



Vermont Sustainable Jobs Fund

Accelerating Sustainable Economic Development

February 18, 2026

Testimony to: Senate Committee on Economic Development, Housing & General Affairs

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RE: S.278, An Act Relating to Cannabis

I am sorry not to be able to join the Committee hearing today in person as I am traveling out of state for work. Please accept this written testimony as an expression of our interest in S.278, An Act Relating to Cannabis.

Specifically, I would like to address existing statute § 988 (social equity loans and grants) and what I have reviewed in the Draft No. 1.1 – S.278 of 2/8/26 related to Sec. 28. 7 V.S.A. § 987 and the purposes of the Cannabis Business Development Fund. It is unclear to me at this time whether there is an intent to repeal § 988 and replace it with § 987 or if it was accidentally omitted from the current Draft No. 1.1.

As a reminder: § 988. Social equity loans and grants reads:

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 outreach to social equity applicants. The Agency may procure by contract all or part of the necessary underwriting, execution, and administration services required for loans and grants to be made from the Cannabis Business Development Fund to eligible social equity applicants as allowed under this chapter. Should the Agency be unable to do so, the program shall not move forward until the General Assembly appropriates the operational resources necessary for the Agency to make loans and provide financial assistance to social equity applicants. (Added 2021, No. 62, § 12, eff. June 7, 2021.)

If the intent is to keep § 988, then we suggest adding the yellow highlighted text to statute to enable the Cannabis Business Development Fund to also be used for much needed business assistance and advising services, with the aim of helping licensed cultivators, retailers and manufacturers to grow commercially viable businesses in Vermont.

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 outreach to social equity applicants. The Agency may procure by contract all or part of the necessary underwriting, execution, and administration services required for loans and grants to be made from the Cannabis Business Development Fund to eligible social equity applicants as allowed under this chapter. The Agency may also contract with technical and business assistance support organizations in order to provide business and financial planning services to licensed cultivators, retailers and manufacturers, and businesses granted economic empowerment status by the Board.

If the intent to the current Draft No 1.1 is to shift the home of the Cannabis Business Development Fund to the Land Access & Opportunity Board for its management, then we respectfully request that this additional use of the Fund be enabled and clearly stated in the S.278, § 987 (c) purposes section:

Sec. 27. 7 V.S.A. § 987 is amended to read:

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

(a) There is established the Cannabis Business Development Fund, which 1 shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

Sec. 28. 7 V.S.A. § 987 is amended to read:

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

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

(1) to provide low-interest rate loans and grants to:

(A) social equity applicants to pay for ordinary and necessary expenses to start and operate a licensed cannabis establishment; and

(B) tier 1 cultivators, tier 1 manufacturers, and businesses granted economic empowerment status by the Board;

(2) to contract with technical and business assistance support organizations in order to provide business and financial planning services to licensed cultivators, retailers and manufacturers, and businesses granted economic empowerment status by the Board.

Sec. 29. APPROPRIATIONS

- (a) In fiscal year 2027, the sum of \$1,000,000.00 is transferred from the General Fund to the Cannabis Business Development Fund.
- (b) In fiscal year 2027, the sum of \$5,600,000.00 is appropriated to the Vermont Land Access and Opportunity Board for purposes of loans, grants, and financial assistance pursuant to 10 V.S.A. § 325u.

RATIONALE:

The state of Vermont is, in essence, enabling the creation of a brand new industry in Vermont – i.e., Cannabis. The closest analogy in the recent past was the passage of the Universal Recycling Law in 2012 that set into motion the creation of a market for food scraps so that they were kept out of Vermont landfills. At the time there were many small waste haulers and one multi-million waste company (Casella) who were set to add a new revenue stream to their business operations. The state of Vermont chose not to provide any grant funding, low interest loans or business and technical assistance to support these businesses during the 8 year transition period. As a result, small haulers were put at risk by unfair competition by the much better resource Casella Waste Systems operation.

With any new market that is created, it goes through life cycles, just like the businesses in that new market do. At the beginning of a new market, it is often characterized as the ‘wild west’ as the rules of the marketplace are just being created, many new businesses rush to join the nascent market – often under-capitalized and without strong business fundamentals and discipline. As the market matures, larger, better resourced and more mature businesses succeed and grow in the marketplace while others (typically micro/small, less resourced, less experienced, and historically marginalized) firms fold.

As you know well, the Cannabis market place is being forced to ‘grow up’ in an environment without many of the same allowable business practices as other industries, for instance in the types of capital they can access and from whom, in the types of allowable marketing to consumers, and in the types of locations they can sell their product, to name a few. And there is a well-articulated and justified desire to ensure that historically marginalized community members have a real opportunity to benefit from the emerging market sector.

To protect Vermont nascent entrepreneurial cannabis businesses and support their ability to mature as businesses and to achieve / sustain economic viability (and thus continue to provide a needed revenue source to the state among other purposes), enabling the use of some amount of the Cannabis Business Development Fund to be used to provide much needed technical and business support services to these licensed cannabis business would be highly beneficial to their future success.

Currently, the VT Small Business Development Center (and I suspect the Micro-Business Development Centers at the OEO offices around the state) is unable to provide their high quality business advising services due to illegality of Cannabis at the federal level. However, if the federal law is changed, this would enable the VT-SBDC (and likely the Micro-Business Development Program) to assist small retailers and manufacturers across the state.

The other entities who could support licensed cultivators, retailers and manufacturers right now, if funding support existed, include: Liberation Ecosystem, VT Professionals of Color Network, Vermont Farm & Forest Viability Network (which includes business advisory organizations such as NOFA-VT, the Intervale Center, Center for an Agricultural Economy, Land for Good, UVM Extension and others) which provides business and enterprise planning support, the Vermont Sustainable Jobs Fund (through its business coaching program), the VT Law & Graduate School's Food and Ag Clinic and Small Business Law Clinic, Vermont Manufacturing Center, and private sector consulting firms.

Providing enabling legislation to support licensed cannabis cultivators, retailers and manufacturers in accessing the technical and business assistance they need to succeed in the marketplace could go a long way towards ensuring that our nascent, Vermont-based cannabis industry survives and thrives as the marketplace continues to evolve at a rapid pace.

I would be happy to answer any questions you have at a later date. Thank you for the opportunity to provide this testimony.