

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Appropriations to which was referred Senate Bill No. 54
3 entitled “An act relating to the regulation of cannabis” respectfully reports that
4 it has considered the same and recommends that the House Committee on
5 Government Operations be amended be amended as follows:

6 First: In Sec. 2, in 7 V.S.A. § 843(c)(1), by striking out “four” and inserting
7 lieu thereof “two”

8 Second: In Sec. 3, implementation of the Cannabis Control Board, in
9 subdivision (c)(1)(B) by striking out “two members” and inserting in lieu
10 thereof “one member” and in subdivision (c)(1)(C) by striking out “two
11 members” and inserting in lieu thereof “one member”

12 Third: In Sec. 5., Cannabis Control Board report, by striking out
13 subdivision (a)(2) in its entirety and inserting in lieu thereof the following:

14 (2) Fees to be charged and collected in accordance with the Board’s
15 authority pursuant to 7 V.S.A. § 847. The recommendations shall be
16 accompanied by information justifying the recommended rate as required by
17 32 V.S.A. § 605(d). The fees submitted in accordance with this subdivision
18 are projected to be sufficient to fund the duties of the Cannabis Control Board
19 as provided in 7 V.S.A. § 843. To the extent possible the recommend fees
20 shall include an amount to repay over a period, no greater than 10 years, to the

1 General Fund any application of excise taxes to the Cannabis Regulation Fund
2 made pursuant to Sec. 6c of this act.

3 (A) Application fees, initial annual license fees, and annual license
4 renewal fees for each type of cannabis establishment license as provided in
5 7 V.S.A. § 910: cultivator, product manufacturer, wholesaler, retailer, testing
6 laboratory, and integrated. If the Board establishes tiers within a licensing
7 category, it shall provide a fee recommendation for each tier.

8 (B) Fee for a cannabis establishment identification card as provided
9 in 7 V.S.A. § 884.

10 (C) Fee for advertisement review for a cannabis establishment
11 licensee as provided in 7 V.S.A. § 865.

12 Fourth: In Sec. 6, Cannabis Control Board; positions, in subdivision (1), by
13 striking out “five” and inserting in lieu thereof “three”

14 Fifth: In Sec. 6b (appropriation) by striking out “\$810,000.00” and
15 inserting in lieu thereof “\$860,000.00”

16 Sixth: By striking out Sec. 6c in its entirety and inserting in lieu thereof the
17 following:

18 Sec. 6c. CONTINGENT CANNABIS REGULATION FUND DEFICIT

19 OFFSET; REPAYMENT

20 (a) To the extent that the Cannabis Regulation Fund has a negative balance
21 at the close of the fiscal year 2022, proceeds in that amount from the tax

1 established in 32 V.S.A. § 7901 in fiscal year 2023 shall be deposited into the
2 Cannabis Regulation Fund.

3 (b) To the extent that a positive balance exists in the Cannabis Regulation
4 Fund at the close of any fiscal year and any application of excise taxes to the
5 Cannabis Regulation Fund made pursuant to subsection (a) of this section has
6 not been fully repaid to the General Fund, the positive Cannabis Regulation
7 Fund balance shall be transferred to the General Fund.

8 (c) Thirty percent of any transfers made to the General Fund pursuant to
9 subsection (b) of this section or subdivision 5(a)(2) of this act shall be
10 allocated to substance misuse prevention activities consistent with Sec. 18a of
11 this act.

12 Seventh: By adding a Sec. 6e to read as follows:

13 Sec. 6e. REPEAL OF CANNABIS CONTROL BOARD

14 The following are repealed on July 1, 2024:

15 (1) 7 V.S.A. § 841 (Cannabis Control Board; appointment);

16 (2) 7 V.S.A. § 842 (Cannabis Control Board Nominating Committee);

17 and

18 (3) 7 V.S.A. § 843 (Cannabis Control Board; members; duties).

19 Eighth: By adding Secs. 17c and 17d and a corresponding reader assistance
20 heading to read as follows:

21 * * * Use of Sales and Use Tax Revenue * * *

1 Sec. 17c. DEDICATED USE OF SALES AND USE TAX ON CANNABIS

2 Notwithstanding 16 V.S.A. § 4025(b), revenue from the sales and use tax
3 imposed by 32 V.S.A. chapter 233 on retail sales of cannabis or cannabis
4 products in this State shall be used to fund a grant program to start or expand
5 afterschool and summer learning programs, with a focus on increasing access
6 in underserved areas of the State.

7 Sec. 17d. ANNUAL BUDGETING OF SALES AND USE TAX REVENUE

8 On or before November 15, 2021 and on or before each subsequent
9 November 15, the Agency of Education shall submit to the General Assembly
10 a plan to fund grants in furtherance of the purposes of Sec. 17c of this act. The
11 grants shall be in an amount equal to the official forecasted revenues to be
12 raised from the sales and use tax imposed by 32 V.S.A. chapter 233 on
13 cannabis or cannabis products in this State. The provisions of 2 V.S.A. § 20(d)
14 (expiration of required reports) shall not apply to the plan to be made under
15 this subsection.

16 Ninth: By striking out Secs. 18a and 18b and inserting in lieu thereof the
17 following:

18 Sec. 18a. SUBSTANCE MISUSE PREVENTION FUNDING

19 Thirty percent of the revenues raised by the cannabis excise tax imposed by
20 32 V.S.A. § 7901 shall be used for the purpose of funding substance misuse

1 prevention programming as recommended by the Substance Misuse Prevention
2 Oversight and Advisory Council.

3 Sec. 18b. ANNUAL PREVENTION FUNDING RECOMMENDATION

4 On or before November 1, 2021, and annually thereafter, the Substance
5 Misuse Prevention Oversight and Advisory Council shall make
6 recommendations to the General Assembly for the use of monies in the amount
7 consistent with the official state estimate as required under 32 V.S.A. § 305a
8 for the revenues raised by the cannabis excise tax imposed by 32 V.S.A. §
9 7901 and dedicated to funding substance misuse prevention programming as
10 provided in Sec. 18a of this act.

11 Tenth: In Sec. 22 (effective dates), in subsection (a), after “3
12 (implementation of the Cannabis Control Board),” by inserting “17d (annual
13 budgeting of sales and use tax revenue)”

14 Eleventh: In Sec. 22 (effective dates), in subsection (c), after “17b
15 (meals and rooms tax expenditure),” by inserting “17c (dedicated use of sales
16 and use tax revenue)”

17 Twelfth: In Sec. 22 (effective dates), in subsection (d), by striking
18 “Secs. 6c and 6d” and inserting in lieu thereof “Sec. 6d” and by adding
19 subsections (e) and (f) to read as follows:

20 (e) Sec. 6e (repeal of Cannabis Control Board) shall take effect on
21 January 1, 2024.

1 (f) Sec. 6c (contingent Cannabis Regulation Fund deficit offset) shall
2 take effect on July 1, 2024.

3

4

5

6

7

8

9 (Committee vote: _____)

10

11

Representative _____

12

FOR THE COMMITTEE