

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

## GUIDANCE ON APPLICATION AND LICENSING FEES NOVEMBER 2023

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## Introduction

This document is intended to serve as guidance for cannabis establishments and cannabis license applicants seeking more information on application fees, employee ID fees, product registration fees, and state and local licensing fees. Additionally, this guidance provides information about appropriate license type and/or tier for which an applicant may apply for depending on the type and size of the cannabis establishment.

# Important Distinction in the Timelines for submitting Application Fees vs. Licensing & Local Fees:

An application is not considered complete and will not be submitted to the Board for review until the application fee has been received by the CCB. The application fee is a **one-time \$1,000 fee** that is in addition to the annual licensing fee applicants must pay to receive their license. **This application fee is non-transferable and non-refundable.** 

Licensing and Local fees are paid after the application has been approved for licensure by the Board. Applicants should *not* remit license or local fees prior to the Board's approval of their license.

## Licensing Fees by License Type and Tier

\*\*Licensing fees are paid on an annual basis, based on the license issuance date or an offcycle renewal date.\*\*

#### Cultivation

**Cultivation licensees** may grow cannabis plants either indoors, outdoors, or in a mixed setting. This license type is tiered based on the size of the applicant's proposed growing operation.

#### **Tiers and Associated Fees**

Outdoor Cultivation				
Tier #	Brief Description	Associated Fee		
1	Up to 1,000 square feet of plant canopy or 125 plants	\$750		
2	Up to 2,500 square feet of plant canopy or 312 plants	\$1,875		
3	Up to 5,000 square feet of plant canopy or 625 plants	\$4,000		
4	Up to 10,000 square feet of canopy or 1,250 plants	\$8,000		
5	Up to 20,000 square feet of canopy or 2,500 plants	\$18,000		
6	Up to 37,500 square feet of canopy or 4,687 plants	\$34,000		

Outdoor cultivation applicants are required to specify if they will use plant count or square footage to calculate their tier at the time of application.

Indoor Cultivation				
Tier #	Brief Description	Associated Fee		
1	Up to 1,000 square feet of plant canopy	\$1,500		
2	Up to 2,500 square feet of plant canopy	\$3,750		
3	Up to 5,000 square feet of plant canopy	\$8,000		
4	Up to 10,000 square feet of canopy	\$16,000		
5	Up to 15,000 square feet of canopy	\$36,000		
6	Up to 25,000 square feet of canopy	\$75,000		

Indoor cultivation applicants must apply using square footage of plant canopy to calculate their tier, as using plant counts is not permitted.

Mixed Cultivation				
Tier #	Brief Description	Associated Fee		
1	Up to 1,000 square feet of indoor plant canopy & up to 125 outdoor plants	\$2,250		
2	Up to 2,500 square feet of indoor plant canopy & up to 312 outdoor plants	\$5,625		
3	Up to 1,000 square feet of indoor plant canopy & up to 625 outdoor plants	\$5,500		
4	Up to 1,000 square feet of indoor plant canopy & up to 1,250 outdoor plants	\$9,500		
5	Up to 1,000 square feet of indoor plant canopy & up to 2,500 outdoor plants	\$19,500		

#### **Manufacturers**

**Manufacturer licensees** may produce cannabis products from cannabis plants, including edibles, oils, and other such products. This license type is tiered based on allowable extraction type and gross revenue per year.

#### **Tiers and Associated Fees**

Tier #	Brief Description	Associated
		Fee
1	\$50,000 cap on gross revenue per year. May manufacture products using water-based, food-based (cooking fats, glycerin, propylene glycol, or alcohol), or heat/pressure-based extraction. Must be a home-occupancy business.	\$750
2	No cap on annual gross revenue. May manufacture products using the same extraction methods as a Tier 1 manufacturer	\$2,500
3	No cap on annual gross revenue. May manufacture products using the same extraction methods as a Tier 1 manufacturer, as well as solvent-based extraction (butane or hexane extraction is prohibited).	\$15,000

#### **Retailers**

**Retailer licensees** may sell cannabis and cannabis products to the general public. Only a licensed retail establishment or an integrated licensee, may sell cannabis or cannabis products to the general public.

#### **Associated Fee**

\$10,000

#### **Wholesalers**

**Wholesaler licensees** may purchase cannabis and cannabis products from other licensees and sell them to licensees, however, they are *not* permitted to sell to the public.

#### **Associated Fee**

\$4,000

#### **Testing Laboratories**

**Testing Laboratory licensees** may test cannabis and cannabis products obtained from a licensed cannabis establishment, dispensary, or a member of the public.

#### **Associated Fee**

\$1,500

#### **Integrated License**

**Integrated licensees** may engage in the activities of each of the license types listed above. These licenses are *only* available to applicants that hold a dispensary registration on April 1, 2022.

Associated Fee \$100,000

Application Fees

In addition to the above annual licensing fees, applicants must pay a **one-time \$1,000** application fee. This application fee is non-transferable and non-refundable.

## **Other Fees**

#### **Cannabis Establishment Identification Cards**

\$50 per card

ID Cards, issued by the Board, are required for everyone working at a licensed cannabis establishment. Owners and principals are issued ID cards as a part of the application and licensing process. Employees of the licensed cannabis establishments must be issued an ID card separately from the licensure process.

This mandatory annual fee could be paid either by the employee or the cannabis establishment.

#### Local Licensing Fees \$100

This is a mandatory annual fee that must be paid to the Board in conjunction with the licensing fee after the Board's approval for licensure. It is subsequently distributed to the municipality where the cannabis establishment is licensed. This fee is non-transferrable and non-refundable.

#### **Product Licensing**

\$50 per type of cannabis and cannabis product

This is a mandatory annual fee that should be paid to the Board for each distinct cannabis product registered by a licensee. It is non-transferable and non-refundable.

## **Information for Social Equity Applicants**

The Board will waive the application fee and the license fee for the first year that a social equity applicant is licensed.

In subsequent years, licensing fees for social equity licensees shall be paid on the following schedule:

- Year 2: Licensee pays 25% of license fee
- Year 3: Licensee pays 50% of license fee
- Year 4: Licensee pays 75% of license fee
- Year 5, and all subsequent years: Licensee pays full license fee

The Board cannot waive the mandatory \$100 local license fee, the \$50 product registration fee, or the \$50 employee ID fee(s) for social equity licensees.

## **Administrative Amendment and Off-Cycle Renewal Fees**

Changes in license details that do not require Board approval or license reissuance are considered administrative amendments. There is no fee for administrative amendments. Examples of administrative amendments include: a last name change of the cannabis establishment owner, a business name change, changes of the contact information for the business (e.g., email address, phone number).

Major changes that require Board approval, such as a change in operating location or ownership, result in an off-cycle renewal. If granted, an off-cycle renewal advances the natural expiry date of the subject license. Fees for off-cycle renewals are prorated based upon the time added to the license duration.

**Example:** A Tier 3 Outdoor Cultivation license is subject to a \$4,000 annual licensing fee. If a Tier 3 license were issued on June 1<sup>st</sup>, an ownership change approved by the Board effective September 1<sup>st</sup> of the same year would add three months to the duration of the license. Consequently, the licensee's off-cycle renewal fee would be calculated as ¼ of the annual licensing fee, or \$1,000. The renewed license would be valid through September 1<sup>st</sup> of the following year, which would become the new license expiry date.

### **Fee Payment Instructions**

CCB accepts, and strongly encourages, online payment by credit and debit card and electronic checks through the online submission portal. CCB currently accepts online payments made via all four major credit card networks (VISA, Mastercard, Amex and Discover.) Online payments through the portal allow for more timely and efficient processing of payments submitted. Other accepted forms of payment include paper checks, money orders, and cash.

Checks and money orders should be made out to the Cannabis Control Board. Instruments of payment *must* include the name of the cannabis establishment for which the payment is

submitted and the submission number of the application. All checks and money orders related to product registration (PR) numbers, must reference the specific PR number/numbers being paid for. Additionally, checks and money orders will only be accepted for the exact amount due. If a check or money order is received for more than the amount due, it will be returned to the licensee. CCB will not hold payment for any future product registrations or application fees. Send all payments to the following address:

Cannabis Control Board Attn: Accounting 89 Main Street 3<sup>rd</sup> Floor Montpelier, VT 05620

All cash payments require an appointment with CCB staff during regular business hours to complete the transaction. To schedule an appointment, please email <u>CCB.fees@vermont.gov</u> with a request to make a cash payment. Each request should include a submission number of the application, the fee type and the amount. CCB staff will review each request in the order it is received and will provide further instructions as necessary.

## **Refund Policy**

It is CCB policy that all fees are non-refundable and non-transferable. CCB does not transfer fees, or issue refunds for local fees, employee ID cards or for product registration fees. CCB does not process any partial refunds.

**Important:** If an application for licensure has been denied by the Board, or cannot be completed, the applicant is not subject to a refund of the application fee.

Exception to the refund policy will be considered only if

(1) an application was submitted in genuine error, e.g., based on a mistake about what license to seek,

#### AND

(2) a refund request was made within 24 hours of submission, in writing, to <u>CCB.fees@vermont.gov</u>, bearing the subject line, "Refund Request."

All requests for refunds should include a full name of the requestor, the name of the associated cannabis establishment, the submission number, the transaction date, the amount of the requested refund and the original method of payment. Please note that CCB may request additional information depending on the form of tender in which the payment was made. This may include information about the check number, the serial number from a money order, or the reference or confirmation sequence generated by the online payment portal. Proof of identification will be required to verify the validity of the request and to prevent the risk of fraud.

Please note that refunds for online fee payments may be subject to a 3% processing fee. The CCB will not issue refunds in cash.