

Introduction - Cannabis Control Board

Wednesday, January 11, 2023



Agenda

- *History of Cannabis Policy*
- *Cannabis Control Board Introduction*
- *Cannabis Control Board Policy Considerations*
- *Questions*

History of Cannabis Policy

History of Cannabis Policy – United States

The Controlled Substances Act (CSA)

Schedule I: high potential for abuse with no currently accepted medical use in treatment in the United States. Examples: heroin, lysergic acid diethylamide (LSD), **marijuana (cannabis)**, 3,4-methylenedioxymethamphetamine (ecstasy), methaqualone, and peyote.

Schedule II: high potential for abuse, with use potentially leading to severe psychological or physical dependence. Examples: combination products with less than 15 milligrams of hydrocodone per dosage unit (Vicodin), cocaine, methamphetamine, methadone, hydromorphone (Dilaudid), meperidine (Demerol), oxycodone (OxyContin), fentanyl, Dexedrine, Adderall, and Ritalin

Schedule III: moderate to low potential for physical and psychological dependence. Examples: products containing less than 90 milligrams of codeine per dosage unit (Tylenol with codeine), ketamine, anabolic steroids, testosterone

Schedule IV: low potential for abuse and low risk of dependence. Examples: Xanax, Soma, Darvon, Darvocet, Valium, Ativan, Talwin, Ambien, Tramadol

Schedule V: lower potential for abuse than Schedule IV and consist of preparations containing limited quantities of certain narcotics. Examples: cough preparations with less than 200 milligrams of codeine or per 100 milliliters (Robitussin AC), Lomotil, Motofen, Lyrica, Parepectolin

History of Cannabis Policy – United States

Throughout the 1970s, 12 states removed or substantially reduced criminal penalties for possession of small amounts of marijuana: AK, CA, CO, ME, MN, MI, NE, NY, NC, OH, OR, and SD.

1996: California becomes the first state to permit cannabis to be used for medicinal purposes

2011: California decriminalizes possession of small amounts of cannabis

2012: Colorado and Washington voters passed legalization **ballot initiatives**

2014: Alaska, Oregon, and Washington, D.C. pass **ballot initiatives** to legalize marijuana

2016: California, Nevada, Maine, and Massachusetts approve **ballot measures** to legalize recreational cannabis

2018: Michigan approves a **ballot measure** to legalize recreational cannabis

2020: Arizona, Montana, New Jersey, and South Dakota* approve **ballot measures** to legalize recreational cannabis

2021: New York, Virginia, New Mexico, Connecticut legalizes recreational cannabis through **state legislature**

2022: Rhode Island legalizes recreational cannabis through **state legislature**.

History of Cannabis Policy – United States

2013: Cole Memoranda

- The distribution of marijuana to minors;
- Revenue from going to criminal enterprises, gangs and cartels;
- Diversion of marijuana from states where it is legal to states where it is illegal;
- Use of state-authorized marijuana activity as a cover for other illegal drugs or activity;
- Violence and the use of firearms;
- Drugged driving or other adverse public health consequences;
- The use of public lands for marijuana production; and
- Marijuana possession or use on federal property.

2014: FinCEN Memo

2014: Rohrabacher–Farr amendment “None of the funds made available in this Act to the Department of Justice may be used...to prevent such States from implementing their own State laws that authorize the use, distribution, possession, or cultivation of medical marijuana.”

2018: Cole Memo rescinded

History of Cannabis Policy – Vermont

2004: Legislature legalizes medical cannabis

2011: Legislature permits the establishment of medical-marijuana dispensaries

2013: Legislature decriminalizes possession of up to 1 oz. of cannabis for personal use

2017: Governor Scott establishes a Marijuana Advisory Commission to consider commercial cannabis

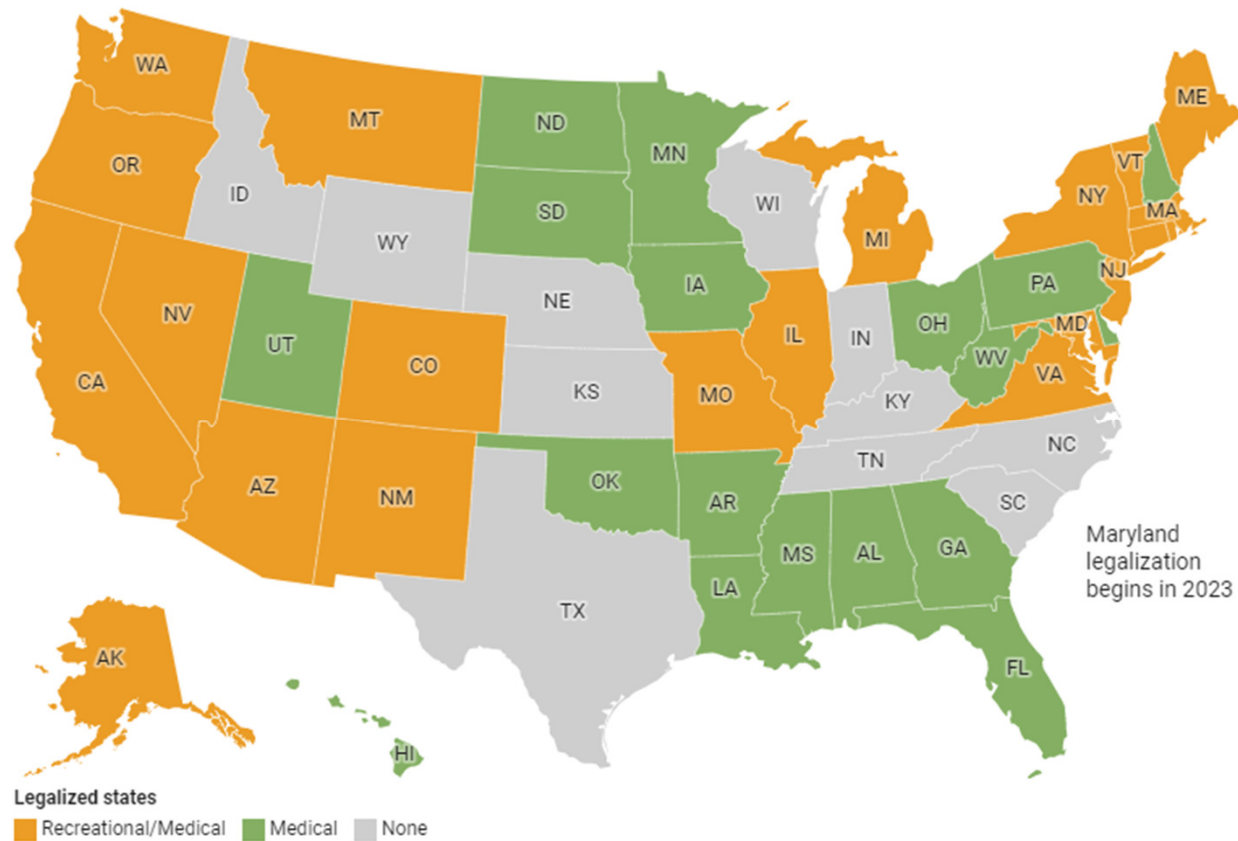
2018: Vermont becomes the first state to legalize cannabis (home grow / possession) through state legislature

2020: Legislature legalizes commercial adult-use cannabis sales and creates the Cannabis Control Board (Act 164)

2022: First legal commercial sales of cannabis

History of Cannabis Policy – United States

Where marijuana is legal in the United States



Rules vary in each jurisdiction, check state and local laws. CBD only states not included.
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Cannabis Control Board Introduction

Introduction

The three-member Cannabis Control Board (CCB) was established through Act 164 of 2020 for the purpose of ***safely, equitably, and effectively*** implementing and administering the laws and rules regulating adult-use cannabis (marijuana) in Vermont. It is responsible for establishing, administering, and regulating a cannabis regulatory system for commercial and medical cannabis cultivators, wholesalers, product manufacturers, retailers and testing laboratories.



James Pepper (Chair)



Kyle Harris



Julie Hulburd

The Cannabis Control Board Team

Executive Team

Executive Director
Brynn Hare

Director of Operations
(vacant)

General Counsel
(vacant)

Education & Outreach Manager
Nellie Marvel

Finance Manager
(vacant)

Compliance Team

Director
Cary Giguere

Compliance Agents
Christine Motyka,
Denise McCarty,
Lawrence "Chipper" Sullivan
Michael DiTomasso
(vacant)
(vacant)

Licensing Team

Director
Kimberly Lashua

Deputy Director
Lauren Higbee

Licensing Agents
Alexis Pless
Ray Carre,
Melissa Andersen
Dominique Acilio (temp)

Medical Team

Medical Marijuana Program

Lindsey Wells
Meredith Bullock

Introduction

§ 904a. SMALL CULTIVATORS

It is the intent of the General Assembly to move as much of the illegal cannabis market as possible into the regulated market for the purposes of consumer protection and public safety. It is also the intent of the General Assembly to encourage participation in the regulated cannabis market by small, local farmers. In furtherance of these goals, the Board shall consider policies to promote small cultivators as defined in section 861 of this title.

[T]he Board shall consider the different needs and risks of small cultivators when adopting rules and shall make an exception or accommodation to such rules for cultivators of this size where appropriate

Introduction

§ 901(d)(3) - One license type per entity

...[A]n applicant and its affiliates may obtain a maximum of one type of each type of license as provided in subdivisions (1)(A)–(E) of this subsection (d). Each license shall permit only one location of the establishment.

§ 883(b) - Criminal History Records

The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a cannabis establishment license because of his or her criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

Introduction

CCB Goals

- Build trust
- Establish core principles
- Develop market structure in-line with legislative intent
- Balance statutory requirements, Cole memo, and resources
- Regulatory waivers for small cultivators
- Public education
- Monitor market, refine rules, re-visit statutes

Introduction

- 157 Public Meetings
 - 82 CCB
 - 75 Advisory Committee / Subcommittees
- 2 Banking Roundtables
- 2 Social Equity Town Halls
- 2 Municipal Roundtables
- 3 Q&A Sessions
- 6 Social Equity networking events

Witnesses: Sen. Sears; Sen. Pearson; Rep. Copeland-Hanzas; Legislative Counsel; Crime Research Group; VSP; VTrans; VAAFM; ANR; DFS; PSD; DFR; VSECU; EfficiencyVT; PreventionWorks!VT; Vermont Afterschool; Behavioral Health Specialists; Cannabis processors and labs; Medical dispensaries, patients, and caregivers; RAND Corp; former Cannabis Regulators; Office of Racial Equity; AGO

Introduction

2021

- April: Board members seated
- May: First Open Meeting
- July: CCB hires Executive Director and Dir. of Operations
- Aug: Advisory Committee convened
- Nov: Rules pre-filed

2022

- Jan: CCB assumes jurisdiction over Medical Cannabis Program
- March: Fee structure approved; rules adopted
- April: First licensing window opens
- May: First licenses issued – cultivators and testing facilities
- Aug: Manufacturing and wholesale license issued
- Sep: Retail licenses issued
- Oct: Adult-Use retail opens

Cannabis Control Board Policy Considerations

Policy Considerations

Initial considerations

- Open market vs. limited licenses
- Market Structure
- Excise tax supported
- Tax rates
- Local Control
- Advertising
- Prevention, education

Policy Considerations

Licensing Numbers – As of Dec. 20th

License Type	In Process	Approved
Cultivator	39	274
Manufacturer	21	33
Wholesaler	2	9
Testing Lab	1	3
Retailer	18	37
Integrated	0	2
Employee ID Card	327	134

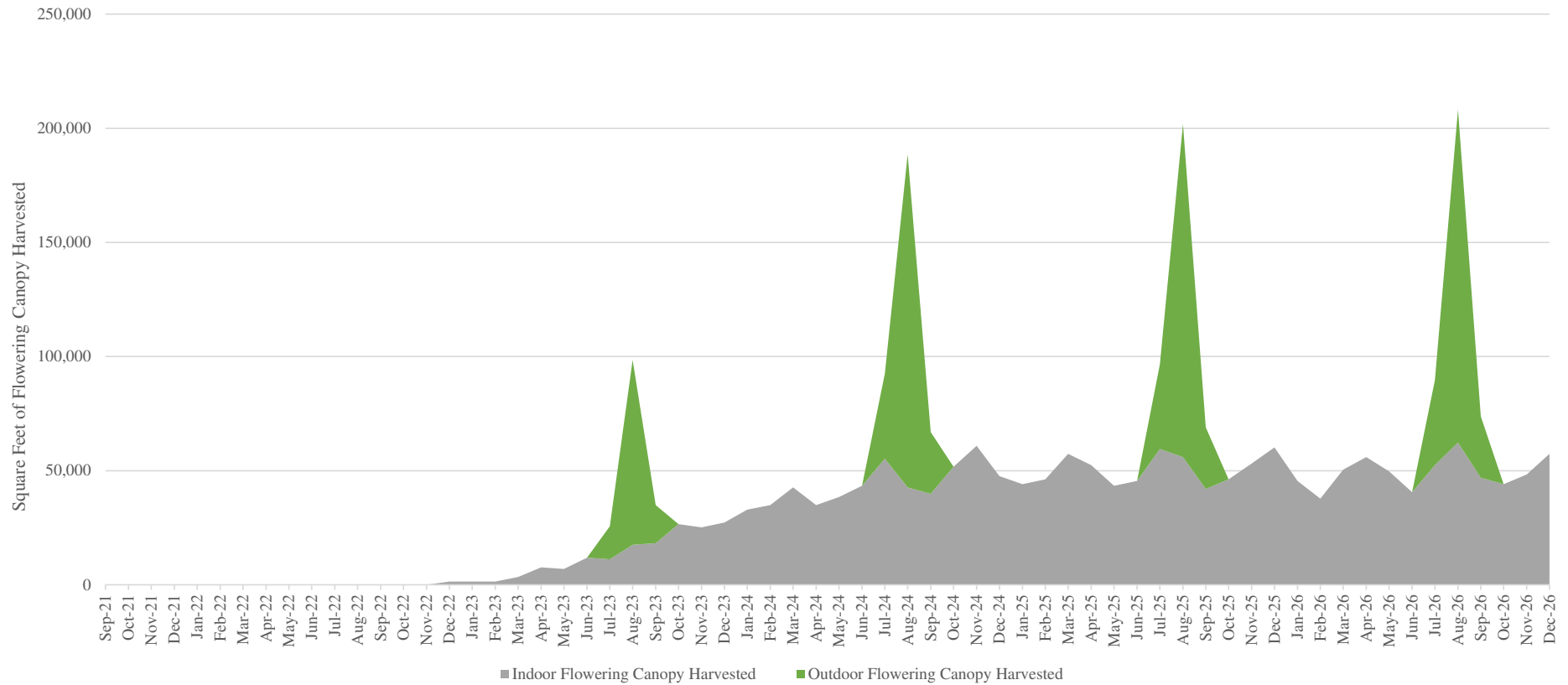
Policy Considerations

Location of Retail Licensees and Applicants in the Queue (as of 12/20/22)

City	Submission #	Status	Applying For	City	Submission #	Status	Applying For
Randolph	S-000001128	Approved	Retailers	Brandon	S-000001186	Issued	Retailers
Rutland	S-000001843	Under Review	Retailers	West Pawlet	S-000001194	Re-Submitted	Retailers
Waterbury Ctr	S-000001275	Incomplete	Retailers	Morrisville	S-000001191	Re-Submitted	Retailers
Derby	S-000001280	Issued	Retailers	Burlington	S-000001184	Incomplete	Retailers
Saint Johnsbury Center	S-000001294	Issued	Retailers	Morrisville	S-000001185	Issued	Retailers
Fair Haven	S-000001301	Issued	Retailers	Middlebury	S-000001159	Issued	Retailers
Burlington	S-000001305	Re-Submitted	Retailers	Rutland	S-000001167	Issued	Retailers
Windsor	S-000001307	Issued	Retailers	Waterbury	S-000001155	Incomplete	Retailers
Bristol	S-000001339	Issued	Retailers	Burlington	S-000001231	Issued	Retailers
Barton	S-000001387	Issued	Retailers	Woodstock	S-000001202	Issued	Retailers
Waitsfield	S-000001350	Issued	Retailers	White River	S-000001203	Approved	Retailers
Burlington	S-000001925	Re-Submitted	Retailers	Waterbury Ctr	S-000001212	Issued	Retailers
Brandon	S-000001898	Issued	Retailers	Bennington	S-000001216	Re-Submitted	Retailers
Burlington	S-000001906	Incomplete	Retailers	Wilmington	S-000001839	Re-Submitted	Retailers
Waitsfield	S-000001169	Issued	Retailers	Plymouth	S-000002170	Pending CCB Review	Retailers
Burlington	S-000001162	Issued	Retailers	Montgomery	S-000001571	Pending CCB Review	Retailers
West Brattleboro	S-000001170	Issued	Retailers	Essex	S-000001426	Issued	Retailers
Rutland	S-000001163	Issued	Retailers	Winhall	S-000001575	Incomplete	Retailers
Rutland	S-000001164	Incomplete	Retailers	Morrisville	S-000001555	Issued	Retailers
Montpelier	S-000001172	Issued	Retailers	Brattleboro	S-000001563	Pending CCB Review	Retailers
Brattleboro	S-000001160	Re-Submitted	Retailers	N Ferrisburgh	S-000001433	Incomplete	Retailers
Winooski	S-000001168	Issued	Retailers	Windsor	S-000001431	Issued	Retailers
Montpelier	S-000001177	Issued	Retailers	Barre	S-000001615	Issued	Retailers
Bennington	S-000001165	Issued	Retailers	Rawsonville / Jan	S-000001440	Re-Submitted	Retailers
Saint Johnsbury	S-000001166	Issued	Retailers	Fair Haven	S-000001442	Incomplete	Retailers
Wilmington	S-000001181	Issued	Retailers	Jeffersonville	S-000001475	Issued	Retailers
Burlington	S-000001174	Issued	Retailers	Burlington	S-000000478	Issued	Integrated Licenses
North Ferrisburgh	S-000001178	Issued	Retailers	Middlesex	S-000000506	Issued	Integrated Licenses
				Total	56		

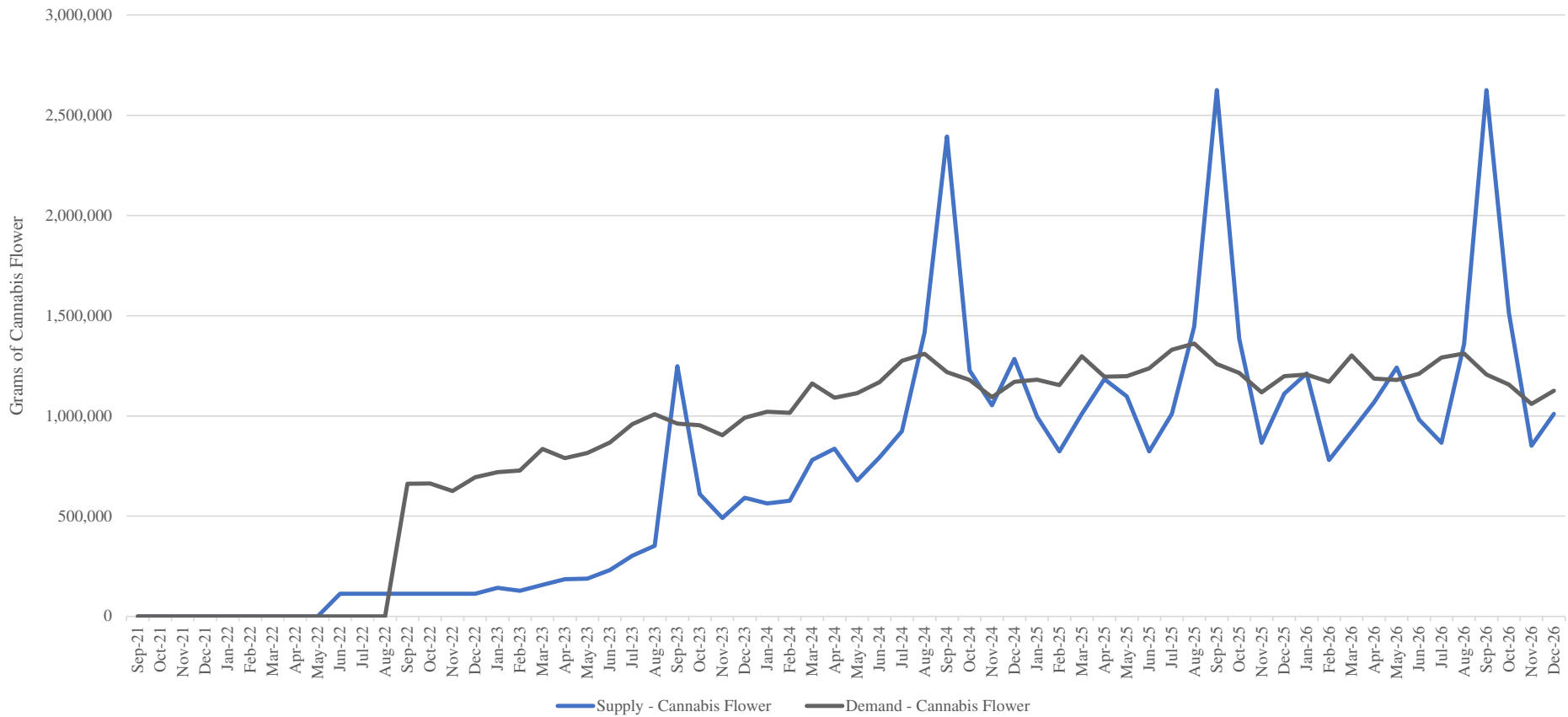
Policy Considerations

Square Feet of Indoor and Greenhouse Flowering Canopy Harvested Each Month



Policy Considerations

Supply and Demand for Cannabis Flower in Vermont
Total Supply from new Cultivators vs Medical and Adult-use Demand



Policy Considerations

Ongoing challenges

- Supporting licensees
- Managing supply chain
- Quality Assurance
- Federal status
- Banking & Insurance
- Hemp Derived Cannabinoids
- Prohibited Products
- Medical Program



 VERMONT
CANNABIS CONTROL BOARD