

Thank you for the opportunity to provide written testimony on S.278. My husband and I operate Emerald Visions, a self-funded Vermont cannabis business built without outside investors. We care deeply about the long-term sustainability of this market and the small businesses operating within it.

The following proposed amendments are offered in a constructive spirit. They aim to strengthen Vermont's cannabis framework by improving competitiveness, reinforcing the one-license structure, preventing unintended consolidation, modernizing administrative processes, and promoting fiscal responsibility.

Our goal is simple: ensure that the regulated market can compete with illicit sales, remain fair for small operators, and operate within a responsible financial structure.

Summary of Key Recommendations

1. Modernize product and possession limits to improve competitiveness and reduce cross-border and illicit purchasing incentives.
2. Structure delivery and on-site consumption as separate retail license types subject to the one-license rule.
3. Establish guardrails for event administration to prevent gatekeeping, self-dealing, and anti-competitive practices.
4. Align fee schedules with market impact and retail equivalency.
5. Provide advertising placement consistency with other regulated adult-use products.
6. Reduce the excise tax to improve legal market competitiveness, or alternatively implement a limited tax holiday pilot to gather Vermont-specific elasticity data.
7. Modernize product registration by offering both one- and two-year options.
8. Maintain accountability within the Cannabis Business Development Fund.

Appendix – Proposed Amendments by Section

Section 6 & 7 – Event Guardrails

We respectfully propose adding provisions to:

- Limit event permits to six per year per licensee.
- Prohibit concurrent events by a single licensee.
- Prohibit exclusive venue agreements.
- Require open participation by licensed establishments.
- Require flat, cost-based participation fees (no percentage-of-sales models).
- Prohibit self-preferencing by event administrators.
- Require public registry transparency.
- Prohibit vertically integrated administrators from hosting other vertically integrated vendors.

These guardrails ensure events expand opportunity rather than concentrate market leverage.

Section 8 – Replace Delivery Permit with Retail Delivery License

Replace § 914 with a Retail Delivery License (Non-Storefront) that:

- Constitutes a retail license under the one-license rule.
- Operates from a single approved base of operations.
- Limits delivery drivers to three.
- Prohibits reciprocal shelf preference agreements tied to delivery placement.

Delivery should function as a defined retail model, not an add-on expansion mechanism.

Section 9 – Create Retail On-Site Consumption License

Establish a separate Retail On-Site Consumption License that:

- Allows on-premises consumption.
- Does not permit traditional take-home sales.
- Constitutes a retail license under the one-license rule.
- Prohibits holding both a storefront retail license and a consumption license.

This preserves fairness and prevents stacking of retail privileges.

Section 11 – Advertising Placement

Add language allowing cannabis advertising in any location or platform where alcohol or tobacco advertising is lawfully permitted, while maintaining youth concentration and content restrictions.

Cannabis is a regulated adult-use product and should be treated consistently in placement standards.

Section 13 – Excise Tax Reform

Reduce the cannabis excise tax from 14% to 10% to lower consumer prices and improve legal market competitiveness.

Alternatively, implement a limited annual tax holiday pilot to gather Vermont-specific data on elasticity, transaction volume, and revenue stability before making permanent adjustments.

Lower prices increase legal participation and reduce illicit market activity.

Section 15 – Municipal Guardrails

Clarify that municipal control:

- Is limited to zoning, traffic, and public safety.
- May not impose requirements inconsistent with state law.
- Must issue decisions within 45 days.
- Allows appeal to the Cannabis Control Board.

Local oversight should not function as a duplicative regulatory barrier.

Section 16 – Product Registration Modernization

Require the Board to offer both one- and two-year product registrations at prorated cost, improving efficiency and reducing unnecessary administrative churn.

Section 17 – Cannabis Business Development Fund Accountability

- Limit grants to social equity applicants.
- Provide low-interest, project-based loans to other small operators.
- Require repayment compliance as a condition of license renewal.
- Tie fund transfers to cannabis-generated revenue rather than the General Fund.

Public funds should remain accountable and self-sustaining.

Closing

These amendments are not intended to weaken oversight or expand the market beyond its original vision. They are designed to reinforce Vermont's small, craft-based cannabis system by improving competitiveness, preventing consolidation, lowering consumer costs, and ensuring long-term sustainability.

We appreciate your consideration and are available to provide further clarification on any of these proposals.

Respectfully submitted,

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Emerald Visions