

VCAF

VERMONT CANNABIS ACTION FUND

As a supplement to our in-person testimony, the Vermont Cannabis Action Fund respectfully offers the following granular feedback on Draft 1.1 of S.278 for the Committee's consideration.

Section 2:

We support lifting the 60% potency cap. We oppose imposing a new 25 year old age limit on purchasing vape cartridges and other concentrates, which would drive 21-25 year old customers to the unregulated market for these products.

Kicking 21-25 year olds out of the regulated market does just infantilize young adults – it puts their lives in danger. We have already seen what happens when consumers are driven to the illicit market for vape cartridges: in 2019, at least 68 people died, and over 2,000 people were hospitalized, as a result of tainted vapes in the unregulated market.

Furthermore, there is no evidence that health issues such as Cannabis Hyperemesis Syndrome is caused by concentrated products in particular – rather, the medical consensus appears to be that these issues are caused by overuse of any kind of cannabis.

We also support eliminating the 30% potency cap on flower which was in the original draft of the bill.

Section 3:

While we support raising the packaging limit to 200mg, we believe a far more impactful change would be to change the *per-serving* limit to 10mg. Vermont is one of just 3 states with a 5mg per serving limit, which puts us at a severe disadvantage to neighboring states as well as to the pervasive online hemp-derived market.

Sections 4-6:

We support raising the possession limit to 2 ounces. We ask that the limit for “hashish” be raised from 10 grams to 16 grams, as the real-world equivalent for concentrates is 8 grams per ounce, not 5 as wrongly assumed in current law.

Section 7:

We support authorizing events permits. We ask that Section (c) be clarified such that cannabis sales would have to be physically separated from any alcohol sales, but that a single event like a concert could host both a cannabis sales area and a separate alcohol sales area. Additionally, we view the \$1,000 application fee as overly onerous, out of line with similar fees for alcohol-based events, and far in excess of any reasonable estimate of regulatory costs associated with reviewing applications or supervising events.

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We urge re-instatement of the language from the As-Introduced draft authorizing on-premise consumption permits.

Section 8:

VCAF's members support delivery licenses to the extent that they grow the market, rather than further splintering the market. The current language leaves open many important questions, including regarding geographic limits on delivery services, and whether delivery services must work with a brick-and-mortar retailer for compliance and track-and-trace purposes. We also want to ensure that we do not inadvertently create the "*Uberization*" of cannabis sales, as has happened in other jurisdictions including California and Ontario.

Sections 10-11:

We support eliminating the pre-approval requirement and changing the audience composition threshold to 30%. We opposed the blanket prohibition on advertisements stating the potency of a product. Consumers want and deserve to know the potency of the products they consume.

Additionally, this prohibition would infringe on constitutionally protected speech, as it is not sufficiently narrowly tailored to achieve the state's interest in discouraging dangerous consumption patterns. It would, for example, prohibit a cannabis business from advertising low-dose products as a safer choice for inexperienced consumers. It would also prohibit the visual depiction of packaged goods in advertising as product labels must state potency of the product.

Section 12:

We support the reduction in the tax rate.

Section 13-14:

We support requiring municipalities to hold an opt-in vote, as well as clarifying municipal authority. We request that the bill further clarify that municipal ordinances must treat cannabis businesses in the same way that they treat other similarly situated businesses. Thus, for example, a municipality should not be empowered to exclude cannabis retail from a zone where alcohol or tobacco retail is allowed.

We would also be supportive of requiring towns who *have* previously opted in to allow retail to hold reconsideration votes, to give those towns' voters an opportunity to weigh in a second time.

Section 16:

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We support 2-year licensing for employees and products.

We oppose tying 2-year product licensing to perceived “shelf stability”. Product registration is not used to track shelf stability, it is primarily used to enforce labeling and packaging standards.

Under current law, even a 1-year registration will commonly cover multiple lots of a single product. An indoor cultivator could produce 4 or more harvests of a single strain of cannabis flower under a single 1-year registration, and a product manufacturer could produce dozens of batches of a THC-infused beverage. There are already separate requirements to state product best-by dates and to conduct full panel testing for quality assurance. All products should be subject to 2-year licensing, unless the CCB determines that a product is high-risk and requires more frequent review.