

Rural Vermont and Vermont Cannabis Equity Coalition Comments on H.270

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From:

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Member Organization of the *VT Cannabis Equity Coalition* (Northeast Organic Farming Association of Vermont, VT Racial Justice Alliance, Vermont Growers Association, Rural Vermont, Green Mountain Patients' Alliance)

Members of the Senate Committee on Finance,

Thank you for the invitation to join the committee today for the walk through of H.270 by Legislative Council.

Rural Vermont was founded in 1985, and is a state-wide, member based, farmer and farmworker led, not-for-profit organization based in Montpelier. We work primarily at the local and State levels - however we also advocate and collaborate in national and international spaces through our membership in the National Family Farm Coalition (where I sit on the Executive Committee and am the primary liaison) and La Via Campesina (where our Director of GrassRoots Organizing Mollie Wills is the primary liaison). You may see our Legislative Director Caroline Gordon around the Statehouse as well.

Rural VT's mission is to organize, educate and advocate in collaboration with local and global movements to strengthen the social, ecological and economic health of the agrarian communities that connect us all.

I am also here today as an organizational representative of the VT Cannabis Equity Coalition, which has been advocating collaboratively since 2020 for a regulated cannabis economy in VT which is racially just, economically equitable, and agriculturally accessible.

I hope to be here in this committee to explain and respond to questions about aspects of H.270 which are important to our coalition - and to ask you to consider at least 2 additional items relevant to the Finance committee related to social equity and community reinvestment. We have some [broad areas of advocacy](#) as a coalition that we'd like you to know about - but we will not be speaking to them today, and are now focused on H.270, the language currently in the bill, and additional amendments germane to this committee.

H.270:

Agricultural amendments from the Senate Agriculture Committee: We strongly urge you to support the amendments that come from Senate Ag, and which are supported by the Cannabis Control Board (CCB) - they reflect the reasonable concerns and needs of farmers and outdoor cultivators, and they provide needed clarity for municipalities and cultivators related to the jurisdiction of municipal regulation. There are a number of reasons our coalition sees this as a core aspect of equity, affordability, and access in cannabis policy for VT:

- Treating the outdoor cultivation of cannabis in the same manner as agriculture as best we can as a State has been a core priority of our coalition, and of Rural VT, since prior to the regulated market. We cannot officially regulate recreational or medicinal cannabis as agriculture in the state of VT as it would bring us into conflict with our “equal to” status with the USDA - which essentially states that VT’s laws related to agriculture must be equal to or more stringent than those of the USDA. Therefore, we must specifically enumerate these aspects of agricultural status in state statute.
- Cannabis is a plant, and its cultivation is horticultural. Plants grown for fiber, for display, for biofuels, for alcohol, and more are considered agriculture. Cannabis will be regulated uniquely certainly, it is not the same as a tomato, but it is without a doubt agriculture. Its status otherwise is a consequence of federal law which the State of VT has determined is misguided, discriminatory, and has led to significant negative consequences for people around the country and world.
- VT has an exceptional number of small farmers who excel at growing plants - yet they face significant economic challenges as farmers in relationship to farm viability, land access, market access and consolidation, healthcare, childcare, etc. Cannabis is a crop with a higher value potential than most, its allowed scales of production in VT are very small, and it can be easily integrated into VT farms. This is also a crop which could serve as an entry point for many people who are not currently farmers into plants and products other than cannabis. It is important that these people are provided equitable access to participating in this market.
- There are significant federal barriers to farmers participating legally in VT’s regulated market, and it’s important that we as a state do not further affirm that one’s status as a farm or farmer is a barrier to entry. For example: farms with land in the VT Land Trust and farms with contracts with federal entities (like NRCS) are risking the status of those contracts if they attempt participation (we can provide a letter from NRCS to a VT farm which evidences this). The potential for a farm to be drawn into Act 250 jurisdiction, or under municipal regulation, or to trigger a “nuisance” complaint, or to be in conflict with its current use status without doing anything resembling “development” or anything substantively different than they are already doing are significant concerns and barriers which we feel are unnecessary and inappropriate.
- Outdoor cultivated cannabis is more accessible and affordable to most people starting a business, and it has significantly less of an environmental footprint than cannabis cultivated indoors in terms of water, energy, inputs, built infrastructure, etc..
- Conflicts between towns and outdoor cultivators are occurring given the ambiguity of current statute. The costs of this lack of clarity are being, and will be, borne by the taxpayers of towns and the small businesses who are trying to navigate a cumbersome

two tiered licensing system. Clarity in statute would eliminate the financial, and time, costs of this unnecessary level of regulation.

- Farmers have the land they have to work with. We have seen towns propose bylaws with significant set-backs, regulations on scent control, and otherwise which would functionally eliminate the ability of the outdoor cultivator to operate on the land they have.
- The overall footprint of outdoor cannabis production in VT at the moment is minimal, and the scales of licensure and limits on industry consolidation will work to ensure this moving forward.
- VT is a unique place for breeding cannabis, and part of what will support VT cultivators in a future national marketplace is the development of genetics unique to the different physical and climatological aspects of VT much as regional wines are protected by appellations.
- The CCB has strict and stringent regulations for outdoor cannabis cultivators regarding security, visibility, etc.. It is unnecessary and burdensome for an outdoor cultivator to undergo two tiers of licensure and regulation - one at the state level and one at the municipal level.

If there are doubts regarding these amendments from the Senate Agriculture Committee, we would ask, “why would the state *not* want to regulate outdoor cannabis cultivation as agriculture to the best of its ability? What does the state, towns, cultivators, gain from existing policy and not providing this status?”

Additional Amendments:

Cannabis Business Development Fund and Community Reinvestment:

Our coalition finds it deeply unsettling for the state to be receiving revenue from the sale of cannabis without a program in place to invest in individuals who have been harmed, and communities who have been disproportionately harmed, by the state’s role in the criminalization of cannabis. Currently the only programs existing address people seeking cannabis establishment licenses - the Cannabis Development Fund, and Social Equity Licensee status. The Cannabis Development Fund does not have an ongoing source of funding - and the demand for its support outpaced its current appropriation.

We strongly support including in H.270 the language from [S.127](#) providing revenue from the cannabis excise tax for the Cannabis Development Fund and Funding For Communities That Have Been Disproportionately Impacted by Cannabis Prohibition beginning at Line 11 on page 14 and ending at line 14 on page 17. These have long been primary priorities of our coalition, and we see programs like these in other states regulating cannabis. We propose the following minor amendments to this language - which we believe were intended to be included in S.127 - and suggestions for administration and funding:

- Page 16, Line 20: (b) ~~Ten~~ Twenty percent of the...

- Page 15, Line 1: ~~Twenty~~ *Ten percent of the revenues raised by the cannabis excise tax imposed by section 7902 of this title is transferred to the Cannabis Business Development Fund established pursuant to 7 V.S.A. § 987.*

Suggestions for Administration and Funding of the reinvestment funds:

- Use a portion of the excise taxes to fund the Health Equity Advisory Commission (HEAC) - Up to 750K
- Consider administering the fund through - and the fund contributing to - the Land Access and Opportunity Board (LAOB) as opposed to the Cannabis Control Board. The intention of this proposal has been to have the communities who have been disproportionately impacted themselves be the administrators and directors of the investment in those communities.

Thank you for your time and consideration. Please remember that you can turn to our coalition of VT, member-based, not-for-profit organizations who represent the voices and needs of community stakeholders at the intersections of cannabis policy as a resource for questions, conversation, and more.

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