

Vermont Social Equity Sub-Committee

Discussion Guide for
09/16/21



SOCIAL EQUITY

SUB-COMMITTEE

- NACB
 - Gina Kranwinkel
 - Geoffrey Gallegos
 - Deneka Scott
 - CCBAC
 - Nader Hashim
 - Ashley Reynolds
 - TJ Donovan
-
- State of VT (*in consultation*)
 - Xusana Davis, Executive Director of Racial Equity, Diversity
 - Lindsay Kurrle, Secretary – Agency of Commerce and Community Development

- Program Design (*stakeholder engagement plan*)
- Applicant Program Design & Execution
- Ongoing program administration including transferability of Social Equity licenses

MILESTONES

- **OCTOBER 1, 2021**
 - Plan for reducing or eliminating fees for SE applicants
- **OCTOBER 15, 2021**
 - Develop criteria for SE applicants for the purpose of obtaining social equity loans and grants from the Cannabis Business Development Fund
- **NOVEMBER 2021**
 - Meet in-person with the relevant subcommittees of the Advisory Committee and stakeholders to assist in the design of a social equity program

Agenda/Discussion Guide – 09.16.21

- 3:00pm **Call to Order, Sub-Committee on Social Equity, Approval of Minutes**
Department of Financial Regulation Conference Room
- 3:05pm Review of public comments received
- 3:10pm Determining Social Equity candidate parameters & requirement
 - Disproportionately impacted areas
 - Low-income area candidates
 - Opportunity zones
 - Supporting documentation
- 3:45pm Upcoming Priorities
- 3:50pm Public Comments
- 4:00pm Adjourn

Submit Public Comments to:

<https://ccb.vermont.gov/form/publicinputform>

DIA Criteria—Proposed Bill VT H 414

- **“Disproportionately impacted area”** means a census tract or comparable geographic area that meets at least one of the following criteria:
 - (A) a designated Vermont Opportunity Zone;
 - (B) the area has a poverty rate of at least 20 percent according to the latest federal decennial census;
 - (C) 75 percent or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education; **(currently all school lunch is free in VT)**
 - (D) at least 20 percent of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or
 - (E) the area has high rates of arrest, conviction, and incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.

Why low-income candidates?

According to Proposed VT H414

“Individuals who have resided in areas of high poverty suffer negative consequences, including barriers to entry in employment, business ownership, housing, health, and long-term financial well-being. Promotion of business ownership by individuals who have resided in areas of high poverty and high enforcement of cannabis-related laws furthers an equitable cannabis industry. “

Possible VT DIA communities – highest BIPOC rates

- Brattleboro
- Chittenden County (Burlington and Winooski)
- Essex County
- Orleans County

2019 Income Taxes

2019 Vermont Personal Income Tax Returns - Dollars by Town

Town Name	Returns	Adjusted Gross Income (AGI)	Vermont AGI	Vermont Taxable Income	Adjusted Vermont Tax	Credits	Earned Income Credit	Net Vermont Tax	Average AGI per Exemption
Reading	323	11,586,304	11,192,214	16,478,037	805,338	16,460	22,800	766,078	19,506
Searsburg	49	2,137,103	2,081,735	1,444,152	68,754	*	22,136	24,980	20,161
Brownington	448	19,409,689	19,304,469	12,419,005	499,753	10,683	70,061	419,009	21,471
Wells River	253	9,600,344	9,532,160	5,850,308	237,552	*	52,858	181,909	21,525
Norton	491	17,120,607	16,862,520	10,469,144	396,026	*	75,370	308,963	22,120
Lowell	449	18,488,517	18,062,663	11,943,469	485,582	17,400	76,145	392,037	22,249
Richford	1,032	42,197,694	41,557,346	26,240,441	1,000,543	8,267	207,052	785,224	22,493
Lunenburg	584	24,124,475	23,502,278	15,128,462	577,713	21,719	83,711	472,283	22,631
Stannard	94	3,833,195	3,802,219	2,619,315	98,164	*	9,844	86,118	23,662
Troy	782	33,365,164	33,051,654	21,657,516	872,654	15,336	136,867	720,451	23,663

- Rebecca Sameroff from the Vermont Department of Taxes said “We only have data from people that file taxes. Vermonters are only required to file in VT if they are required to file at the federal level. For 2020, those with taxable income below \$12,400 were generally not required to file federally or in Vermont. Some very-low income Vermonters will still file a tax return in order to benefit from certain credits available through the tax code, but it isn’t a requirement. I believe our last estimate of the non-filer population in VT was about 17%”

Opportunity Zones

- For purposes of defining an Opportunity Zone, the term “low-income community” takes its definition from [Section 45D\(e\) of the IRS Code](#), which states that a population census tract, in general, is low-income if:
 - (A) the poverty rate for such tract is at least 20 percent, or
 - (B) (i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or (ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.
- **What is a contiguous non-LIC census tract?**
- Certain non-low-income community (non-LIC) census tracts were able to be designated as Opportunity Zones if they were:
 - (A) ... contiguous with the low-income community that is designated as a qualified opportunity zone, and
 - (B) the median family income of the tract does not exceed 125 percent of the median family income of the low-income community with which the tracts is contiguous.
- But no more than 5 percent of a state’s Opportunity Zones can be contiguous non-LIC tracts.

- Retrieved <https://opportunitydb.com/guide/iioa/>

VT Opportunity Zones

- **Census Tract 9603, Vergennes, Vermont in Addison County**
- **Census Tract 9709, Bennington, Vermont, Bennington County**
- **Census Tract 9712, Bennington, Vermont, Bennington County**
- **Census Tract 9572, Lyndonville, Vermont, Caledonia County**
- **Census Tract 9574, St. Johnsbury, Vermont, Caledonia County**
- **Census Tract 9575, St. Johnsbury, Vermont, Caledonia County**
- **Census Tract 5, Burlington, Vermont, Chittenden County**
- **Census Tract 10, Burlington, Vermont, Chittenden County**
- **Census Tract 24, Winooski, Vermont, Chittenden County**
- **Census Tract 25, Winooski, Vermont, Chittenden County**
- **Census Tract 36, South Burlington, Vermont, Chittenden County**
- **Census Tract 107, St. Albans, Vermont, Franklin County**
- **Census Tract 9532, Johnson, Vermont, Lamoille County**
- **Census Tract 9594, Randolph, Vermont, Orange County**
- **Census Tract 9514, Newport, Vermont, Orleans County**
- **Census Tract 9515, Newport, Vermont, Orleans County**
- **Census Tract 9631, Rutland, Vermont, Rutland County**
- **Census Tract 9632, Rutland, Vermont, Rutland County**
- **Census Tract 9633, Rutland, Vermont, Rutland County**
- **Census Tract 9552, Barre, Vermont, Washington County**
- **Census Tract 9670, Bellows Falls, Vermont, Windham County**
- **Census Tract 9685, Brattleboro, Vermont, Windham County**
- **Census Tract 9651, South Royalton, Vermont, Windsor County**
- **Census Tract 9666, Springfield, Vermont, Windsor County**
- **Census Tract 9667, Springfield, Vermont, Windsor County**

VT Opportunity Zone Chart

<https://opportunitydb.com/location/vermont/>

“Impacted family”

Relationship to the impacted individual:

- Parent
- Legal guardian
- Sibling
- Spouse
- Child
- Minor in their guardianship/**proof of guardianship**

See Denver Marijuana Code § 6-204(21)

How to define Social Equity Candidate

“Social equity applicant” means an applicant that meets at least one of the following criteria:

- 1 Lives in an Opportunity Zone
- 2 Member of BIPOC/minority race/ethnicity
- 3 Impact of cannabis prohibition
 - Have personally been arrested, convicted or incarcerated for a nonviolent cannabis offense (misdemeanor or felony), or
 - Are a member of an impacted family

AND

- Must have lived in VT for one year before submitting application

SUPPORTING DOCUMENTS FOR SOCIAL EQUITY CANDIDATES

- Proof of income-tax return and two months of pay stubs or proof of eligibility for general assistance, food stamps, SSI or SSDI (*If there is a low-income requirement)



- Proof of conviction-court documents, probation documents or Department of correction documents *(can be achieved by requesting one from the courts)*

(Q: How can one get proof of conviction if files are expunged)

- Proof of residency:
 - (A) a Vermont driver's license OR Vermont Identification Card OR Vermont Disability Identification Card
 - (B) a voter registration card;
 - (C) signed lease agreement that includes the applicant's name OR a property deed that includes the applicant's name
 - (D) a voter registration card;
 - (E) a paycheck stub;
 - Additional considerations (from meeting on 9/16):
 - School district requirements
 - DL/ID requirements
 - Bank Statement
 - Recent tax return

Social Equity – Upcoming Priorities

- Consider licensing fee initiatives of “reducing or eliminating licensing fees
- Ways to use Cannabis Business Development Fund
- How to make an inclusive industry
- Justice Reform

Public Comments

In-Person Public Comments

Provide written Public Comments

<https://ccb.vermont.gov/form/publicinputform>