



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON COMMERCE
AND ECONOMIC DEVELOPMENT

REP. MICHAEL MARCOTTE, CHAIR
REP. JEAN O'SULLIVAN, VICE CHAIR
REP. CHARLES KIMBELL, RANKING MEMBER
REP. EMILIE KORNHEISER, CLERK
REP. ROBERT BANCROFT
REP. JAMES CARROLL
REP. EILEEN DICKINSON
REP. MATTHEW HILL
REP. STEPHANIE JEROME
REP. ZACHARIAH RALPH
REP. TRISTAN TOLENO

MEMORANDUM

To: Rep. Sarah Copeland-Hanzas, Chair, House Committee on Government Operations

From: Rep. Michael Marcotte, Chair, House Committee on Commerce and Economic Development

Date: April 18, 2019

Subject: Review of S.54 Provisions Relating to Commerce

On behalf of the Committee on Commerce and Economic Development, I sincerely thank you and the Committee on Government Operations for the opportunity to review the provisions of S.54 that fall under the policy jurisdiction of this Committee.

In response to your request, the Committee reviewed the bill and received testimony from witnesses concerning issues relevant to labor and employment, banking, insurance, and business organizations. Following this review and discussion, the Committee recommends that Government Operations add language in 7 V.S.A. § 881(a)(1) directing the Cannabis Control Board to address in its rulemaking the following:

- Requiring a licensed establishment to provide specific information in its operating plan to the Board and to the Department of Financial Regulation concerning:
 - the organizational structure of the business, including the type of business organization; the identity of its owners and principals; and the identity of the owners and principals of its affiliates; and
 - the financial structure of the business, including the sources, amount, and nature of its capital, assets, and financing arrangements; the identity of the individuals or entities that are its financiers; and the identity of the owners and principals of its financiers.
- Requiring a licensed establishment to file an amendment to its operating plan in the event of a significant change in organization, operation, or financing.
- *Requiring a financier, and its owners and principals, to comply with the eligibility requirements applicable to owners and principals of licensed establishments [just background checks – licensing?].*

- Ensuring that an individual or entity that provides loans or other investments complies with applicable State laws concerning financial services, including laws governing financial institutions and licensed lenders.
- Ensuring the ability of the Board, the Department of Financial Regulation, and financial institutions to share relevant information about licensed establishments to comply with federal regulatory requirements applicable to financial institutions.
- Ensuring that licensed establishments comply with other State regulatory requirements, including laws governing insurance, securities, workers' compensation, and unemployment insurance