habit forming and can impair concentration, coordination, and judgment. Persons 25 years and younger may be more likely to experience harm to the developing brain.~~*

~~It is against the law to drive or operate machinery when under the influence of this product. National Poison Control Center 1-800-222-1222.~~

When the warning above appears on product packaging with multiple layers, the label must appear on the base layer of the packaging.

When 6pt font is used, letters must be capitalized to ease readability.

(a) All product packaging must use the following warning symbols:

~~(b)~~

i. Minimum Size
   1. Packaging and Labeling: 0.5" x .05"
   2. Edible Cannabis Product: at least 25 percent of the serving's height and width, but not less than 0.25" x 0.25".

ii. Required Colors: When used on the marketing layer, the universal symbol and "not safe for kids" icons must be reproduced in black and red. Coloring is not required for on-product markings
   1. Black (CMYK): 0, 0, 0, 100
   2. Red (CMYK): 0, 95, 100, 0
   3. Red (Pantone): PMS 485

iii. Background: the icons must be placed on a white or light-colored background. The interior of the icons must remain white.

iv. Restrictions:
   1. Do not recreate or modify the icons in any manner
   2. Do not stretch or distort the icon.
   3. Do not use the icons smaller than the minimum size.
   4. Do not change the required icon colors.
   5. Do not use the icons on a dark background.

~~(c)~~(b) All product packaging must include the following statement on the marketing layer of the packaging, including capitalization, in at least 10-point Times New Roman, Helvetica or Ariel and bolded font:

KEEP OUT OF REACH OF CHILDREN AND PETS

~~(d)~~(c) All product packaging for products that contain multiple servings must contain the following statement on the marketing layer of the packaging, including capitalization, in at least 10-point Times New Roman, Helvetica or Ariel and bolded font:

INCLUDES MULTIPLE SERVINGS

2.2.11 Advertising

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In addition to those contained in 7 V.S.A. § 864 and section 2.2.10(a) of this rule, the following prohibitions and requirements apply to advertising Cannabis or Cannabis Products:

(a) Cannabis Establishments are prohibited from using objects, such as toys, inflatables, movie characters, cartoon characters, child-friendly depictions of food or other consumables, or include any other display, depiction, or image designed in any manner likely to be appealing to minors or anyone under 21 years of age. This includes, but is not limited to, brand logo development and any advertising used for the purposes of marketing the licensee's dispensary and/or products.
(b) Cannabis Establishments are prohibited from advertising or promoting in a manner that is false, untrue, or misleading.
(c) Cannabis Establishments are prohibited from including in its advertising any statement concerning a brand or product that is inconsistent with any statement on the labeling thereof.
(d) Websites for Cannabis Establishments must have age-gating.
(e) Social media accounts for Cannabis Establishments may only promote products using links to their age-gated websites. ~~Any images or other text regarding products is otherwise prohibited.~~

2.2.12 Audience Composition Presumptions for Advertising

When considering whether a proposed advertisement meets the requirements of 7 V.S.A. § 864 and of this rule, the Board will make the following presumptions:

(a) That more than 15% of the audience will be under 21 years of age, unless the prospective advertiser can show by a preponderance of the evidence that less than 15% of the audience is reasonably expected to be under 21 years of age. Evidence must include reliable, verifiable, and current audience composition data.
(b) That the audience for any outdoor advertisement is the general public, and those under 21 years of age will have the same prevalence in that audience as they do in the general public, unless a prospective advertiser can demonstrate that an outdoor space will not be accessed by the general public and that those who can access it meet the audience metric of 7 V.S.A. § 864(c).
(c) That, e~~E~~xcept for signage as defined in 7 V.S.A. § 861(2)(D), window displays, or items, text, or objects inside a retail Cannabis Establishment that are visible to a person standing outside the establishment~~, will be considered an~~ are outdoor advertisements for the purposes of this rule.

2.2.13 Visitors

(a) Visitors are only permitted to the extent provided for in this rule.
(b) If this rule makes no provision for visitors at a type of Cannabis Establishment then visitors are not permitted at that type of Cannabis Establishment, provided that the following individuals may be admitted to Cannabis Establishments:
    i. Contractors, or professional advisors such as lawyers or accountants, if they are accompanied by a Cannabis Establishment principal or employee who has an identification card issued pursuant to Rule 1.16;

ii. Persons entering for an educational purpose if they are accompanied by a Cannabis Establishment principal or employee who has an identification card issued pursuant to Rule 1.16;
iii. Board designees or other state and municipal officials; and
iv. Those making lawful deliveries pursuant to section 2.2.7 of this rule.

(c) A Cannabis Establishment shall not permit a person under 21 years of age to enter a building or enclosure on the premises where Cannabis or Cannabis Product is located. The Cannabis Establishment is responsible for ensuring compliance with age limitations.
(d) For home occupancy businesses, the provisions of this section apply only to the areas where Cannabis or Cannabis Product is kept, which must be secured in accordance with the provisions of this rule.
(e) This section shall not be interpreted to limit the actions of emergency responders in the course of their duties.
(f) This section 2.2.13 does not apply to retail Cannabis Establishments.

2.2.14 Inspections

Cannabis Establishments shall submit to inspections of their physical site of operations and their records upon request of the Board or a Board designee. Inspection may include uncompensated retention of product samples for laboratory analysis.

2.2.15 Inversion and Diversion from the Legal Market is Prohibited

No Cannabis Establishment may purchase or obtain Cannabis or Cannabis Products from an entity that is not licensed pursuant to Board Rule 1. Except for retail Cannabis Establishments, no Cannabis Establishment may sell or transfer Cannabis or Cannabis Products to any person other than a licensed Cannabis Establishment.

2.2.16 Compliance in Other Jurisdictions

To the extent the controller or principal of a licensee also controls or is a principal of a licensed Cannabis Establishment, or the equivalent of a Cannabis Establishment, in a different jurisdiction, that Cannabis Establishment must remain in compliance with the laws and regulations of its jurisdiction.

2.2.17 Reporting Theft or Loss

(a) Cannabis Establishments must report theft of Cannabis or Cannabis Product to the Board immediately after discovery of the theft and enter the associated loss into the Inventory Tracking System.
(b) Cannabis Establishments must enter any loss of Cannabis or Cannabis Product into the Inventory Tracking System.

2.2.18 Co-Location

Cannabis Establishments may operate at the same location, subject to the following conditions:

(a) The co-located operation is not in violation of any local ordinances or regulations.
(b) Each Cannabis Establishment operating at the same location shall do all the following:
    i. Have distinct and identifiable spaces, areas, or plots, with each licensee operating in its own separate space, area, or plot.
    ii. Post notice of its license in its distinct area, space, or plot.
    iii. Maintain all the business operations, compliance requirements, and record-keeping that a Cannabis Establishment would maintain if it were operating in its own location.
    iv. Otherwise comply with the provisions in the relevant statutes and these rules.
(c) Co-located Cultivation Cannabis Establishments must limit their total canopy to the relevant Tier 6 plant canopy limit, provided that the Board retains discretion to waive this limit.
(d) Co-located cultivation Cannabis Establishments must utilize the security measures that would be required if the combined plant canopy of all the co-located cultivators were treated as belonging to a single Cannabis Establishment.
(e) Co-located Cannabis Establishments that include non-cultivation licensees must utilize the security measures that are the most stringent required of any one of the co-located establishments, as provided by this Rule.
(f) No person may operate in a manner that has the effect of subverting 7 V.S.A. § 901(d)(3)(A) or any other licensure requirements contained in 7 V.S.A. chapter 33 or Board Rule 1, and no person shall exercise control over a Cannabis Establishment without the disclosures required in Board Rule 1.4. At its discretion the Board may require additional information from Cannabis Establishments to ensure compliance with this section.
(g) Multiple retail Cannabis Establishments may not operate at the same location, except that retailers may co-locate to the extent one retailer is providing a mentorship or accelerator program for another.~~.~~

This section does not apply to dispensaries, which are governed by section 2.10.3 of this rule and by Rule 3.

2.2.19 Adulterated Cannabis and Cannabis Product

(a) Licensees must abide by all orders of the Board issued pursuant to 7 V.S.A. § 904(e)(1) and Board Rule 4. All licensees shall make a prompt report to the Board upon discovery of adulterated Cannabis or Cannabis Product, regardless of cause or fault.
(b) If Cannabis or Cannabis Product is adulterated due to the willful or intentional misuse of a pesticide, the Cannabis must be destroyed in accordance with section 2.2.8 of this rule and reported to the Board by:
    i. The cultivator, or
    ii. A testing laboratory, which must destroy whatever adulterated Cannabis or Cannabis Product is in its possession.
(c) If Cannabis or Cannabis Product is adulterated due to no fault of the license holder they may attempt to remediate if doing so can be done safely, provided that Cannabis or Cannabis Product that tests at impermissible levels of human pathogens may not be

remediated. Adulteration without fault may occur due to atmospheric drift of an adulterant, or a similar natural phenomenon.

i. Remediation may include refinement into a manufactured product using a licensed manufacturer.
ii. Any remediated product needs to be retested for the adulterant subsequent to remediation.
iii. If an adulteration poses a public health issue subsequent to remediation the Cannabis or Cannabis Product will need to be destroyed in accordance with section 2.2.8 of this rule.
~~iii.~~iv. If Cannabis or Cannabis Product found to contain actionable levels of aspergillus, a label so indicating must travel with the product, and appropriate steps shall be taken to make aware those staff who may be exposed.

2.2.20 Cannabis Establishment Identification Card Requirement

(a) All persons working at a Cannabis Establishment must have an identification card issued by the Board pursuant to Rule 1.16.
(b) Any person working at a Cannabis Establishment must have their identification card in their possession at all times while working at the Cannabis Establishment.

2.2.21 Product Licensing

Cannabis Establishments must license products in accordance with 7 V.S.A. § 910(2) and policy issued by the Board.

2.2.22 Security Requirements for Licensees not Otherwise Specified

The Board will establish reasonable security requirements through the adoption of a policy for any license type that may be established by the legislature and is not otherwise contemplated by this rule.

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2.2.23 One Location Rule

Licensees will be in compliance with the one location requirement of 7 V.S.A. § 901(d)(3)(A) only if the physical site of operations for a Cannabis Establishment is within two abutting SPANs. A SPAN will be considered abutting if it shares a boundary with a SPAN, or if it is adjacent to a SPAN and is separated only by a river, stream, or public highway.

2.3 Regulations Applicable to Cultivators

The requirements in this section apply to Cannabis Establishments with any cultivator license.

2.3.1 Pesticides

Cultivators shall abide by the rules and guidelines regarding pesticides that are adopted by the Vermont Agency of Agriculture, Food and Markets.

Cannabis Establishments with a cultivator license shall maintain a record of pesticide usage in such a way that it can be readily accessed from the physical site of operations upon the request of the Board or Board designee.

2.3.2 Visitors to Cultivation Sites

(a) Visitors must be escorted at all times by a Cannabis Establishment employee who has an identification card issued pursuant to Rule 1.16.
(b) Visitors may not consume cannabis in any form on site.
(c) Visitors may not purchase cannabis on site, provided that this shall not be interpreted to prohibit sales at retail Cannabis Establishments that are co-located with a cultivation Cannabis Establishment in accordance with all applicable regulations.
(d) A Cannabis Establishment shall not permit a person under 21 years of age to enter a building or enclosure on the premises where cannabis is located. The Cannabis Establishment is responsible for ensuring compliance with age limitations.
(e) Cannabis Establishments must issue identification badges to visitors, provided that this provision does not apply to any tier 1 cultivation licensees. The badge will:
    i. have a design approved by the Board;
    ii. be visibly displayed while on the physical site of operations; and
    iii. be returned upon exit.
(f) Visitors must be logged with time of entry and exit, and the log will be made available to the Board or a Board designee upon request. Logs must be retained for 1 calendar year.
(g) A safety protocol must be established by license holder before allowing visitors.
(h) Subsections (e) through (g) of this section do not apply to the following individuals:
    i. Contractors, or professional advisors such as lawyers or accountants, if they are accompanied by a Cannabis Establishment principal or employee who has an identification card issued pursuant to Rule 1.16;
    ii. Board designees or other state and municipal officials; and
    iii. Those making lawful deliveries pursuant to section 2.2.7 of this rule.
(i) For home occupancy businesses, the provisions of this section 2.3.2 apply only to the areas where Cannabis is kept, which must be secured in accordance with the provisions of this rule.
(j) This section shall not be interpreted to limit the actions of emergency responders in the course of their duties.

2.3.3 Testing

Cultivators must have their products tested in accordance with rules and guidance established in section 2.9 of this rule. Testing for potency of a crop must take place prior to packaging for transfer to another licensee. Other testing will occur in accordance with the relevant regulations and policies. All test results shall be saved for no less than 1 year.

2.3.4 Cultivator Processing

(a) The word "process" in 7 V.S.A. § 904(a) means:
    i. packaging or wrapping Cannabis flower in any manner that Cannabis flower may be transported or consumed.
    ii. Trimming Cannabis flower, or other activities necessary for preparing Cannabis flower for packaging or transport.
(b) The word "process" in 7 V.S.A. § 904(a) does not mean transforming Cannabis flower into another substance through manufacturing.

2.3.5 Cultivator Packaging

(a) Except as provided in subsection (b) of this section 2.3.5, when a cultivator transfers Cannabis to another licensee packaging must meet the requirements of:
    i. Section 2.2.9(a) of this rule; and
    ii. 7 V.S.A. § 904(d)(1).
(b) When a cultivator transfers Cannabis to a retail licensee and the Cannabis is intended for consumer purchase as packaged, packaging must:
    i. include the cultivator's license number and process lot number;
    ~~i.~~ii. Meet the requirements of section 2.2.9 of this rule;
    ~~ii.~~iii. Meet the requirements of 7 V.S.A. § 904(d)(1);
    ~~iii.~~iv. Meet the requirements of 7 V.S.A. § 907(c); and
    ~~iv.~~v. Include testing results, which can be conveyed using a website address, QR code, or similar means of providing access to information accessible on a website.

2.3.6 Cultivator Inspections

(a) The Board or Board designee will conduct inspections, which may or may not be noticed in advance, to ensure compliance with these rules and Title 7, Chapter 33 of the Vermont Statutes.
(b) Inspections may include:
    i. collecting samples;
    ii. taking photographs or video;
    iii. talking to employees, principals, or owners;
    iv. inspecting records;
    v. inspecting equipment or vehicles used for growing, processing, or transporting Cannabis; and
    vi. taking any other reasonable measure to evaluate compliance.
(c) Information obtained from inspections at non-cultivator Cannabis Establishments may inform inspections at cultivator licensees.
(d) Cannabis samples obtained during inspections may be used to assess consumer safety issues and may also be used by the Board for genetic testing and research into taxonomic determinations of cannabis cultivars or varieties grown.

2.3.7 Sanitation

To the extent not already required by section 2.2.4 of this rule, cultivators will ensure:

(a) that any illness or bodily injury to an individual at a cultivation site does not become a source of microbial contamination to a Cannabis crop;
(b) that litter and waste are properly removed so they do not become a source of microbial contamination; and
(c) sufficient sanitation to minimize potential for attracting, breeding, or harboring pests.

2.3.8 Cultivation and Operations Information

Cultivating licensees shall submit cultivation and operations information to the Board within 60 days of gaining a license. The information shall include the following:

(a) cultivation schedule;
(b) waste management plan; and
(c) integrated pest management plan.

2.3.9 Vendor and Employee Samples

(a) Vendor samples must meet the following requirements:
    i. Cultivators may provide a sample of flower to a ~~wholesaler, manufacturer, or retailer~~nother licensee, provided that such samples may not be consumed on any licensed premises. Samples must be tested in accordance with rules and guidance established in section 2.9 of this rule.
    ii. Samples will be limited to the following aggregate amounts in a calendar month: four grams per strain of flower per vendor, and no more than seven strains of flower per vendor.
    iii. Vendor samples must be labeled: VENDOR SAMPLE NOT FOR RESALE.
    iv. Samples must be designated and identified in the Inventory Tracking System.
(b) Employee Samples must meet the following requirements:
    i. Cultivators may provide samples to employees to determine whether to make product available to sell, provided that such samples may not be consumed on any licensed premises.
    ii. Samples will be limited to the following aggregate amounts in a calendar month: four grams per strain of flower per employee, and no more than seven strains of flower per employee.
    iii. Employee samples must be labeled: QUALITY CONTROL SAMPLE NOT FOR RESALE.
    iv. Samples must be designated and identified in the Inventory Tracking System.

2.3.10 Cannabis Cultivation for Personal Use

A cultivator may grow Cannabis for their personal use in accordance with 18 V.S.A. § 4230e. Any Cannabis plant grown for this purpose must be specifically designated by the cultivator such that a Board designee can readily identify which plants are being grown for personal use if the plants are at or near a cultivator's physical site of operations. No plant grown for personal use

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may supply Cannabis to the regulated market, and Cannabis grown for personal use must not be entered into the Inventory Tracking System.

2.4 Regulations Applicable to Outdoor and Mixed Cultivators

The requirements in this section apply to Cannabis Establishments with an outdoor or mixed cultivator license.

2.4.1 Outdoor Security Management Practices

The Board deems the following to be Outdoor Security Management Practices:

(a) fencing;
(b) video surveillance system with unobscured views of area;
(c) alarm system;
(d) photographic surveillance;
(e) motion activated flood-light, which may face away from the plant canopy;
(f) security services, which may include the physical presence of a security guard; and
(g) controlled point of access.

2.4.2 Standards For Outdoor Security Management Practices

(a) Fencing must be sufficient to prevent unauthorized entry to any cultivation areas.
(b) Electronic security measures and security services, if applicable pursuant to section 2.4.3, must be operating for no less than the three-week period preceding a harvest, as well as while drying, curing, or storing a harvested crop.
(c) Video and photographic surveillance equipment must:
    i. retain footage for a minimum of 30 days;
    ii. include date and time stamps on images without significantly obscuring the images;
    iii. be capable of producing usable images in the lighting conditions in which it is placed;
    iv. be placed in a way that allows for the clear and certain identification of any persons or activities at or in the immediate vicinity of any Cannabis or Cannabis Product, provided that video recordings may be motion-activated; and
    v. be exportable and transferrable to standard computing equipment and have a resolution of 720p or greater or the equivalent of such a resolution.

2.4.3 Minimum Outdoor Security Management Practices

Outdoor cultivators and the outdoor portion of a mixed cultivator's crop must implement Outdoor Security Management Practices to the extent required in this section unless they apply to the Board for a variance from the fencing requirement, which the Board will consider on a case-by-case basis.

(a) Tier 1 outdoor cultivators and mixed cultivators must utilize at least 1 of the Outdoor Security Management Practices in section 2.4.1.

(b) Tier 2 outdoor cultivators must utilize at least 2 of the Outdoor Security Management Practices in section 2.4.1 and one of them must be fencing.
(c) Tier 3 outdoor cultivators must utilize at least 3 of the Outdoor Security Management Practices in section 2.4.1 and one of them must be fencing.
(d) Tier 4 outdoor cultivators must utilize at least 4 of the Outdoor Security Management Practices in section 2.4.1 and one of them must be fencing.
(e) Tier 5 outdoor cultivators must utilize at least 5 of the Outdoor Security Management Practices in section 2.4.1 and one of them must be fencing.
(f) Tier 6 outdoor cultivators must utilize all of the Outdoor Security Management Practices in section 2.4.1.

2.4.4 Visibility From a Public Road

If a crop would be visible from a public road, as defined in 24 V.S.A. § 4303(33), a physical barrier of concealment must be created such that the crop is not visible from the public road. Such barriers may include, but are not limited to, fencing, hedges, or building structures.

2.4.5 Additional Requirements

(a) At the Board's discretion, a physical site of operations may be inspected by a Board designee to determine security risks and visibility from a public road either before or after the Board has granted a license. The Board retains the right to require additional Outdoor Security Management Practices or barriers subsequent to such an inspection.
(b) If a Cannabis Establishment experiences more than one incident of theft in a one-year time period, additional Outdoor Security Management Practices may be required at the Board's discretion.

2.4.6 Security for Drying, Curing, and Storage

Security for Cannabis drying, curing, and storage must meet the requirements of section 2.5.1 of this rule.

2.4.7 Allowance for Winter Indoor Storage

Mother plants, Cannabis plant-seeds, and clones in propagation or vegetation phase of development may be kept indoors during winter months when outdoor cultivation is not possible, provided that outdoor cultivation licensees may not cultivate Cannabis indoors.

2.5 Regulations Applicable to Indoor and Mixed Cultivators

The requirements in this section apply to Cannabis Establishments with an indoor or mixed cultivator license.

2.5.1 Security

Indoor cultivators and the indoor portion of a mixed cultivator's crop must utilize the following security measures:

(a) All perimeter doors and windows must be locked, and only individuals with a Cannabis Establishment identification card, granted in accordance with Board Rule 1.16, may have keys or a key equivalent.
(b) All perimeter doors and windows must have operational security alarms, provided that Tier 1 and mixed cultivators are not required to have security alarms unless the Board requires it, which the Board retains the discretion to do on a case-by-case basis.
(c) Video surveillance with continuous monitoring of any space that contains Cannabis, whether growing or harvested, or Cannabis Products. Video surveillance must meet the standards of section 2.4.2(c) of this rule.

2.5.2 Security for Drying, Curing, and Storage

Security for Cannabis drying, curing, and storage must meet the requirements of section 2.5.1 of this rule.

2.5.3 Energy Standards for Buildings

(a) Vermont Commercial Building Energy Standards (CBES) will apply to indoor cultivation facilities in the following areas to the same extent they would for any other commercial building:
    i. The building envelope must meet CBES for insulation.
    ii. Non-cultivation lighting must meet CBES for new buildings and retrofits.
    iii. Ventilation must meet CBES.
    iv. HVAC systems must meet CBES for efficiency, except that HVAC equipment used for cultivation does not need economizers and heat recapture.
(b) Greenhouses must meet CBES for HVAC equipment efficiency, except that HVAC equipment used for cultivation does not need economizers and heat recapture.
(c) Fans and clean water pumps at indoor cultivation facilities should, at the date of equipment purchase, comply with the most recent energy efficiency standards adopted by the federal Department of Energy.

2.5.4 Energy Standards for Lighting

Cannabis Establishments shall have one year from the date of licensure to come into compliance with the following requirements:

(a) Lighting for indoor cultivation must have a minimum of 1.9 Photosynthetic Photon Efficacy (PPE).
(b) Lighting for greenhouses:
    i. The envelop must have a minimum u-factor of 0.7.

ii. If a greenhouse uses lighting fixtures to supplement the sun, the cultivation lighting must have a minimum of 1.7 PPE, except that if a greenhouse has a total connected lighting load of less than 40 kilowatts it is exempt from lighting requirements.

2.5.5 Energy Standards for Dehumidification

Cannabis Establishments shall have one year from the date of licensure to come into compliance with the following requirements:

One of the following dehumidification systems must be used for indoor cultivation:

(a) Standalone dehumidifiers must meet the following minimum integrated energy factors:
    i. Minimum integrated energy factor of 1.77 L/kWh for product case volumes of 8.0 cubic feet or less, or
    ii. Minimum integrated energy factor of 2.41 L/kWh for product case volumes greater than 8.0 cubic feet.
(b) Integrated HVAC system with on-site heat recovery designed to fulfill to least 75 percent of the annual energy for dehumidification reheat.
(c) Chilled water system with on-site heat recovery designed to fulfill at least 75 percent of the annual energy for dehumidification reheat.
(d) Solid or liquid desiccant dehumidification system for system designs that require dewpoint of 50° Fahrenheit or less.

2.5.6 Energy Usage Reporting and Reduction Efforts

(a) License holders must report energy efficiency benchmarks annually to the Board as a condition of license renewal.
(b) License holders must annually update and submit to the Board written operating procedures regarding equipment maintenance, calibration and proper operation, for all major energy equipment, including, but not limited to, horticultural lighting, HVAC systems, and dehumidification systems.
(c) License holders must annually assess and report to the Board on opportunities to reduce energy, which should include:
    i. identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities;
    ii. consideration of opportunities for renewable energy generation, including, where applicable, identification of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
    iii. strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and
    iv. engagement with energy efficiency programs offered by Efficiency Vermont, Burlington Electric Department, or Vermont Gas Systems.

2.6 Regulations Applicable to Manufacturers

The requirements in this section apply to Cannabis Establishments with a manufacturing license.

Manufacturers shall abide by any requirements and limitations contained in 7 V.S.A. § 881(a)(3), 7 V.S.A. § 868, and 18 V.S.A. § 4230h, in addition to the requirements of this section.

2.6.1 Manufacturer Security

Manufacturers must meet all requirements of section 2.5.1 of this rule.

2.6.2 Testing

Manufacturers must have their products tested in accordance with rules and guidance established in section 2.9 of this rule. Test results shall be saved for no less than one year.

2.6.3 Manufacturer Packaging

(a) Except as provided in subsection (b) of this section 2.6.3, when a manufacturer transfers Cannabis to another licensee packaging must meet the requirements of section 2.2.9(a) of this rule.

(b) When a manufacturer transfers Cannabis Product to a retail licensee and the Cannabis Product is intended for consumer purchase as packaged, packaging must meet the following requirements:

i. include the manufacturer's license number and process lot number;

~~i.~~ii. All requirements of section 2.2.9 of this rule.

~~ii.~~iii. All requirements contained in 7 V.S.A. § 881(a)(3)(A), (B), and (C).

~~iii.~~iv. For consumable Cannabis Products packaging must include:

1. the number of servings in the package and serving size, provided that servings must be easy for a consumer to measure, either by clear and visible marking on the Cannabis Product or physical separation of servings; and
2. a warning that the impairment effects of the Cannabis Product may be delayed by two hours or more.
3. Solid concentrates must include the following warning: Use with caution. Exceeding recommended serving size can have severe adverse effects.

~~2.~~4. Vape oil cartridges must include the following warning: Use with caution to avoid overconsumption. Start low and go slow.

~~iv.~~v. For non-consumable Cannabis Products packaging must include:

1. the ingredients used in production, including but not limited to scents or other additives, and common irritants warnings; and
2. notice that the product is not for consumption.

~~2.~~vi. Disposable vape pens or other disposable vaping devices are prohibited. Disposable vape pens are all-in-one, pre-charged vape pens that are not intended for multiple uses and that can be used for e-liquids, oils, extracts, or distillates.

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2.6.4 Additives

(a) For Cannabis Products intended for oral ingestion, such as food, drinks, oil-based tinctures, and similar products, manufacturers may use any additive that the Food and Drug Administration has deemed Generally Recognized As Safe.
(b) For Cannabis Products intended for inhalation, the Board will maintain an approved ingredient list that will be readily available to the public.
(c) Manufacturers shall abide by any prohibition contained in 7 V.S.A. § 868.

2.6.5 Records

Manufacturers shall maintain the following records in such a way that they can be readily accessed from the physical site of operations upon the request of the Board or Board designee:
(a) Records of purchases from any manufacturer or supplier of an ingredient, additive, component, or other substance, compound, or material obtained by the manufacturer.
(b) Records of the name and business address of the manufacturer of any cartridge, battery, atomizer coil, hardware, device, or other component in vaporized products.
(c) A copy of a Certificate of Analysis for each thickening agent, thinning agent, or terpene used in production. These Certificates of Analysis shall be provided to a retailer or wholesaler upon request.

2.6.6 Vendor and Employee Samples

(a) Vendor samples must meet the following requirements:
    i. Manufacturers may provide a sample of Cannabis Product to a ~~wholesaler or retailer~~another licensee, provided that such samples may not be consumed on any licensed premises. Samples must be tested in accordance with rules and guidance established in section 2.9 of this rule.
    ii. Samples will be limited to the following aggregate amounts in a calendar month: Five grams of concentrate or extract, or 100 servings of edibles per vendor, so long as the tetrahydrocannabinol content of each individual edible sample does not exceed five milligrams per serving and is within any applicable statutory or regulatory potency levels.
    iii. Vendor samples must be labeled: VENDOR SAMPLE NOT FOR RESALE.
    iv. Samples must be designated and identified in the Inventory Tracking System.
(b) Employee Samples must meet the following requirements:
    i. Manufacturers may provide a sample of Cannabis Product to an employee to determine whether to make a product available to sell, provided that such samples may not be consumed on any licensed premises.
    ii. Samples will be limited to the following aggregate amounts in a calendar month: five grams of concentrate or extract, or 100 servings of edibles per employee, provided that the tetrahydrocannabinol content of each individual edible sample

does not exceed five milligrams per serving and is within any applicable statutory or regulatory potency levels.

iii. Employee samples must be labeled: QUALITY CONTROL SAMPLE NOT FOR RESALE.

iv. Samples must be designated and identified in the Inventory Tracking System.

2.7 Regulations Applicable to Wholesalers

The requirements in this section apply to Cannabis Establishments with a wholesaler license.

2.7.1 Wholesaler Security

(a) Wholesalers must meet all requirements of section 2.5.1 of this rule.

(b) Manufactured Cannabis Product, but not Cannabis flower, must be kept in a reasonably secure locked space.

2.7.2 Wholesaler Processing

(a) The word "process" in 7 V.S.A. § 905(b) means:

i. Packaging or wrapping Cannabis flower in any manner that Cannabis flower may be transported or consumed.

ii. Trimming Cannabis flower, or other activities necessary for preparing Cannabis flower for packaging or transport.

iii. Packaging Cannabis Products in any manner that Cannabis Products may be packaged.

(b) The word "process" in 7 V.S.A. § 905(b) does not mean transforming Cannabis flower into another substance through manufacturing.

2.7.3 Wholesaler Packaging

(a) Except as provided in subsections (b) and (c) of this section 2.7.3, when a wholesaler transfers Cannabis or Cannabis Product to another licensee packaging must meet the requirements of section 2.2.9(a) of this rule.

(b) When a wholesaler transfers Cannabis to a retail licensee and the Cannabis is intended for consumer purchase as packaged, packaging must meet the requirements of section 2.3.5(b) of this rule.

(c) When a wholesaler transfers Cannabis Products to a retail licensee, and the Cannabis Products are intended for consumer purchase as packaged, packaging must meet the requirements of section 2.6.3(b) of this rule.

2.8 Regulations Applicable to Retailers

The requirements in this section apply to Cannabis Establishments with a retailer license.

2.8.1 Buffer Zones

Retail Cannabis Establishments shall not be located at a place where the sale of a regulated drug would constitute a violation of 18 V.S.A. § 4237(d).

2.8.2 Retail Security

Retailers must meet all requirements of section 2.5.1 of this rule, provided that retailers may have unlocked doors to the extent necessary to allow customer access, along with the following additional requirements:

(a) Alarm systems installed by retailers must be installed by an alarm installation company with expertise in industry standard commercial-grade alarm systems.
(b) Video surveillance must include point-of-sale areas, all entrances, exits, and any area where Cannabis or Cannabis Product is stored or handled.
(c) Strict access controls to areas where Cannabis and Cannabis Product is stored or handled.
(d) Video footage must be kept for at least 30 days, and video recording devices must be continuously recording.
(e) Employees shall wear identification badges that clearly identify them as employees while on duty.
(f) Upon request, a retailer shall make available to the Board or Board designee all information related to security alarm systems, monitoring, alarm activity, maps of camera locations and camera coverage, surveillance equipment maintenance log, authorized user list, operation instructions, and any other relevant information.
(g) The number of customers in the retail area at any given time may not be more than can be easily monitored by the employees present in the retail area.
(h) The requirements of 7 V.S.A. § 881(a)(5), to the extent not already covered by this rule.

2.8.3 Age Verification and Customer Personal Information

(a) Immediately upon a visitor entering the retail premises an individual who has been issued an identification card pursuant to Board Rule 1.16 shall inspect the visitor's proof of identification and determine the visitor's age. This age check shall take place in the immediate vicinity of the entrance to the retail premises.
(b) "Acceptable form of identification" shall mean a photo identification issued by a government, and it must be current and valid.
(c) No individual shall be admitted unless the retailer has verified that the acceptable form of identification matches the visitor and that the visitor is 21 years of age or older.
(d) Prior to completing a transaction for the purchase of Cannabis or a Cannabis Product, an individual who has been issued an identification card pursuant to Board Rule 1.16 shall inspect the visitor's proof of identification and determine the visitor's age.
(e) A retailer may not acquire or record visitor personal information other than information typically required by a retail transaction, which can include information to determine the visitor's age.
(f) A retailer may not record or retain any additional personal information from a visitor without the visitor's permission.
(g) Retailers shall refuse to sell to any visitor who is unable to produce valid proof of their age using an acceptable form of identification.

2.8.4 Retailer Packaging

(a) Packaging for all Cannabis and Cannabis Products sold in retail establishments must meet the following requirements:
    i. All requirements contained in section 2.2.9 of this rule.
    ii. Packaging must have information regarding the test results of the Cannabis or Cannabis Product, provided that packaging may convey such information using a website address, QR code, or similar means of providing access to information available on a website.
(b) For Cannabis, packaging must meet the requirements contained in section 2.3.5(b) and 907(c) of this rule in addition to subsection (a) of this section 2.8.4.
(c) For Cannabis Products, packaging must meet the requirements contained in section 2.6.3(b) of this rule in addition to subsection (a) of this section 2.8.4.
~~(c)~~

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2.8.5 Collection and Reuse of Consumer Packaging Waste

(a) Retail Cannabis Establishments may collect, reuse, and recycle consumer packaging waste. Only retail Cannabis Establishments may collect consumer packaging waste for reuse and recycling. Such Cannabis Establishments may collect consumer packaging waste from consumers or from other licensees.
(b) Any receptacles used for collection of Consumer Packaging Waste shall be located inside the Cannabis Establishment such that they are subject to the same security measures as the rest of the establishment. They shall be reasonably supervised by a licensee to ensure any consumer packaging waste is only removed by a licensee.
(c) Any receptacles used for collection of consumer packaging waste shall be labeled. The label must at least identify the receptacle as "consumer packaging waste." A licensee may choose to include additional information on the receptacle label.
(d) Licensees collecting consumer packaging waste pursuant to this section 2.8.5 must ensure at a minimum that any remaining Cannabis or Cannabis Product in consumer packaging waste is removed and destroyed to the extent practicable. The waste disposal requirements of section 2.2.8 of this rule shall apply.
(e) Once any remaining Cannabis or Cannabis Product has been removed and destroyed pursuant to these rules, a licensee may:
    i. Reuse consumer packaging waste if the packaging has been sanitized and disinfected.
    ii. Transfer consumer packaging waste to another licensee for reuse or may transfer consumer packaging waste to a person for recycling or reuse.
(f) A Cannabis Establishment that is reusing consumer packaging waste must sanitize and disinfect the packaging.
(g) Child-resistant containers may be reused as child-resistant containers to the extent they continue to meet the requirements of 7 V.S.A. § 861(16).

2.8.6 Standard Operating Procedures

Retailers must maintain standard operating procedures regarding the following subjects in such a way that they can be readily accessed from the physical site of operations upon the request of the Board or Board designee :

(a) security measures;
(b) employee security policies, including personal safety and crime prevention techniques;
(c) description of establishment's hours of operation and after-hours contact information for management;
(d) plan for storage of inventory;
(e) procedures to ensure accurate recordkeeping, including inventory protocols and compliance with the Inventory Tracking System;
(f) quality control plans;
(g) emergency procedures in case of a fire or other emergency;
(h) how confidential information will be maintained; and
(i) policy for immediate dismissal of an employee who has diverted Cannabis or Cannabis Product or engaged in unsafe practices.

2.8.7 Retailer Samples

Retailers may accept vendor samples as permitted by sections 2.3.9 and 2.6.6 of this rule but are prohibited from offering such samples for sale. Acceptance of such samples must be logged in the Inventory Tracking System.

2.8.8 Employee Samples

(a) Retailers may provide a sample of Cannabis or Cannabis Product to an employee to determine whether to make a product available to sell, provided that such samples may not be consumed on any licensed premises.
(b) Samples will be limited to the following aggregate amounts in a calendar month: five grams of concentrate or extract, or 100 servings of edibles per employee, provided that the tetrahydrocannabinol content of each individual edible sample does not exceed five milligrams per serving and is within any applicable statutory or regulatory potency levels.
(c) Employee samples must be labeled: QUALITY CONTROL SAMPLE NOT FOR RESALE.
(d) Samples must be designated and identified in the Inventory Tracking System.

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~~2.8.8~~2.8.9 Display ~~Consumer~~ Samples

Retailers may provide samples of Cannabis flower in enclosed containers for viewing or smelling by visitors. Such samples may not be touched by visitors or sold or transferred to visitors and their use and disposal must be tracked in the Inventory Tracking System.

~~2.8.9~~2.8.10 Safety Information Flyer

Retailers shall display a safety information flyer created by the Board at the point of purchase, in accordance with 7 V.S.A. § 907(d). The Board shall make the flyer readily available to the public

and to retail establishments for their use. The Board may update the flyer at any time and will provide notice to licensed retail establishments when it makes such an update.

2.8.11 Clones

Retailers may sell clones to the extent permitted in guidance adopted by the Board.

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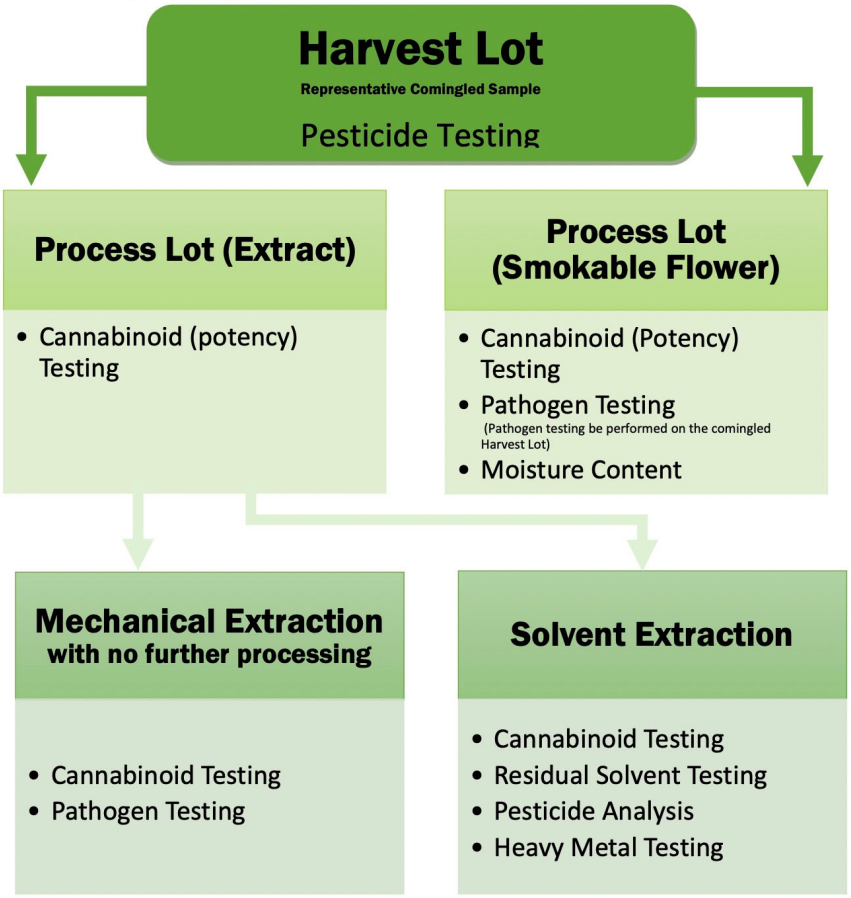
2.9 Regulations Applicable to Testing Laboratories, Cultivators, and Manufacturers

The requirements in this section apply to Cannabis Establishments with a testing laboratory license, as well as to cultivators and manufacturers who must have their product tested in accordance with the standards in this section.

2.9.1 Testing Requirements

The following flowchart ~~describes~~ summarizes the testing requirements that each laboratory must be prepared to administer, and the testing requirements that cultivators and manufacturers of Cannabis and Cannabis Product must undergo. ~~sampling standard operating procedures that Cannabis Establishments must follow. The top row describes the test, the left column describes the substance that will be tested, and the boxes in the chart describe the relevant sampling standards. There are corresponding notes below the chart.~~ Terms, processes, and requirements are further explained in guidance issued by the Board. Such guidance will not be altered without at least 90 days of notice to licensees and the general public.

Laboratory Testing Flowchart



Cannabinoids	
THC – Tetrahydrocannabinol	THCA – Tetrahydrocannabinol Acid
CBD – Cannabidiol	CBDA – Cannabidiolic Acid
THCV – Tetrahydrocannabivarin	CBC – Cannabichromene
CBG – Cannabigerol	CBDV – Cannabidivarin
CBGA – Cannabigerolic Acid	CBN – Cannabinol

	~~Potency~~	~~Moisture or Water Activity~~	~~Microbiological (human pathogens)~~	~~Heavy Metals~~	~~Pesticides~~	~~Residual solvents~~
~~Harvest lot~~						
~~THC compliance~~	~~Each lot~~	~~Each lot~~	~~N/A~~	~~Note 5~~	~~Each Lot Note 6~~	~~N/A~~
~~Plant material~~						
~~Trim flower~~	~~Note 1~~	~~Each process lot~~	~~Each process lot~~	~~Note 1~~	~~Note 1~~	~~N/A~~
~~Concentrates~~						
~~Liquids~~	~~Each process lot~~	~~N/A~~	~~Each process lot~~	~~Each process lot~~	~~Each process lot~~	~~Note 3~~
~~Solids~~	~~Each process lot~~	~~N/A~~	~~Each process lot~~	~~Each process lot~~	~~Each process lot~~	~~Note 3~~
~~Products and Infused products~~						
~~Liquids, including infused products (tinctures, and water based)~~	~~Note 4~~	~~N/A~~	~~Note 2~~	~~Note 1 or Note 2~~	~~Note 2~~	~~Note 2 or Note 3~~
~~Solids, including infused edibles, tablets~~	~~Note 4~~	~~N/A~~	~~Note 2~~	~~Note 1 or Note 2~~	~~Note 2~~	~~Note 2 or Note 3~~

- ~~Note 1 Harvest lot testing is sufficient to show compliance.~~
- ~~Note 2: Trim flower or concentrate testing is sufficient to show compliance.~~
- ~~Note 3: Residual solvents are tested whenever solvent based extraction techniques are used.~~
- ~~Note 4: A certified laboratory's certificate of analysis demonstrates that the product~~
- ~~meets the acceptable potency level or the processor's formulation demonstrates~~
- ~~compliance with the acceptable potency level.~~
- ~~Note 5: Testing for heavy metals is required whenever the crop land was used for orchard crops or any land use other than farming as defined in the Required Agricultural Practices Rule, unless a recent soils test demonstrates that the heavy metals are within the authorized action limits for soils.~~
- ~~Note 6: No pesticide testing required if crop is certified by a third party to be pesticide free.~~
- Note 1~~7~~: Testing for other contaminants ~~is necessary when the Agency of Natural Resources has approved biosolids applications to crop land~~may be deemed necessary at the Board's discretion.

Sampling for the purposes of testing shall be representative sampling. The Board will define representative sampling in a policy that will be readily accessible to the public.

2.9.2 Potency Parameters

(a) Cannabis must have no greater than a 20% variation from the label representation regarding total theoretical THC as defined by subsections (f) and (g) in this section 2.9.2, and other cannabinoids.
(b) Cannabis Product with a label representation of between 0 milligrams to 10 milligrams of total cannabinoid content must have no greater than a 25% variation from the label representation.
(c) Cannabis Product with a label representation of between 10 milligrams to 100 milligrams of total cannabinoid content must have no greater than a 20% variation from the label representation.
(d) Cannabis Product with a label representation of greater than 100 milligrams of total cannabinoid content must have no greater than a 10% variation from the label representation.

In assessing potency, laboratories will use the following formulation:

(e) Tetrahydrocannabinolic acid (THCA) is the precursor of delta-9 tetrahydrocannabinol (THC).
(f) The laboratory determination of potency will be determined by total theoretical THC.
(g) Total theoretical THC content is the maximum amount of possible delta-9 THC in a cannabis crop if total conversion from THCA to THC were to occur. The calculated amount of total theoretical THC is determined as follows:
    i. the sum of the concentration of delta-9 tetrahydrocannabinol added to the amount of tetrahydrocannabinolic acid after it is multiplied by 0.877 on a dry weight basis and reported to two significant figures.
    ii. The following mathematical equation expresses this calculation:

$$Total\ theoretical\ THC = ([delta\ 9\ THC] + ([THCA] * 0.877))$$

2.9.3 Moisture Parameters

Moisture parameters will be set in accordance with guidance issued by the Board. Such guidance will not be altered without at least 90 days of notice to licensees and the general public. ~~as follows:~~

~~Parameter~~	~~Action limits for trim flower~~
~~Moisture content~~	~~Less than or equal to 13 %~~
~~Water activity~~	~~0.65~~

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2.9.4 Microbiological Parameters

The following human pathogens will be measured, and the limits set, in accordance with guidance issued by the Board. Such guidance will not be altered without at least 90 days of notice to licensees and the general public.

(a) Shiga, —toxin producing escherichia coli (STEC) – Bacteria
(b) Salmonella species – Bacteria
(c) Aspergillus flavus, Aspergillus fumigatus, Aspergillus niger, Aspergillus terreus - Fungus

2.9.5 Metal parameters

The following metals will be measured and the limits set in accordance with guidance issued by the Board. Such guidance will not be altered without at least 90 days of notice to licensees and the general public.

Arsenic
Cadmium
Lead
Mercury
Chromium
Copper
Nickel
Zinc

2.9.6 Pesticides

Cultivators shall abide by the rules and guidelines regarding pesticides that are adopted by the Vermont Agency of Agriculture, Food and Markets.
~~As provided for by section 2.3.1 of this rule, cultivators will be required to abide the pesticide standards set by the Agency of Agriculture, Food, and Markets.~~

2.9.7 Residual Solvent Parameters

Residual solvents will be measured and the limits set in accordance with guidance issued by the Board. Such guidance will not be altered without at least 90 days of notice to licensees and the general public.

2.9.8 New Tests

When a laboratory seeks to gain certification for a new test, it must also submit to the Board the method validation summaries for any new test.

2.9.9 Proficiency

A laboratory must maintain analytical proficiency for each test it administers.

2.9.10 Records

In addition to all other relevant disclosure requirements, upon request of the Board or Board designee laboratories shall provide full access to all test records.

2.9.11 Maintenance of Certifications

Laboratories must maintain their certifications and accreditations and notify the Board if any lapse.

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~~2.9.11~~2.9.12 Remediation of Adulterated Cannabis

Adulterated Cannabis or Cannabis Product may be remediated to the extent prescribed by section 2.2.19 of this rule.

~~2.9.12~~2.9.13 Other Parameters or Testing Methods

The Board retains discretion to change or add testing parameters, required pathogens, or other substances to the testing required under this rule.

2.10 Regulations Applicable to Integrated Licensees

The requirements in this section apply to applications for an integrated license.

2.10.1 All Cannabis Establishment Regulations Applicable

All regulations in sections 2.2 through 2.9 of this rule applies to integrated license holders. When manufacturing, integrated licensees will be permitted to utilize all lawful methods of extraction.

2.10.2 Dispensaries and Medical Cannabis

Except to the extent provisions in this section 2.10 impact dispensary operations, dispensaries and the medical cannabis registry are not regulated by this rule. They are regulated by Board Rule 3 and by Chapters 35 and 37 of Title 7 of the Vermont Statutes.

2.10.3 Co-located Operations

(a) Integrated licensees may commingle Cannabis cultivation for adult-use sales with cultivation for dispensaries.
(b) Prior to transfer to either a dispensary or a retail establishment, the licensee must create and maintain strict separation between Cannabis and Cannabis Product that will be sold through a retailer and Cannabis and Cannabis Product that will be sold through a dispensary to a registered patient. The separation must be documented in the Inventory Tracking System.

(c) Integrated licensees may co-locate operations from different license types in the same location, but co-located operations must maintain all relevant security requirements for each license type and must maintain all Inventory Tracking System requirements.
(d) Dispensaries may be co-located with retail Cannabis Establishments, provided that:
    i. integrated licensees must have a system in place to ensure that staff give priority of service, including priority of entrance and sales, to registered dispensary patients before adult use consumers. This shall include curbside sale, if requested, for dispensary patients.
    ii. Strict protocols must be in place to ensure that medical products for dispensary patients are not sold to adult-use consumers.

2.10.4 Duty to Maintain Continuity of Services to Medical Patients

(a) Integrated licensees must ensure their dispensary operations maintain continuity of services to medical Cannabis patients.
(b) If an integrated licensee has commingled their cultivation pursuant to 2.10.3(a), continuity of services will include designating sufficient biomass at an integrated licensee's cultivation facility to meet demand for medical Cannabis and Cannabis Products as indicated by dispensary sales data for the preceding 3 months. Such records and calculations will be provided to the Board or a Board designee upon request.

2.10.5 Use of Dispensary Cultivation for Integrated Licensees

Dispensary operations may transfer Cannabis and Cannabis Products to integrated licensees to the extent provided by Section 8 of Act 164 (2020), subject to the conditions in this section.

Beginning on the date retail establishments that are not part of an integrated license may begin sales:
(a) The tiered plant canopy limits in Board Rule 1.3.1 that apply to all cultivator licenses apply to the cultivator portion of an integrated license, except for cultivation dedicated to medical cannabis sold through a dispensary.
(b) Other than cultivation for a dispensary, the cultivator portion of an integrated license will be deemed to be in the largest cultivator tier that the Board has opened for an application acceptance period pursuant to Board Rules 1.3.1 and 1.10 and will be subject to the cultivation limit of that tier. The relevant maximum tier will be within the method of cultivation the integrated licensee has chosen to utilize in accordance with Board Rule 1.3.1.
(c) If an integrated licensee has chosen not to commingle their dispensary and adult use Cannabis cultivation, the dispensary grow will be regulated by Board Rule 3 while the adult use grow will be subject to subsection (b) of this rule 2.10.5.
(d) If an integrated licensee has chosen to commingle their dispensary and adult use Cannabis cultivation pursuant to section 2.10.3 of this rule, the cultivation will be subject to subsection (b) of this rule 2.10.5, with the following exception:

i. The total biomass of Cannabis required to meet the demand for medical Cannabis and Cannabis Products as indicated by dispensary sales data for the preceding 3 months will not be counted towards the total permissible square footage. If the total biomass set aside for medical Cannabis and Cannabis Products is ultimately not needed for that purpose, it may not be transferred to the adult-use market.

(e) The Board at its discretion may require integrated licensees to provide the Board with any records that might demonstrate compliance or noncompliance with this section, including but not limited to sales and manufacturing data.

2.10.6 Duty to Purchase From Small Cultivators

Integrated Licensees shall abide by the requirement in Section 10 of Act 62 (2021) regarding the purchase of Cannabis from small cultivators.

2.11 Licensee's Ongoing Duty to Disclose

A Cannabis Establishment has an ongoing duty to fully and transparently update the information submitted with their licensing application or their last renewal form if they have renewed their license.

2.11.1 Disclosure Insufficient For Changes In Control

If a Cannabis Establishment seeks to change location or alter the interest holders that control it, mere disclosure ~~is~~ may be insufficient to meet its obligations under this rule. It must seek a license renewal prior to any change in control, ~~as~~ to the extent required by Board Rule 1.17.

2.12 Waiver Provisions for Tier 1 Cultivators

Tier 1 indoor cultivators, tier 1 outdoor cultivators, and tier 1 mixed cultivators are not required to comply with the requirements of the following subsections of this rule:

(a) 2.2.1(l);
(b) 2.2.4(a);
(c) 2.2.4(b);
(d) 2.2.4(c);
(e) 2.2.5(b)(i);
(f) 2.2.5(b)(v);
(g) 2.2.7(j);
(h) 2.3.2(g);
(i) 2.5.3, provided that only home occupancy businesses are exempted from the provisions of this section;
(j) 2.5.6(b); and
(k) 2.5.6(c).

2.13 Universal Application of Licensure Requirements

No person may operate in a manner that has the effect of subverting 7 V.S.A. § 901(d)(3)(A) or any other licensure requirements contained in 7 V.S.A. chapter 33 or Board Rule 1, and no person shall exercise control over a Cannabis Establishment without the disclosures required in Board Rule 1.4. At its discretion the Board may require additional information from Cannabis Establishments to ensure compliance with this section.

2.14 Municipalities

Municipalities may regulate Cannabis Establishments to the extent permitted in 7 V.S.A. § 863.

To ensure coordination with the Board, municipalities must:

(a) Notify the Board if they create a local control commission. The Board will not require local approval as a condition of an application pursuant to 7 V.S.A. § 863(c) unless the Board has received notice of the creation of a local control commission from the municipality.
(b) Notify the Board if a local control commission grants or denies a local control license.
(c) Notify the Board if a local control commission suspends or revokes a local control license.
(d) Decide on grants or denials of local control licenses within 45~~60~~ days of receiving an application. A delay of more than 45~~60~~ days without a decision will constitute a presumptive grant of a local control license. This period may be tolled if the local control commission is communicating with the applicant about conditions the applicant must meet to be approved for a local control license. The Board will retain discretion to determine whether the time-period will be tolled and may request documentation regarding the process from either the municipality or the applicant, or both.

2.15 Confidentiality

Information about Cannabis Establishments will be kept confidential by the Board to the extent required by 7 V.S.A. § 901(h).

2.16 Regulatory Waiver

The Board, in accordance with the purposes and intent of Title 7 V.S.A. chapter 33 of the Vermont Statutes and this rule, may waive a regulatory requirement regarding the operations of a Cannabis Establishment to the extent such waiver does not conflict with any other state law, if in the Board's determination, such a waiver:

(a) is necessary to achieve the purpose of Vermont law; and
(b) does not create a danger to the public health, safety, or welfare.