

The Green Mountain State

Act 164 of 2020

An act relating to the regulation of cannabis

Cannabis Control Board

- ▶ An independent commission within the Executive Branch tasked with safely, equitably, and effectively implementing and administering the laws enabling access to adult-use cannabis and medical cannabis in Vermont.
- ▶ Board comprised of the chair and two members who shall be full-time exempt employees. The Board will begin with two staffers - the executive director and an administrative assistant.
- ▶ Cannabis Control Board Nominating Committee
- ▶ Act 146 directs that Board members start terms January 19, 2021

Board is required to report to General Assembly no later than April 1, 2021 on the following:

Resources necessary for implementation of the act for fiscal years 2022 and 2023, including positions and funding

State fees to be charged and collected in accordance with the Board's authority

Whether monies expected to be generated by State fees are sufficient to support the statutory duties of the Board and whether any portion of the tax should be allocated to the Cannabis Regulation Fund to ensure these duties are met.

Local fees to be charged and collected in accordance with the Board's authority

Specific criteria, or additional requirements under applicable State or local environmental or land use law for cannabis establishments in the State

Recommended energy or efficiency requirements or standards for the operation of cannabis establishments in the State

A close-up photograph of a vibrant green cannabis leaf with serrated edges, resting on a stack of US dollar bills. The bills are slightly out of focus, showing the texture and details of the currency. The background is a dark blue gradient with green geometric shapes on the right side.

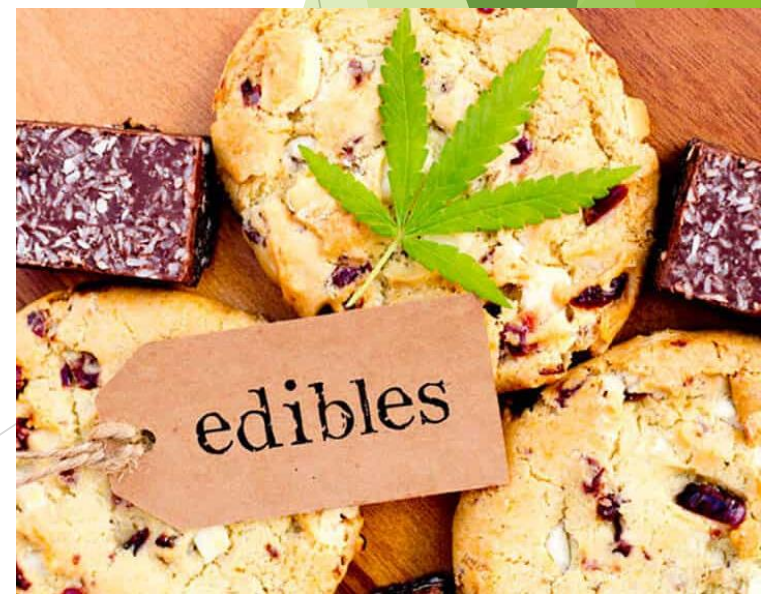
Cannabis Regulation Fund

- ▶ Comprised of fees collected by the Board for implementation, administration, and enforcement of the cannabis programs.
- ▶ Initial appropriation of \$650,000 from the Fund to the Board made in anticipation of receipts.
- ▶ If there is a negative balance in the fund at the close of FY 22, cannabis tax revenues in that amount will be transferred into the fund.



Cannabis Taxes

- ▶ 14% excise tax for retail sales with 30% dedicated to substance misuse prevention programming with an annual cap of \$10 million
- ▶ 6% sales and use tax dedicated to fund a grant program to start or expand afterschool and summer learning programs, with a focus on increasing access in underserved areas of the State

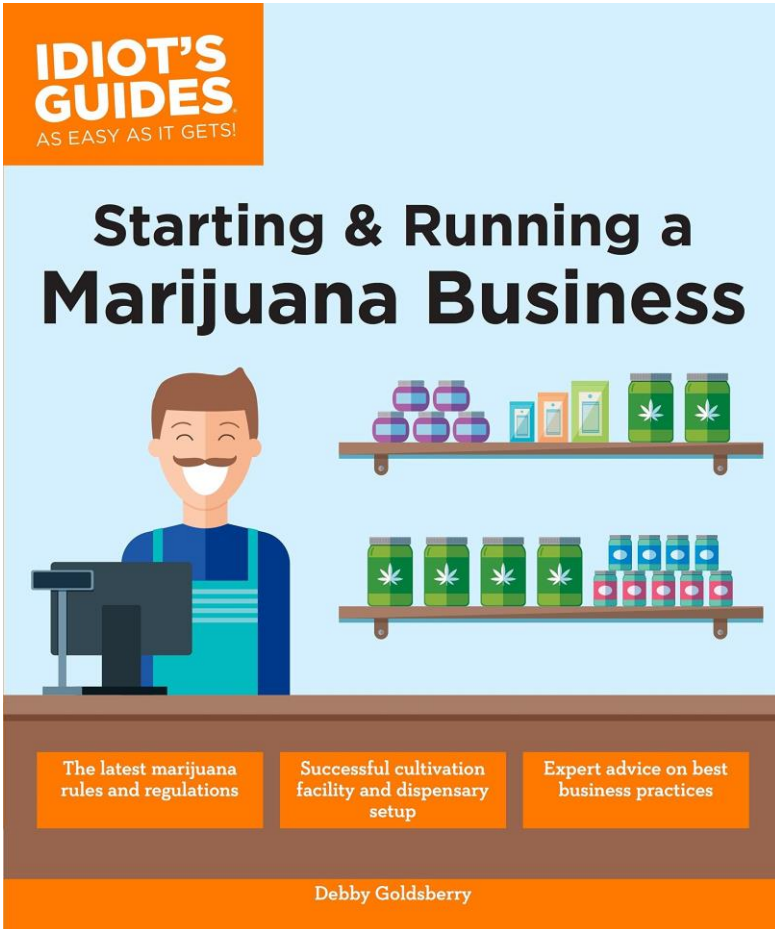


Licenses

- ▶ Cultivator, wholesaler, product manufacturer, retailer, testing laboratory.
- ▶ A person may obtain a maximum of one type of each type of license. Each license permits only one location of the establishment.
- ▶ Board will develop tiers within licensing categories.
- ▶ Integrated license available only to existing medical dispensaries allows vertical integration under one license. Only permits one location for each of the types of activities permitted by the license: cultivation, wholesale operations, product manufacturing, retail sales, and testing.

Priorities in licensing

- ▶ Whether the applicants have an existing medical cannabis dispensary license in good standing
- ▶ Whether the applicants would foster social justice and equity in the cannabis industry by being a minority or women-owned business
- ▶ Whether the applicants propose specific plans to recruit, hire, and implement a development ladder for minorities, women, or individuals who have historically been disproportionately impacted by cannabis prohibition
- ▶ Whether applicants propose specific plans to pay employees a living wage and offer benefits
- ▶ Whether the project incorporates principles of environmental resiliency or sustainability, including energy efficiency
- ▶ The geographic distribution of cannabis establishments based on population and market needs.



Vermonters First (sorta)

The Agency of Commerce and Community Development, in collaboration with the Agency of Agriculture, Food and Markets, is directed to provide business and technical assistance to Vermont applicants with priority for services based on criteria adopted by the Board in accordance with priorities identified in the Act.

Local control



- ▶ Towns must opt-in to allow a retailer or integrated licensee to sell cannabis within the town by placing the issue on the ballot at an annual or special meeting
- ▶ Other types of licensees will be permitted will be permitted without a vote provided they meet state standards
- ▶ Towns may establish a local cannabis control commission and issue local control licenses pursuant powers granted to the towns under Title 24
- ▶ A town may not prohibit cannabis licensees through ordinance

Social Equity Provisions

- ▶ Establishes licensing priority for minority and women owned cannabis businesses and businesses that recruit, hire and put minorities and women on a management ladder
- ▶ Requires the Board to adopt policies and procedures for conducting outreach and promoting participation in the regulated cannabis market by diverse groups of individuals, including those who have been disproportionately harmed by cannabis prohibition.
- ▶ Creates small cultivator licenses which lower the barriers to entry, creating opportunities for BIPOC people who have historically had less access to capital to start businesses and requires prioritization of small cultivators during the initial application period
- ▶ Prohibits prior nonviolent drug offenses from automatically disqualifying a person as a licensee or employee of a cannabis business
- ▶ Mandates that the Cannabis Control Board work with DOL; ACCD; Dept. of Corrections and the Director of Racial Equity to develop outreach, training and employment programs focused on providing economic opportunities to individuals who have been disproportionately impacted by cannabis prohibition
- ▶ Creates a position on the Cannabis Control Board Advisory Committee for a person who has specific expertise in minority and women owned businesses and another for a person who has expertise in criminal justice reform

Vermont Marijuana Registry



- ▶ Moves from the Department of Public Safety to the Cannabis Control Board 3/1/22
- ▶ Board will develop and adopt new rules based on Act 146 guidelines at the same time it is doing so for adult use cannabis
- ▶ Future legislation will likely move the three current positions and funds for the program to the Board

Medical Dispensaries

“It is the intent of the General Assembly to provide a well-regulated system of licensed medical cannabis dispensaries for the purpose of providing cannabis, cannabis products, and related services to patients and caregivers who are registered on the Medical Cannabis Registry... Vermont first authorized dispensaries in 2011, and it is the intent of the General Assembly that dispensaries continue to provide unique goods and services to registered patients and caregivers for therapeutic purposes in a market that also allows [adult use] cannabis establishments...”

A dispensary may engage in practices that are not permitted for a cannabis establishment including:

- ▶ sell tax-free cannabis and cannabis products to patients and caregivers;
- ▶ deliver cannabis and cannabis products to patients and caregivers;
- ▶ allow patients and caregivers to purchase cannabis and cannabis products without leaving their vehicles;
- ▶ produce and sell cannabis and cannabis products that have a higher THC content than is permitted for a cannabis establishment;
- ▶ produce and sell cannabis products that may not otherwise be permitted for a cannabis establishment, but that would be appropriate for use by a patient as determined by the Board through rulemaking; and
- ▶ sell larger quantities of cannabis and cannabis products than is permitted for a cannabis establishment.

Highway Safety

- ▶ Adds evidentiary saliva tests to the implied consent statute in the same manner as blood tests. Drivers are deemed to have given consent to the evidentiary testing of their saliva if law enforcement has reason to believe they are operating under the influence. Law enforcement must obtain a warrant for the test, just as they must obtain a warrant for an evidentiary blood test.
- ▶ Requires DPS to report to the GA on or before March 1, 2022 on how to achieve geographic equity in Drug Recognition Expert availability to conduct roadside evaluations of drivers and whether to expand the availability of the Drug Recognition Expert program beyond law enforcement officers to other public safety officials.
- ▶ Upon the identifying a threshold level of concentration of a psychoactive metabolite of cannabis in a person's bloodstream to establish impairment and approving a chemical testing device for roadside use capable of demonstrating such a threshold level of concentration of such psychoactive metabolite of cannabis in a person's system, Requires DPS to report to the GA on a proposal to implement the use of such a device to evaluate individuals suspected of operating under the influence of marijuana

The logo features the text "DUI DOESN'T JUST MEAN BOOZE" in a bold, sans-serif font. The word "DUI" is in dark teal, "DOESN'T JUST MEAN" is in a lighter teal, and "BOOZE" is in a bright teal. The letter "O" in "BOOZE" is replaced by a red and white pill, and the second "O" is replaced by a green cannabis leaf.

DUI
DOESN'T JUST MEAN
BOOZE

But wait, there's more in Act 167!

- ▶ Decriminalized possession of more than one ounce but less than two ounces of cannabis. Violations are civil offenses and subject to monetary penalty through Judicial Bureau.
- ▶ Established process for expunging all misdemeanor convictions for possession of under two ounces of cannabis that occur before January 1, 2021

***CLEAR YOUR MARIJUANA
RELATED CRIMINAL RECORD***



What's up for 2021?

- ▶ Re-examination of timeline
- ▶ Build out of program for 2nd and 3rd FY - positions, funding, etc.
- ▶ Opt-in/opt-out and ballot language
- ▶ Social equity - reduced fees for BIPOC applicants and no or low interest loan fund for BIPOC applicants
- ▶ Land use, environmental, and energy standards
- ▶ Adoption of license fee schedule
- ▶ Advertising