

H.270-An Overview

An act related to miscellaneous amendments to the adult-use and medical cannabis programs

<https://legislature.vermont.gov/bill/status/2024/H.270>



GENERAL

- Repeals the Cannabis Advisory Committee
- Repeals the July 2024 sunset of the CCB
- Makes technical amendments to Cannabis Regulation Fund
- Transfers \$500,000 from the Cannabis Regulation Fund to the Cannabis Business Development Fund, administered to the Agency of Commerce and Community Development to provide technical assistance and loans and grants to social equity cannabis businesses.
- Amends the CCB's obligations under the Public Records Act as follows:
 - Confidential, not subject to disclosure:
 - Records related to licensee security, safety, transportation, or trade secrets, including information provided in an operating plan
 - Records related to complaints, investigations, or proceedings, unless the complaint / investigation results in formal action to penalize a licensee based on noncompliance
 - Public record, subject to disclosure:
 - Case record when CCB takes formal action to penalize a licensee
 - Aggregated list of all closed investigations into noncompliance. List shall include date, nature, & outcome of each complaint. List shall not include identity of licensee who is the subject of the complaint
- Removes the jurisdiction of the Department of Liquor and Lottery over retail cannabis establishments that are not selling tobacco products.
 - This removes the requirement that retail cannabis establishments selling paraphernalia (but not tobacco) obtain a DLL license and be inspected by DLL.
- Tasks the Racial Disparities in the Criminal and Juvenile Justice System Advisory Panel with studying and providing recommendations on the administration and funding of the Cannabis Business Development Fund
- Tasks the same panel with making recommendations for the establishment and funding of community reinvestment for individuals and communities disproportionately impacted by cannabis prohibition.
- The group is tasked with meeting a minimum of four times and issuing its recommendations to the legislature on or before January 15, 2024.

NEW LICENSE TYPE

Propagation Cultivator

This license type is separate from the cultivation license type, and allows the licensee to maintain up to 3,500 sq ft of vegetative plant canopy (no flowering canopy).

Propagator licensees may sell seeds (not clones) to the public and may sell clones to other licensees.

The Propagation license type will cost \$500 annually. The CCB will begin to issue these types of licenses in July, 2024.

AGRICULTURE UPDATES

- Expands the limited set of agricultural benefits currently afforded to small outdoor cultivators to all tiers of outdoor cultivation.
 - Outdoor cultivation canopy is eligible for enrollment in Use Value Appraisal program if all other program eligibility criteria requirements are met
 - Agricultural inputs used for outdoor cannabis cultivation are exempt from the sales tax
 - Local regulation of outdoor cultivation cannot be more restrictive than it is allowed to be for other agricultural activities
 - For purposes of Act 250 permitting, outdoor cultivators operating in compliance with sections of the Required Agricultural Practices (RAPs) shall be regulated as farming and not as development
- Affords the same protections from nuisance lawsuits to outdoor cannabis cultivation as to other agricultural activities. In order to benefit from these protections, cultivators must be operating in compliance with the applicable laws and the RAPs.

MUNICIPAL UPDATE

The Cannabis Control Board may issue a license to operate without the approval of a municipal local control commission if the Board finds that the municipality is regulating in a manner that would have the effect of prohibiting the operation of a cannabis establishment within its borders.

ADULT USE PROGRAM UPDATES

- Increases the milligram limit of THC per package of edible cannabis product from 50 to 100; per serving THC limit remains 5 milligrams.
- Increases the cap on annual sales for Tier 1 Manufacturing licensees from \$10,000 to \$50,000
- Requires the CCB to conduct a minimum of one inspection per year of each retail cannabis establishment licensee
- Amends the definition of “advertisement” within the cannabis regulation statutes to provide an objective standard for what type of statement, illustration, or depiction would constitute advertising
- Expands the list of allowable activities for all license types to reduce interference with intra-supply chain transfers of cannabis and cannabis products:
 - **Cultivators may:**
 - Purchase and sell cannabis seeds and seedlings to another licensed cultivator and propagation cultivator;
 - Possess and sell cannabis products to wholesaler, manufacturer, retailer, integrated licensee, and dispensary.
 - **Wholesalers may:**
 - Purchase cannabis and cannabis products from any licensee
 - Transport, process, package, and sell cannabis and cannabis products to any licensee
 - Sell cannabis seeds & immature cannabis plants to a licensed cultivator.
 - **Manufacturers may:**
 - Purchase cannabis and cannabis products from any licensee
 - Transport, process, package, and sell cannabis and cannabis products to any licensee
 - **Retailers may:**
 - Purchase cannabis and cannabis products from any licensee

MEDICAL PROGRAM UPDATES

- Eliminates the requirement that a medical cannabis patient with a diagnosis of Post-Traumatic Stress Disorder be engaged in psychotherapy as a condition of qualifying for the program
- Increases the maximum plant allowance to 6 mature and 12 immature plants per patient.
- Eliminates the requirement that caregivers undergo a fingerprint-supported FBI criminal history record check in order to be registered as a caregiver
 - Instead, the CCB must conduct a Vermont criminal conviction background check and checks of the Child Protection Registry and the Vulnerable Adult Abuse, Neglect, and Exploitation Registry before issuing a caregiver card.
- Extends the expiration date of a medical card to every 3 years for most qualifying conditions.
 - Patients with the qualifying condition of a disease or medical condition or its treatment that is chronic, debilitating, and produces the symptom of chronic pain, but not cachexia, severe nausea, or seizures, will still be required to renew their medical card annually.
- Repeals a provision that limited the CCB's rulemaking authority over the medical program.
- Tasks a stakeholder group with developing recommendations for expanding the list of qualifying conditions, identifying strains appropriate for qualifying conditions, dosing and treatment standards, and other improvements to the program.