

# Introduction - Cannabis Control Board

Thursday, January 19, 2023



# Agenda

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- *History of Cannabis Policy*
- *Cannabis Control Board Introduction*
- *Cannabis Control Board Policy Considerations*
- *Questions*

# History of Cannabis Policy

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# History of Cannabis Policy – United States

The Controlled Substances Act (CSA)

**Schedule I:** high potential for abuse with no currently accepted medical use in treatment in the United States. Examples: heroin, lysergic acid diethylamide (LSD), **marijuana (cannabis)**, 3,4-methylenedioxymethamphetamine (ecstasy), methaqualone, and peyote.

**Schedule II:** high potential for abuse, with use potentially leading to severe psychological or physical dependence. Examples: combination products with less than 15 milligrams of hydrocodone per dosage unit (Vicodin), cocaine, methamphetamine, methadone, hydromorphone (Dilaudid), meperidine (Demerol), oxycodone (OxyContin), fentanyl, Dexedrine, Adderall, and Ritalin

**Schedule III:** moderate to low potential for physical and psychological dependence. Examples: products containing less than 90 milligrams of codeine per dosage unit (Tylenol with codeine), ketamine, anabolic steroids, testosterone

**Schedule IV:** low potential for abuse and low risk of dependence. Examples: Xanax, Soma, Darvon, Darvocet, Valium, Ativan, Talwin, Ambien, Tramadol

**Schedule V:** lower potential for abuse than Schedule IV and consist of preparations containing limited quantities of certain narcotics. Examples: cough preparations with less than 200 milligrams of codeine or per 100 milliliters (Robitussin AC), Lomotil, Motofen, Lyrica, Parepectolin

## History of Cannabis Policy – United States

Throughout the 1970s, 12 states removed or substantially reduced criminal penalties for possession of small amounts of marijuana: AK, CA, CO, ME, MN, MI, NE, NY, NC, OH, OR, and SD.

**1996:** California becomes the first state to permit cannabis to be used for medicinal purposes

**2011:** California decriminalizes possession of small amounts of cannabis

**2012:** Colorado and Washington voters passed legalization **ballot initiatives**

**2014:** Alaska, Oregon, and Washington, D.C. pass **ballot initiatives** to legalize marijuana

**2016:** California, Nevada, Maine, and Massachusetts approve **ballot measures** to legalize recreational cannabis

**2018:** Michigan approves a **ballot measure** to legalize recreational cannabis

**2020:** Arizona, Montana, New Jersey, and South Dakota\* approve **ballot measures** to legalize recreational cannabis

**2021:** New York, Virginia, New Mexico, Connecticut legalizes recreational cannabis through **state legislature**

**2022:** MD, MO approve recreational cannabis through **ballot initiatives**; RI legalizes through **state legislature**.

## History of Cannabis Policy – Vermont

2004: Legislature legalizes medical cannabis

2011: Legislature permits the establishment of medical-marijuana dispensaries

2013: Legislature decriminalizes possession of up to 1 oz. of cannabis for personal use

2017: Governor Scott establishes a Marijuana Advisory Commission to consider commercial cannabis

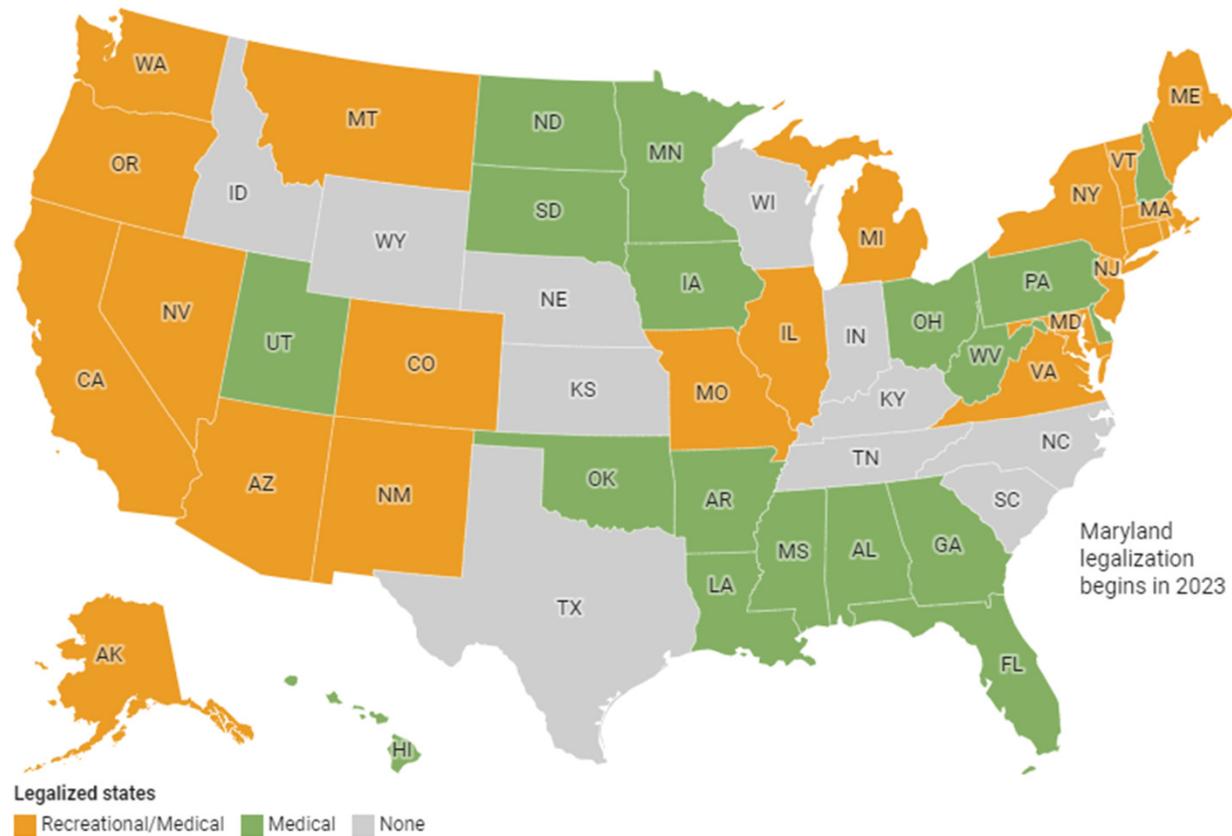
2018: Vermont becomes the first state to legalize cannabis (home grow / possession) through state legislature

2020: Legislature legalizes commercial adult-use cannabis sales and creates the Cannabis Control Board (Act 164)

2022: First legal commercial sales of cannabis

# History of Cannabis Policy – United States

## Where marijuana is legal in the United States



Rules vary in each jurisdiction, check state and local laws. CBD only states not included.  
Created with [Datavrapper](#)

# History of Cannabis Policy – United States

## 2013: Cole Memoranda

- The distribution of marijuana to minors;
- Revenue from going to criminal enterprises, gangs and cartels;
- Diversion of marijuana from states where it is legal to states where it is illegal;
- Use of state-authorized marijuana activity as a cover for other illegal drugs or activity;
- Violence and the use of firearms;
- Drugged driving or other adverse public health consequences;
- The use of public lands for marijuana production; and
- Marijuana possession or use on federal property.

## 2014: FinCEN Memo

**2014: Rohrabacher–Farr amendment** “None of the funds made available in this Act to the Department of Justice may be used...to prevent such States from implementing their own State laws that authorize the use, distribution, possession, or cultivation of medical marijuana.”

## 2018: Cole Memo rescinded

# Cannabis Control Board Introduction

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## Introduction

The Cannabis Control Board (CCB) is a three-member independent executive branch agency that was established through Act 164 of 2020 for the purpose of ***safely, equitably, and effectively*** implementing and administering the laws and rules regulating adult- and medical-use cannabis (marijuana) in Vermont.



**James Pepper (Chair)**



**Kyle Harris**



**Julie Hulburd**

# Introduction

## The Cannabis Control Board Team

### Executive Team

Executive Director  
Brynn Hare

Director of Operations  
Olga Fitch

General Counsel  
Gabe Gilman

Education & Outreach Manager  
Nellie Marvel

Finance Manager  
(vacant)

### Compliance Team

Director  
Cary Giguere

Compliance Agents  
Christine Motyka,  
Denise McCarty,  
Lawrence "Chipper" Sullivan  
Michael DiTomasso  
Duane Tomlin  
Andy Chevrefils

### Licensing Team

Director  
Kimberly Lashua

Deputy Director  
Lauren Higbee

Licensing Agents  
Alexis Pless  
Ray Carre,  
Melissa Andersen  
Dominique Acilio (temp)

### Medical Team

Medical Marijuana Program

Lindsey Wells  
Meredith Bullock

## Introduction

### § 904a. SMALL CULTIVATORS

It is the intent of the General Assembly to move as much of the illegal cannabis market as possible into the regulated market for the purposes of consumer protection and public safety. It is also the intent of the General Assembly to encourage participation in the regulated cannabis market by small, local farmers. In furtherance of these goals, the Board shall consider policies to promote small cultivators as defined in section 861 of this title.

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[T]he Board shall consider the different needs and risks of small cultivators when adopting rules and shall make an exception or accommodation to such rules for cultivators of this size where appropriate

## Introduction

§ 901(d)(3) - One license type per entity

...[A]n applicant and its affiliates may obtain a maximum of one type of each type of license as provided in subdivisions (1)(A)–(E) of this subsection (d). Each license shall permit only one location of the establishment.

§ 883(b) - Criminal History Records

The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a cannabis establishment license because of his or her criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

## Introduction

### CCB Goals

- Build trust
- Establish core principles
- Develop market structure in-line with legislative intent
- Balance statutory requirements, Cole memo, and resources
- Regulatory waivers for small cultivators
- Public education
- Monitor market, refine rules, re-visit statutes

## Introduction

- 157 Public Meetings
  - 82 CCB
  - 75 Advisory Committee / Subcommittees
- 2 Banking Roundtables
- 2 Social Equity Town Halls
- 2 Municipal Roundtables
- 3 Q&A Sessions
- 6 Social Equity networking events

Witnesses: Sen. Sears; Sen. Pearson; Rep. Copeland-Hanzas; Legislative Counsel; Crime Research Group; VSP; VTrans; VAAFM; ANR; DFS; PSD; DFR; VSECU; EfficiencyVT; PreventionWorks!VT; Vermont Afterschool; Behavioral Health Specialists; Cannabis processors and labs; Medical dispensaries, patients, and caregivers; RAND Corp; former Cannabis Regulators; Office of Racial Equity; AGO; DLL

# Introduction

2021

- April: Board members seated
- May: First Open Meeting
- July: CCB hires Executive Director and Dir. of Operations
- Aug: Advisory Committee convened
- Nov: Rules pre-filed

2022

- Jan: CCB assumes jurisdiction over Medical Cannabis Program
- March: Fee structure approved; rules adopted
- April: First licensing window opens
- May: First licenses issued – cultivators and testing facilities
- Aug: Manufacturing and wholesale license issued
- Sep: Retail licenses issued
- Oct: Adult-Use retail opens

# Cannabis Control Board Policy Considerations

## Policy Considerations

### Initial considerations

- Open market vs. limited licenses
- Market structure
- Excise tax vs. fee supported
- Tax rates
- Local control
- Advertising
- Prevention, education

# Policy Considerations

## Licensing Numbers – As of Jan. 18<sup>th</sup>

License Type	In Process	Approved
Cultivator	48	270
Manufacturer	28	32
Wholesaler	2	9
Testing Lab	1	3
Retailer	20	37
Integrated	0	2
Employee ID Card	303	169

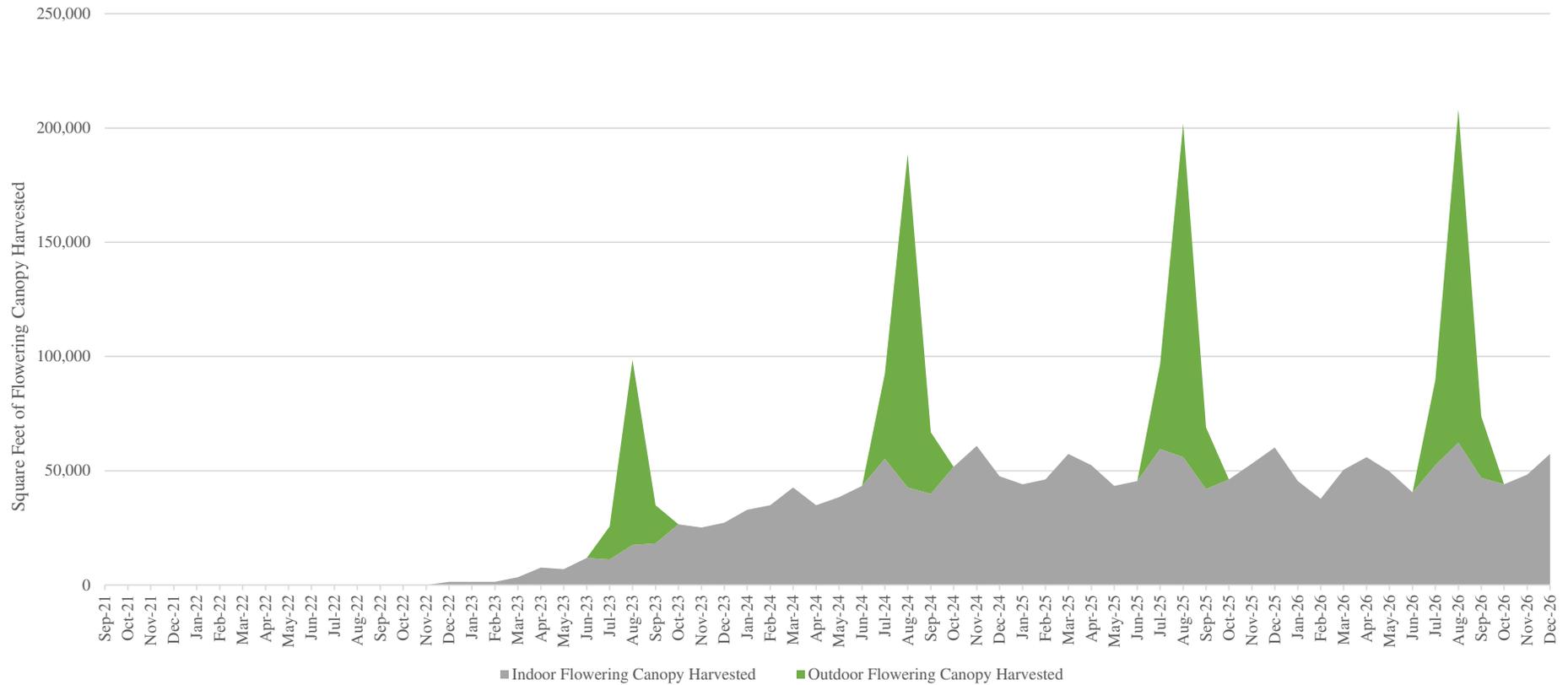
# Policy Considerations

## Location of Retail Licensees and Applicants in the Queue (as of 12/20/22)

City	Submission #	Status	Applying For	City	Submission #	Status	Applying For
Randolph	S-000001128	Approved	Retailers	Brandon	S-000001186	Issued	Retailers
Rutland	S-000001843	Under Review	Retailers	West Pawlet	S-000001194	Re-Submitted	Retailers
Waterbury Ctr	S-000001275	Incomplete	Retailers	Morrisville	S-000001191	Re-Submitted	Retailers
Derby	S-000001280	Issued	Retailers	Burlington	S-000001184	Incomplete	Retailers
Saint Johnsbury Center	S-000001294	Issued	Retailers	Morrisville	S-000001185	Issued	Retailers
Fair Haven	S-000001301	Issued	Retailers	Middlebury	S-000001159	Issued	Retailers
Burlington	S-000001305	Re-Submitted	Retailers	Rutland	S-000001167	Issued	Retailers
Windsor	S-000001307	Issued	Retailers	Waterbury	S-000001155	Incomplete	Retailers
Bristol	S-000001339	Issued	Retailers	Burlington	S-000001231	Issued	Retailers
Barton	S-000001387	Issued	Retailers	Woodstock	S-000001202	Issued	Retailers
Waitsfield	S-000001350	Issued	Retailers	White River	S-000001203	Approved	Retailers
Burlington	S-000001925	Re-Submitted	Retailers	Waterbury Ctr	S-000001212	Issued	Retailers
Brandon	S-000001898	Issued	Retailers	Bennington	S-000001216	Re-Submitted	Retailers
Burlington	S-000001906	Incomplete	Retailers	Wilmington	S-000001839	Re-Submitted	Retailers
Waitsfield	S-000001169	Issued	Retailers	Plymouth	S-000002170	Pending CCB Review	Retailers
Burlington	S-000001162	Issued	Retailers	Montgomery	S-000001571	Pending CCB Review	Retailers
West Brattleboro	S-000001170	Issued	Retailers	Essex	S-000001426	Issued	Retailers
Rutland	S-000001163	Issued	Retailers	Winhall	S-000001575	Incomplete	Retailers
Rutland	S-000001164	Incomplete	Retailers	Morrisville	S-000001555	Issued	Retailers
Montpelier	S-000001172	Issued	Retailers	Brattleboro	S-000001563	Pending CCB Review	Retailers
Brattleboro	S-000001160	Re-Submitted	Retailers	N Ferrisburgh	S-000001433	Incomplete	Retailers
Winooski	S-000001168	Issued	Retailers	Windsor	S-000001431	Issued	Retailers
Montpelier	S-000001177	Issued	Retailers	Barre	S-000001615	Issued	Retailers
Bennington	S-000001165	Issued	Retailers	Rawsonville / Jan	S-000001440	Re-Submitted	Retailers
Saint Johnsbury	S-000001166	Issued	Retailers	Fair Haven	S-000001442	Incomplete	Retailers
Wilmington	S-000001181	Issued	Retailers	Jeffersonville	S-000001475	Issued	Retailers
Burlington	S-000001174	Issued	Retailers	Burlington	S-000000478	Issued	Integrated Licenses
North Ferrisburgh	S-000001178	Issued	Retailers	Middlesex	S-000000506	Issued	Integrated Licenses
				Total	56		

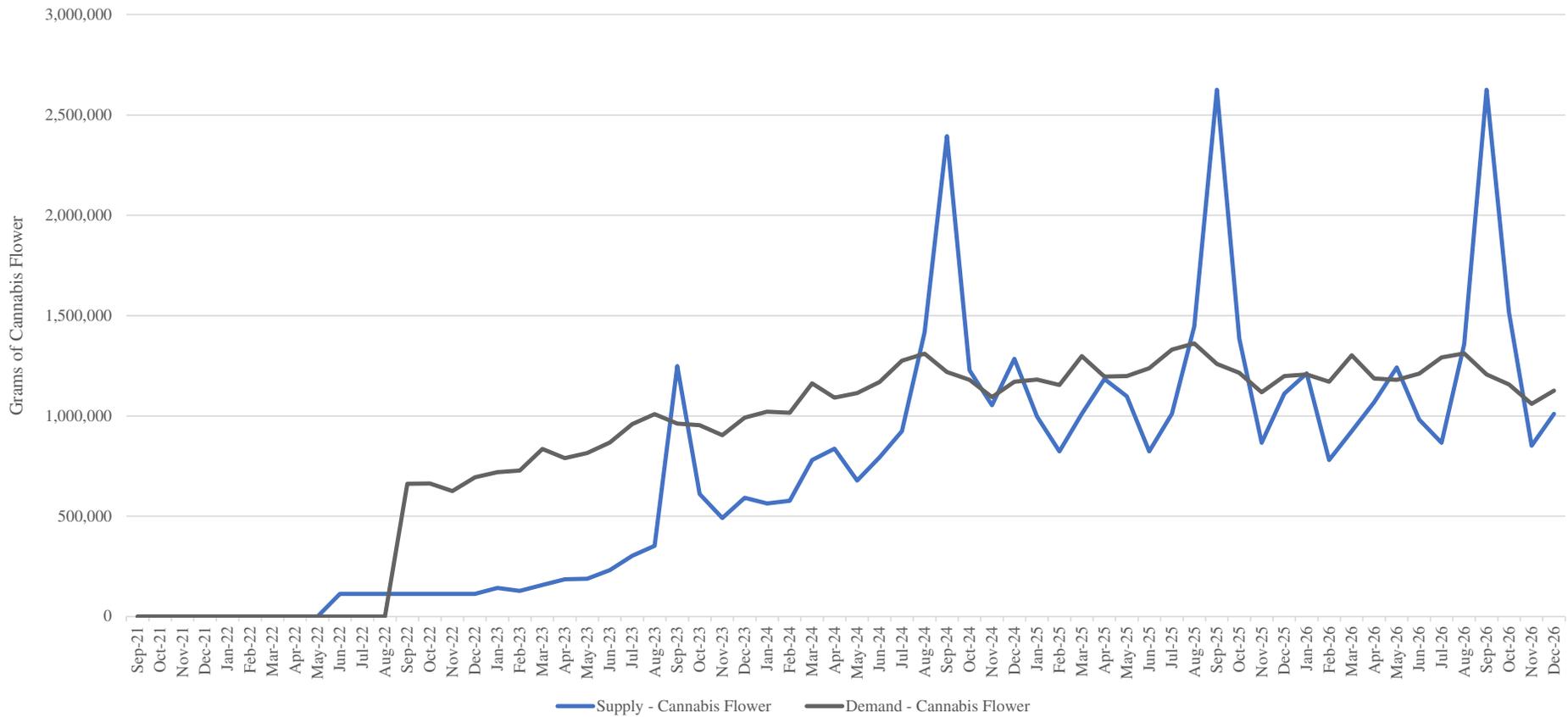
# Policy Considerations

Square Feet of Indoor and Greenhouse Flowering Canopy Harvested Each Month



# Policy Considerations

Supply and Demand for Cannabis Flower in Vermont  
*Total Supply from new Cultivators vs Medical and Adult-use Demand*



## Policy Considerations

### Ongoing challenges

- Supporting licensees\*
- THC Caps\*
- Hemp Derived Products\*
- Quality Assurance
- Medical Program
- Managing supply chain
- Banking & Insurance
- Federal status

\*Legislative report submitted

# Questions

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