

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Government Operations to which was referred Senate
3 Bill No. 25 entitled “An act relating to miscellaneous cannabis regulation
4 procedures” respectfully reports that it has considered the same and
5 recommends that the House propose to the Senate that the bill be amended by
6 striking out all after the enacting clause and inserting in lieu thereof the
7 following:

8 * * * Town Vote on Retail Sales * * *

9 Sec. 1. 7 V.S.A. § 863 is amended to read:

10 § 863. REGULATION BY LOCAL GOVERNMENT

11 (a)(1) Prior to a cannabis retailer or the retail portion of an integrated
12 licensee operating within a municipality, the municipality shall affirmatively
13 permit the operation of such cannabis establishments by majority vote of those
14 present and voting by Australian ballot at an annual or special meeting warned
15 for that purpose. A municipality may place retailers or integrated licensees, or
16 both, on the ballot for approval.

17 * * *

18 * * * Cannabis Control Board Advisory Committee * * *

19 Sec. 2. 7 V.S.A. § 843 is amended to read:

20 § 843. CANNABIS CONTROL BOARD; DUTIES; MEMBERS

21 * * *

1 (c) Membership.

2 * * *

3 (4) A member may be removed only for cause by the remaining
4 members of the Commission in accordance with the Vermont Administrative
5 Procedure Act. The Board shall adopt rules pursuant to 3 V.S.A. chapter 25 to
6 define the basis and process for removal.

7 * * *

8 (h) Advisory committee.

9 (1) There is an advisory committee established within the Board that
10 shall be composed of members with expertise and knowledge relevant to the
11 Board's mission. The Board shall collaborate with the advisory committee on
12 recommendations to the General Assembly. The advisory committee shall be
13 composed of the following ~~12~~ 14 members:

14 (A) one member with an expertise in public health, appointed by the
15 Governor;

16 (B) the Secretary of Agriculture, Food and Markets or designee;

17 (C) one member with an expertise in laboratory science or
18 toxicology, appointed by the Governor;

19 (D) one member with an expertise in systemic social justice and
20 equity issues, appointed by the Speaker of the House;

21 (E) one member with an expertise in ~~women~~ women- and minority-

1 owned business ownership, appointed by the Speaker of the House;

2 ~~(F) one member with an expertise in substance misuse prevention,~~
3 ~~appointed by the Senate Committee on Committees~~ the Chair of the Substance
4 Misuse Prevention Oversight and Advisory Council or designee;

5 (G) one member with an expertise in the cannabis industry, appointed
6 by the Senate Committee on Committees;

7 (H) one member with an expertise in business management or
8 regulatory compliance, appointed by the Treasurer;

9 (I) one member with an expertise in municipal issues, appointed by
10 the ~~Treasurer~~ Senate Committee on Committees;

11 (J) one member with an expertise in public safety, appointed by the
12 Attorney General;

13 (K) one member with an expertise in criminal justice reform,
14 appointed by the Attorney General; ~~and~~

15 (L) the Secretary of Natural Resources or designee; ~~and~~

16 (M) the Chair of the Cannabis for Symptom Relief Oversight
17 Committee or designee; and

18 (N) one member appointed by the Vermont Cannabis Trade
19 Association.

20 (2) Initial appointments to the advisory committee as provided in
21 subdivision (1) of this subsection (h) shall be made on or before May 1, 2021

1 **July 1, 2021.**

2 * * *

3 * * * Cannabis Control Board* * *

4 Sec. 3. 7 V.S.A. § 845 is amended to read:

5 § 845. CANNABIS REGULATION FUND

6 * * *

7 (b) The Fund shall be composed of:

8 (1) all State application fees, annual license fees, renewal fees,

9 advertising review fees, and civil penalties collected by the Board pursuant to
10 chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries)
11 of this title; and

12 (2) all annual and renewal fees collected by the Board pursuant to
13 chapter 35 (medical cannabis registry) of this title.

14 * * *

15 Sec. 4. 2019 Acts and Resolves No. 164, Sec. 5 is amended to read:

16 Sec. 5. CANNABIS CONTROL BOARD REPORT TO THE GENERAL
17 ASSEMBLY; PROPOSAL FOR POSITIONS, FEES, AND
18 APPROPRIATIONS FOR FISCAL YEARS 2022 AND 2023;
19 LAND USE, ENVIRONMENTAL, ENERGY, AND
20 EFFICIENCY REQUIREMENTS OR STANDARDS;
21 ADVERTISING; OUTREACH, TRAINING, AND

1 EMPLOYMENT PROGRAMS; ONLINE ORDERING AND
2 DELIVERY; ADDITIONAL TYPES OF LICENSES

3 (a) On or before April 1, 2021, the Executive Director of the Cannabis
4 Control Board shall provide recommendations to the General Assembly on the
5 following:

6 (1) ~~Resources~~ resources necessary for implementation of this act for
7 fiscal years 2022 and 2023, including positions and funding. The Board shall
8 consider utilization of current expertise and resources within State government
9 and cooperation with other State departments and agencies where there may be
10 an overlap in duties.

11 (2) ~~State fees to be charged and collected in accordance with the~~
12 ~~Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be~~
13 ~~accompanied by information justifying the recommended rate as required by~~
14 ~~32 V.S.A. § 605(d). The State fees submitted in accordance with this~~
15 ~~subdivision shall be projected to be sufficient to fund the duties of the~~
16 ~~Cannabis Control Board as provided in 7 V.S.A. § 843. To the extent possible,~~
17 ~~the recommend fees shall include an amount to repay over a period, not greater~~
18 ~~than 10 years, to the General Fund any application of excise taxes to the~~
19 ~~Cannabis Regulation Fund made pursuant to Sec. 6c of this act.~~

20 (A) ~~Application fees, initial annual license fees, and annual license~~
21 ~~renewal fees for each type of cannabis establishment license as provided in~~

1 ~~7 V.S.A. § 846: cultivator, product manufacturer, wholesaler, retailer, testing~~
2 ~~laboratory, and integrated. If the Board establishes tiers within a licensing~~
3 ~~category, it shall provide a fee recommendation for each tier.~~

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

6 ~~(3) Whether monies expected to be generated by State fees identified in~~
7 ~~subdivision (2) of this subsection are sufficient to support the statutory duties~~
8 ~~of the Board and whether any portion of the tax established pursuant to~~
9 ~~32 V.S.A. § 7902 should be allocated to the Cannabis Regulation Fund to~~
10 ~~ensure these duties are met.~~

11 ~~(4) Local fees to be charged and collected in accordance with the~~
12 ~~Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be~~
13 ~~accompanied by information justifying the recommended rate as required by~~
14 ~~32 V.S.A. § 605(d). The Board shall recommend local fees that are designed~~
15 ~~to help defray the costs incurred by municipalities in which cannabis~~
16 ~~establishments are located.~~

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Sec. 4a. CANNABIS CONTROL BOARD REPORT TO THE JOINT
FISCAL COMMITTEE; FEES

(a) On or before September 1, 2021, the Cannabis Control Board shall provide draft recommendations to the Joint Fiscal Committee for its approval on the following:

(1) State fees to be charged and collected in accordance with the Board’s authority pursuant to 7 V.S.A. § 846. The recommendations shall be accompanied by information justifying the recommended rate as required by 32 V.S.A. § 605(d). The State fees submitted in accordance with this subdivision shall be projected to be sufficient to fund the duties of the Cannabis Control Board as provided in 7 V.S.A. § 843. To the extent possible, the recommend fees shall include an amount to repay over a period, not greater than 10 years, to the General Fund any application of excise taxes to the Cannabis Regulation Fund made pursuant to Sec. 6c of the 2019 Acts and Resolves No. 164.

(A) Application fees, initial annual license fees, and annual license renewal fees for each type of cannabis establishment license as provided in 7 V.S.A. § 846: cultivator, product manufacturer, wholesaler, retailer, testing laboratory, and integrated. If the Board establishes tiers within a licensing category, it shall provide a fee recommendation for each tier.

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

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

5 (2) Whether monies expected to be generated by State fees identified in
6 subdivision (1) of this subsection are sufficient to support the statutory duties
7 of the Board and whether any portion of the tax established pursuant to
8 32 V.S.A. § 7902 should be allocated to the Cannabis Regulation Fund to
9 ensure these duties are met.

10 (3) Local fees to be charged and collected in accordance with the
11 Board’s authority pursuant to 7 V.S.A. § 846. The recommendations shall be
12 accompanied by information justifying the recommended rate as required by
13 32 V.S.A. § 605(d). The Board shall recommend local fees that are designed
14 to help defray the costs incurred by municipalities in which cannabis
15 establishments are located.

16 (b) Upon receiving the proposal, the Joint Fiscal Committee shall review
17 the recommendations and provide feedback to the Board for any suggested
18 changes.

19 (c) The Board shall revise the proposal, if necessary, to incorporate the
20 Committee’s recommendations and present a revised draft for approval to the
21 Committee.

1 (d) Notwithstanding 32 V.S.A. § 603, the fees shall take effect upon
2 approval of the Committee.

3 (e) Beginning on July 1, 2022, and every three years thereafter, all cannabis
4 regulation fees shall be included in the annual consolidated Executive Branch
5 fee report pursuant to 32 V.S.A. § 605.

6 **Sec. 4b. CANNABIS CONTROL BOARD REPORTING REQUIRMENTS;**

7 **THC**

8 On or before November 1, 2021, the Cannabis Control Board shall report to
9 the General Assembly on the following:

10 (1) Recommendations as to whether integrated licensees and product
11 manufacturers licensees should be permitted to produce solid concentrate
12 products with greater than 60% THC for purposes of incorporation into other
13 cannabis products that otherwise comply with restrictions in 7V.S.A. § 868
14 (prohibited products) and rules promulgated by the Board pursuant to 7 V.S.A.
15 § 881(a)(3).

16 (2) Recommendations developed in consultation with the Agency of
17 Agriculture as to whether the Board should permit hemp or CBD to be
18 converted to Delta-9 THC and, if so, how it should be regulated.

19 **Sec. 4c. CANNABIS CONTROL BOARD; POSITIONS**

20 The following new permanent positions are created in the Cannabis Control
21 Board:

1 (1) one full-time, exempt General Counsel; and

2 (2) one full-time, classified Administrative Assistant.

3 * * *Advertising* * *

4 Sec. 5. 7 V.S.A. § 861 is amended to read:

5 § 861. DEFINITIONS

6 As used in this chapter:

7 (1) “Advertise” means the publication or dissemination of an
8 advertisement.

9 (2) “Advertisement” means any written or verbal statement, illustration,
10 or depiction that is calculated to induce sales of cannabis or cannabis products,
11 including any written, printed, graphic, or other material, billboard, sign, or
12 other outdoor display, other periodical literature, publication, or in a radio or
13 television broadcast, the Internet, or in any other media. The term does not
14 include:

15 (A) any label affixed to any cannabis or cannabis product, or any
16 individual covering, carton, or other wrapper of that container that constitutes a
17 part of the labeling under provisions of these standards;

18 (B) any editorial or other reading material, such as a news release, in
19 any periodical or publication or newspaper for the publication of which no
20 money or valuable consideration is paid or promised, directly or indirectly, by
21 any cannabis establishment, and that is not written by or at the direction of the

1 licensee;

2 (C) any educational, instructional, or otherwise noncommercial
3 material that is not intended to induce sales and that does not propose an
4 economic transaction, but that merely provides information to the public in an
5 unbiased manner; or

6 (D) a sign attached to the premises of a cannabis establishment that
7 merely identifies the location of the cannabis establishment.

8 (3) “Affiliate” means a person that directly or indirectly owns or
9 controls, is owned or controlled by, or is under common ownership or control
10 with another person.

11 ~~(2)~~(4) “Applicant” means a person that applies for a license to operate a
12 cannabis establishment pursuant to this chapter.

13 ~~(3)~~(5) “Board” means the Cannabis Control Board.

14 ~~(4)~~(6) “Cannabis” shall have the same meaning as provided in section
15 831 of this title.

16 ~~(5)~~(7) “Cannabis cultivator” or “cultivator” means a person licensed by
17 the Board to engage in the cultivation of cannabis in accordance with this
18 chapter.

19 ~~(6)~~(8) “Cannabis establishment” means a cannabis cultivator,
20 wholesaler, product manufacturer, retailer, or testing laboratory licensed by the
21 Board to engage in commercial cannabis activity in accordance with this

1 chapter.

2 ~~(7)~~(9) “Cannabis product” shall have the same meaning as provided in
3 section 831 of this title.

4 ~~(8)~~(10) “Cannabis product manufacturer” or “product manufacturer”
5 means a person licensed by the Board to manufacture cannabis products in
6 accordance with this chapter.

7 ~~(9)~~(11) “Cannabis retailer” or “retailer” means a person licensed by the
8 Board to sell cannabis and cannabis products to adults 21 years of age and
9 older for off-site consumption in accordance with this chapter.

10 ~~(10)~~(12) “Cannabis testing laboratory” or “testing laboratory” means a
11 person licensed by the Board to test cannabis and cannabis products in
12 accordance with this chapter.

13 ~~(11)~~(13) “Cannabis wholesaler” or “wholesaler” means a person
14 licensed by the Board to purchase, process, transport, and sell cannabis and
15 cannabis products in accordance with this chapter.

16 ~~(12)~~(14) “Chair” means the Chair of the Cannabis Control Board.

17 ~~(13)~~(15) “Characterizing flavor” means a taste or aroma, other than the
18 taste or aroma of cannabis, imparted either prior to or during consumption of a
19 cannabis product. The term includes tastes or aromas relating to any fruit,
20 chocolate, vanilla, honey, maple, candy, cocoa, dessert, alcoholic beverage,
21 mint, menthol, wintergreen, herb or spice, or other food or drink or to any

1 conceptual flavor that imparts a taste or aroma that is distinguishable from
2 cannabis flavor but may not relate to any particular known flavor.

3 ~~(14)~~(16) “Child-resistant packaging” means packaging that is designed
4 or constructed to be significantly difficult for children under five years of age
5 to open or obtain a toxic or harmful amount of the substance in the container
6 within a reasonable time and not difficult for normal adults to use properly, but
7 does not mean packaging that all children under five years of age cannot open
8 or obtain a toxic or harmful amount of the substance in the container within a
9 reasonable time.

10 ~~(15)~~(17) “Controls,” “is controlled by,” and “under common control”
11 mean the power to direct, or cause the direction or management and policies of
12 a person, whether through the direct or beneficial ownership of voting
13 securities, by contract, or otherwise. A person who directly or beneficially
14 owns 10 percent or more equity interest, or the equivalent thereof, of another
15 person shall be deemed to control the person.

16 ~~(16)~~(18) “Dispensary” means a business organization licensed pursuant
17 to chapter 37 of this title or 18 V.S.A. chapter 86.

18 ~~(17)~~(19) “Enclosed, locked facility” means a building, room,
19 greenhouse, outdoor fenced-in area, or other location that is enclosed on all
20 sides and prevents cannabis from easily being viewed by the public. The
21 facility shall be equipped with locks or other security devices that permit

1 access only by:

2 (A) Employees, agents, or owners of the cultivator, all of whom shall
3 be 21 years of age or older.

4 (B) Government employees performing their official duties.

5 (C) Contractors performing labor that does not include cannabis
6 cultivation, packaging, or processing. Contractors shall be accompanied by an
7 employee, agent, or owner of the cultivator when they are in areas where
8 cannabis is being grown, processed, packaged, or stored.

9 (D) Registered employees of other cultivators, members of the
10 media, elected officials, and other individuals 21 years of age or older visiting
11 the facility, provided they are accompanied by an employee, agent, or owner of
12 the cultivator.

13 ~~(18)~~(20) “Flavored oil cannabis product” means any oil cannabis
14 product that contains an additive to give it a characterizing flavor.

15 ~~(19)~~(21) “Integrated licensee” means a person licensed by the Board to
16 engage in the activities of a cultivator, wholesaler, product manufacturer,
17 retailer, and testing laboratory in accordance with this chapter.

18 ~~(20)~~(22) “Municipality” means a town, city, or incorporated village.

19 ~~(21)~~(23) “Person” shall include any natural person; corporation;
20 municipality; the State of Vermont or any department, agency, or subdivision
21 of the State; and any partnership, unincorporated association, or other legal

1 entity.

2 ~~(22)~~(24) “Plant canopy” means the square footage dedicated to live
3 plant production and does not include areas such as office space or areas used
4 for the storage of fertilizers, pesticides, or other products.

5 ~~(23)~~(25) “Principal” means an individual vested with the authority to
6 conduct, manage, or supervise the business affairs of a person, and may
7 include the president, vice president, secretary, treasurer, manager, or similar
8 executive officer of a business; a director of a corporation, nonprofit
9 corporation, or mutual benefit enterprise; a member of a nonprofit corporation,
10 cooperative, or member-managed limited liability company; and a partner of a
11 partnership.

12 ~~(24)~~(26) “Small cultivator” means a cultivator with a plant canopy or
13 space for cultivating plants for breeding stock of not more than 1,000 square
14 feet.

1 Sec. 6. 7 V.S.A. § 864 is added to read:

2 § 864. ADVERTISING

3 (a) “Advertise” and “advertisement” have the same meaning as in
4 section 861 of this title.

5 (b) A cannabis establishment advertisement shall not contain any statement
6 or illustration that:

7 (1) is deceptive, false, or misleading;

8 (2) promotes overconsumption;

9 (3) represents that the use of cannabis has curative effects;

10 (4) offers a prize, award, or inducement for purchasing cannabis or a
11 cannabis product, except that price discounts are allowed;

12 (5) offers free samples of cannabis or cannabis products;

13 (6) depicts a person under 21 years of age consuming cannabis or
14 cannabis products; or

15 (7) is designed to be or has the effect of being particularly appealing to
16 persons under 21 years of age.

17 (c) Cannabis establishments shall not advertise their products via any
18 medium unless the licensee can show that not more than 15 percent of the
19 audience is reasonably expected to be under 21 years of age.

20 (d) All advertisements shall contain health warnings adopted by rule by the
21 Board in consultation with the Department of Health.

1 (e) All advertisements shall be submitted to the Board on a form or in a
2 format prescribed by the Board, prior to the dissemination of the
3 advertisement. The Board may:

4 (1) require a specific disclosure be made in the advertisement in a clear
5 and conspicuous manner if the Board determines that the advertisement would
6 be false or misleading without such a disclosure; or

7 (2) require changes that are necessary to protect the public health,
8 safety, and welfare or consistent with dispensing information for the product
9 under review.

10 (f) The Board may charge and collect fees for review of advertisements.

11 Sec. 7. 7 V.S.A. § 866(d) is added to read:

12 (d) In accordance with section 864 of this title, advertising by a cannabis
13 establishment shall not depict a person under 21 years of age consuming
14 cannabis or cannabis products or be designed to be or have the effect of being
15 particularly appealing to persons under 21 years of age. Cannabis
16 establishments shall not advertise their products via any medium unless the
17 licensee can show that not more than 15 percent of the audience is reasonably
18 expected to be under 21 years of age.

1 Sec. 8. 7 V.S.A. § 881 is amended to read:

2 § 881. RULEMAKING; CANNABIS ESTABLISHMENTS

3 (a) The Board shall adopt rules to implement and administer this chapter in
4 accordance with subdivisions (1)-(7) of this subsection.

5 (1) Rules concerning any cannabis establishment shall include:

6 * * *

7 (P) disclosure or eligibility requirements for a financier, its owners
8 and principals, and its affiliates, which may include:

9 (i) requirements to disclose information to a licensed
10 establishment, the Board, or the Department of Financial Regulation;

11 (ii) a minimum age requirement and a requirement to conduct a
12 background check for natural persons;

13 (iii) requirements to ensure that a financier complies with
14 applicable State and federal laws governing financial institutions, licensed
15 lenders, and other financial service providers; and

16 (iv) any other requirements, conditions, or limitations on the type
17 or amount of loans or capital investments made by a financier or its affiliates,
18 which the Board, in consultation with the Department of Financial Regulation,
19 determines is necessary to protect the public health, safety, and general
20 welfare; ~~and~~

1 (Q) policies and procedures for conducting outreach and promoting
2 participation in the regulated cannabis market by diverse groups of individuals,
3 including those who have been disproportionately harmed by cannabis
4 prohibition; and

5 (R) advertising and marketing.

6 Sec. 9. 7 V.S.A. § 978 is added to read:

7 § 978. ADVERTISING

8 (a) “Advertise” and “advertisement” have the same meaning as in
9 section 861 of this title.

10 (b) A dispensary advertisement shall not contain any statement or
11 illustration that:

12 (1) is deceptive, false, or misleading;

13 (2) promotes overconsumption;

14 (3) represents that the use of cannabis has curative effects;

15 (4) offers a prize, award, or inducement for purchasing cannabis or a
16 cannabis product, except that price discounts are allowed;

17 (5) offers free samples of cannabis or cannabis products;

18 (6) depicts a person under 21 years of age consuming cannabis or
19 cannabis products; or

20 (7) is designed to be or has the effect of being particularly appealing to
21 persons under 21 years of age.

1 (c) Dispensaries shall not advertise their products via any medium unless
2 the licensee can show that not more than 15 percent of the audience is
3 reasonably expected to be under 21 years of age.

4 (d) All advertisements shall contain health warnings adopted by rule by the
5 Board in consultation with the Department of Health.

6 (e) All advertisements shall be submitted to the Board on a form or in a
7 format prescribed by the Board, prior to the dissemination of the
8 advertisement. The Board may:

9 (1) require a specific disclosure be made in the advertisement in a clear
10 and conspicuous manner if the Board determines that the advertisement would
11 be false or misleading without such a disclosure; or

12 (2) require changes that are necessary to protect the public health,
13 safety, and welfare or consistent with dispensing information for the product
14 under review.

15 (f) The Board may charge and collect fees for review of advertisements.

16 * * * Cultivation * * *

17 Sec. 10. 2019 Acts and Resolves No. 164, Sec. 8 is amended to read:

18 Sec. 8. IMPLEMENTATION OF LICENSING CANNABIS
19 ESTABLISHMENTS

20 (a)(1) The cannabis plant, cannabis product, and useable cannabis
21 possession limits for a registered dispensary set forth in 18 V.S.A. chapter 86

1 shall no longer apply on and after February 1, 2022. A dispensary shall be
2 permitted to cultivate cannabis and manufacture cannabis products for the
3 purpose of transferring or selling such products to an integrated licensee on or
4 after April 1, 2022 and engaging in the activities permitted by 7 V.S.A.
5 chapter 33.

6 (2) On or before April 1, 2022, the Board shall begin accepting
7 applications for integrated licenses.

8 (3) On or before May 1, 2022, the Board shall begin issuing integrated
9 licenses to qualified applicants. An integrated licensee may begin selling
10 cannabis and cannabis products transferred or purchased from a dispensary
11 immediately. Between August 1, 2022 and October 1, 2022, 25 percent of
12 cannabis flower sold by an integrated licensee shall be obtained from a
13 licensed small cultivator, if available.

14 (b)(1) On or before April 1, 2022, the Board shall begin accepting
15 applications for small cultivator licenses and testing laboratories. The initial
16 application period shall remain open for 30 days. The Board may reopen the
17 application process for any period of time at its discretion.

18 (2) On or before May 1, 2022, the Board shall begin issuing small
19 cultivator and testing laboratories licenses to qualified applicants. Upon
20 licensing, small cultivators shall be permitted to sell cannabis legally grown
21 pursuant to the license to an integrated licensee and a dispensary licensed

1 pursuant to 18 V.S.A. chapter 86 prior to other types of cannabis establishment
2 licensees beginning operations.

3 (c)(1) On or before May 1, 2022, the Board shall begin accepting
4 applications for all cultivator licenses. The initial application period shall
5 remain open for 30 days. The Board may reopen the application process for
6 any period of time at its discretion.

7 (2) On or before June 1, 2022, the Board shall begin issuing all
8 cultivator licenses to qualified applicants.

9 (d)(1) On or before July 1, 2022, the Board shall begin accepting
10 applications for product manufacturer licenses and wholesaler licenses. The
11 initial application period shall remain open for 30 days. The Board may
12 reopen the application process for any period of time at its discretion.

13 (2) On or before August 1, 2022, the Board shall begin issuing product
14 manufacturer and wholesaler licenses to qualified applicants.

15 (e)(1) On or before September 1, 2022, the Board shall begin accepting
16 applications for retailer licenses. The initial application period shall remain
17 open for 30 days. The Board may reopen the application process for any
18 period of time at its discretion.

19 (2) On or before October 1, 2022, the Board shall begin issuing retailer
20 licenses to qualified applicants and sales of cannabis and cannabis products by
21 licensed retailers to the public shall be allowed immediately.

1 (1) three percent of gross sales made by integrated licensees prior to
2 October 15, 2022, with a maximum contribution of \$50,000.00 per integrated
3 licensee; and

4 (2) monies allocated to the fund by the General Assembly.

5 (c) The Fund shall be used for the following purposes:

6 (1) to provide low-interest rate loans and grants to social equity
7 applicants to pay for ordinary and necessary expenses to start and operate a
8 licensed cannabis establishment;

9 (2) to pay for outreach that may be provided or targeted to attract and
10 support social equity applicants;

11 (3) to assist with job training and technical assistance for social equity
12 applicants; and

13 (4) necessary costs incurred in administering the Fund.

14 (d) Amounts from loans that are repaid shall provide additional funding
15 through the Fund.

16 § 988. SOCIAL EQUITY LOANS AND GRANTS

17 The Agency of Commerce and Community Development

18 shall establish a program using funds from the Cannabis Business

19 Development Fund for the purpose of providing financial assistance, loans,

20 grants, and outreach to social equity applicants. The Agency may procure by

21 contract all or part of the necessary underwriting, execution and administration

1 services required for loans and grants to be made from the Cannabis Business
2 Development Fund to eligible social equity applicants as allowed under this
3 chapter. Should the Agency be unable to do so, the program shall not move
4 forward until the General Assembly appropriates the operational resources
5 necessary for the Agency to make loans and provide financial assistance to
6 social equity applicants.

7 Sec. 13. SOCIAL EQUITY APPLICANTS; CANNABIS CONTROL

8 BOARD ADVISORY COMMITTEE

9 The Cannabis Control Board, in consultation with the Advisory Committee,
10 the Agency of Commerce and Community Development, and the Executive
11 Director of Racial Equity, shall develop criteria shall develop criteria for social
12 equity applicants for the purpose of obtaining social equity loans and grants
13 from the Cannabis Business Development Fund pursuant to 7 V.S.A. chapter
14 39. The Board shall provide the criteria to the General Assembly not later than
15 October 15, 2021.

16 Sec. 14. TRANSFER AND APPROPRIATION

17 (a) In fiscal year 2022, \$500,000.00 is transferred from General Fund to the
18 Cannabis Business Development Fund established pursuant to 7 V.S.A. § 987.

19 (b) In fiscal year 2022, \$500,000.00 is appropriated from the Cannabis
20 Business Development Fund to the Agency of Commerce and Community
21 Development to make grants pursuant to 7 V.S.A. § 987.

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* * * Medical Cannabis Program * * *

Sec. 15. IMPLEMENTATION OF MEDICAL CANNABIS REGISTRY

(a) On **January 1, 2022**, the following shall transfer from the Department of
Public Safety to the Cannabis Control Board.

- (1) the authority to administer the Medical Cannabis Registry and the regulation of cannabis dispensaries pursuant to 18 V.S.A. chapter 86;
- (2) the cannabis registration fee fund established pursuant to 18 V.S.A. chapter 86; and
- (3) the positions dedicated to administering 18 V.S.A. chapter 86.

(b) The Registry shall continue to be governed by 18 V.S.A. chapter 86 and the rules adopted pursuant to that chapter until 7 V.S.A. chapters 35 and 37 and the rules adopted by the Board pursuant to those chapters take effect on March 1, 2022 as provided in 2019 Acts and Resolves No. 164.

Sec. 16. REPEAL

Secs. 10 and 13 of 2019 Acts and Resolves No. 164 are repealed.

Sec. 16a. 7 V.S.A. § 957 is added to read:

§ 957. MEDICAL CANNABIS OVERSIGHT ADVISORY PANEL

Placeholder

* * * Highway Safety * * *

~~Sec. 17. VERMONT CRIMINAL JUSTICE COUNCIL~~

~~Not later than July 1, 2021, the Vermont Criminal Justice Council shall~~

1 report to the Joint Legislative Justice Oversight Committee regarding funding
2 for the requirement that on or before December 31, 2021 all law enforcement
3 officers receive a minimum of 16 hours of Advanced Roadside Impaired
4 Driving Enforcement training as required by Sec. 20 of 2019 Acts and
5 Resolves No. 164.

6 Sec. 17. 20 V.S.A. § 2358 is amended to read:

7 § 2358. MINIMUM TRAINING STANDARDS; DEFINITIONS

8 * * *

9 (f) The criteria for all minimum training standards under this section shall
10 include Advanced Roadside Impaired Driving Enforcement training as
11 approved by the Vermont Criminal Justice Council. On or before December
12 31, 2021, law enforcement officers shall receive a minimum of 16 hours of
13 training as required by this subsection. December 31, 2026, law enforcement
14 officers shall receive the training required by this section.

15 * * * Substance Misuse Prevention Funding * * *

16 Sec. 18. 32 V.S.A. § 7909 is added to read:

17 § 7909. SUBSTANCE MISUSE PREVENTION FUNDING

18 (a) Thirty percent of the revenues raised by the cannabis excise tax
19 imposed by section 7902 of this title, not to exceed \$10,000,000.00 per fiscal
20 year, shall be used to fund substance misuse prevention programming.

21 (b) If any General Fund appropriations for substance misuse prevention

1 programming remain unexpended at the end of a fiscal year, that balance shall
2 be carried forward and shall only be used for the purpose of funding substance
3 misuse prevention programming in the subsequent fiscal year.

4 (c) Any appropriation balance carried forward pursuant to subsection (b) of
5 this section shall be in addition to revenues allocated for substance misuse
6 prevention programming pursuant to subsection (a) of this section.

7 Sec. 19. REPEAL

8 2019 Acts and Resolves No. 164, Sec. 19 (substance misuse prevention
9 funding) is repealed.

10 * * * Effective Date * * *

11 Sec. 20. EFFECTIVE DATE

12 This act shall take effect on passage.

13

14

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20 (Committee vote: _____)

1

2

Representative _____

3

FOR THE COMMITTEE