

## Vermont CCB Subcommittee for Market Structure, Licensing, Taxes, and Fees

Meeting Minutes – September 9, 2021

Tom Nolasco called meeting to order at 1:00pm.

Subcommittee members in attendance:

Tom Nolasco, NACB  
Sivan Cotel, Advisory Committee  
Stephanie Smith, Advisory Committee  
Chris Walsh, Advisory Committee  
Mark Gorman, NACB  
Dan Smith, VS Strategies  
Jen Flanagan, Vicente/Sederberg  
Andrew Livingston, VS Strategies  
Geoffrey Gallegos, NACB

Members of Vermont Cannabis Control Board in attendance

James Pepper, Chair  
Kyle Harris  
Julie Hulburd  
Brynn Hare, Executive Director  
Nellie Marvel  
Three members of the Vermont citizenry

Minutes recorded by Geoffrey Gallegos. After brief introductions of the subcommittee members, and encouragement from Tom Nolasco for public comments, Dan Smith reviewed deadline of 10/1/2021 for the report due to the legislature addressing types of licenses and appropriate fees. He then introduced the VS Strategies Market Analysis, mentioned a survey of fees from other states, and suggested the agendas for the following upcoming meetings.

9/13, 9/16, 9/20: Open discussion of questions from report

9/16: Initiate discussion on local fees

9/23: Goal for concrete recommendations to the CCB

Andrew Livingston presented the VS Strategies Vermont Medical and Adult-use Cannabis Supply and Demand Model, and how to navigate through the features of the report. The report includes data from other states, and different assumptions (including cultivation, yield outputs, per consumer demand for both medical and adult-use, impact of border consumers, seasonal tourism, impact of canopy sizes, and several other features). The model includes a random generator (accessed by pressing F9), which will adjust the entire calculation.

Dan Smith reiterated the goal of the first part of the subcommittee, which is to use the information in the model to make a best estimate for what types of licenses are needed and how to structure the licenses so we can calculate the fees. He also reminded the subcommittee that the VT legislature wants the fees to cover the cost of operation of the CCB, and to incorporate small cultivators and social equity licenses with low fees.

## **Vermont CCB Subcommittee for Market Structure, Licensing, Taxes, and Fees**

Sivan Cotel brought up the importance of the square feet of canopy size factor, and the reality of its impact on demand of licensees, and how many people will be interested in wanting to cultivate.

Andrew Livingston suggested looking at other states, specifically Alaska as a guide, because of similar climate challenges, a smaller population, no limit on licenses, emphasis on local residents, and the limited cultivation season that are similar to Vermont. Andrew also suggested a two stage application process, the first being an “intent to apply” phase (with a small fee), and the second being the actual application.

**PUBLIC COMMENT** From Vermont Growers Association

Consider production caps at market rollout (for the first couple of years).

Want to transition legacy growers to the licensed market as much as possible by allowing for unlimited licenses.

Don't regulate market access, but regulate market production.

Andrew Livingston noted that the model does not include existing supply currently in the state (by medical cultivators).

Dan Smith reiterated goals, (as many small cultivators as possible, low fees for social equity, cover the cost of operations), as well as the need to present multiple recommendations

Tim Wessel reminded the subcommittee of the need to discuss local fees.

Dan Smith answered by saying to start with state fees for the next subcommittee meeting, and then move to local fees.

Tom Nolasco moved to adjourn the meeting, which was seconded by Stephanie Smith. Meeting adjourned at 1:59pm.