TO THE HONORABLE SENATE:

The Committee on Government Operations to which was referred Senate Bill No. 25 entitled “An act relating to miscellaneous cannabis regulation procedures” respectfully reports that it has considered the same and recommends that the bill be amended as follows:

First: By striking out Sec. 1 in its entirety and inserting in lieu thereof the following:

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

§ 863. REGULATION BY LOCAL GOVERNMENT

(a)(1) Prior to a cannabis retailer or the retail portion of an integrated licensee operating within a municipality, the municipality shall affirmatively permit the operation of such cannabis establishments by majority vote of those present and voting by Australian ballot at an annual or special meeting warned for that purpose. A municipality may place retailers or integrated licensees, or both, on the ballot for approval.

* * *

(3) On March 8, 2023, any municipality that fails to vote on the question of permitting the operation of cannabis establishments pursuant to subdivision (1) of this subsection shall be deemed to permit the operation of both cannabis retailers and integrated licensees.

* * *
Second: By striking out Sec. 2 in its entirety and adding a new Sec. 2 to read as follows:

Sec. 2. 7 V.S.A. § 843 is amended to read:

§ 843. CANNABIS CONTROL BOARD; DUTIES; MEMBERS

* * *

(c) Membership.

* * *

(4) A member may be removed only for cause by either the remaining members of the Commission or a two-thirds vote of the advisory committee in accordance with the Vermont Administrative Procedure Act.

* * *

(h) Advisory committee.

(1) There is an advisory committee established within the Board that shall be composed of members with expertise and knowledge relevant to the Board’s mission. The Board shall collaborate with the advisory committee on recommendations to the General Assembly. The advisory committee shall be composed of the following 12 13 members:

(A) one member with an expertise in public health appointed by the Governor;

(B) the Secretary of Agriculture, Food and Markets or designee;
(C) one member with an expertise in laboratory science or toxicology appointed by the Governor;

(D) one member with an expertise in systemic social justice and equity issues appointed by the Speaker of the House;

(E) one member with an expertise in women and minority-owned business ownership appointed by the Speaker of the House;

(F) one member with an expertise in substance misuse prevention appointed by the Senate Committee on Committees;

(G) one member with an expertise in the cannabis industry appointed by the Senate Committee on Committees;

(H) one member with an expertise in business management or regulatory compliance appointed by the Treasurer;

(I) one member with an expertise in municipal issues appointed by the Treasurer;

(J) one member with an expertise in public safety appointed by the Attorney General;

(K) one member with an expertise in criminal justice reform appointed by the Attorney General; and

(L) the Secretary of Natural Resources or designee; and

(M) one member appointed by the Vermont Cannabis Trade Association.
(2) Initial appointments to the advisory committee as provided in subdivision (1) of this subsection (h) shall be made on or before **May 1, 2021**. April 1, 2021, and the Secretary of Agriculture, Food and Markets shall convene the first meeting on or before April 15, 2021.

* * *

Third: By striking out Sec. 3 in its entirety and inserting in lieu thereof the following:

Sec. 3. FEES; SOCIAL EQUITY

When reporting to the General Assembly regarding recommended fees for licensing cannabis establishments pursuant to Sec. 5 of the 2019 Acts and Resolves No. 164, the Cannabis Control Board shall propose a plan for reducing or eliminating licensing fees for individuals who historically have been disproportionately impacted by cannabis prohibition.

Fourth: By adding five new sections to be Secs. 4–8 to read as follows:

Sec. 4. 7 V.S.A. chapter 39 is added to read:

CHAPTER 39. CANNABIS SOCIAL EQUITY PROGRAMS

§ 986. DEFINITIONS

As used in this chapter:

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

(2) “Board” means the Cannabis Control Board.
§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

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

(b) The Fund shall comprise:

(1) three percent of gross sales made by integrated licensees prior to October 15, 2022, with a maximum contribution of $50,000.00 per integrated licensee; and

(2) monies allocated to the fund by the General Assembly.

(c) The Fund shall be used for the following purposes:

(1) to provide low-interest rate loans and grants to social equity applicants to pay for ordinary and necessary expenses to start and operate a licensed cannabis establishment;

(2) to pay for outreach that may be provided or targeted to attract and support social equity applicants; and

(3) necessary costs incurred in administering the Fund.

§ 988. SOCIAL EQUITY LOANS AND GRANTS

The Agency of Commerce and Community Development shall establish a program using funds from the Cannabis Business Development Fund for the purpose of providing financial assistance, loans, grants, and technical assistance to social equity applicants.
Sec. 5.  SOCIAL EQUITY APPLICANTS; CANNABIS CONTROL BOARD

ADVISORY COMMITTEE

The Cannabis Control Board Advisory Committee, in consultation with the Board, shall develop criteria for social equity applicants for the purpose of obtaining social equity loans and grants from the Cannabis Business Development Fund pursuant to 7 V.S.A. chapter 39. The Board shall provide the criteria to the General Assembly not later than XYZ, 2021.

Sec. 6.  APPROPRIATION

In fiscal year 2022, $500,000.00 is appropriated to the Cannabis Business Development Fund established pursuant to 7 V.S.A. § 987.

Sec. 7.  IMPLEMENTATION OF MEDICAL CANNABIS REGISTRY

(a) On June 1, 2021, the following are transferred from the Department of Public Safety to the Cannabis Control Board:

(1) authority to administer the Medical Cannabis Registry and the regulation of cannabis dispensaries; and

(2) positions ...

(b) The Registry shall continue to be governed by 18 V.S.A. chapter 86 and the rules adopted pursuant to that chapter until 7 V.S.A. chapters 35 and 37 and the rules adopted by the Board pursuant to those chapters take effect on March 1, 2022 as provided in 2019 Acts and Resolves No. 164.
Sec. 8. REPEAL

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

and by renumbering the remaining sections to be numerically correct

(Committee vote: ____________)

_______________________

Senator _________________

FOR THE COMMITTEE