

2025 CCB Rule Amendments

CHANGES TO NOTICE

Major Goals of this Project

- ▶ Lowering regulatory burdens through process simplification
 - ▶ At initial licensure—e.g., elimination of prequalification redundancies
 - ▶ At renewal—e.g., elimination of redundant doc collection
 - ▶ In substantive compliance—e.g., reduction in fencing req's
 - ▶ When changes happen—e.g., 1.17 amendments for principal/location change
- ▶ Rationalizing the ID card and pre-licensure screening
- ▶ Establishing retail siting rules
- ▶ Protecting consumers—e.g., brand clarity, medical standards parity
- ▶ Protecting upstream cannabis establishments—e.g., restricting consignment

Agenda – 60 Minutes

- ▶ Brief intro to administrative rulemaking and how to participate
- ▶ Ten changes to know
- ▶ Top-to-Bottom Walkthrough
- ▶ If time remains, Q&A

The APA Process

- ▶ Proposed rule text and meeting link available from the CCB's laws-and-rules page, <https://ccb.vermont.gov/laws-rules-and-regulations>.
- ▶ Comment orally at the February 20 hearing or in writing to ccb.comment@vermont.gov
- ▶ Comments become part of the administrative record and are a public record.
- ▶ Don't fixate on proposed changes and forget the rest.

10. Simplifies Initial Application

Goodbye Pre-qual

- ▶ CCB will no longer collect documents from applicants or assess compliance until the application fee is paid and full application is in hand

Hello Orientation

- ▶ Staff may require that prospective applicants attend compulsory orientation
- ▶ Orientation will screen for all the things pre-qual did:
 - ▶ Social equity eligibility
 - ▶ Familiarity with one-license rule
 - ▶ Familiarity with background disqualifiers
 - ▶ Fundamental viability of plans

9. Simplifies Renewal

Goodbye Redundant Collection

- ▶ Renewal is down to insurance, tax compliance, background checks (as appropriate) and the statutory fee
- ▶ Instead of annual production of COO and other documents unlikely to change, licensee is responsible to maintain accurate governing documents

Hello Governing Documents

- ▶ Material changes in operations, equipment, site plan, scope of services, etc., are reported on an ongoing basis, not at renewal
- ▶ Renewing establishment affirms that docs of record accurately reflect its operating status

8. Simplifies Ownership or Location Change

Goodbye “Early Renewal”

- ▶ Ends confusing misnomer
- ▶ Substantive license is changed, not renewed
- ▶ License expiry dates will not change and are not extended
- ▶ More forms, fewer conversations

Hello “License Amendment”

- ▶ More accurately reflects what is being done
- ▶ Will be accompanied by a discrete application form fit for purpose
- ▶ Includes clear definition of *de minimis* changes that require written notice only
 - ▶ Generally, departure of a principal with no change in majority control, or departure of one 50/50 partner; nobody new to vet

7. Expands Bases to Deny a Card

Less reliance on listed offenses

- ▶ Existing rule called for comprehensive background checks but tied the Board's hands when trouble turned up
- ▶ Was tied to legislatively "listed offenses," but those do not always guarantee unfitness to participate in the regulated cannabis marketplace, and many "unlisted" forms of misconduct, especially around fraud and deception, do.

More focus on public protection

- ▶ General misconduct, deviant business practices may warrant denial
- ▶ Irresponsible operation or closure of a cannabis business in this or another jurisdiction may warrant denial, including leaving creditors unsatisfied
- ▶ Offers encouragement to maintain compliance during dissolution

6. Sets Propagation Cultivator Rules

No surprises; codifies existing licensing policy

- ▶ Manages canopy calculation and prohibition on flowering
- ▶ Sets guardrails around direct sales of seeds

5. Establishes Retail Siting Rules

Proposed model is based on municipal population

- ▶ Some room to adapt to local idiosyncrasies
 - ▶ Travel & tourism gateways
 - ▶ Express approval of local municipal bodies
- ▶ Expect debate
- ▶ When adopted, will facilitate re-opening application acceptance

4. Disallows Floating Brands

Branding must correspond to a license

- ▶ More transparent to the consumer
- ▶ Preserves accountability for marketing
- ▶ Prevents unlicensed activity
- ▶ Enforced by refusing PR to brands not associated with a licensee

- ▶ White labeling is still allowed
- ▶ In white labeling, the brand presented to the consumer is a licensed entity as well as the manufacturer

3. Disallows Consignment

Retailer to Own Stock

- ▶ More consistent with statute
- ▶ Protects everyone in case of seizure or forfeiture
- ▶ Protects cultivators from exploitation
- ▶ May impair ability of cultivators to break into market

Credit is Allowed

- ▶ Rule does not require COD
- ▶ Rule does not prohibit promissory notes or merchandising contracts
- ▶ May consider capping credit at net-30, but the rule as proposed does not
- ▶ Expect significant debate

2. Harmonizes Adult-use and Med

Med Endorsement

- ▶ Interested retailers may obtain a special endorsement to serve registered patients
- ▶ Appropriate facilities required
- ▶ Complicates POS compliance, sales monitoring, and tax enforcement
- ▶ May consider conflict-of-interest rules re: registration

AU Standards

- ▶ Medical products to be pest/pathogen tested, registered prior to sale, and followed in Inventory Tracking
- ▶ Medical product labels to be black-and-white
- ▶ Endorsed retailers must have appropriate facilities

1. Prepares Retail Space for Medical Endorsement

- ▶ Accessibility
- ▶ Patient Privacy

Questions?

- ▶ Send your Rule Comments:
 - ▶ ccb.comment@vermont.gov