

# Vermont Cannabis Equity Coalition

May 22, 2025

- 1. Fee and Tier Reform:** Support for the proposed fee schedule reform with the following modifications: reinstate the current fee for Indoor Tier 3, and eliminate the higher production tiers within both Indoor and Outdoor cultivation categories

## Proposed Statutory Language

*Sec. 12. 7 V.S.A. § 910 is amended to read:*

### *§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE*

*The following fees shall apply to each person or product licensed by the Board: (1) Cultivators.*

#### *(A) Outdoor cultivators.*

*(i) Outdoor cultivator tier 1. Outdoor cultivators with up to 1,000 square feet of plant canopy or fewer than 125 cannabis plants in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$750.00~~ \$375.00.*

*(ii) Outdoor cultivator tier 2. Outdoor cultivators with up to 2,500 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$1,875.00~~ \$925.00.*

*(iii) Outdoor cultivator tier 3. Outdoor cultivators with up to 5,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$4,000.00~~ \$2,000.00.*

*(iv) Outdoor cultivator tier 4. Outdoor cultivators with up to 10,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$8,000.00~~ \$4,000.00.*

*(v) Outdoor cultivator tier 5. Outdoor cultivators with up to 20,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$189,000.00~~.*

*~~(vi) Outdoor cultivator tier 6. Outdoor cultivators with up to 37,500 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$34,000.00~~.~~*

#### *(B) Indoor cultivators.*

(i) Indoor cultivator tier 1. Indoor cultivators with up to 1,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$1,500.00.

(ii) Indoor cultivator tier 2. Indoor cultivators with up to 2,500 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$3,750.00.

(iii) Indoor cultivator tier 3. Indoor cultivators with up to 5,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$8,000.00.

~~(iv) Indoor cultivator tier 4. Indoor cultivators with up to 10,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$16,000.00.~~

~~(v) Indoor cultivator tier 5. Indoor cultivators with up to 15,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$72,000.00.~~

~~(vi) Indoor cultivator tier 6. Indoor cultivators with up to 25,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$75,000.00.~~

(C) Mixed cultivator tiers.

(i) Mixed cultivator tier 1. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$2,250.00:~~ \$1,875.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 125 cannabis plants in an outdoor cultivation space.

(ii) Mixed cultivator tier 2. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of \$5,625.00: up to 2,500 square feet of plant canopy in an indoor cultivation space and up to 312 cannabis plants in an outdoor cultivation space.

(iii) Mixed cultivator tier 3. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$5,500.00:~~ \$3,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 625 cannabis plants in an outdoor cultivation space.

(iv) Mixed cultivator tier 4. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$9,500.00:~~ \$5,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 1,250 cannabis plants in an outdoor cultivation space.

*(v) Mixed cultivator tier 5. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$19,500.00~~: \$10,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 2,500 cannabis plants in an outdoor cultivation space.*

2. **Funding the Cannabis Business Development Fund:** Allocate 5% of the cannabis excise tax to the Cannabis Business Development Fund, which is otherwise left effectively defunded.

Proposed Statutory Language:

7 V.S.A. § 845 is amended to read:

9 § 845. CANNABIS REGULATION FUND

(a) There is established the Cannabis Regulation Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall be maintained by the Cannabis Control Board. (b) The Fund shall be composed of:

(1) all State application fees, annual license fees, renewal fees, and civil penalties collected by the Board pursuant to chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title;

(2) all annual and renewal fees collected by the Board pursuant to chapter 35 (medical cannabis registry) of this title; ~~and~~

(3) ~~70~~ 65 percent of the cannabis excise tax revenue raised pursuant to 32 ~~20~~ V.S.A. § 7902. ~~and~~

(4) 5 percent of the cannabis excise tax revenue raised pursuant to 32 20 V.S.A. § 7902.

7 V.S.A. § 987 is amended to read:

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

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

(b) The Fund shall comprise:

(1) a one-time contribution of \$50,000.00 per integrated license to be made on or before October 15, 2022; and

(2) monies allocated to the fund by the General Assembly. ~~And~~

(3) 5 percent of the cannabis excise tax revenue.

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

- (1) to provide low-interest rate loans and grants to social equity applicants to pay for ordinary and necessary expenses to start and operate a licensed cannabis establishment;
- (2) to pay for outreach that may be provided or targeted to attract and support social equity applicants;
- (3) to assist with job training and technical assistance for social equity applicants; and
- (4) to pay for necessary costs incurred in administering the Fund.

3. **Clarify Intent and Reporting Requirements of Event Pilot Program:** Revise event permit reporting criteria to include recommendations for enhancing the economic prosperity of licensed cannabis cultivators and manufacturers through a transition to direct sales.

Proposed Statutory Language:

Sec \_\_\_\_\_

*The Cannabis Control Board shall monitor and evaluate events authorized under Section \_\_\_\_\_ of this Act. The Board shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing, and General Affairs, by January 15, 2026, a concise assessment of the benefits, challenges, and what the CCB needs to equitably and effectively administer ~~relative viability of offering~~ cannabis ~~retail~~ direct sales for licensed cultivators and manufacturers not subject to 7 V.S.A. § 863 (a)(1) and (a)(2) at events outside the confines of a retail cannabis establishment, and for on and off site direct sales to customers for licensed small cultivators and manufacturers. The Board may recommend best practices for, among other considerations, point of sales, security, inventory tracking, tax enforcement, permit administration, local government coordination, and optimizing market access for small cultivators and manufacturers on- and off-site.*