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Let's Grow Together

Hello Members of the Senate Finance Committee,

My name is Ella Guinan and I am the secretary and a co-founder of the Vermont chapter of NORML. Since 1970, the National Organization for the Reform of Marijuana Laws (NORML) has been the nation's leading cannabis advocacy group.

What you'll find below is a list of recommendations from both the National Association of Cannabis Businesses (NACB) and the Vermont Cannabis Control Board (The Board) in regards to reduced and/or waived licensing fees for Social Equity Applicants. The NACB and the Board are the two leading authorities that offer dependable recommendations for retail cannabis legislation. Please take the following points into consideration. Thank you for your time and please don't hesitate to reach out for further inquiry.

NACB Vermont Social Equity Recommendations

- **Slide 7:** "Application fees should be waived for social equity applicants"
 - First year: full fee waiver
 - Second year: licensee pays 25% of fee
 - Third year: licensee pays 50% of fee
 - Fourth: licensee pays 75% of fee
 - Fifth and subsequent year: no reduction
- **Slide 8:** The NACB recommends waived fees for provisional license applications and employee registration cards. The report also recommends waiving local fees for the first year of business.
- **Slide 11:** The NACB highlights "reduced and waived fees" as one of the key Social Equity benefits.
- **Slide 18:** Waived fees are also a key benefit for Economic Empowerment applicants outlined by the NACB.
 - Even though SEA and EEA are defined differently, waived fees are still a vital part of the advancement of these groups.

Cannabis Control Board Report to the General Assembly

January 15, 2022

Pursuant to section 5(g) of Act 164 (2020)

- **Slide 23:** October 15 report stated the Board’s recommendations in favor of waived license fees. “...’social equity criteria’...would entitle a cannabis license applicant to waived or reduced application and licensing fees and access to disbursements from the Cannabis Business Development Fund.”
- **Slide 24:** “Social equity applicants shall be eligible for application fee waivers and license fee waivers in the first year, and then license fee reductions by 75%, 50%, and 25% in each of the following three years.”

Cannabis Control Board Report to: The House Committee on Ways and Means, Senate Committee on Finance & House and Senate Committees on Government Operations

October 15, 2021

As per sections 4(a), 11, & 13 of Act 62 (2021)

- **Slide 45:**
 - “Application fees should be waived for social equity applicants.”
 - “License fees for social equity applicants should be waived in the first year, then reduced by 75%, 50%, and 25% in each of the following three years, respectively.”

Social Equity Applicant Fee Reduction Recommendations

- “Social equity applicant” means a cannabis license applicant that meets at least one of these 2 criteria:
 1. Person of color or anyone who can demonstrate that they are from a community that has historically been disproportionately impacted by cannabis prohibition
 2. Has personally been arrested, convicted or incarcerated for a cannabis-related offense or has a family member that has been arrested, convicted, or incarcerated for a cannabis-related offense
- No previous Vermont residency is required, but applicant must currently reside in Vermont.
- Application fees should be waived for social equity applicants.
- License fees for social equity applicants should be waived in the first year, then reduced by 75%, 50%, and 25% in each of the following three years, respectively.

Year	License Fee
1	Waived
2	25% of fee
3	50% of fee
4	75% of fee
5	Full fee

Act 164 (2020), Sec. 903 a(2)

(a) “The Board shall issue licenses pursuant to this chapter as determined according to a system of priorities adopted by rule by the Board. The system of priorities shall require consideration of criteria, including:”

(2) “whether the applicants would foster social justice and equity in the cannabis industry by being a minority or women-owned business;”

Act 62 (2021), Sec. 11

FEES; SOCIAL EQUITY:

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