I	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;

1	(E) one member with an expertise in women women- and minority-
2	owned business ownership, appointed by the Speaker of the House;
3	(F) one member with an expertise in substance misuse prevention.
4	appointed by the Senate Committee on Committees the Chair of the Substance
5	Misuse Prevention Oversight and Advisory Council or designee;
6	(G) one member with an expertise in the cannabis industry, appointed
7	by the Senate Committee on Committees;
8	(H) one member with an expertise in business management or
9	regulatory compliance, appointed by the Treasurer;
10	(I) one member with an expertise in municipal issues, appointed by
11	the Treasurer Senate Committee on Committees;
12	(J) one member with an expertise in public safety, appointed by the
13	Attorney General;
14	(K) one member with an expertise in criminal justice reform,
15	appointed by the Attorney General; and
16	(L) the Secretary of Natural Resources or designee;
17	(M) the Chair of the Cannabis for Symptom Relief Oversight
18	Committee or designee; and
19	(N) one member appointed by the Vermont Cannabis Trade
20	Association.

1	(2) Initial appointments to the advisory committee as provided in
2	subdivision (1) of this subsection (h) shall be made on or before May 1, 2021
3	<u>July 1, 2021</u> .
4	* * *
5	* * * Cannabis Control Board * * *
6	Sec. 3. 7 V.S.A. § 845 is amended to read:
7	§ 845. CANNABIS REGULATION FUND
8	* * *
9	(b) The Fund shall be composed of:
10	(1) all State application fees, annual license fees, renewal fees,
11	advertising review fees, and civil penalties collected by the Board pursuant to
12	chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries)
13	of this title; and
14	(2) all annual and renewal fees collected by the Board pursuant to
15	chapter 35 (medical cannabis registry) of this title.
16	* * *
17	Sec. 4. 2019 Acts and Resolves No. 164, Sec. 5 is amended to read:
18	Sec. 5. CANNABIS CONTROL BOARD REPORT TO THE GENERAL
19	ASSEMBLY; PROPOSAL FOR POSITIONS, FEES, AND
20	APPROPRIATIONS FOR FISCAL YEARS 2022 AND 2023;
21	LAND USE, ENVIRONMENTAL, ENERGY, AND

1	EFFICIENCY REQUIREMENTS OR STANDARDS;
2	ADVERTISING; OUTREACH, TRAINING, AND
3	EMPLOYMENT PROGRAMS; ONLINE ORDERING AND
4	DELIVERY; ADDITIONAL TYPES OF LICENSES
5	(a) On or before April 1, 2021, the Executive Director of the Cannabis
6	Control Board shall provide recommendations to the General Assembly on the
7	following:
8	(1) Resources resources necessary for implementation of this act for
9	fiscal years year 2022 and 2023, including positions and funding. The Board
10	shall consider utilization of current expertise and resources within State
11	government and cooperation with other State departments and agencies where
12	there may be an overlap in duties.
13	(2) State fees to be charged and collected in accordance with the
14	Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be
15	accompanied by information justifying the recommended rate as required by
16	32 V.S.A. § 605(d). The State fees submitted in accordance with this
17	subdivision shall be projected to be sufficient to fund the duties of the
18	Cannabis Control Board as provided in 7 V.S.A. § 843. To the extent possible,
19	the recommend fees shall include an amount to repay over a period, not greater
20	than 10 years, to the General Fund any application of excise taxes to the
21	Cannabis Regulation Fund made pursuant to Sec. 6c of this act.

1	(A) Application fees, initial annual license fees, and annual license
2	renewal fees for each type of cannabis establishment license as provided in
3	7 V.S.A. § 846: cultivator, product manufacturer, wholesaler, retailer, testing
4	laboratory, and integrated. If the Board establishes tiers within a licensing
5	category, it shall provide a fee recommendation for each tier.
6	(B) Fee for a cannabis establishment identification card as provided
7	in 7 V.S.A. § 884.
8	(3) Whether monies expected to be generated by State fees identified in
9	subdivision (2) of this subsection are sufficient to support the statutory duties
10	of the Board and whether any portion of the tax established pursuant to
11	32 V.S.A. § 7902 should be allocated to the Cannabis Regulation Fund to
12	ensure these duties are met.
13	(4) Local fees to be charged and collected in accordance with the
14	Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be
15	accompanied by information justifying the recommended rate as required by
16	32 V.S.A. § 605(d). The Board shall recommend local fees that are designed
17	to help defray the costs incurred by municipalities in which cannabis
18	establishments are located.

1	* * *
2	Sec. 4a. CANNABIS CONTROL BOARD REPORT TO THE JOINT
3	FISCAL COMMITTEE; FEES
4	(a) On or before September 1, 2021, the Cannabis Control Board shall
5	provide draft recommendations to the Joint Fiscal Committee for its approval
6	on the following:
7	(1) State fees to be charged and collected in accordance with the
8	Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be
9	accompanied by information justifying the recommended rate as required by
10	32 V.S.A. § 605(d). The State fees submitted in accordance with this
11	subdivision shall be projected to be sufficient to fund the duties of the
12	Cannabis Control Board as provided in 7 V.S.A. § 843. To the extent possible
13	the recommend fees shall include an amount to repay over a period, not greater
14	than 10 years, to the General Fund any application of excise taxes to the
15	Cannabis Regulation Fund made pursuant to Sec. 6c of the 2019 Acts and
16	Resolves No. 164.
17	(A) Application fees, initial annual license fees, and annual license
18	renewal fees for each type of cannabis establishment license as provided in
19	7 V.S.A. § 846: cultivator, product manufacturer, wholesaler, retailer, testing
20	laboratory, and integrated. If the Board establishes tiers within a licensing
21	category, it shall provide a fee recommendation for each tier.

1	(B) Fee for a cannabis establishment identification card as provided
2	<u>in 7 V.S.A. § 884.</u>
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 percent THC for purposes of incorporation into
13	other cannabis products that otherwise comply with restrictions in 7 V.S.A.
14	§ 868 (prohibited products) and rules promulgated by the Board pursuant to
15	7 V.S.A. § 881(a)(3); and
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

1	any cannabis establishment, and that is not written by or at the direction of the
2	licensee;
3	(C) any educational, instructional, or otherwise noncommercial
4	material that is not intended to induce sales and that does not propose an
5	economic transaction, but that merely provides information to the public in an
6	unbiased manner; or
7	(D) a sign attached to the premises of a cannabis establishment that
8	merely identifies the location of the cannabis establishment.
9	(3) "Affiliate" means a person that directly or indirectly owns or
10	controls, is owned or controlled by, or is under common ownership or control
11	with another person.
12	(2)(4) "Applicant" means a person that applies for a license to operate a
13	cannabis establishment pursuant to this chapter.
14	(3)(5) "Board" means the Cannabis Control Board.
15	(4)(6) "Cannabis" shall have the same meaning as provided in section
16	831 of this title.
17	(5)(7) "Cannabis cultivator" or "cultivator" means a person licensed by
18	the Board to engage in the cultivation of cannabis in accordance with this
19	chapter.
20	(6)(8) "Cannabis establishment" means a cannabis cultivator,
21	wholesaler, product manufacturer, retailer, or testing laboratory licensed by the

1	Board to engage in commercial cannabis activity in accordance with this
2	chapter.
3	(7)(9) "Cannabis product" shall have the same meaning as provided in
4	section 831 of this title.
5	(8)(10) "Cannabis product manufacturer" or "product manufacturer"
6	means a person licensed by the Board to manufacture cannabis products in
7	accordance with this chapter.
8	(9)(11) "Cannabis retailer" or "retailer" means a person licensed by the
9	Board to sell cannabis and cannabis products to adults 21 years of age and
10	older for off-site consumption in accordance with this chapter.
11	(10)(12) "Cannabis testing laboratory" or "testing laboratory" means a
12	person licensed by the Board to test cannabis and cannabis products in
13	accordance with this chapter.
14	(11)(13) "Cannabis wholesaler" or "wholesaler" means a person
15	licensed by the Board to purchase, process, transport, and sell cannabis and
16	cannabis products in accordance with this chapter.
17	(12)(14) "Chair" means the Chair of the Cannabis Control Board.
18	(13)(15) "Characterizing flavor" means a taste or aroma, other than the
19	taste or aroma of cannabis, imparted either prior to or during consumption of a
20	cannabis product. The term includes tastes or aromas relating to any fruit,
21	chocolate, vanilla, honey, maple, candy, cocoa, dessert, alcoholic beverage,

1 mint, menthol, wintergreen, herb or spice, or other food or drink or to any 2 conceptual flavor that imparts a taste or aroma that is distinguishable from 3 cannabis flavor but may not relate to any particular known flavor. 4 (14)(16) "Child-resistant packaging" means packaging that is designed 5 or constructed to be significantly difficult for children under five years of age 6 to open or obtain a toxic or harmful amount of the substance in the container 7 within a reasonable time and not difficult for normal adults to use properly, but 8 does not mean packaging that all children under five years of age cannot open 9 or obtain a toxic or harmful amount of the substance in the container within a 10 reasonable time. (15)(17) "Controls," "is controlled by," and "under common control" 11 12 mean the power to direct, or cause the direction or management and policies of 13 a person, whether through the direct or beneficial ownership of voting 14 securities, by contract, or otherwise. A person who directly or beneficially 15 owns 10 percent or more equity interest, or the equivalent thereof, of another 16 person shall be deemed to control the person. 17 (16)(18) "Dispensary" means a business organization licensed pursuant 18 to chapter 37 of this title or 18 V.S.A. chapter 86. 19 (17)(19) "Enclosed, locked facility" means a building, room, 20 greenhouse, outdoor fenced-in area, or other location that is enclosed on all 21 sides and prevents cannabis from easily being viewed by the public. The

1	facility shall be equipped with locks or other security devices that permit
2	access only by:
3	(A) Employees, agents, or owners of the cultivator, all of whom shall
4	be 21 years of age or older.
5	(B) Government employees performing their official duties.
6	(C) Contractors performing labor that does not include cannabis
7	cultivation, packaging, or processing. Contractors shall be accompanied by an
8	employee, agent, or owner of the cultivator when they are in areas where
9	cannabis is being grown, processed, packaged, or stored.
10	(D) Registered employees of other cultivators, members of the
11	media, elected officials, and other individuals 21 years of age or older visiting
12	the facility, provided they are accompanied by an employee, agent, or owner of
13	the cultivator.
14	(18)(20) "Flavored oil cannabis product" means any oil cannabis
15	product that contains an additive to give it a characterizing flavor.
16	(19)(21) "Integrated licensee" means a person licensed by the Board to
17	engage in the activities of a cultivator, wholesaler, product manufacturer,
18	retailer, and testing laboratory in accordance with this chapter.
19	(20)(22) "Municipality" means a town, city, or incorporated village.
20	(21)(23) "Person" shall include any natural person; corporation;
21	municipality; the State of Vermont or any department, agency, or subdivision

1	of the State; and any partnership, unincorporated association, or other legal
2	entity.
3	(22)(24) "Plant canopy" means the square footage dedicated to live
4	plant production and does not include areas such as office space or areas used
5	for the storage of fertilizers, pesticides, or other products.
6	(23)(25) "Principal" means an individual vested with the authority to
7	conduct, manage, or supervise the business affairs of a person, and may
8	include the president, vice president, secretary, treasurer, manager, or similar
9	executive officer of a business; a director of a corporation, nonprofit
10	corporation, or mutual benefit enterprise; a member of a nonprofit corporation,
11	cooperative, or member-managed limited liability company; and a partner of a
12	partnership.
13	(24)(26) "Small cultivator" means a cultivator with a plant canopy or
14	space for cultivating plants for breeding stock of not more than 1,000 square
15	feet.
16	Sec. 6. 7 V.S.A. § 864 is added to read:
17	§ 864. ADVERTISING
18	(a) "Advertise" and "advertisement" have the same meaning as in
19	section 861 of this title.
20	(b) A cannabis establishment advertisement shall not contain any statement
21	or illustration that:

1	(1) is deceptive, false, or misleading;
2	(2) promotes overconsumption;
3	(3) represents that the use of cannabis has curative effects;
4	(4) offers a prize, award, or inducement for purchasing cannabis or a
5	cannabis product, except that price discounts are allowed;
6	(5) offers free samples of cannabis or cannabis products;
7	(6) depicts a person under 21 years of age consuming cannabis or
8	cannabis products; or
9	(7) is designed to be or has the effect of being particularly appealing to
10	persons under 21 years of age.
11	(c) Cannabis establishments shall not advertise their products via any
12	medium unless the licensee can show that not more than 15 percent of the
13	audience is reasonably expected to be under 21 years of age.
14	(d) All advertisements shall contain health warnings adopted by rule by the
15	Board in consultation with the Department of Health.
16	(e) All advertisements shall be submitted to the Board on a form or in a
17	format prescribed by the Board, prior to the dissemination of the
18	advertisement. The Board may:
19	(1) require a specific disclosure be made in the advertisement in a clear
20	and conspicuous manner if the Board determines that the advertisement would
21	be false or misleading without such a disclosure; or

1	(2) require changes that are necessary to protect the public health,
2	safety, and welfare or consistent with dispensing information for the product
3	under review.
4	(f) The Board may charge and collect fees for review of advertisements.
5	Sec. 7. 7 V.S.A. § 866(d) is added to read:
6	(d) In accordance with section 864 of this title, advertising by a cannabis
7	establishment shall not depict a person under 21 years of age consuming
8	cannabis or cannabis products or be designed to be or have the effect of being
9	particularly appealing to persons under 21 years of age. Cannabis
10	establishments shall not advertise their products via any medium unless the
11	licensee can show that not more than 15 percent of the audience is reasonably
12	expected to be under 21 years of age.
13	Sec. 8. 7 V.S.A. § 881 is amended to read:
14	§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS
15	(a) The Board shall adopt rules to implement and administer this chapter in
16	accordance with subdivisions (1)–(7) of this subsection.
17	(1) Rules concerning any cannabis establishment shall include:
18	* * *
19	(P) disclosure or eligibility requirements for a financier, its owners
20	and principals, and its affiliates, which may include:

1	(i) requirements to disclose information to a licensed
2	establishment, the Board, or the Department of Financial Regulation;
3	(ii) a minimum age requirement and a requirement to conduct a
4	background check for natural persons;
5	(iii) requirements to ensure that a financier complies with
6	applicable State and federal laws governing financial institutions, licensed
7	lenders, and other financial service providers; and
8	(iv) any other requirements, conditions, or limitations on the type
9	or amount of loans or capital investments made by a financier or its affiliates,
10	which the Board, in consultation with the Department of Financial Regulation,
11	determines is necessary to protect the public health, safety, and general
12	welfare; and
13	(Q) policies and procedures for conducting outreach and promoting
14	participation in the regulated cannabis market by diverse groups of individuals
15	including those who have been disproportionately harmed by cannabis
16	prohibition; and
17	(R) advertising and marketing.
18	Sec. 9. 7 V.S.A. § 978 is added to read:
19	§ 978. ADVERTISING
20	(a) "Advertise" and "advertisement" have the same meaning as in
21	section 861 of this title.

1	(b) A dispensary advertisement shall not contain any statement or
2	illustration that:
3	(1) is deceptive, false, or misleading;
4	(2) promotes overconsumption;
5	(3) represents that the use of cannabis has curative effects;
6	(4) offers a prize, award, or inducement for purchasing cannabis or a
7	cannabis product, except that price discounts are allowed;
8	(5) offers free samples of cannabis or cannabis products;
9	(6) depicts a person under 21 years of age consuming cannabis or
10	cannabis products; or
11	(7) is designed to be or has the effect of being particularly appealing to
12	persons under 21 years of age.
13	(c) Dispensaries shall not advertise their products via any medium unless
14	the licensee can show that not more than 15 percent of the audience is
15	reasonably expected to be under 21 years of age.
16	(d) All advertisements shall contain health warnings adopted by rule by the
17	Board in consultation with the Department of Health.
18	(e) All advertisements shall be submitted to the Board on a form or in a
19	format prescribed by the Board, prior to the dissemination of the
20	advertisement. The Board may:

1	(1) require a specific disclosure be made in the advertisement in a clear
2	and conspicuous manner if the Board determines that the advertisement would
3	be false or misleading without such a disclosure; or
4	(2) require changes that are necessary to protect the public health,
5	safety, and welfare or consistent with dispensing information for the product
6	under review.
7	(f) The Board may charge and collect fees for review of advertisements.
8	* * * Cultivation * * *
9	Sec. 10. 2019 Acts and Resolves No. 164, Sec. 8 is amended to read:
10	Sec. 8. IMPLEMENTATION OF LICENSING CANNABIS
11	ESTABLISHMENTS
12	(a)(1) The cannabis plant, cannabis product, and useable cannabis
13	possession limits for a registered dispensary set forth in 18 V.S.A. chapter 86
14	shall no longer apply on and after February 1, 2022. A dispensary shall be
15	permitted to cultivate cannabis and manufacture cannabis products for the
16	purpose of transferring or selling such products to an integrated licensee on or
17	after April 1, 2022 and engaging in the activities permitted by 7 V.S.A.
18	chapter 33.
19	(2) On or before April 1, 2022, the Board shall begin accepting
20	applications for integrated licenses.

1	(3) On or before May 1, 2022, the Board shall begin issuing integrated
2	licenses to qualified applicants. An integrated licensee may begin selling
3	cannabis and cannabis products transferred or purchased from a dispensary
4	immediately. Between August 1, 2022 and October 1, 2022, 25 percent of
5	cannabis flower sold by an integrated licensee shall be obtained from a
6	licensed small cultivator, if available.
7	(b)(1) On or before April 1, 2022, the Board shall begin accepting
8	applications for small cultivator licenses and testing laboratories. The initial
9	application period shall remain open for 30 days. The Board may reopen the
10	application process for any period of time at its discretion.
11	(2) On or before May 1, 2022, the Board shall begin issuing small
12	cultivator and testing laboratories licenses to qualified applicants. Upon
13	licensing, small cultivators shall be permitted to sell cannabis legally grown
14	pursuant to the license to an integrated licensee and a dispensary licensed
15	pursuant to 18 V.S.A. chapter 86 prior to other types of cannabis establishment
16	licensees beginning operations.
17	(c)(1) On or before May 1, 2022, the Board shall begin accepting
18	applications for all cultivator licenses. The initial application period shall
19	remain open for 30 days. The Board may reopen the application process for
20	any period of time at its discretion.

1	(2) On or before June 1, 2022, the Board shall begin issuing all
2	cultivator licenses to qualified applicants.
3	(d)(1) On or before July 1, 2022, the Board shall begin accepting
4	applications for product manufacturer licenses and wholesaler licenses. The
5	initial application period shall remain open for 30 days. The Board may
6	reopen the application process for any period of time at its discretion.
7	(2) On or before August 1, 2022, the Board shall begin issuing product
8	manufacturer and wholesaler licenses to qualified applicants.
9	(e)(1) On or before September 1, 2022, the Board shall begin accepting
10	applications for retailer licenses. The initial application period shall remain
11	open for 30 days. The Board may reopen the application process for any
12	period of time at its discretion.
13	(2) On or before October 1, 2022, the Board shall begin issuing retailer
14	licenses to qualified applicants and sales of cannabis and cannabis products by
15	licensed retailers to the public shall be allowed immediately.
16	* * * Social Equity * * *
17	Sec. 11. FEES; SOCIAL EQUITY
18	When reporting to the General Assembly regarding recommended fees for
19	licensing cannabis establishments pursuant to Sec. 4a of this act, the Cannabis
20	Control Board shall propose a plan for reducing or eliminating licensing fees
21	for individuals from communities that historically have been

1	disproportionately impacted by cannabis prohibition or individuals directly and
2	personally impacted by cannabis prohibition.
3	Sec. 12. 7 V.S.A. chapter 39 is added to read:
4	CHAPTER 39. CANNABIS SOCIAL EQUITY PROGRAMS
5	§ 986. DEFINITIONS
6	As used in this chapter:
7	(1) "Agency" means the Agency of Commerce and Community
8	Development.
9	(2) "Board" means the Cannabis Control Board.
10	§ 987. CANNABIS BUSINESS DEVLOPMENT FUND
11	(a) There is established the Cannabis Business Development Fund, which
12	shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.
13	(b) The Fund shall comprise:
14	(1) three percent of gross sales made by integrated licensees prior to
15	October 15, 2022, with a maximum contribution of \$50,000.00 per integrated
16	licensee; and
17	(2) monies allocated to the fund by the General Assembly.
18	(c) The Fund shall be used for the following purposes:
19	(1) to provide low-interest rate loans and grants to social equity
20	applicants to pay for ordinary and necessary expenses to start and operate a
21	licensed cannabis establishment;

1	(2) to pay for outreach that may be provided or targeted to attract and
2	support social equity applicants;
3	(3) to assist with job training and technical assistance for social equity
4	applicants; and
5	(4) to pay for necessary costs incurred in administering the Fund.
6	(d) Amounts from loans that are repaid shall provide additional funding
7	through the Fund.
8	§ 988. SOCIAL EQUITY LOANS AND GRANTS
9	The Agency of Commerce and Community Development shall establish a
10	program using funds from the Cannabis Business Development Fund for the
11	purpose of providing financial assistance, loans, grants, and outreach to social
12	equity applicants. The Agency may procure by contract all or part of the
13	necessary underwriting, execution, and administration services required for
14	loans and grants to be made from the Cannabis Business Development Fund to
15	eligible social equity applicants as allowed under this chapter. Should the
16	Agency be unable to do so, the program shall not move forward until the
17	General Assembly appropriates the operational resources necessary for the
18	Agency to make loans and provide financial assistance to social equity
19	applicants.

1	§ 989. REPORTING
2	The Cannabis Control Board, in consultation with the Advisory Committee,
3	the Agency of Commerce and Community Development, and the Executive
4	Director of Racial Equity, shall report to the General Assembly on or before
5	January 15, 2023 and biennially thereafter regarding the implementation and
6	application of this chapter, including data on the number of applicants, the
7	number of recipients, the number and amounts of loans and grants, and the
8	identification of continuing barriers to accessing the cannabis market for social
9	equity applicants. This information shall be presented in a manner that can be
10	quantified and tracked over time.
11	Sec. 13. SOCIAL EQUITY APPLICANTS; CRITERIA
12	The Cannabis Control Board, in consultation with the Advisory Committee,
13	the Agency of Commerce and Community Development, and the Executive
14	Director of Racial Equity, shall develop criteria for social equity applicants for
15	the purpose of obtaining social equity loans and grants from the Cannabis
16	Business Development Fund pursuant to 7 V.S.A. chapter 39. The Board shall
17	provide the criteria to the General Assembly not later than October 15, 2021.
18	Sec. 14. TRANSFER AND APPROPRIATION
19	(a) In fiscal year 2022, \$500,000.00 is transferred from General Fund to the
20	Cannabis Business Development Fund established pursuant to 7 V.S.A. § 987.

1	(b) In fiscal year 2022, \$500,000.00 is appropriated from the Cannabis
2	Business Development Fund to the Agency of Commerce and Community
3	Development to make loans and grants pursuant to 7 V.S.A. § 987.
4	* * * Medical Cannabis Program * * *
5	Sec. 15. IMPLEMENTATION OF MEDICAL CANNABIS REGISTRY
6	(a) On January 1, 2022, the following shall transfer from the Department of
7	Public Safety to the Cannabis Control Board:
8	(1) the authority to administer the Medical Cannabis Registry and the
9	regulation of cannabis dispensaries pursuant to 18 V.S.A. chapter 86;
10	(2) the cannabis registration fee fund established pursuant to 18 V.S.A.
11	chapter 86; and
12	(3) the positions dedicated to administering 18 V.S.A. chapter 86.
13	(b) The Registry shall continue to be governed by 18 V.S.A. chapter 86 and
14	the rules adopted pursuant to that chapter until 7 V.S.A. chapters 35 and 37 and
15	the rules adopted by the Board pursuant to those chapters take effect on
16	March 1, 2022 as provided in 2019 Acts and Resolves No. 164.
17	Sec. 16. REPEAL
18	2019 Acts and Resolves No. 164, Secs. 10 (implementation of Medical
19	Cannabis Registry) and 13 (implementation of medical cannabis dispensaries)
20	are repealed.

1	Sec. 16a. MEDICAL CANNABIS OVERSIGHT ADVISORY PANEL
2	2019 Acts and Resolves No. 164 repeals the Cannabis for Symptom Relief
3	Oversight Committee on March 1, 2022. The General Assembly recognizes
4	the value of continuing to employ an advisory entity focused on medical
5	cannabis and the patients and caregivers on Vermont's Medical Cannabis
6	Registry. However, the General Assembly finds that the structure and mission
7	of such an entity should be updated to reflect the changing approach to
8	cannabis since the establishment of the current Oversight Committee in 2011.
9	Therefore, in the 2022 legislative session, the General Assembly intends to
10	establish the Medical Cannabis Oversight Advisory Panel and requests that the
11	Cannabis Control Board submit its recommendations for the membership and
12	duties of this panel to the General Assembly on or before November 1, 2021.
13	* * * Highway Safety * * *
14	Sec. 17. 20 V.S.A. § 2358 is amended to read:
15	§ 2358. MINIMUM TRAINING STANDARDS; DEFINITIONS
16	* * *
17	(f) The criteria for all minimum training standards under this section shall
18	include Advanced Roadside Impaired Driving Enforcement training as
19	approved by the Vermont Criminal Justice Council. On or before December
20	31, 2021, law enforcement officers shall receive a minimum of 16 hours of

1	training as required by this subsection December 31, 2026, law enforcement
2	officers shall receive the training required by this section.
3	* * * Substance Misuse Prevention Funding * * *
4	Sec. 18. 32 V.S.A. § 7909 is added to read:
5	§ 7909. SUBSTANCE MISUSE PREVENTION FUNDING
6	(a) Thirty percent of the revenues raised by the cannabis excise tax
7	imposed by section 7902 of this title, not to exceed \$10,000,000.00 per fiscal
8	year, shall be used to fund substance misuse prevention programming.
9	(b) If any General Fund appropriations for substance misuse prevention
10	programming remain unexpended at the end of a fiscal year, that balance shall
11	be carried forward and shall only be used for the purpose of funding substance
12	misuse prevention programming in the subsequent fiscal year.
13	(c) Any appropriation balance carried forward pursuant to subsection (b) of
14	this section shall be in addition to revenues allocated for substance misuse
15	prevention programming pursuant to subsection (a) of this section.
16	Sec. 19. REPEAL
17	2019 Acts and Resolves No. 164, Sec. 19 (substance misuse prevention
18	funding) is repealed.

1	* * * Effective Dates * * *
2	Sec. 20. EFFECTIVE DATE
3	(a) Sec. 18 (substance misuse prevention) shall take effect on March 1,
4	<u>2022.</u>
5	(b) The remaining sections shall take effect on passage.
6	(Committee vote:)
7	
8	Representative
9	FOR THE COMMITTEE