

Cannabis Control Board Introduction

January 24, 2025



Market Overview

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

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
Olga Fitch

Director of Operations
Karen Schifferle

General Counsel
Gabe Gilman

Education & Outreach Manager
Patrick Crowley

Finance Manager
Sonya Somalis

Data Manager
Elizabeth Love

Compliance Team

Director
Michael DiTomasso

Deputy Director
Nicole West

Compliance Agents
Christine Motyka,
Denise McCarty
Lawrence "Chipper" Sullivan
Duane Tomlin
Andy Chevrefils
Alexander Rioux
(1 vacancy in recruitment)

Licensing Team

Director
Kimberley Lashua

Deputy Director
Melissa Anderson

Licensing Agents
Dominque Acilio
Heather Munzberg-Edson
(1 vacancy in recruitment)
Janae Miller (Temp)

Medical and Quality Assurance Programs

Medical Marijuana Program

Isabel Senter
(1 vacancy)

Quality Assurance Program

Lab Director
(vacant)

Chemists
(2 vacancies)

Market Structure

License Types

CULTIVATION (OPEN APRIL '22)	TESTING LAB (OPEN APRIL '22)	INTEGRATED (OPEN APRIL '22)	MANUFACTURING (OPEN JULY '22)	WHOLESALE (OPEN JULY '22)	RETAIL (OPEN SEPT '22)	PROPOGATOR (OPEN JULY '24)
<ul style="list-style-type: none">• Cultivator licensees may grow cannabis plants, either outdoors or indoors. <p>• 7 V.S.A. § 904</p>	<ul style="list-style-type: none">• Testing Laboratory licensees may test cannabis and cannabis products obtained from a licensed cannabis establishment, dispensary, or a member of the public. <p>• 7 V.S.A. § 908</p>	<ul style="list-style-type: none">• Integrated Licensees may engage in the activities of each of the other license types listed above, but these licenses are only available to "an applicant and its affiliates that hold a dispensary registration on April 1, 2022."• 7 V.S.A. § 909	<ul style="list-style-type: none">• Manufacturer licensees may produce cannabis products from cannabis plants, including edibles, oils, and other such products. <p>• 7 V.S.A. § 906</p>	<ul style="list-style-type: none">• Wholesaler licensees may purchase cannabis and cannabis products from other licensees and sell them to licensees. <p>• 7 V.S.A. § 905</p>	<ul style="list-style-type: none">• Retailer licensees may sell cannabis and cannabis products to the general public. <u>No other license type may sell to the general public.</u> <p>• 7 V.S.A. § 907.</p>	<ul style="list-style-type: none">• Propagator may cultivate not more than 3500 square feet of cannabis clones, immature cannabis plants, or mature cannabis plants <p>• 7 V.S.A. § 904</p>

Some license types have tiers with in them based on size or function of the operation.

Market Structure

§ 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...**[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

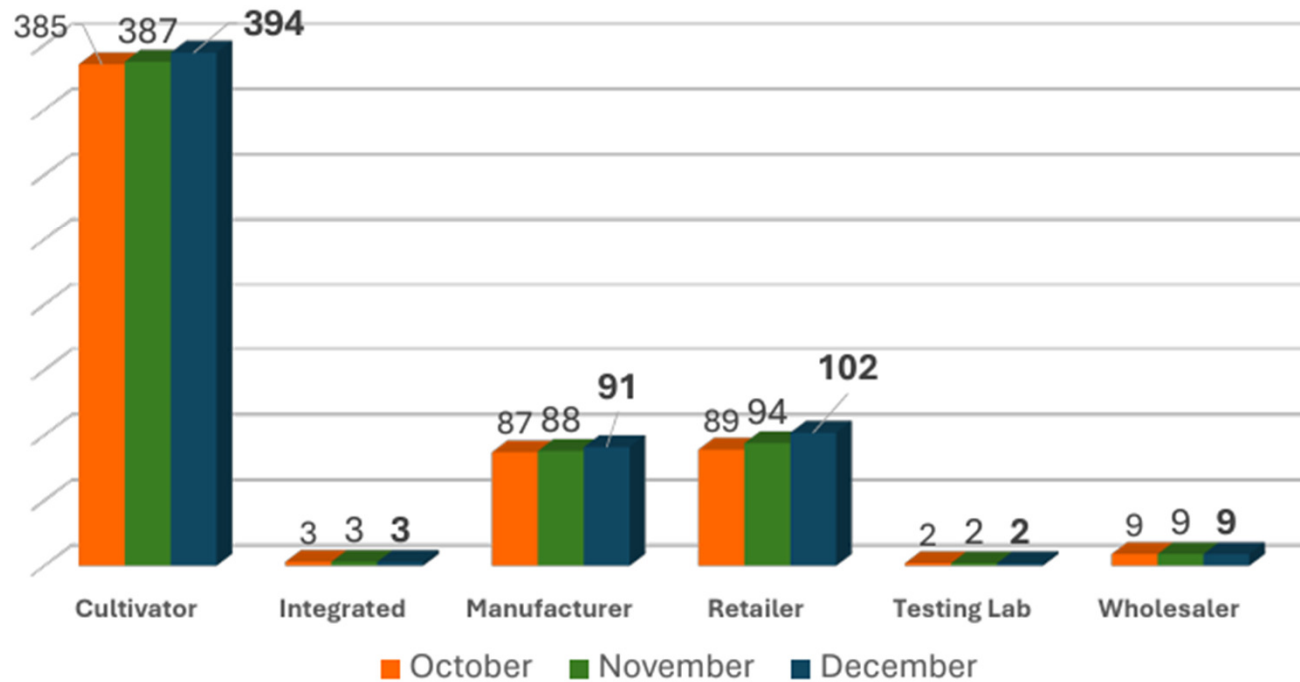
§ 901(d)(3) - One license type per entity

...[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.

Market Structure



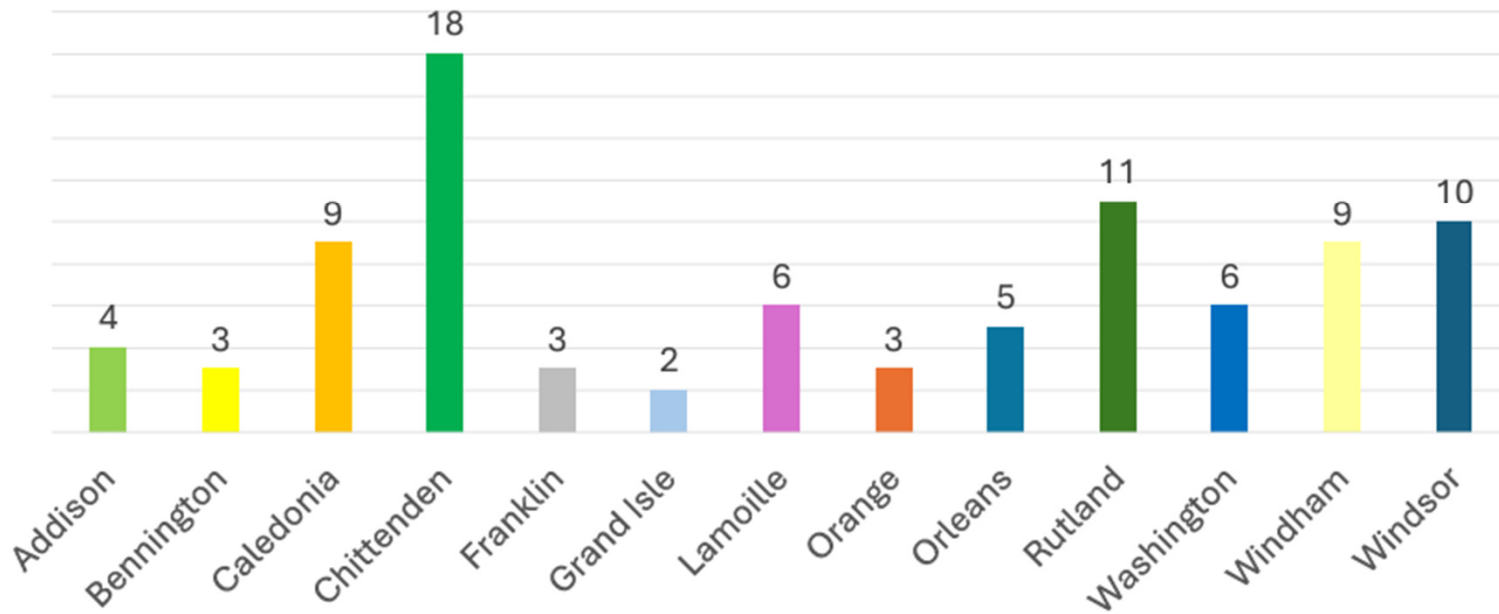
ADULT USE PROGRAM – DECEMBER 16, 2024 Active Licenses (601) by Type



Market Structure



ADULT USE PROGRAM Retail Locations by County

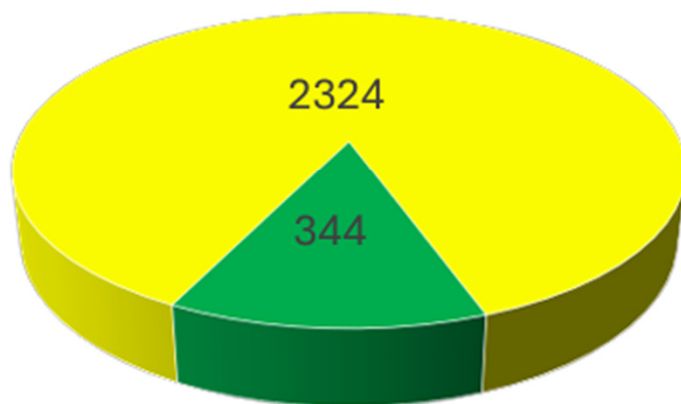


Market Structure



ADULT USE PROGRAM Product Registrations and Renewals

Flower (including uninfused pre-roll)



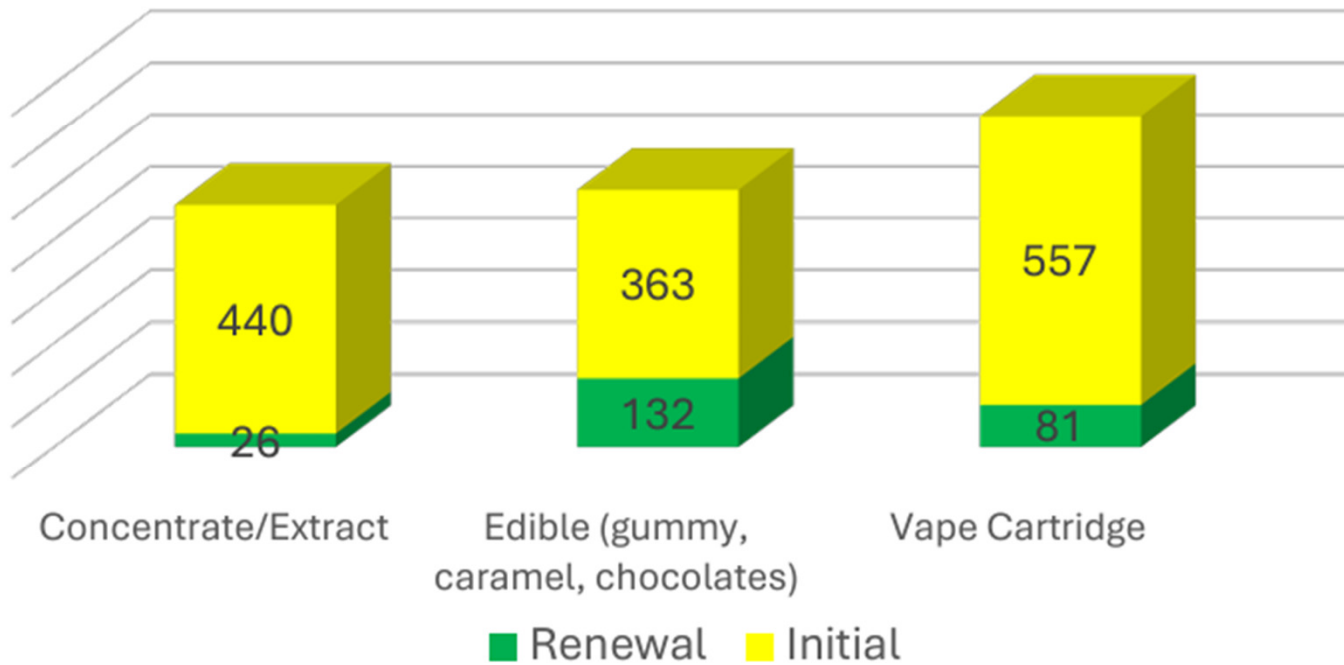
■ Renewal ■ Initial

Data as of 12/16/24

Market Structure



ADULT USE PROGRAM Product Registrations and Renewals

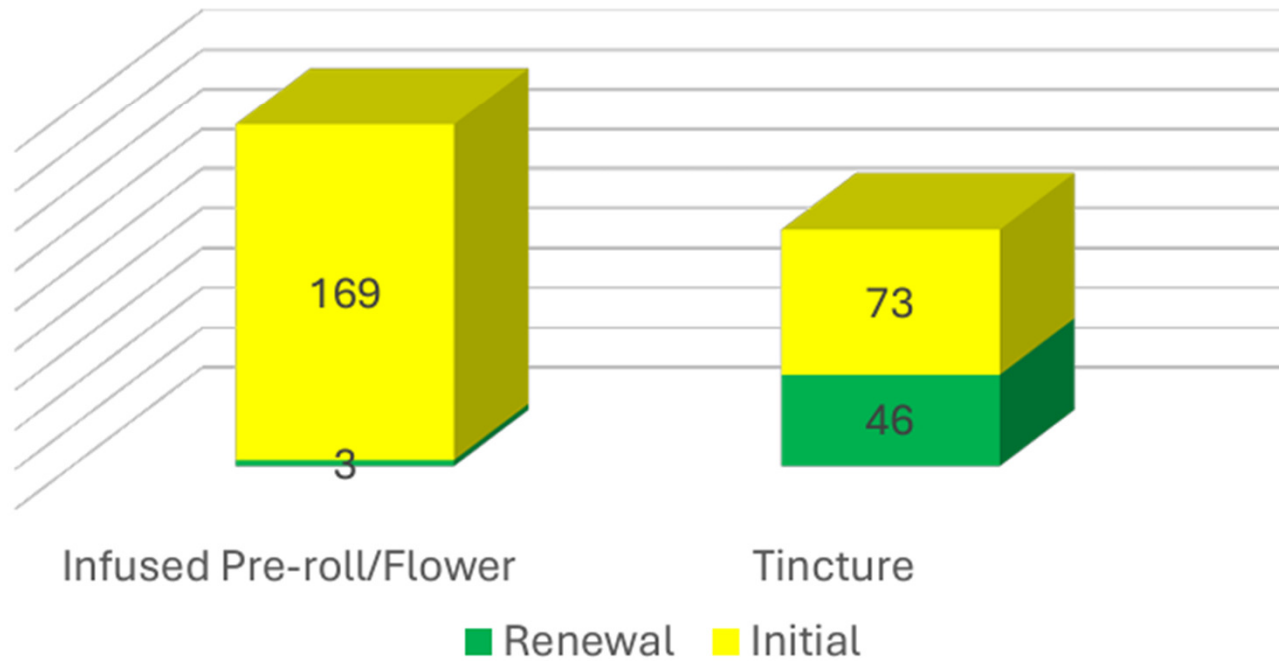


Data as of 12/16/24

Market Structure



ADULT USE PROGRAM Product Registrations and Renewals

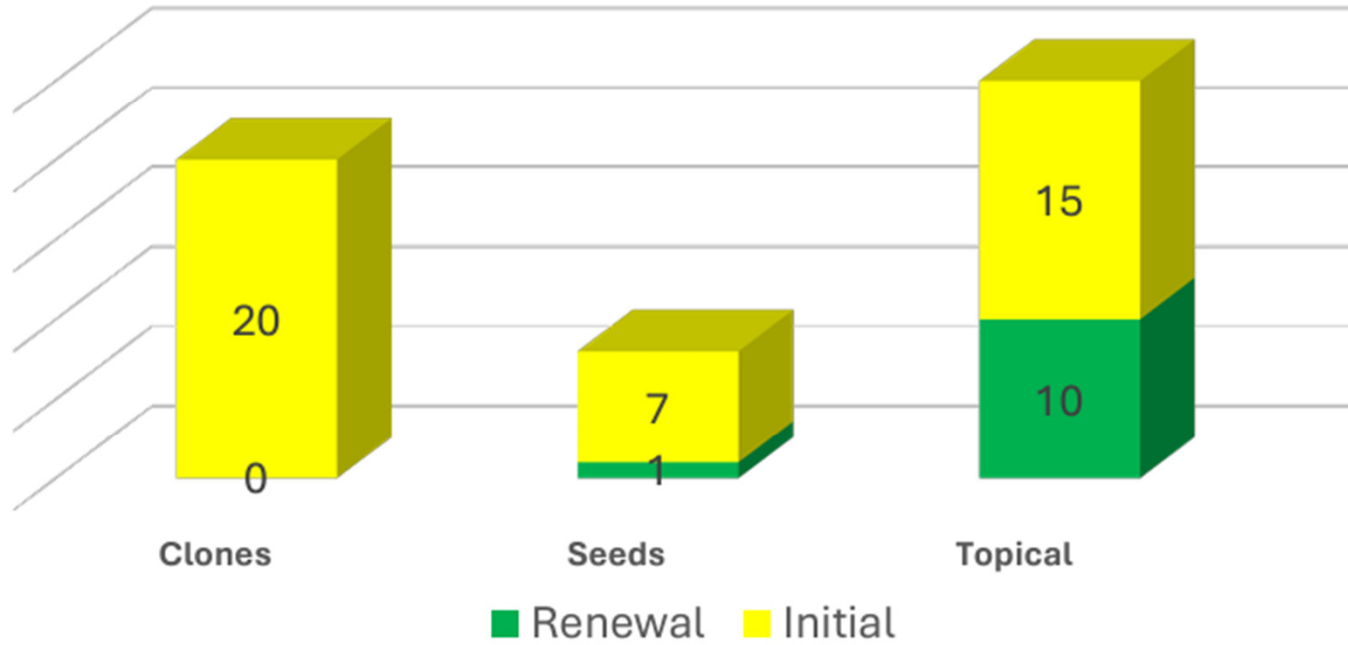


Data as of 12/16/24

Market Structure



ADULT USE PROGRAM Product Registrations and Renewals



Data as of 12/16/24

Trends

Trends

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2025

SOURCE G-FUND

revenues are prior to all E-Fund allocations
and other out-transfers; used for
analytic and comparative purposes only

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Personal Income	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1296.4	4.3%	\$1333.5	2.9%	\$1369.6	2.7%
Sales and Use ¹	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$610.9	2.6%	\$628.7	2.9%	\$646.2	2.8%
Corporate	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$259.3	8.6%	\$248.5	-4.2%	\$258.3	3.9%
Meals and Rooms ²	\$143.8	-12.1%	\$216.8	50.8%	\$237.7	9.6%	\$246.2	3.5%	\$261.8	6.4%	\$271.0	3.5%	\$279.9	3.3%
Liquor	\$28.7	32.8%	\$30.1	5.0%	\$30.8	2.1%	\$30.2	-1.8%	\$31.2	3.2%	\$31.8	1.9%	\$32.4	1.9%
Insurance	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$76.9	1.7%	\$78.4	2.0%	\$79.8	1.8%
Telephone (Discontinued as of FY26)	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$2.6	0.1%	\$0.0	NM	\$0.0	NM
Beverage	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.9	-1.0%	\$6.8	-1.7%	\$6.6	-1.9%
Estate	\$26.9	77.5%	\$14.0	-48.0%	\$18.6	33.1%	\$23.9	28.2%	\$29.2	22.3%	\$26.7	-8.6%	\$27.9	4.5%
Property	\$73.9	74.8%	\$77.7	5.1%	\$69.2	-10.9%	\$62.4	-9.9%	\$77.9	24.8%	\$80.6	3.5%	\$82.8	2.7%
Bank	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$15.7	-5.4%	\$15.3	-2.5%	\$15.4	0.7%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$17.4	158.5%	\$20.8	19.7%	\$22.5	8.2%	\$23.5	4.3%
Other Tax	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.2	-5.3%	\$1.3	8.3%	\$1.4	3.8%
Total Tax Revenue	\$2068.5	13.1%	\$2468.2	19.3%	\$2536.1	2.7%	\$2560.1	0.9%	\$2690.7	5.1%	\$2745.1	2.0%	\$2823.8	2.9%
Business Licenses	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.25	-4.2%	\$1.28	2.4%	\$1.31	2.3%
Fees	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$51.2	15.7%	\$53.3	4.1%	\$54.2	1.7%
Services	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$4.0	-2.8%	\$4.1	2.5%	\$4.2	2.4%
Fines	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$2.0	-18.7%	\$2.2	10.0%	\$2.4	9.1%
Interest	\$0.9	-77.9%	\$2.6	185.2%	\$56.9	2102%	\$93.0	63.4%	\$64.3	-30.9%	\$47.3	-26.4%	\$31.3	-33.8%
Lottery	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$35.6	-1.1%	\$36.7	3.1%	\$37.7	2.7%
All Other ³	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$1.1	80.4%	\$1.2	9.1%	\$1.3	8.3%
Total Other Revenue	\$84.1	-0.8%	\$83.9	-0.2%	\$143.1	70.5%	\$181.7	27.0%	\$159.5	-12.3%	\$146.1	-8.4%	\$132.4	-9.4%
Healthcare Revenue ⁴	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$351.6	5.6%	\$362.8	3.2%	\$374.0	3.1%
TOTAL GENERAL FUND	\$2433.6	10.7%	\$2855.6	17.3%	\$2998.5	5.0%	\$3074.8	2.5%	\$3201.8	4.1%	\$3254.0	1.6%	\$3330.1	2.3%
CHILDCARE TAX REVENUE	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$92.8	NM	\$98.6	6.2%	\$102.7	4.1%

Taxable Sales
FY23 – 47.9 M
FY24 – 124.3M

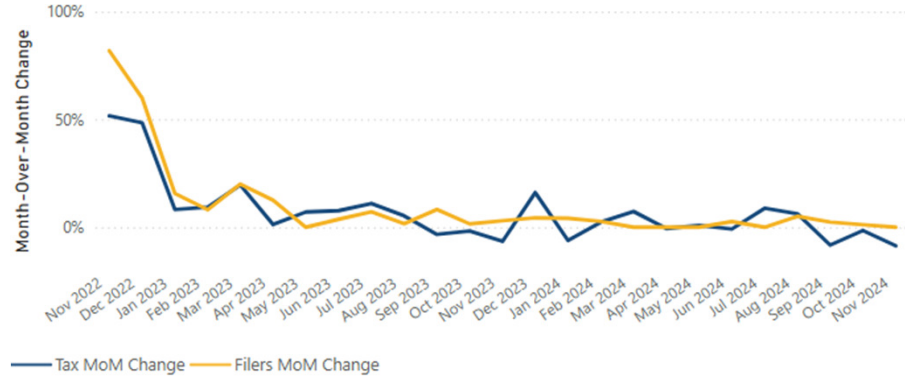
Taxes (Excise / Sales)
FY23 – 6.7M / 2.9M
FY24 – 17.4M / 7.5M

JFO Forecast
FY25 – 148.6M
FY26 – 160.7M
FY27 – 167.9M

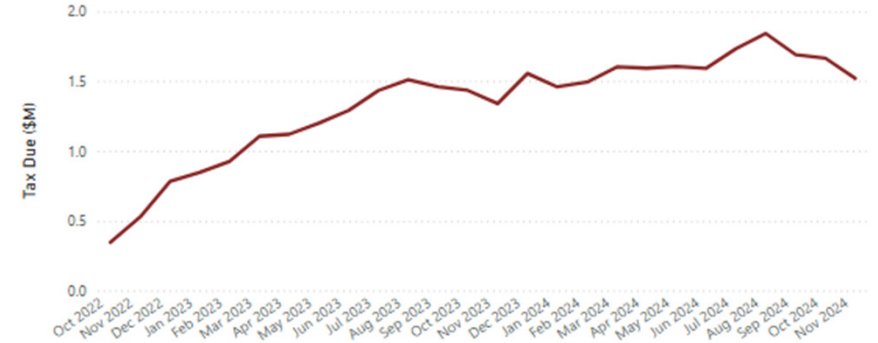
Trends



Month-Over-Month Change in Excise Tax and Number of Filers

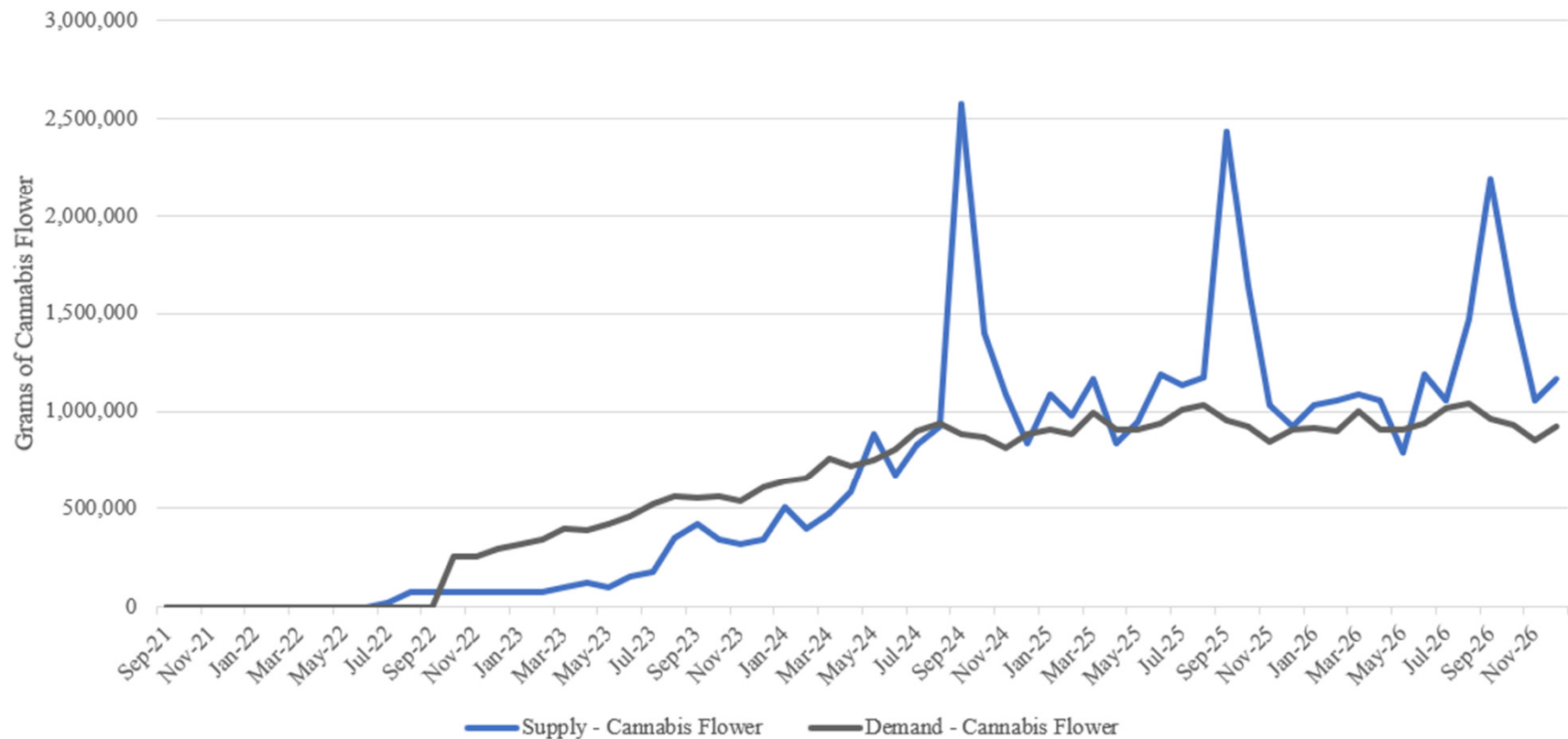


Cannabis Excise Tax by Filing Period

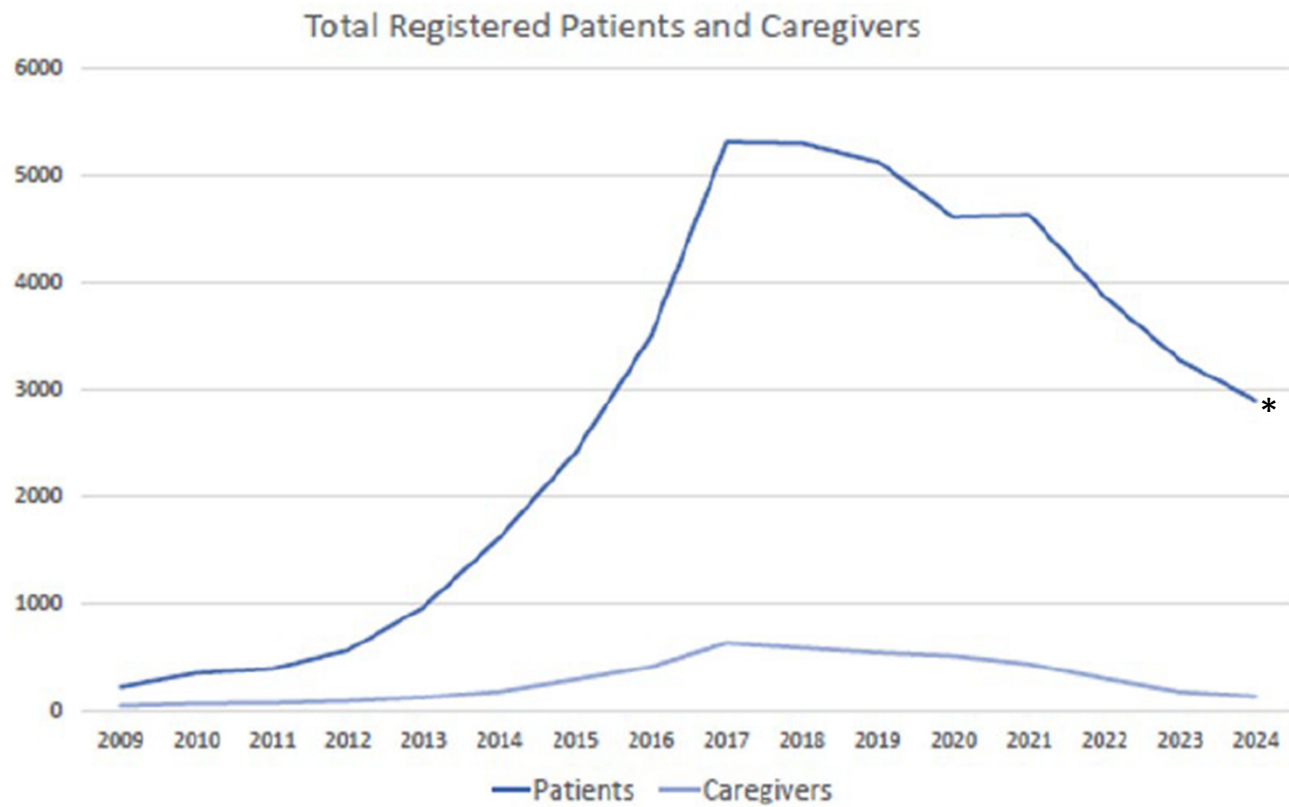


Trends

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



Trends



*2698 Registered Patients as of 12/18/2024

Synthetic and Hemp-derived Intoxicating Products

Synthetic and Hemp-derived Intoxicating Products

Agricultural Improvement Act of 2018 (“2018 Farm Bill”)

7 USC 1639o

(1)Hemp.—The term “hemp” means the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and *all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers*, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

Synthetic and Hemp-derived Intoxicating Products

0.3% delta-9 THC on a dry weight basis loophole

	Hemp Potency Limit
20 g pack of gummies:	60 mg Δ^9 -THC
85 g bar of chocolate:	255 mg Δ^9 -THC
12 oz beverage:	>1,000 mg Δ^9 -THC

Synthetic and Hemp-derived Intoxicating Products

Isomer / derivatives loophole

v. September 2023

THC Analogs Isomers vs. Derivatives

nsc
Alcohol, Drugs &
Impairment Division

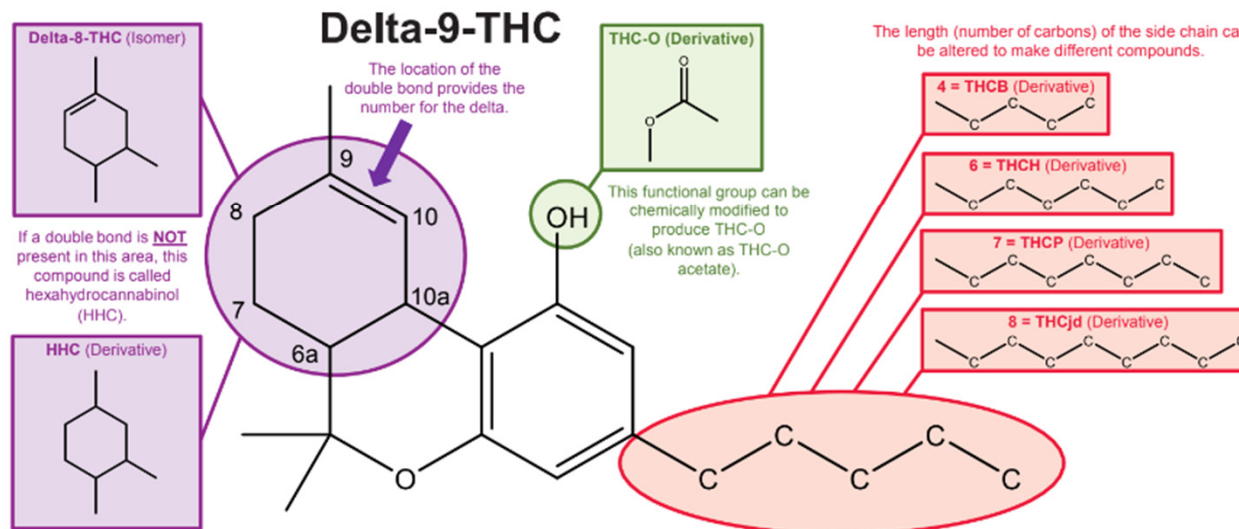
Analog A compound having a similar structure to another compound; includes both isomers and derivatives

Isomer

Same number of carbons, hydrogens, and oxygens, but rearranged. **For example:** Delta-8 vs. Delta-9 vs. Delta-10

Derivative

Looks like Delta-9-THC, but has a different number of carbons, hydrogens and oxygens. **For example:** HHC, THC-O, or THC-P



Any combination of these changes are possible, producing molecules that look similar to Delta-9-THC with unknown effects and safety. Thousands of THC-like compounds can be formed (e.g., HHC-O, Delta-10-THCH, Delta-8-THCP-O).

Synthetic and Hemp-derived Intoxicating Products



Hippy Mood "Cookie Cat Crunch"



Mary Jane's Bakery Co. LLC "Infused Sour Slizzles"



GrowGod LLC "Flamin Hot Cheetos"



Earthy Hemp's "Slushers"



Life Leaf Medical CBD Center "Double Stuff Stoneo"

Synthetic and Hemp-derived Intoxicating Products

Act 158 (2022), Section 10:

"The Board shall have the authority to regulate synthetic cannabinoids and hemp-derived cannabinoids, including delta-8 and delta-10 tetrahydrocannabinol."

6 V.S.A. § 562

(4)(A) "Hemp products" or "hemp-infused products" means all products with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts, which are prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, construction materials, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.

(B) Notwithstanding subdivision (A) of this subdivision (4), "hemp products" and "hemp-infused products" do not include any substance, manufacturing intermediary, or product that:

(i) is prohibited or deemed a regulated cannabis product by administrative rule of the Cannabis Control Board; or

(ii) contains more than 0.3 percent total tetrahydrocannabinol on a dry-weight basis.

Synthetic and Hemp-derived Intoxicating Products

CCB Rule 2.17.1 Prohibition

Prohibited cannabinoids include: (a) All isomers, variants, analogs, and mimetics of delta-9 tetrahydrocannabinol, including delta-8 and delta-10 tetrahydrocannabinol, created by chemical manipulation of any part or derivative of the plant *Cannabis sativa* L., regardless of the delta-9 tetrahydrocannabinol concentration level of the source plant or plants; and

(b) delta-9 tetrahydrocannabinol that has been chemically or mechanically concentrated or otherwise derived from hemp and then sprayed, infused, or otherwise artificially introduced onto or into any product, including hemp or hemp products, so as to impart intoxicating properties mimicking those of cannabis and cannabis products.

2.17.2 Presumptions

A consumable product that is not cannabis or a cannabis product is presumptively prohibited regardless of the delta-9 tetrahydrocannabinol concentration of any plant from which the product is sourced, if the product, in the form offered to consumers:

- (a) contains total tetrahydrocannabinol in a concentration exceeding 0.3 percent on a dry weight basis; or
- (b) contains more than 1.5 mg tetrahydrocannabinol per serving, where “serving” is the amount reasonably ingested by a typical consumer in a single instance; or
- (c) contains more than 10 mg total tetrahydrocannabinol per package, unless the ratio of cannabidiol to tetrahydrocannabinol is at least 20:1; or
- (d) has the dominant market appeal of mimicking the intoxicating effects of tetrahydrocannabinol.

Market Conditions

Market Conditions

- **Tourism / border state consumers**
- **Federal legalization**
- **Interstate commerce**
- **Intoxicating hemp-derived products**
- **Market consolidation**

Market Expansion

- **Event licensing for sales**
- **Event licensing for on-site consumption**
- **THC potency caps**
 - **Serving size – 5mg**
 - **Package limit – 100mg**
 - **Flower – 30%**
 - **Solid concentrates – 60%**
- **Delivery**
- **Consumption lounges**
- **Amend opt in/out presumption**
- **Amend advertising statutes**

Legislative reports

Legislative reports

Authority: Act 166, Sec. 11a

(a) The Cannabis Control Board shall work in consultation with the Vermont Department of Health, the Vermont Medical Society, the Green Mountain Patients' Alliance, the Cannabis Retailers Association of Vermont, and other interested parties to assess the efficacy of the Medical Cannabis Program in serving registered and prospective patients. The assessment shall include recommendations regarding:

- (1) improvements to the process of evaluating and approving new qualifying conditions;**
- (2) improvements to how the use of cannabis is communicated to patients and patients' providers; and**
- (3) appropriate regulations regarding electronic or battery-powered devices that contain or are designed to deliver cannabis into the body through the inhalation of vapor.**

(b) The Board shall provide recommendations regarding the Medical Cannabis Registry to the **Senate Committee on Health and Welfare and the House Committee on Human Services** on or before November 15, 2024.

Legislative reports

Authority: Act 166; Sec. 18

(a) On or before December 15, 2024, the Cannabis Control Board shall submit to the **Senate Committees on Government Operations and on Economic Development, Housing and General Affairs and the House Committees on Government Operations and Military Affairs and on Commerce and Economic Development** a report regarding the siting and licensing of outdoor cannabis cultivation. The report shall:

- (1) summarize the current impact of outdoor cultivation on local municipalities;**
- (2) summarize the impact of establishing various siting requirements to existing licensed outdoor cultivators;**
- (3) address whether and how to authorize municipalities to establish local cultivation districts;**
- (4) address whether and how outdoor cultivation of cannabis should be entitled to the rebuttable presumption that cultivation does not constitute a nuisance under 12 V.S.A. chapter 195;**
- (5) recommend whether local cannabis control commissions established pursuant to 7 V.S.A. chapter 33 should be granted additional authority to regulate outdoor cannabis cultivators; and**
- (6) address the impact of modifying the law governing cannabis advertising.**

(b) The Cannabis Control Board shall consult with the Vermont League of Cities and Towns, the Cannabis Equity Coalition, the Vermont Medical Society, the Cannabis Retailers Association of Vermont, and other interested stakeholders in developing the report required under subsection (a) of this section.

Legislative reports

Authority: Act 166; Sec. 15a

The Cannabis Control Board shall work in consultation with the Vermont Housing and Conservation Board, the Vermont Land Access and Opportunity Board, the Vermont Racial Justice Alliance, the Office of Racial Equity, and the Agency of Commerce and Community Development for purpose of **making recommendations to the General Assembly regarding a percentage of cannabis excise tax monies that should be appropriated to the Cannabis Business Development Fund for uses as provided pursuant to 7 V.S.A. § 987.** The Cannabis Control Board shall incorporate the recommendations into the Cannabis Social Equity Programs report required pursuant to 7 V.S.A. § 989.

Legislative reports

Authority: 7 V.S.A. § 989

The Cannabis Control Board, in consultation with the Advisory Committee, the Agency of Commerce and Community Development, and the Executive Director of Racial Equity, shall report to the General Assembly on or before January 15, 2023 and biennially thereafter **regarding the implementation and application of this chapter, including data on the number of applicants, the number of recipients, the number and amounts of loans and grants, and the identification of continuing barriers to accessing the cannabis market for social equity applicants.** This information shall be presented in a manner that can be quantified and tracked over time.