

EILEEN M. BLACKWOOD, ESQ.  
City Attorney  
EUGENE M. BERGMAN, ESQ.  
Sr. Assistant City Attorney  
RICHARD W. HAESLER, JR., ESQ.  
Assistant City Attorney  
GREGG M. MEYER, ESQ.  
Assistant City Attorney  
KIMBERLEE J. STURTEVANT, ESQ.  
Assistant City Attorney  
JUSTIN ST. JAMES, ESQ.  
Assistant City Attorney



149 Church St., Room 11  
Burlington, VT 05401-8489  
Phone: (802) 865-7121  
Fax: (802) 865-7123  
TTY: (802) 865-7142

CITY OF BURLINGTON, VERMONT  
OFFICE OF  
THE CITY ATTORNEY  
AND  
CORPORATION COUNSEL

The City of Burlington submits the following comments for consideration of changes to S. 241.

**1. Funding for Local Needs**

The Senate's bill does not include a plan to share revenues generated by the State with municipalities and does not include the ability for municipalities to pursue local option taxes. If the House passes the bill as it currently stands, Vermont would become the first state to deny municipalities the ability to generate revenue from sales of legalized cannabis.

Municipalities will incur significant costs in setting up local permitting systems, reviewing and revising zoning provisions, planning law enforcement efforts, expanding fire safety enforcement, addressing water and wastewater capacity, and other municipal services. The City of Boulder, with about 100,000 residents and the University of Colorado, hired two new licensing clerks to handle their additional permitting and a new marijuana inspector in its fire department. In the first year, they also had to do supplemental budget appropriations to cover police overtime, forensic accounting services, fire inspection, and licenses.

Colorado shares 15% of marijuana sales taxes with local governments, in addition to enabling municipalities to adopt a local option tax between 1% and 15%. For fiscal years 2016 and 2017, Washington allocated \$6 million for cities and counties with licensed facilities, with revenues increasing in 2018. In Oregon, municipal voters may adopt a local option tax up to 3 percent and state tax revenue is distributed with 10% going to cities and 10% going to counties for enforcement.

**ACTION NEEDED: Amend the bill to include tax sharing with municipalities and/or the option for local excise taxes.**

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## **2. Local Law Enforcement**

Despite the banning of butane and other explosive chemicals used to create oil from cannabis in S.241, municipalities will need additional resources for law enforcement to address issues such as ensuring that officers are trained as drug recognition experts, as well as possibly adding officers to municipal police forces. S.241 contains multiple categories of funding for the Department of Public Safety, but there is not a clear recognition that municipalities will likely also have increased local law enforcement costs. Additional officers could be needed to address issues such as individuals driving under the influence of cannabis, which has been an issue of increased municipal law enforcement focus in Denver and other cities; retraining of drug dogs, training for officers and development of local expertise on issues such as the basis for warrants (permissible quantities, etc.), evidence storage issues (plants, e.g.), and identification of legal versus illegal growing; and interactions with federal enforcement activities.

Unlike most of Vermont's more rural municipalities, the Burlington Police Department provides most of the law enforcement activity within the City of Burlington. Within the city limits, the enforcement of possession limits, driving under the influence, serving minors, and issues related to cash businesses will fall largely on local law enforcement. Yet S.241 provides no direct funding for local law enforcement.

Currently, Burlington's Police Department is operating on a bare-bones budget with a need for additional officers to carry out 21<sup>st</sup> century community policing, even without additional marijuana enforcement. As the Senate's bill admits that the Department of Public Safety will have increased costs, so will Burlington for behavior within its borders.

**ACTION NEEDED: Add funding for local law enforcement efforts.**

## **3. Local Permitting**

Many cities in states that have legalized cannabis (Boulder, Seattle, Denver, and Portland, Oregon, for example) have constructed comprehensive licensing systems to address the permitting system (including unique zoning, fire code, and law enforcement issues) in which commercial marijuana operates. S.241 currently allows municipalities to create a permitting system for legalized cannabis, which would require commercial establishments to receive a municipal permit before commencing operations. However, the bill does not completely parallel the local control commissions for alcohol, and the local marijuana control commission should have the same powers laid out in 7 V.S.A. §236 for local alcohol control commissioners.

**ACTION NEEDED: Amend the bill to clarify local permitting similar to the alcohol local control provisions and specifically authorize fees to cover those costs.**

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#### **4. Local Zoning**

S.241 allows municipalities to develop local zoning bylaws to address the locations of cannabis establishments. Seattle and other municipalities have faced issues regarding the placement of retail cannabis stores and ensuring that there are rules regarding the placement of these establishments, such as keeping them away from schools and colleges, in addition to having staff create rules regarding the placement of retail establishments and cultivation operations.

Despite the ban on butane to extract the oil from cannabis (which initially led to many of the zoning issues in Denver) and the continued ban on home cultivation, there will be local issues for municipalities to address, such as how marijuana retail establishments fit with other uses in non-residential or mixed use district—schools, colleges, day cares, parks, library; how they fit with public transportation routes; how production or processing businesses fit with other industrial uses; impacts on municipal services such as water, wastewater, and stormwater; impacts of odors from use, cultivation, or production operations; signage and lighting of businesses.

The Senate's version of S.241 contains funding for numerous new positions in state government and to administer excise tax programs, but revenues are needed to allow municipalities to establish systems on a local level.

**ACTION NEEDED: Add funding for zoning efforts.**

#### **5. Representation on the Marijuana Program Review Committee**

Currently, S.41 creates a Marijuana Program Review Commission, which consists of 7 members, including 2 legislators, the Attorney General or designee, 4 public members, and currently does not have any municipal participation. A representative of municipal government would be able to provide input on local experiences or effects of proposed changes before enactment.

**ACTION NEEDED: Amend the bill to include municipal representation on the Committee.**

#### **6. Other Local Issues**

A common experience for cities in states that have legalized cannabis is a substantial increase in workloads for municipal code enforcement staff, who need to ensure that cannabis establishments meet all health, fire, and building safety regulations. Unlike most of the smaller municipalities in Vermont, Burlington has a contract with the State to do fire inspections and has its own board of health and local regulations.

**ACTION NEEDED: Same as #1**

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