

Linda Leehman

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Sent: Monday, April 29, 2024 10:50 AM
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Cc: Geoffrey Pizzutillo; mark@vtracialjusticealliance.org; Myra Adams; Maddie Monty; greennursevt; Amelia Grace; joshua decatur
Subject: [External] H.612: Land Use, Agriculture and Cannabis Policy

[External]

Dear Senate Committee on Agriculture,

Thank you again for inviting our coalition in to provide testimony on the priorities of Rural VT and the other members of the VT Cannabis Equity Coalition early this session.

As you know, H.612 is now in the Senate and we have been told to come to you with our agriculture, land use, and related testimony and proposed amendments by the Sen. Committee on Econ Development for inclusion in H.612.

Here is a [document](#) which goes through H.612 section by section with our suggestions. Please include it in the public documents for the committee. We are also available to come in and walk through the sections most germane to your committee. **Of significant importance and concern are sections 16 and 17, the lack of inclusion of the other aspects of agricultural status which community members and licensees brought to us and spoke to before your committee, and the protection and improvement of the Cannabis Business Development Fund (which provides direct financial support and technical service to cultivators and others) - see them extracted from the document below:**

Sections 16 and 17

This section proposes restricting outdoor siting by local select boards by enabling local municipalities to create "preferred districts" for outdoor cultivation. The legislation then establishes maximum and minimum setback requirements and limitations based on whether or not the cultivation occurs within the "preferred" district. The setback is a maximum of 100 ft if outside the district, 25 ft if within the district, and 10 ft minimum if there is no zoning.

Analysis: We strongly oppose this section. This language was developed without any research about potential impacts on, or input from, the community of cultivators it would directly affect. It is regressive in the sense that it directly opposes legislative changes made last year which were made as a result of testimony provided by multiple producers and organizations supporting them related to extreme barriers and prejudice they were facing as a result of municipal oversight; and it directly opposes the intention and trend of treating the outdoor cultivation of cannabis in the same manner as agriculture. This language emerges as a result of one situation brought into the legislature related to a conflict between a single outdoor cultivator, his neighbors, and the municipality in which he resides. If this language goes into effect, the over 200 actively licensed outdoor and mixed-use cultivators in Vermont will be introduced to significant risk and uncertainty which could affect the viability of their businesses, and aspects of the entire marketplace.

The siting of cannabis cultivation in densely populated areas of Vermont and the role of municipal oversight is an important conversation to have, but there must be a reasonable process which directly and broadly

engages stakeholders directly impacted, and which thoroughly assesses the impacts of any proposed restrictions on the siting of outdoor cultivation in dense areas in towns and cities before enacting into law. Dramatically changing existing law demands adequate engagement with communities and understanding of impacts – and that has not occurred with this proposed policy change.

Section 12

This section proposes to exempt farm buildings used by licensed outdoor cannabis cultivators and the outdoor portion of mixed-use cultivators from the definition of “public building” subject to fire safety requirements.

Analysis: We support this section, it is a clear need that has been demonstrated and testified in relationship to by existing licensed producers. Vermont is one of the few states with any form of agricultural acknowledgment for cannabis; and our coalition, outdoor cultivators, farmers, the CCB, and the legislature have now worked over multiple years to support agricultural accessibility and status for outdoor cultivators in as much as the State can given federal law.

In addition, there are at least 3 other changes related to agricultural status and outdoor production which we propose, which have been testified to by producers before committee, and which are important to address in statute now:

- Provide Outdoor Cultivators with Agricultural Wetlands Exemptions*
- Outdoor cultivators have encountered unreasonable and costly barriers which they otherwise would not have been subject to if they were growing any other*

agricultural crop regulated under the Required Agriculture Practices (RAPs). According to the Vermont DEC website, “The growing of food and crops is allowed under the Vermont Wetland Rules, provided it complies with other applicable laws and with the most recent Acceptable Agricultural Practices. The clearing of forested wetland for agricultural purposes requires a permit.”

- Allow Outdoor Cultivators to Produce on nonabutting Parcels or SPAN numbers:*
- Currently outdoor producers must produce their crops on only one identified*

nonabutting parcel or SPAN number. From an agricultural and horticultural perspective, this existing regulation is very limiting and inhibits appropriate design, decision making, and implementation related to access, production, construction of related structures and roads, etc.

- Tier 1 Employment Allowances:*
- Currently, Tier 1 Cultivators and Product Manufacturers are beholden to state*

home occupancy fire code regulations which limit their ability to hire more than one employee. The production of cannabis and cannabis products are especially labor-intensive agricultural practices and should be exempt from home occupancy fire code, as afforded to farms, and larger tiers of cultivation and manufacturing. The current employee limit presents unnecessary and unreasonable barriers and impacts for Tier 1 Cultivators and Product Manufacturers. Additionally, and importantly, the lack of consistency and continuity in statute related to aspects of agricultural status for outdoor producers is confusing for producers, regulators, technical service providers, and others.

Section 15

This section proposes a one time \$500,000 appropriation for the Cannabis Business Development Fund to be managed by the Agency of Commerce and Community Development.

Analysis: Equity and community reinvestment funding is a foundational component of a justly regulated cannabis market which we have seen little progress towards Vermont. By comparison, New York state devotes 40% of its cannabis excise tax to equity and community reinvestment in perpetuity in statute ([link](#)). Currently, the Cannabis Development Fund operates on yearly one-time appropriations; and there is no amount of the excise tax devoted to equity and reinvestment in communities. We seek 20% of tax revenue, not to exceed \$4,000,000 per fiscal year, to reinvest in marginalized communities affected by systemic racism and other forms of systemic oppression with a community reinvestment fund; and 10%, not to exceed \$2,000,000 per fiscal year, devoted to the Cannabis Business Development Fund. The existing fund is currently administered by the ACCD; but we believe it would be more appropriately and effectively administered by the CCB and a social equity advisory group formed within the CCB, and made up of SE stakeholders.

As a compromise, and in recognition for the time being of the political difficulty of our greater goals, we propose the following:

- Legislatively mandating the creation of a Cannabis Social Equity Working group required to report back to the legislature by January 1, 2024. The report will provide recommendations related to the amount of money that is appropriate to commit on a yearly basis from the VT Cannabis Excise Tax towards marginalized and socially disadvantaged community investment, its administration, and more. Seats on the Working Group will be filled by representatives from organizations including, but not limited to: the VT Racial Justice Alliance, the Green Mountain Patients' Alliance, the Cannabis Control Board, the Land Access and Opportunity Board, the Office of Racial

Equity, the Racial Disparities in the Criminal and Juvenile Justice System Advisory Panel, the Health Equity Advisory Commission, and the Agency of Commerce and Community Development.

- Making permanent the currently one-time appropriation of \$500,000 to the Cannabis Development Fund, and shifting its administration to the CCB as described above.

Thank you - we appreciate your support,

Graham Unangst-Rufenacht (Rural VT) and other member orgs of the Vermont Cannabis Equity Coalition:

- Green Mountain Patients Alliance
- NOFA-VT
- Vermont Racial Justice Alliance
- Vermont Growers Association

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Note: I work part-time for Rural VT, with my primary availability Monday through Friday mid-morning through midday, with some evenings and weekends. This at times results in delayed responses to emails and messages. I appreciate your understanding!

Rural Vermont's NEW mission is to organize, educate, and advocate in collaboration with local and global movements to strengthen the social, ecological, and economic health of the agrarian communities that connect us all. Join us by [signing up for our mailing list](#) and [becoming a member](#) today.

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