

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred Senate Bill No.  
3 25 entitled “An act relating to miscellaneous cannabis regulation procedures”  
4 respectfully reports that it has considered the same and recommends that the  
5 House propose to the Senate that the bill be amended as follows:

6 First: By striking out Sec. 3, 7 V.S.A. § 845, in its entirety and inserting in  
7 lieu thereof:

8 Sec. 3. [Deleted.]

9 Second: By striking out Sec. 4a in its entirety and inserting in lieu thereof a  
10 new Sec. 4a to read as follows:

11 Sec. 4a. CANNABIS CONTROL BOARD REPORT; FEES

12 On or before October 1, 2021, the Cannabis Control Board shall provide  
13 recommendations to the House Committee on Ways and Means, the Senate  
14 Committee on Finance, and the House and Senate Committees on Government  
15 Operations on the following:

16 (1) State fees to be charged and collected in accordance with the  
17 Board’s authority pursuant to 7 V.S.A. § 846. The recommendations shall be  
18 accompanied by information justifying the recommended rate as required by  
19 32 V.S.A. § 605(d). The State fees submitted in accordance with this  
20 subdivision shall be projected to be sufficient to fund the duties of the  
21 Cannabis Control Board as provided in 7 V.S.A. § 843. To the extent possible,

1 the recommend fees shall include an amount to repay over a period, not greater  
2 than 10 years, to the General Fund any application of excise taxes to the  
3 Cannabis Regulation Fund made pursuant to 2019 Acts and Resolves No. 164,  
4 Sec. 6c.

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

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

12 (2) Whether monies expected to be generated by State fees identified in  
13 subdivision (1) of this section are sufficient to support the statutory duties of  
14 the Board and whether any portion of the tax established pursuant to 32 V.S.A.  
15 § 7902 should be allocated to the Cannabis Regulation Fund to ensure these  
16 duties are met.

17 (3) Local fees to be charged and collected in accordance with the  
18 Board's authority pursuant to 7 V.S.A. § 846. The recommendations shall be  
19 accompanied by information justifying the recommended rate as required by  
20 32 V.S.A. § 605(d). The Board shall recommend local fees that are designed

1 to help defray the costs incurred by municipalities in which cannabis  
2 establishments are located.

3 Third: In Sec. 6, 7 V.S.A. § 864, by striking out subsection (f) in its  
4 entirety

5 Fourth: In Sec. 12, 7 V.S.A. chapter 39, in section 987, in subdivision  
6 (b)(1), by striking out “three percent of gross sales made by integrated  
7 licensees prior to October 15, 2022, with a maximum contribution of  
8 \$50,000.00 per integrated licensee” and inserting in lieu thereof “a one-time  
9 contribution of \$50,000.00 per integrated license to be made on or before  
10 October 15, 2022”

11 Fifth: By striking out Sec. 14, transfer and appropriation, in its entirety and  
12 inserting in lieu thereof a new Sec. 14 to read as follows:

13 Sec. 14. APPROPRIATION

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

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2 (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE