

Vermont Social Equity Sub-Committee Meeting Minutes—September 30, 2021

Chair calls to order meeting at 3:03 pm ET.

Attendees:

Advisory Committee Members

- Nader Hashim
- Ashley Reynolds
- Julio Thompson

VT Cannabis Board Members:

- Julie Hulburd

NACB:

- Gina Kranwinkel
- Geoffrey Gallegos
- Deneka Scott

1 member of public

Minutes recorded by John O'Donnell.

*Daneka Scott entertains a motion to approve the Board's minutes for the September 27 meeting. Member Ashley Reynolds moves. Member Nader Hashim seconds. Minutes are approved.

Meeting agenda:

[Meeting powerpoint presentation sets agenda]

Public Comments:

[slides 4+5]

*Daneka Scott reads out comments of Kelli Story, Ronald Williams, Joseph Verga, Michael Shane

Notable comment(s):

Vote to discuss adding domestic partner to definition of Family

Impacted Family & Domestic Partnership

[slides 7+8]

Vote – Impacted family definition [per slide 7]

*Nader Hashim- I agree

*Ashley Reynolds- I agree

*Julio Thompson- Needs clarification

*Julio Thompson- What is the definition of “domestic partner” in Vermont, where same sex marriage is legal?
The definition under old legislation cites “civil union”

*Gina Kranwinkel- Where there is a relationship agreement or power of attorney.

*Julie Hulburd- State of Vermont has six definitions – cites adding someone to your health insurance.

*Nader Hashim- “Sole domestic partner” definition.

*Julio Thompson- “Family member” as a definition has no settled meaning. Concerned it may be interpreted differently by different members of the CCB.

*Gina Kranwinkel- Solution may be to add detailed definition of Domestic Partner.

Domestic Partner Defined:

1. The persons are each other’s sole domestic partner and have been in an enduring domestic relationship sharing a residence for not less than six consecutive months prior to the submission of the application.

2. The persons are eighteen years or older.

3. Neither person is married to anyone.

4. The parties are not related by blood closer than would bar marriage under Vermont state law.

5. The persons are competent to enter into a legally binding contract.

6. The persons have agreed between themselves to be responsible for each other’s welfare.

*Nader Hashim- Legal age requirement for cannabis is 21 years of age under other Vermont legislation

*Julio Thompson- What about the children of a domestic partner?

*Gina Kranwinkel- Add step children to impacted family.

*Julio Thompson- Any “dependent” of the domestic partnership in that household. Has fear of diluting the social equity candidates, in ambiguous situations - e.g. grown up step children

*Gina Kranwinkel – modify family definition: Child /Step-child that resided in the relationship (when a minor)

Vote – *Impacted family definition [per slide 7]*

*Ashley Reynolds- Yes – to definition

*Nader Hashim- Yes

*Julio Thompson- Yes

Fees

[slides 9+10+11]

Vote – *Eliminating/Discounted Fees for social equity [per slide 10]*

*Ashley Reynolds- Yes - Recommendation 1

*Nader Hashim- Yes - Recommendation 1

*Julio Thompson- Yes – Recommendation 1

*Gina Kranwinkel- Note there is a waiver of financial hardship in year 2 & 3 within Recommendation 1 if financial hardship can be shown and business plan to remedy situation moving forward

Vote – *Waive provisional license application fee [per slide 11]*

*Julio Thompson- Agree

- *Ashley Reynolds- Agree
- *Nader Hashim- Agree

Vote – Employee registration fee paid by business [per slide 11]

- *Julio Thompson- Agree
- *Ashley Reynolds- Agree
- *Nader Hashim- Agree

Vote – Local fee [per slide 11]

- *Nader Hashim- Agree. Given that it has done away with the residency requirement.
- *Ashley Reynolds- Agree
- *Julio Thompson- Wants discussion.

*Julio Thompson- Prefers a waiver for the first year. Wants Vermont government to be able to make statement to new entrants, generically “we want you to enter market”. Does \$100 buy an improved relationship. Feels it is an unnecessary expense – even though it is not a big barrier.

*Julie Hulburd- The annual fee is paid on renewal

*Gina Kranwinkel- The local fee assists a local community with new expenses due to the entry of cannabis businesses – e.g. police, parking, enforcement

*Nader Hashim- We want the new entrant to have a connection to that community – establishing local relationship (both ways).

*Ashley Reynolds- Don’t know what the reaction of towns to entry of cannabis industry will be.

Vote – Waive local fee for 1st year only [per slide 11]

- *Julio Thompson- Agree
- *Ashley Reynolds- Agree
- *Nader Hashim- Agree

License Transfers

[Slides 12+13]

*Gina Kranwinkel- Non-SE licensee is not entitled to the social equity (SE) benefits of the SE licensee (if transfer of license within the first 5 years). New non-SE owner needs to pay back Vermont CCB.

*Nader Hashim- Non-SE licensee is not paying back social equity benefits in the years prior to purchase.

*Ashley Reynolds- Nervous about transfer to non-SE. What if a social equity candidate comes into the program, and then sells to a MSO.

*Gina Kranwinkel- We are assuming that, on average, a social equity candidate will get at least 4 years of reduced fees. The new non-SE owner accrues the advantage of the business having previously had social equity benefits previously – e.g. brand, customer loyalty.

*Gina Kranwinkel- If a social equity candidate finds they cannot cope after starting, we don’t want to deny them the ability to sell the business.

*Gina Kranwinkel- The business cannot restart the (5 year) social equity benefits if they transfer business to a social equity candidate.

*Julio Thompson- Need to consider the buyers perspective. There are limitations associated with the license being transferred, given you are buying the as-existing operation of the prior startup business – e.g. existing size of land being cultivated. Why would I want to buy a partially used SE license?

*Gina Kranwinkel- Brand equity.

Public Comment:

*Nicholas – Cannabis was illegal in the first place – it is the rights of social equity candidates to accrue some compensation for that now. The market mindset should be value driven instead of profit driven.

Adjournment:

*Gina Kranwinkel asked for a motion to adjourn. *Ashley Reynolds moves. *Nader Hashim seconds. Meeting is adjourned at 4:06 pm.

Next Social Equity Sub-Committee meeting is Monday, October 4 at 3 pm ET.