

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   \* \* \* Social Equity \* \* \*

2           Sec. 11. FEES; SOCIAL EQUITY

3           When reporting to the General Assembly regarding recommended fees for  
4           licensing cannabis establishments pursuant to Sec. 4a, the Cannabis Control  
5           Board shall propose a plan for reducing or eliminating licensing fees for  
6           individuals from communities that historically have been disproportionately  
7           impacted by cannabis prohibition or individuals directly and personally  
8           impacted by cannabis prohibition.

9           Sec. 12. 7 V.S.A. chapter 39 is added to read:

10                           CHAPTER 39. CANNABIS SOCIAL EQUITY PROGRAMS

11           § 986. DEFINITIONS

12           As used in this chapter:

13                   (1) “Agency” means the Agency of Commerce and Community  
14           Development.

15                   (2) “Board” means the Cannabis Control Board.

16           § 987. CANNABIS BUSINESS DEVELOPMENT FUND

17                   (a) There is established the Cannabis Business Development Fund, which  
18           shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

19                   (b) The Fund shall comprise:

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 **§ 989. REPORTING**

8 **The Cannabis Control Board, in consultation with the Advisory Committee,**  
9 **the Agency of Commerce and Community Development, and the Executive**  
10 **Director of Racial Equity shall report to the General Assembly on or before**  
11 **January 15, 2023, and biennially thereafter, regarding the implementation and**  
12 **application of this chapter, including data on the number of applicants, number**  
13 **of recipients, the number and amounts of loans and grants, and identification of**  
14 **continuing barriers to accessing the cannabis market for social equity**  
15 **applicants. This information shall be presented in a manner that can be**  
16 **quantified and tracked over time.**

17 Sec. 13. SOCIAL EQUITY APPLICANTS; **CRITERIA**

18 The Cannabis Control Board, in consultation with the Advisory Committee,  
19 the Agency of Commerce and Community Development, and the Executive  
20 Director of Racial Equity, shall develop criteria shall develop criteria for social  
21 equity applicants for the purpose of obtaining social equity loans and grants

1 from the Cannabis Business Development Fund pursuant to 7 V.S.A. chapter  
2 39. The Board shall provide the criteria to the General Assembly not later than  
3 October 15, 2021.

4 Sec. 14. TRANSFER AND APPROPRIATION

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

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

10 \* \* \* Medical Cannabis Program \* \* \*

11 Sec. 15. IMPLEMENTATION OF MEDICAL CANNABIS REGISTRY

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

14 (1) the authority to administer the Medical Cannabis Registry and the  
15 regulation of cannabis dispensaries pursuant to 18 V.S.A. chapter 86;

16 (2) the cannabis registration fee fund established pursuant to 18 V.S.A.  
17 chapter 86; and

18 (3) the positions dedicated to administering 18 V.S.A. chapter 86.

19 (b) The Registry shall continue to be governed by 18 V.S.A. chapter 86 and  
20 the rules adopted pursuant to that chapter until 7 V.S.A. chapters 35 and 37 and  
21 the rules adopted by the Board pursuant to those chapters take effect on

1 March 1, 2022 as provided in 2019 Acts and Resolves No. 164.

2 Sec. 16. REPEAL

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

4 **Sec. 16a. MEDICAL CANNABIS OVERSIGHT ADVISORY PANEL**

5 2019 Acts and Resolves No. 164 repeals the Cannabis for Symptom Relief

6 Oversight Committee on March 1, 2022. The General Assembly recognizes

7 the value of continuing to employ an advisory entity focused on medical

8 cannabis and the patients and caregivers on Vermont’s Medical Cannabis

9 Registry. However, the General Assembly finds that the structure and mission

10 of such an entity should be updated to reflect the changing approach to

11 cannabis since the establishment of the current Oversight Committee in 2011.

12 Therefore, in the 2022 legislative session, the General Assembly intends to

13 establish a new Medical Cannabis Oversight Advisory Panel and requests that

14 the Cannabis Control Board submit its recommendations for the membership

15 and duties of this panel to the General Assembly on or before, November 1,

16 2021.

17 \* \* \* Highway Safety \* \* \*

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

19 § 2358. MINIMUM TRAINING STANDARDS; DEFINITIONS

20 \* \* \*

1 (f) The criteria for all minimum training standards under this section shall  
2 include Advanced Roadside Impaired Driving Enforcement training as  
3 approved by the Vermont Criminal Justice Council. On or before ~~December~~  
4 ~~31, 2021, law enforcement officers shall receive a minimum of 16 hours of~~  
5 ~~training as required by this subsection~~ December 31, 2026, law enforcement  
6 officers shall receive the training required by this section.

7 \* \* \* Substance Misuse Prevention Funding \* \* \*

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

9 § 7909. SUBSTANCE MISUSE PREVENTION FUNDING

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

13 (b) If any General Fund appropriations for substance misuse prevention  
14 programming remain unexpended at the end of a fiscal year, that balance shall  
15 be carried forward and shall only be used for the purpose of funding substance  
16 misuse prevention programming in the subsequent fiscal year.

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

20 Sec. 19. REPEAL

21 2019 Acts and Resolves No. 164, Sec. 19 (substance misuse prevention

1 funding) is repealed.

2 \* \* \* Effective Date \* \* \*

3 Sec. 20. EFFECTIVE DATE

4 (a) Sec. 18 shall take effect on March 1, 2022.

5 (b) The remaining sections of this act shall take effect on passage.

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13 (Committee vote: \_\_\_\_\_)

14

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\_\_\_\_\_

Representative \_\_\_\_\_

FOR THE COMMITTEE