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GUIDANCE FOR MUNICIPALITIES

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Introduction

This guidance offers a general orientation to Vermont’s regulated cannabis marketplace, with a focus on matters of interest to cities and towns. It explains the structure and role of the Cannabis Control Board (CCB or “the Board”); the licenses the Board issues; how state-level cannabis licensing interacts with local ordinances and bylaws; taxes and fees associated with cannabis regulation; and some of the health and safety rules that govern how a cannabis establishment may operate.

Municipal officials interested in forming a local cannabis control commission, as well as members of such commissions, can find important details in related [Guidance for Local Cannabis Commissions](#).

This guidance is not a substitute for legal advice. Officials and municipal bodies in need of legal advice should consult their town or city attorney.

The Cannabis Control Board

The three-member Cannabis Control Board was created by [Act 164 \(2020\)](#) as “an independent commission . . . for the purpose of safely, equitably, and effectively implementing and administering the laws enabling access to adult-use cannabis in Vermont.” [7 V.S.A. § 843](#).

The Board’s governing statutes have been refined in subsequent sessions by [Act 62 \(2021\)](#), [Act 158 \(2022\)](#), [Act 65 \(2023\)](#), and Act 166 (2024).

Today, the Board’s responsibilities also include administration of the medical cannabis program, and jurisdiction over novel and hemp-derived cannabinoids. *Id.* §§ 843, 862a. The Board promulgates administrative rules consistent with its mandate, including inspection rules, health and safety requirements, and disciplinary procedures.

Information about Board members and staff can be found at <https://ccb.vermont.gov/members>.

Links to the Board’s governing statutes and administrative rules are available at <https://ccb.vermont.gov/laws-rules-and-regulations>.

Cannabis Establishments

Types of Cannabis Establishments

State law refers adult-use cannabis businesses as “cannabis establishments.”

The Board licenses cannabis establishments of the following types:

1. **Cultivator:** Cultivator licensees may grow cannabis plants, either outdoors, indoors, or in a mixed setting. [7 V.S.A. § 904](#).
2. **Propagation Cultivator:** Propagation cultivator licensees may cultivate cannabis clones, immature plants, and mature plants. [7 V.S.A. § 861\(31\)](#); [7 V.S.A. § 904](#). This license type, created by [Act 65 \(2023\)](#), will become available in 2024.
3. **Manufacturer:** Manufacturer licensees may produce cannabis products from cannabis plants, including edibles, oils, and other such products. [7 V.S.A. § 906](#).

4. **Wholesaler:** Wholesaler licensees may purchase cannabis and cannabis products from other licensees and sell them to licensees. [7 V.S.A. § 905](#).
5. **Testing Laboratory:** Testing Laboratory licensees may test cannabis and cannabis products obtained from a licensed cannabis establishment, dispensary, or a member of the public. [7 V.S.A. § 908](#).
6. **Retailer:** Retailer licensees may sell cannabis and cannabis products to the general public. [7 V.S.A. § 907](#). Only retailer licensees and integrated licensees may sell cannabis or cannabis products to the general public.
7. **Integrated:** Integrated Licensees may engage in the activities of each of the license types listed above, but these licenses are only available to "an applicant and its affiliates that hold a dispensary registration on April 1, 2022." [7 V.S.A. § 909](#).

Tiered License Types

Cultivator and Manufacturer licenses are issued in tiers that describe the size or scope of operations authorized. See 7 V.S.A. § 910; Board Rule 1.

Key Parameters of Cannabis Establishment Licenses

1. A licensee may hold multiple types of licenses, but a licensee and affiliates may hold only one license of each type. [7 V.S.A. § 901](#).
2. Each license allows for only one location of the cannabis establishment. [7 V.S.A. § 901](#).
3. Multiple licensees may operate at the same location, subject to limitations established by the Board, except that multiple retail operations may not operate at the same location.
4. All cannabis establishments are subject to comprehensive regulation and regular inspection by CCB staff.

Municipal Authority and Cannabis Establishments

Cities and towns are important partners in the effective administration of a safe, effective, and economically beneficial cannabis marketplace. This section explains how municipal affairs intersect with cannabis regulation, particularly in respect to land use and permitting.

To be an effective regulatory partner, the CCB wants to know of significant local developments. Municipal officials are asked to promptly notify ccb.info@vermont.gov if:

- A local control commission is created or dissolved
- A local control commission acts against a Board licensee
- Municipal voters opt-in or subsequently opt-out of authorizing retail sales
- A municipality creates cannabis cultivation districts or establishes or modifies related setbacks

These events are explained in more detail below. With notification of official actions, please provide copies or links to relevant documents, such as minutes, resolutions, electoral results, or bylaws.

Voters Opt-in for Retail

Before a municipality may host a retail cannabis establishment, its voters must opt-in to retail sales by Australian ballot. This requirement does not apply to non-retail cannabis establishments, like cultivators and manufacturers. [7 V.S.A. § 863\(a\)\(1\)](#).

The voters of a municipality that opted-in to retail cannabis sales may reverse themselves at any time through a duly warned opt-out vote. If this occurs, incumbent retail establishments may continue to operate. [7 V.S.A. § 863\(a\)\(2\)](#).

Municipal Regulatory Authority

In general, a municipality may hold a cannabis establishment to the same bylaws and ordinances that would apply to a non-cannabis business of similar character. [7 V.S.A. § 863](#).

A municipality must not use ordinances or bylaws to create a *de facto* prohibition on cannabis establishments, to create rules governing the operation of cannabis establishments, or otherwise to condition a cannabis establishment's ability to operate on any basis other than its compliance with zoning bylaws adopted pursuant to [24 V.S.A. § 4414](#) or ordinances regulating signs or public nuisances under [24 V.S.A. § 2291](#). [7 V.S.A. § 863](#).

State law limits municipal regulatory authority over licensed outdoor cultivation. Alone among the types of regulated cannabis commerce, licensed outdoor cultivation "shall . . . be regulated in the same manner as 'farming' and not as 'development' for permitting purposes." [7 V.S.A. § 869](#). Licensed outdoor cultivation is subject to Required Agricultural Practices (RAPs) overseen by the State, not municipal bylaws overseen by municipalities. *Id.* [§ 869\(f\)\(2\)](#). And licensed outdoor cultivation that complies with the RAPs and other law enjoys a rebuttable presumption that cultivation does not constitute a nuisance. *Id.* [§ 869\(f\)\(5\)](#).

Cultivation Districts and Setbacks

Effective January 1, 2025, a municipality may designate cannabis cultivation districts. Act 166 (2024), § 16.

A municipality, after consultation with the municipal cannabis control commission, if one exists, may adopt a bylaw identifying cannabis cultivation districts where the outdoor cultivation of cannabis is preferred within the municipality ... The adoption of a cannabis cultivation district shall not have the effect of prohibiting cultivation of outdoor cannabis in the municipality.

[24 V.S.A. § 4414a](#).

Setbacks

Inside a cannabis cultivation district, outdoor cultivation enjoys a presumption of no undue effect on the character of the area, and the setback adopted by the municipality, if any, may not exceed 25 feet.

[7 V.S.A. § 869\(f\)\(2\)\(A\)](#).

Outside a cannabis cultivation district, any adopted setback may not exceed 50 feet. *Id.* [§ 869\(f\)\(2\)\(B\)](#).

"If a municipality does not have zoning, the setback shall be 10 feet." *Id.* [§ 869\(f\)\(2\)\(C\)](#).

Minimum setback distances are to be measured “between the cannabis plant canopy and a property boundary or edge of a highway.” *Id.* § 869(f)(2).

The diameter of a mature cannabis plant will vary based on genetics, growing conditions, and chance. To promote fair and consistent measurement and enforcement, the Board recommends that outdoor cultivators plant with a buffer of at least thirty inches to a setback line, and that municipal officials treat as compliant mature plants with a commensurate stalk-to-setback measurement, disregarding incursion that may result from random variation.

A canopy setback concerns live plants in soil and is of no relevance to structures at a cultivation site.

Local Cannabis Control Commissions

A municipality may create a local cannabis control commission to administer local licenses. 7 V.S.A. § 863. No municipality is required to create a local commission. A local commission may not charge local license fees. *Id.* § 863(b). A local license may be conditioned upon the recipient establishment’s compliance with applicable bylaws and ordinances. *Id.*

Creation of a local control commission does not in any way alter the bounds of a municipality’s regulatory authority, as explained in section IV(B), above. Instead, by issuing required local licenses to cannabis establishments within its borders, a local control commission links a cannabis establishment’s compliance with bylaws and ordinances to the establishment’s eligibility to obtain or retain a CCB license—an extra incentive for a cannabis establishment to comply with rules the municipality already could enforce pursuant to its general authority to regulate businesses.

Withholding, conditioning, suspending, or revoking a local license for any reason other than those described above in section IV(B), is a violation of State law. If the CCB concludes a municipality has exceeded its authority in respect to local licensing, the CCB may issue a State license to a cannabis establishment from which a local license has been withheld. 7 V.S.A. § 863(c). Similarly, because cannabis establishments often face considerable carrying costs, CCB rules provide that the Board will assume assent from a local control commission if that commission has not acted within 45 days of receiving notice of an application.

Confidentiality of Some License Application Content

State law ordains that “records related to licensee security, safety, transportation, or trade secrets, including information provided in an operating plan” are to be kept confidential. 7 V.S.A. § 901a(c)(1).

It is important for local officials to be aware of § 901a(c)(1) when posting notice of proceedings, giving required notices to abutters, and conducting meetings concerning cannabis establishments.

The CCB will make legally required redactions from all application materials it shares with municipalities and local commissions; however, some municipal permitting proceedings may call for a cannabis establishment to separately submit information that is confidential pursuant to § 901a(c)(1). Municipalities working with cannabis establishments should take particular care to avoid publicizing schematics and business documents that illustrate an establishment’s security features, alarms, manufacturing equipment, non-obvious points of ingress and egress, vehicle storage, finances, or operating practices.

Vermont’s Open Meeting Law allows that a public body may enter executive session to discuss records that are by law designated confidential, so long as the body returns to open session for more general discussion of the subject to which the record pertains. [1 V.S.A. § 313\(a\)\(6\)](#). In the rare event that a permitting body must evaluate a confidential record about a cannabis establishment, a brief executive session can be a good solution.

If a site visit is required to verify that schematics accurately represent the state of a property, the visit should be accomplished by a designated municipal official who is appropriately oriented to § 901a(c), such as a Zoning Administrator or DRB chair—never by a large group or members of the public.

No State-Mandated Zoning Designations for Cannabis Businesses

There is no provision in state law or the Board’s rules that requires a particular zoning designation for any cannabis establishment.

A municipality’s zoning rules may require a certain type of cannabis establishment to operate within a particular zoning designation, but that will be determined on a town-by-town and business-by-business basis.

For example, there is nothing in state law requiring that cannabis establishments operate within a commercial zoning designation; however, a town’s zoning bylaws may require a particular cannabis establishment to be within a commercially zoned district.

Vermont law does not specify that cannabis is a “commercial product,” and nowhere does the law require that cannabis businesses operate within designated commercial zones.

School Buffer Zones

Retail cannabis establishments are not permitted on property that abuts property owned by a school if the retail operations would occur within 500’ of the nearest boundary with school property. CCB Rule 2.8.1; [18 V.S.A. §4237\(d\)](#).

Properties abut if they share a boundary or if they would share a boundary if but for the presence of a river, stream, or public highway. [Id.](#)

A “school” includes any “public or private elementary, secondary, or vocational school.” [Id. § 4237\(c\)\(1\)](#).

“Public school” includes evening or summer schools operated by a school district. [16 V.S.A. § 11\(b\)\(7\)](#).

A property is “owned by a school” if it is “owned, leased, controlled, or subcontracted by a school and used frequently by students for educational or recreational activities.” [18 V.S.A. § 4237\(f\)\(2\)](#).

A municipality may regulate the location of cannabis establishments to the same extent it may regulate the placement of any other business under its zoning powers pursuant to [24 V.S.A. § 4414](#); however, a municipal government cannot create special buffer zones for cannabis establishments.

Social Equity Criteria

“[I]ndividuals from communities that historically have been disproportionately impacted by cannabis prohibition and individuals directly and personally impacted by cannabis prohibition” may be designated “social equity applicants.” 7 V.S.A. § 911. Cannabis businesses owned and operated by social equity applicants may be eligible for reduced or waived fees, as well as certain business assistance. 7 V.S.A. §§ [911](#) & [986 et seq.](#)

Though municipalities are encouraged to make local permitting processes accessible to new businesses, municipalities may not condition local licensing or permitting decisions upon social equity status.

Environmental Regulations

Cannabis establishments must abide by all generally applicable environmental regulations, whether state or municipal.

The Board will require some additional environmental standards, as provided in Board Rule 2, available at the [CCB's website](#). For example, larger cultivators who operate on municipal water must obtain a notice that the municipal water authority has capacity to serve the cultivation operation.

Municipalities do not have authority to implement special environmental rules for cannabis establishments, beyond their authority to create zoning bylaws with general effect.

Taxes and Fees

The legislature has exclusive authority to establish taxes and fees. For the statutory schedule of fees applicable to CCB licensees, see 7 V.S.A. § 910.

Excise Taxes

A 14% excise tax applies to all adult-use cannabis and cannabis products. Under current law, municipalities do not receive a portion of the cannabis excise tax. 32 V.S.A. § 7902.

Local Fees

A \$100 local licensing fee is collected from cannabis establishments at license issuance and annual renewal. The CCB disburses local licensing fees quarterly to each municipality that is home to a cannabis establishment. 7 V.S.A. § 846(c).

Local Option Taxes

Vermont Sales and Use Tax applies to all adult-use cannabis and cannabis products. Municipalities that have such a tax will receive local option tax revenue on retail sales.

Municipalities cannot add a local option sales tax that applies exclusively to cannabis products. Municipalities that have a local option sales tax cannot exempt cannabis products from that tax. Municipalities must tax cannabis products as they would as any other good.

Meals and Rooms Taxes

Meals and Rooms taxes do not apply to cannabis products, nor do they apply to edible cannabis products. Therefore, a local option tax on meals would not apply to the retail sale of any cannabis products.

Public Health, Education, and Advertising

Public Health and Education

The CCB has developed detailed requirements to ensure that regulated cannabis and cannabis products are tested, free from harmful adulterants, and offered for sale only to persons 21 years of age or older who are appropriately informed of the risks of cannabis consumption. The CCB has broad authority to stop sales and recall adulterated products.

All cannabis products must be sold only in approved packaging that features standard health warnings and symbols approved by the Vermont Department of Health. Packaging is scrutinized to ensure it does not appeal to children, and cannabis products must be sold in child-resistant packaging to reduce the risk of inadvertent exposure. Retailers are required to offer each customer a health information flyer approved by the Vermont Department of Health.

Advertising

Vermont's cannabis advertising laws are among the most restrictive in the country. All advertisements must be approved by the CCB prior to publication. Advertising cannot be deceptive, promote overconsumption, suggest that cannabis has curative effects, offer free samples, or have special appeal to persons under 21. See [7 V.S.A. § 864](#).

Cannabis establishments may not advertise their products via any medium where more than 15 percent of the audience will be under 21 years of age. [7 V.S.A. § 864](#); Board Rule 2.2.11.

Public Safety, Compliance, and Enforcement

Cannabis Establishment Security

All cannabis establishments must comply with security requirements specific to their license type. See Board Rule 2.

Cannabis Age and Possession Limits and Retail Establishments

A person 21 years of age or older may purchase up to one ounce of cannabis per transaction at a cannabis retail establishment and possess up to one ounce of cannabis on their person. [18 V.S.A. § 4230a](#). It is a civil violation for a person under 21 years of age to possess any amount of cannabis. [18 V.S.A. § 4230b](#).

No person under 21 may enter a cannabis establishment. Underage entry and sale may expose licensees to sanctions in the tens of thousands of dollars per occurrence, license suspension, and license revocation.

Transportation of Cannabis Between Licensees

Cannabis and cannabis products must be transported discretely and securely to avoid encouraging theft or diversion. Cannabis must be entered and tracked in inventory tracking software that indicates a transfer between license holders. Every time cannabis is transported, a manifest must be generated containing detailed information such as approximate time of departure, destination, estimated time of arrival, the transportation vehicle's make, model, and license plate number, and signature of an employee of the cannabis establishment receiving the product. Cannabis establishment employees must carry a valid CCB employee ID card when working, including when transporting cannabis.

Tracking and Registration

The CCB's evolving inventory tracking system tracks cannabis plants from seed to sale. High-specificity tracking ensures product safety and combats diversion, inversion, adulteration, and tax evasion.

Before any cannabis product can be marketed, it must be registered with the CCB based on compliance with testing, packaging, and labeling requirements. Certain products are prohibited by law, including those that combine cannabis with alcohol or nicotine, flavored vaping oils, and products in excess of potency limits. [7 V.S.A. § 868](#).

Complaints About Cannabis Establishments

The Board accepts and investigates complaints about cannabis license applicants, licensees, or unlicensed persons selling prohibited products. To file a complaint online, go to <https://ccb.vermont.gov/AUcomplaints>. To assist us in effective investigation and enforcement, please include pertinent details, such as date, time, location, and witnesses.

Municipalities retain authority to enforce ordinances regarding “public nuisances” under [24 V.S.A. § 2291](#).

Investigations of Cannabis Establishments

Complaints are investigated by CCB field agents, with the assistance of law enforcement when appropriate. The regulated cannabis marketplace is pervasively regulated. CCB field agents may enter and inspect a licensed cannabis establishment at any time, for cause or at random. Licensees are required to cooperate with reasonable CCB investigative requests.

Records related to complaints and investigations are confidential; however, if an investigation results in formal action against a license, the case record is public under the Vermont Public Records Act. 7 V.S.A. § 901a.

Sanctioning Cannabis Establishments

The Board has authority to suspend and revoke licenses, as well as to issue civil citations to persons, including non-licensees, who have violated the provisions of Title 7, chapter 33 or Board rules.

More information about the Board’s enforcement processes can be found in Board Rule 4, available at [the Board’s website](#).

Lawful Locations for Cannabis Consumption

State law prohibits cannabis consumption in any public place, meaning any street, alley, park, sidewalk, public building other than individual dwellings, any place of public accommodation, and any place where the use or possession of a lighted tobacco product, tobacco product, or tobacco substitute is prohibited by law. Places of public accommodation include restaurants, stores, or other facilities at which services, facilities, goods, privileges, advantages, benefits, or accommodations are offered to the general public. [18 V.S.A. § 4230a](#). A restaurant or function hall remains a place of public accommodation when it is rented for a private party.

Public consumption of cannabis in any form is prohibited and is subject to civil penalties capped at \$100 for a first offense, \$200 for a second offense, and \$500 for a third or subsequent offense. [18 V.S.A. § 4230a](#).

Commercial Driver’s Licenses

The requirements for getting and keeping a Commercial Driver’s License are not impacted by the legalization of cannabis in Vermont. Any substance that was prohibited for use by CDL holders prior to cannabis legalization in Vermont is still prohibited.

Online Sales and Delivery to Consumers

Cannabis establishments may allow online ordering for in-person pickup only. Consumers must take possession of adult-use cannabis and cannabis products inside the secured area of a licensed retail location. Delivery to consumers, at home and at curbside, is prohibited.¹

Cannabis Product Manufacturing

Cannabis manufacturers operating in buildings under the jurisdiction of the Division of Fire Safety must comply with the Vermont Fire and Building Safety Code. A manufacturer operating in a facility that is not under DFS jurisdiction² is prohibited from using hydrocarbon extraction.

Towns may regulate cannabis manufacturing operations to the same extent they may regulate any business pursuant to their zoning authority but may not place special conditions upon manufacturing operations beyond their general zoning authority.

Changes of Ownership and Control of Cannabis Establishments

Cannabis establishments are required to notify the Board of changes of ownership and control. Information about ownership is a public record.

Novel Cannabinoids

“[T]he production, manufacture, marketing, transfer, and sale of hemp-derived intoxicating cannabinoids and synthetic cannabinoids” is prohibited by Board Rule 2.17. Prohibited products often are marketed as containing delta-8 THC, delta-10 THC, or delta-9 THC that is derived from hemp. Manufacturers of these intoxicating products sometimes advise small retailers that the products are “federally legal” or exempt from regulation because they are sourced from hemp. This is false.

Municipal authorities aware that unregulated THC products are being sold or shipped to their residents are asked to notify the Board using the online form at <https://ccb.vermont.gov/AUcomplaints>.

¹ Medical dispensaries, by contrast, may in some circumstances deliver cannabis to a registered patient or caregiver. 7 V.S.A. § 971(b).

² In the context of cannabis establishments, the term means an owner-occupied single-family residence, where an owner-operator works alone, without employing any second person. 20 V.S.A. §§ 2729(c) (exempting owner-occupied single-family residences from DFS jurisdiction) & 2730(a) (defining “public building” to include a building in which two or more persons are employed).