



STATE OF VERMONT

MEMORANDUM

To: Representative Gannon
Representative Ancel
Representative LaClair

From: Senator Sears
Senator Benning
Senator White

Date: September 15, 2020

Subject: Senate proposal to the House for conference report on S.54

Thank you for your proposal dated September 14, 2020.

The Senate would like to propose a compromise regarding advertising. The Senate proposes removing all references to advertising in the conference report and adding a section that directs the Cannabis Control Board, in consultation with the Office of the Attorney General and the Department of Health, to report to the General Assembly its recommendations for advertising for both the adult-use and medical cannabis programs no later than April 1, 2021. This will provide the General Assembly with the opportunity to enact advertising language in the spring of 2021 and the Board to subsequently adopt rules to implement that language when the Board begins rulemaking in July 1, 2021.

Sec. 5. CANNABIS CONTROL BOARD REPORT TO THE GENERAL

ASSEMBLY; PROPOSAL FOR POSITIONS, FEES, AND

APPROPRIATIONS FOR FISCAL YEARS 2022 AND 2023; LAND

USE, ENVIRONMENTAL, ENERGY, AND EFFICIENCY

REQUIREMENTS OR STANDARDS; ADVERTISING; OUTREACH,

TRAINING, AND EMPLOYMENT PROGRAMS; ONLINE ORDERING AND

DELIVERY; ADDITIONAL TYPES OF LICENSES

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(g) The Executive Director of the Cannabis Control Board, in consultation with the Office of the Attorney General and the Department of Health, shall develop a proposal for advertising for both the adult-use and medical cannabis programs established in this act. The proposal shall reflect the General Assembly's priorities of consumer protection, public safety, and limiting exposure of cannabis advertising to persons under 21 years of age in a manner that recognizes any constitutional protections for commercial speech that may exist regarding the cannabis market. The Board shall report its recommendations to the General Assembly on or before April 1, 2021.

In turn for the House's acceptance of the above proposal on advertising, the Senate will agree to the House's proposal regarding the State-assessed local license fees in lieu of the Senate's proposal to have a 14% State cannabis excise tax on the retail sale of cannabis and cannabis products where 200 basis points (the equivalent of the revenue from a 2% tax) is dedicated to municipalities that host any cannabis establishment and apportioned to those municipalities under a formula.

If the above proposal is agreeable to you, please notify us as soon as possible so that staff may begin preparing a report for signatures.