

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

S.25

Introduced by Senators Benning, Pearson, Sears and White
Referred to Committee on
Date:
Subject: Cannabis
Statement of purpose of bill as introduced: This bill proposes to require towns to place the issue of retail sales of cannabis on the ballot not later than March 1, 2022; allow the Cannabis Control Board discretion as to whether to grant any integrated licenses; require the Cannabis Control Board to consider reduced license fees for individuals who historically have been disproportionately impacted by cannabis prohibition and to present a proposal to the General Assembly not later than April 1, 2021 regarding a low-interest loan fund to be made available to individuals who historically have been disproportionately impacted by cannabis prohibition who seek to participate in the regulated cannabis market; require that 25 percent of cannabis flower sold by an integrated licensee between August 1, 2022 and October 1, 2022 be obtained from a licensed small cultivator; require the Vermont Criminal Justice Council to report to the Joint Legislative Justice Oversight Committee regarding funding for the requirement that on or before December 31, 2021 all law enforcement officers receive a minimum of 16 hours of Advanced Roadside Impaired Driving Enforcement training as required by Sec. 20 of

1 2019 Acts and Resolves No. 164; and require any General Fund appropriations
2 for substance misuse prevention programming that are unexpended at the end
3 of a fiscal year to be carried forward and only be used for the purpose of
4 funding substance misuse prevention programming in the subsequent fiscal
5 year.

6 An act relating to miscellaneous cannabis regulation procedures

7 It is hereby enacted by the General Assembly of the State of Vermont:

8 Sec. 1. 7 V.S.A. § 863 is amended to read:

9 § 863. REGULATION BY LOCAL GOVERNMENT

10 (a)(1) Prior to a cannabis retailer or the retail portion of an integrated
11 licensee operating within a municipality, the municipality shall affirmatively
12 permit the operation of such cannabis establishments by majority vote of those
13 present and voting by Australian ballot at an annual or special meeting warned
14 for that purpose. ~~A municipality may place retailers or integrated licensees, or~~
15 ~~both, on the ballot for approval.~~ Not later than March 1, 2022, all
16 municipalities shall place on the ballot the following question:

17 Shall licensed cannabis retailers and integrated licensees be permitted to sell
18 cannabis to adults 21 years of age and older in this town?

19 Yes

20 No

1 (2) A vote to permit the operation of a licensed cannabis retailer or
2 integrated licensee within the municipality shall remain in effect until
3 rescinded by majority vote of those present and voting by Australian ballot at a
4 subsequent annual or special meeting warned for that purpose. A rescission of
5 the permission to operate a licensed cannabis retailer or integrated licensee
6 within the municipality under this subdivision shall not apply to a licensed
7 cannabis retailer or integrated licensee that is operating within the municipality
8 at the time of the vote.

9 (b) A municipality that hosts any cannabis establishment may establish a
10 cannabis control commission composed of commissioners who may be
11 members of the municipal legislative body. The local cannabis control
12 commission may issue and administer local control licenses under this
13 subsection for cannabis establishments within the municipality. The
14 commissioners may condition the issuance of a local control license upon
15 compliance with any bylaw adopted pursuant to 24 V.S.A. § 4414 or
16 ordinances regulating signs or public nuisances adopted pursuant to 24 V.S.A.
17 § 2291. The commission may suspend or revoke a local control license for a
18 violation of any condition placed upon the license. The Board shall adopt rules
19 relating to a municipality's issuance of a local control license in accordance
20 with this subsection and the local commissioners shall administer the rules

1 furnished to them by the Board as necessary to carry out the purposes of this
2 section.

3 (c) Prior to issuing a license to a cannabis establishment under this chapter,
4 the Board shall ensure that the applicant has obtained a local control license
5 from the municipality, if required.

6 (d) A municipality shall not:

7 (1) prohibit the operation of a cannabis establishment within the
8 municipality through an ordinance adopted pursuant to 24 V.S.A. § 2291 or a
9 bylaw adopted pursuant to 24 V.S.A. § 4414;

10 (2) condition the operation of a cannabis establishment, or the issuance
11 or renewal of a municipal permit to operate a cannabis establishment, on any
12 basis other than the conditions in subsection (b) of this section; and

13 (3) exceed the authority granted to it by law to regulate a cannabis
14 establishment.

15 Sec. 2. 7 V.S.A. § 909 is amended to read:

16 § 909. INTEGRATED LICENSE

17 (a) An integrated license shall allow the licensee to engage in the activities
18 of a cultivator, wholesaler, product manufacturer, retailer, and testing
19 laboratory as provided in sections 904–908 of this title.

20 (b) An integrated license is only available to an applicant and its affiliates
21 that hold a dispensary registration on April 1, 2022. There shall be not more

1 than five total integrated licenses, one for each registered dispensary. Upon
2 compliance with all application procedures and requirements, the Board ~~shall~~
3 may issue an integrated license to the applicant. The licensee shall have the
4 right to renew the license in accordance with rules adopted by the Board.

5 Sec. 3. SOCIAL EQUITY

6 (a) When reporting to the General Assembly regarding recommended fees
7 for licensing cannabis establishments pursuant to Sec. 5 of the 2019 Acts and
8 Resolves No. 164, the Cannabis Control Board shall consider reduced
9 licensing fees for individuals who historically have been disproportionately
10 impacted by cannabis prohibition.

11 (b) Not later than April 1, 2021, the Cannabis Control Board shall report to
12 the General Assembly regarding a proposal for a low-interest loan fund to be
13 made available to individuals who historically have been disproportionately
14 impacted by cannabis prohibition who seek to participate in the regulated
15 cannabis market.

16 Sec. 4. 2019 Acts and Resolves No. 164, Sec. 8 is amended to read:

17 Sec. 8. IMPLEMENTATION OF LICENSING CANNABIS

18 ESTABLISHMENTS

19 (a)(1) The cannabis plant, cannabis product, and useable cannabis
20 possession limits for a registered dispensary set forth in 18 V.S.A. chapter 86
21 shall no longer apply on and after February 1, 2022. A dispensary shall be

1 permitted to cultivate cannabis and manufacture cannabis products for the
2 purpose of transferring or selling such products to an integrated licensee on or
3 after April 1, 2022 and engaging in the activities permitted by 7 V.S.A.
4 chapter 33.

5 (2) On or before April 1, 2022, the Board shall begin accepting
6 applications for integrated licenses.

7 (3) On or before May 1, 2022, the Board shall begin issuing integrated
8 licenses to qualified applicants. An integrated licensee may begin selling
9 cannabis and cannabis products transferred or purchased from a dispensary
10 immediately. Between August 1, 2022 and October 1, 2022, 25 percent of
11 cannabis flower sold by an integrated licensee shall be obtained from a
12 licensed small cultivator.

13 (b)(1) On or before April 1, 2022, the Board shall begin accepting
14 applications for small cultivator licenses and testing laboratories. The initial
15 application period shall remain open for 30 days. The Board may reopen the
16 application process for any period of time at its discretion.

17 (2) On or before May 1, 2022, the Board shall begin issuing small
18 cultivator and testing laboratories licenses to qualified applicants. Upon
19 licensing, small cultivators shall be permitted to sell cannabis legally grown
20 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 Sec. 5. VERMONT CRIMINAL JUSTICE COUNCIL

2 Not later than July 1, 2021, the Vermont Criminal Justice Council shall
3 report to the Joint Legislative Justice Oversight Committee regarding funding
4 for the requirement that on or before December 31, 2021 all law enforcement
5 officers receive a minimum of 16 hours of Advanced Roadside Impaired
6 Driving Enforcement training as required by Sec. 20 of 2019 Acts and
7 Resolves No. 164.

8 Sec. 6. REPEAL

9 2019 Acts and Resolves No. 164, Sec. 19 (substance misuse prevention
10 funding) is repealed.

11 Sec. 7. 32 V.S.A. § 7909 is added to read:

12 § 7909. SUBSTANCE MISUSE PREVENTION FUNDING

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

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

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

4 Sec. 8. EFFECTIVE DATE

5 This act shall take effect on passage.