

**No. 155. An act relating to the regulation of marijuana for symptom relief and dispensaries.**

(S.247)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 18 V.S.A. § 4472 is amended to read:

§ 4472. DEFINITIONS

As used in this subchapter:

(1) “Bona fide health care professional-patient relationship” means a treating or consulting relationship of not less than six months’ duration, in the course of which a health care professional has completed a full assessment of the registered patient’s medical history and current medical condition, including a personal physical examination. The six-month requirement shall not apply if a patient has been diagnosed with:

(A) a terminal illness,

(B) cancer with distant metastases, or

(C) acquired immune deficiency syndrome.

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(4) “Debilitating medical condition,” provided that, in the context of the specific disease or condition described in subdivision (A) or (B) of this subdivision (4), reasonable medical efforts have been made over a reasonable amount of time without success to relieve the symptoms, means:

(A) cancer, multiple sclerosis, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, or the

treatment of these conditions, if the disease or the treatment results in severe, persistent, and intractable symptoms; or

(B) a disease, medical condition, or its treatment that is chronic, debilitating, and produces severe, persistent, and one or more of the following intractable symptoms: cachexia or wasting syndrome; severe pain; severe nausea; or seizures.

(5) “Dispensary” means a nonprofit entity registered under section 4474e of this title which acquires, possesses, cultivates, manufactures, transfers, transports, supplies, sells, or dispenses marijuana, marijuana-infused products, and marijuana-related supplies and educational materials for or to a registered patient who has designated it as his or her center and to his or her registered caregiver for the registered patient’s use for symptom relief. A dispensary may provide marijuana for symptom relief to registered patients at only one facility or location but may have a second location associated with the dispensary where the marijuana is cultivated or processed. Both locations are considered to be part of the same dispensary.

(6)(A) “Health care professional” means an individual licensed to practice medicine under 26 V.S.A. chapter 23 or 33, an individual licensed as a naturopathic physician under 26 V.S.A. chapter 81 who has a special license endorsement authorizing the individual to prescribe, dispense, and administer prescription medicines to the extent that a diagnosis provided by a naturopath under this chapter is within the scope of his or her practice, an individual

certified as a physician assistant under 26 V.S.A. chapter 31, or an individual licensed as an advanced practice registered nurse under 26 V.S.A. chapter 28.

(B) Except for naturopaths, this definition includes individuals who are professionally licensed under substantially equivalent provisions in New Hampshire, Massachusetts, or New York.

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(14) “Transport” means the movement of marijuana and marijuana-infused products from registered growing locations to their associated dispensaries, between dispensaries, to registered patients and registered caregivers in accordance with delivery protocols, or as otherwise allowed under this subchapter.

(15) “Usable marijuana” means the dried leaves and flowers of marijuana, and any mixture or preparation thereof, and does not include the seeds, stalks, and roots of the plant.

~~(15)~~(16) “Use for symptom relief” means the acquisition, possession, cultivation, use, transfer, or transportation of marijuana, or paraphernalia relating to the administration of marijuana to alleviate the symptoms or effects of a registered patient’s debilitating medical condition which is in compliance with all the limitations and restrictions of this subchapter. ~~For the purposes of this definition, “transfer” is limited to the transfer of marijuana and paraphernalia between a registered caregiver and a registered patient.~~

Sec. 2. 18 V.S.A. § 4474 is amended to read:

§ 4474. REGISTERED CAREGIVERS; QUALIFICATION STANDARDS  
AND PROCEDURES

(a) A person may submit a signed application to the ~~department of public safety~~ Department of Public Safety to become a registered patient's registered caregiver. The ~~department~~ Department shall approve or deny the application in writing within 30 days. In accordance with rules adopted pursuant to section 4474d of this title, the Department shall consider an individual's criminal history record when making a determination as to whether to approve the application. An applicant shall not be denied solely on the basis of a criminal conviction that is not listed in subsection 4474g(e) of this title or 13 V.S.A. chapter 28. The ~~department~~ Department shall approve a registered caregiver's application and issue the person an authorization card, including the caregiver's name, photograph, and a unique identifier, after verifying:

(1) ~~the person will serve as the registered caregiver for one registered patient only; and~~

(2) ~~the person has never been convicted of a drug-related crime.~~

(b) Prior to acting on an application, the ~~department~~ Department shall obtain from the Vermont ~~criminal information center~~ Crime Information Center a Vermont criminal record, an out-of-state criminal record, and a criminal record from the Federal Bureau of Investigation for the applicant. ~~For purposes of this subdivision, "criminal record" means a record of whether the~~

~~person has ever been convicted of a drug related crime.~~ Each applicant shall consent to release of criminal records to the ~~department~~ Department on forms substantially similar to the release forms developed by the ~~center~~ Center pursuant to 20 V.S.A. § 2056c. The ~~department~~ Department shall comply with all laws regulating the release of criminal history records and the protection of individual privacy. The Vermont ~~criminal information center~~ Crime Information Center shall send to the requester any record received pursuant to this section or inform the ~~department of public safety~~ Department that no record exists. If the ~~department~~ Department disapproves an application, the ~~department~~ Department shall promptly provide a copy of any record of convictions and pending criminal charges to the applicant and shall inform the applicant of the right to appeal the accuracy and completeness of the record pursuant to rules adopted by the Vermont ~~criminal information center~~ Crime Information Center. No person shall confirm the existence or nonexistence of criminal record information to any person who would not be eligible to receive the information pursuant to this subchapter.

(c)(1) ~~A~~ Except as provided in subdivision (2) of this subsection, a registered caregiver may serve only one registered patient at a time, and a registered patient may have only one registered caregiver at a time.

(2) A registered patient who is under 18 years of age may have two registered caregivers.

Sec. 3. 18 V.S.A. § 4473(b) is amended to read:

(b) The ~~department of public safety~~ Department of Public Safety shall review applications to become a registered patient using the following procedures:

(1) A patient with a debilitating medical condition shall submit, ~~under oath,~~ a signed application for registration to the ~~department~~ Department. A patient's initial application to the registry shall be notarized, but subsequent renewals shall not require notarization. If the patient is under ~~the age of~~ 18 years of age, the application must be signed by both the patient and a parent or guardian. The application shall require identification and contact information for the patient and the patient's registered caregiver applying for authorization under section 4474 of this title, if any, and the patient's designated dispensary under section 4474e of this title, if any. The applicant shall attach to the application a medical verification form developed by the ~~department~~ Department pursuant to subdivision (2) of this subsection.

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Sec. 4. 18 V.S.A. § 4474d(e)–(g) are added to read:

(e) The Department shall adopt rules for the issuance of a caregiver registry identification card that shall include standards for approval or denial of an application based on an individual's criminal history record. The rules shall address whether an applicant who has been convicted of an offense listed in

subsection 4474g(e) of this title or 13 V.S.A. chapter 28 has been rehabilitated and should be otherwise eligible for a caregiver registry identification card.

(f) The Department shall adopt rules establishing protocols for the safe delivery of marijuana to patients and caregivers.

(g) The Department shall adopt rules for granting a waiver of the dispensary possession limits in section 4474e of this title upon application of a dispensary for the purpose of developing and providing a product for symptom relief to a registered patient who is under 18 years of age who suffers from seizures.

Sec. 5. 18 V.S.A. § 4474e is amended to read:

§ 4474e. DISPENSARIES; CONDITIONS OF OPERATION

(a) A dispensary registered under this section may:

(1) Acquire, possess, cultivate, manufacture, transfer, transport, supply, sell, and dispense marijuana, marijuana-infused products, and marijuana-related supplies and educational materials for or to a registered patient who has designated it as his or her dispensary and to his or her registered caregiver for the registered patient's use for symptom relief. ~~For purposes of this section, "transport" shall mean the movement of marijuana or marijuana-infused products from registered growing locations to their associated dispensaries, between dispensaries, or as otherwise allowed under this subchapter.~~

(A) Marijuana-infused products shall include tinctures, oils, solvents, and edible or potable goods. Only the portion of any marijuana-infused product that is attributable to marijuana shall count toward the possession limits of the dispensary and the patient. ~~The department of public safety~~ Department of Public Safety shall establish by rule the appropriate method to establish the weight of marijuana that is attributable to marijuana-infused products.

(B) Marijuana-related supplies shall include pipes, vaporizers, and other items classified as drug paraphernalia under chapter 89 of this title.

(2) Acquire marijuana seeds or parts of the marijuana plant capable of regeneration from or dispense them to registered patients or their caregivers or acquire them from another registered Vermont dispensary, provided that records are kept concerning the amount and the recipient.

(3)~~(A)~~ (A) Cultivate and possess at any one time up to 28 mature marijuana plants, 98 immature marijuana plants, and 28 ounces of usable marijuana. However, if a dispensary is designated by more than 14 registered patients, the dispensary may cultivate and possess at any one time two mature marijuana plants, seven immature plants, and ~~two~~ four ounces of usable marijuana for every registered patient for which the dispensary serves as the designated dispensary.

(B) Notwithstanding subdivision (A) of this subdivision, if a dispensary is designated by a registered patient under 18 years of age who



qualifies for the registry because of seizures, the dispensary may apply to the Department for a waiver of the limits in subdivision (A) of this subdivision (3) if additional capacity is necessary to develop and provide an adequate supply of a product for symptom relief for the patient. The Department shall have discretion whether to grant a waiver and limit the possession amounts in excess of subdivision (A) of this subdivision (3) in accordance with rules adopted pursuant to section 4474d of this title.

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(d)(1) A dispensary shall implement appropriate security measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and shall ensure that each location has an operational security alarm system. All cultivation of marijuana shall take place in an enclosed, locked facility which is either indoors or otherwise not visible to the public and which can only be accessed by principal officers and employees of the dispensary who have valid registry identification cards. ~~The department of public safety~~ Department of Public Safety shall perform an annual on-site assessment of each dispensary and may perform on-site assessments of a dispensary without limitation for the purpose of determining compliance with this subchapter and any rules adopted pursuant to this subchapter and may enter a dispensary at any time for such purpose. During an inspection, the ~~department~~ Department may review the dispensary's confidential records, including its dispensing records, which shall track transactions according to

registered patients' registry identification numbers to protect their confidentiality.

(2)(A) A registered patient or registered caregiver may obtain marijuana from the dispensary ~~facility~~ by appointment only.

(B) A dispensary may deliver marijuana to a registered patient or registered caregiver. The marijuana shall be transported in a locked container.

(3) The operating documents of a dispensary shall include procedures for the oversight of the dispensary and procedures to ensure accurate record-keeping.

(4) A dispensary shall submit the results of ~~an annual~~ a financial audit to the ~~department of public safety~~ Department of Public Safety no later than 60 days after the end of the dispensary's first fiscal year, and every other year thereafter. The ~~annual~~ audit shall be conducted by an independent certified public accountant, and the costs of any such audit shall be borne by the dispensary. The ~~department~~ Department may also periodically require, within its discretion, the audit of a dispensary's financial records by the ~~department~~ Department.

(5) A dispensary shall destroy or dispose of marijuana, marijuana-infused products, clones, seeds, parts of marijuana that are not usable for symptom relief or are beyond the possession limits provided by this subchapter, and marijuana-related supplies only in a manner approved by rules adopted by the ~~department of public safety~~ Department of Public Safety.

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(n) Nothing in this subchapter shall prevent a dispensary from acquiring, possessing, cultivating, manufacturing, transferring, transporting, supplying, selling, and dispensing hemp and hemp-infused products for symptom relief. “Hemp” shall have the same meaning as provided in 6 V.S.A. § 562. A dispensary shall not be required to comply with the provisions of 6 V.S.A. chapter 34.

Sec. 6. 18 V.S.A. § 4474f is amended to read:

§ 4474f. DISPENSARY APPLICATION, APPROVAL, AND  
REGISTRATION

\* \* \*

(b) Within 30 days of the adoption of rules, the ~~department~~ Department shall begin accepting applications for the operation of dispensaries. Within 365 days of the effective date of this section, the ~~department~~ Department shall grant registration certificates to four dispensaries, provided at least four applicants apply and meet the requirements of this section. No more than four dispensaries shall hold valid registration certificates at one time. ~~The total statewide number of registered patients who have designated a dispensary shall not exceed 1,000 at any one time.~~ Any time a dispensary registration certificate is revoked, is relinquished, or expires, the ~~department~~ Department shall accept applications for a new dispensary. If at any time after one year after the effective date of this section fewer than four dispensaries hold valid

registration certificates in Vermont, the ~~department of public safety~~  
Department of Public Safety shall accept applications for a new dispensary.

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(g) After a dispensary is approved but before it begins operations, it shall submit the following to the ~~department of public safety~~ Department:

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(4) A registration fee of \$20,000.00 for the first year of operation, and an annual fee of \$30,000.00 in subsequent years.

Sec. 7. 18 V.S.A. § 4474m is added to read:

§ 4474m. DEPARTMENT OF PUBLIC SAFETY; PROVISION OF  
EDUCATIONAL AND SAFETY INFORMATION

The Department of Public Safety shall provide educational and safety information developed by Vermont Department of Health to each registered patient upon registration pursuant to section 4473 of this title, and to each registered caregiver upon registration pursuant to section 4474 of this title.

Sec. 8. DEPARTMENT OF HEALTH REPORT; POST-TRAUMATIC  
STRESS DISORDER

The Department of Health, in consultation with the Department of Mental Health, shall review and report on the existing research on the treatment of the symptoms of post traumatic stress disorder, as defined by the American Psychiatric Association’s Diagnostic and Statistical Manual of Mental Disorders, as well as the existing research on the use of marijuana for relief of

the symptoms of post traumatic stress disorder. The Department shall report its findings to the General Assembly on or before January 15, 2015.

Sec. 8a. TAXATION AND REGULATION OF MARIJUANA; REPORT

On or before January 15, 2015, the Secretary of Administration shall report to the General Assembly regarding the taxation and regulation of marijuana in Vermont. The report shall analyze:

(1) the possible taxing systems for the sale of marijuana in Vermont, including sales and use taxes and excise taxes, and the potential revenue each may raise;

(2) any savings or costs to the State that would result from regulating marijuana; and

(3) the experiences of other states with regulating and taxing marijuana.

Sec. 9. EFFECTIVE DATES

This section and Sec. 4 shall take effect on passage and the remaining sections shall take effect on July 1, 2014.

Date Governor signed bill: May 27, 2014