

# Mission

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7 V.S.A. §843(a) reads: “The Cannabis Control Board is an independent Commission created within the Executive Branch to **safely, equitably, and effectively** implement and administer the laws enabling adult use and medical use of cannabis in Vermont.”

# Rules for Local Governance

November 5, 2021

# Regulation by Local Government 7 VSA §863 (b),(c),(d)

(b) A municipality that hosts any cannabis establishment may establish a cannabis control commission composed of commissioners who may be members of the municipal legislative body. The local cannabis control commission may issue and administer local control licenses under this subsection for cannabis establishments within the municipality. The commissioners may condition the issuance of a local control license upon compliance with any bylaw adopted pursuant to 24 V.S.A. § 4414 or ordinances regulating signs or public nuisances adopted pursuant to 24 V.S.A. § 2291. The commission may suspend or revoke a local control license for a violation of any condition placed upon the license. The Board shall adopt rules relating to a municipality's issuance of a local control license in accordance with this subsection and the local commissioners shall administer the rules furnished to them by the Board as necessary to carry out the purposes of this section.

(c) Prior to issuing a license to a cannabis establishment under this chapter, the Board shall ensure that the applicant has obtained a local control license from the municipality, if required.

(d) A municipality shall not:

- (1) prohibit the operation of a cannabis establishment within the municipality through an ordinance adopted pursuant to 24 V.S.A. § 2291 or a bylaw adopted pursuant to 24 V.S.A. § 4414;
- (2) condition the operation of a cannabis establishment, or the issuance or renewal of a municipal permit to operate a cannabis establishment, on any basis other than the conditions in subsection (b) of this section; and
- (3) exceed the authority granted to it by law to regulate a cannabis establishment.

# Regulation by Local Government , Input, Survey & Roundtable

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## Process for Building Recommendations

- Sought input from Vermont's 246 incorporated cities, towns, and villages through an online survey
- Conducted a roundtable discussion survey respondents and other stakeholders to participate in a municipal roundtable discussion with both online and in-person attendance options
- Engaged the member of the CCB Advisory Committee with municipal expertise appointed by the Senate Committee on Committees with expertise in municipal issues
- Met with the Vermont League of Cities and Towns and engaged in direct conversations with various municipal leaders recommended by VLCT.
- Spoke directly with members of the regional planning community
- Conversations with CCB Executive Director and General Council
- Reviewed relevant sub-committee meetings (Compliance and Enforcement & Market Structure)
- Conversations with our consultants NACB and VS Strategies
- Review of relevant sections of 24 VSA (Muni Government and Muni Charters)
- Ongoing conversations with Vermont's prevention community

# Regulation by Local Government, Input, Survey & Roundtable

- Sent online Survey to 246 incorporated towns, 77 responded
  - Survey Goal: A brief easily accessible online survey required no more than 5-10 minutes for a respondent to complete. From the results the CCB aimed to glean a general understanding of the following:
    - the questions and concerns of municipal governments as it relates to the upcoming adult-use cannabis tax and regulate system.
    - the number of towns that anticipate adding retail cannabis as a ballot question on or before March 2022.
    - the number of municipal governments that have approved retail have zoning bylaws and commercially zoned areas and are currently reviewing zoning bylaw from a retail cannabis perspective.
    - the municipal resources that will be required at the local level for permitting and enforcement.
    - the number of municipal governments willing to participate in a one to two hour virtual round table discussion to allow the CCB to further understand the qualitative data provided by the survey

# Regulation by Local Government, Input, Survey & Roundtable

- Sent online Survey to the Town Clerks, Select Board and City Council Members, Town and City Managers, Planning Commissions, and other key town leaders of 246 incorporated towns
- 77 towns responded
- Survey Goal:
  - Create a brief easily accessible online survey required no more that 5-10 minutes for a respondent to complete. From the results the CCB aimed to glean a general understanding of the following:
    - the questions and concerns of municipal governments as it relates to the upcoming adult-use cannabis tax and regulate system.
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    - the number of municipal governments willing to participate in a one to two hour virtual round table discussion to allow the CCB to further understand the qualitative data provided by the survey

# Regulation by Local Government, Input, Survey & Roundtable

- Survey Results\*
  - Approximately 77 of the 246 towns that received the survey provided a response. The CCB requested that each town submit only one response, however, there were some towns that provided more than one response. The survey found that:
    - 18 responding towns have already voted to include retail cannabis in their town
    - Another 19 responding towns anticipate a vote on or before TMD, 30 are unsure
    - Another 2 anticipate a vote after TMD, 45 unsure
    - Most of the responding towns have Zoning By-Laws and Commercially Zoned Areas
    - 21 responding towns said they have plans to review zoning bylaws, town ordinances or other town rules with consideration toward retail cannabis, 23 were unsure, 38 said no.
    - 30 responding towns said they anticipated making changes to bylaws, ordinances or rules prior to issuing permits, 52 said no
    - Most responding towns said it would take 8 months or more to make changes

\*Data as of 9/28/2021

# Regulation by Local Government, Input, Survey & Roundtable

## Top Three Take A Ways from Survey

- Towns need clarity on what is currently in the legislation.
- Towns need more information from the CCB to make local decisions.
- Towns are looking for clear, easy to understand, guidance.

## Roundtable

- Approximately 20 individuals from various towns attended

## Questions posed at Roundtable

- What are the costs incurred by a municipality that can be defrayed by a local fee?
- What community concerns do you have that we should be thinking about as we write the rules?
- What topics do we need to specifically need to address in guidance we develop?

## Top Take A Way from Roundtable

- Concerns that fees will not cover the cost of administration and local enforcement
- Avoid duplicative and conflicting rules
- Provide clear regularly updated guidance and education on the rules (and highlighting issues around zoning/town plan/ statute)



# Regulation by Local Government – Related Recommendations

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Many of the proposals already made have a local government impact for example:

## 10/22 Baseline Application Requirements for All licensees

- Local approval
  - Compliance with local zoning bylaws, or agreement to remedy outstanding issues
  - Compliance with buffer zones
- Completion of required inspection or permits from other state and local agencies for example:
  - Certificate of occupancy
  - Fire and Safety
  - Department of Health
- Cultivators on Municipal Water Supply
  - Obtain a letter from water utility of ability to provide quantity of water to applicant of a specific location- CCB can develop form letter for local utilities that acknowledges sufficient capacity
- Cultivators on Municipal Wastewater
  - Letter from local wastewater utility (or other offsite wastewater system owner) of their ability to accept, convey and treat quantity and quality of wastewater at a specific location -CCB can develop form letter for local utilities that acknowledges sufficient capacity

# Regulation by Local Government - Recommendations

As it relates to Rule - the CCB should:

- Recognize that existing ordinances, zoning bylaws, and town plans apply - except as noted in 7 VSA § 863 (d)
- Strongly recommend that for the first 3 years, towns track data related to the time and effort required to the processing of local licenses and local efforts for compliance enforcement. Data should include the titles of departments or officials, the type of license, the specific business, and type of compliance/enforcement.

# Regulation by Local Government - Recommendations

In general, the CCB should:

- Develop a clear plan for guidance for towns once the rules are drafted
  - FAQs, Info Graphics, Webinars etc
  - Encourage towns that stand up a local Cannabis Commission to send any policies created by that Commission to the Board for review
- Develop a clear plan for supporting towns with compliance and enforcement
  - Education, support line, revisit the muni input process after implementation
- Consider the CCB dedicated staffing that will be needed to achieve effectiveness as it relates to local implementation in the first three to five years of the program

# Cannabis Establishment Identification Card

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November 5, 2021

# Cannabis Establishment Identification Card - 7 VSA §884

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(a) Every owner, principal, and employee of a cannabis establishment shall obtain an identification card issued by the Board.

(b)(1) Prior to issuing the identification card, the Board shall obtain from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation.

(2) The Board shall adopt rules that set forth standards for determining whether a person should be denied a cannabis establishment identification card because of his or her criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Once an identification card application has been submitted, a person may serve as an employee of a cannabis establishment pending the background check, provided the person is supervised in his or her duties by someone who is a cardholder. The Board shall issue a temporary permit to the person for this purpose, which shall expire upon the issuance of the identification card or disqualification of the person in accordance with this section.

(d) An identification card shall expire one year after its issuance or upon the expiration of the cannabis establishment's license, whichever occurs first.

# Cannabis Establishment Identification Card

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Process for building these recommendations:

- Review of past CCB meetings and discussions
- Review of neighboring states MA & ME, and experienced states CO & CA
- Review of relevant statute
- VT Rules for Regulating Cannabis for Symptom Relief, spoke with Medical Marijuana Program Administrator

# Cannabis Establishment Identification Card - Recommendations

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For Owners and Principals, as it relates to Rule:

- Issuance, denial or revocation of the ID Card should align with the application process and license change processes
- Background checks conducted at time of application and at renewal

# Cannabis Establishment Identification Card - Recommendations

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For employees, as it relates to Rule:

- A cannabis establishment shall collect the ID Card application and the appropriate release forms for Vermont fingerprint-based criminal history records, out of state criminal history records, and criminal history records from the FBI and the receipt from the Fingerprint Identification Center at the time of hire and submit to the CCB immediately
- Employers shall reimburse for fingerprint collection
- If the initial application is approved by the CCB, the applicant will be issued a temporary permit.
  - The temporary permit shall expire upon issuance or disqualification of the person or two months after issuance, whichever is first
  - If the temporary permit expires, and the background check information has been submitted but not received, the CCB may issue another temporary permit
- Background checks conducted at time of application and at renewal



# Cannabis Establishment Identification Card - Recommendations

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- The ID Card may be denied or revoked if:
  - The applicant is under the age of 21
  - The applicant is untruthful or fails to provide all the required information on the application
  - If the applicant's record check produces results, the CCB will use the same process for review as was recommended 10/22
  - The following will also be considered:
    - Theft, diversion, embezzlement from a past cannabis employer in the regulated market in Vermont or another state
    - Revocation of a similar ID card from Vermont or another jurisdiction in the last 2 years, or more than two times
    - Fraudulent use of the ID card in Vermont or other jurisdictions including but not limited to, tampering, falsifying, altering, modifying, duplicating, or allowing another person to use, tamper, falsify, alter, modify, or duplicate the card
    - Failure to notify the CCB of a lost, stolen or destroyed card
    - Failure to notify the CCB of convictions pending at the time of application or convictions that occur after the card is issued

# Cannabis Establishment Identification Card - Recommendations

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- Application for ID Card should include
  - Applicant demographic details and the license under which the applicant is applying for an ID Card
  - Listing of offenses, including pending
  - If the applicant has held a similar card in another jurisdiction, the name of the issuing authority and (approximate) dates held
  - If a similar card held in another jurisdiction, if that card was revoked and the reason
  - Licensee/Applicant verification and acknowledgements
    - the information provided is for the applicant/employee of that licensee
    - the information is accurate

# Cannabis Establishment Identification Card - Recommendations

- Denial: If an applicant is denied they are not precluded from applying again in the future
- Revocation: Prior to revocation the CCB will notify the person of possible adverse action and provide a copy of the background check report for the person's review

# Cannabis Establishment Identification Card – Discussion Point

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- 7 VSA §884 (d) ties the employee identification card to a establishments license
- Should the CCB recommend to the legislature that this change?
  - What are the impacts to employment with-in the adult use market?
  - Are there unnecessary administrative complications and burdens?

# Priority of Licensure Discussion

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November 5, 2021

# Priority of Licensure - Discussion

During the implementation phase cannabis establishment licensing, the Board will follow the following process:

For each initial 30- day licensing period, applications will be considered in two batches:

1. Applications received between the 1st and the 15th day of the period
2. Applications received between the 16th and the 30th day of the period

Geographic distribution of cannabis establishments based on population and market needs will guide the overall consideration of license processing.

# Priority of Licensure - Discussion

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Each batch of applications will be prioritized in the following way:

- 1) Social Equity Applicants
- 2) DEI Applicants
- 3) All Other Applicants

Within each grouping of applications, the following criteria will be considered for prioritization.

Prioritization will be based on each complete demonstration of the items below on the application

- a. whether the applicants would foster social justice and equity in the cannabis industry by being a minority or women-owned business;
- b. whether the applicants propose specific plans to recruit, hire, and implement a development ladder for minorities, women, or individuals who have historically been disproportionately impacted by cannabis prohibition;
- c. whether applicants propose specific plans to pay employees a living wage and offer benefits;
- d. whether the project incorporates principles of environmental resiliency or sustainability, including energy efficiency; and
- e. whether the applicants have an existing medical cannabis dispensary license in good standing

# Priority of Licensure - Discussion

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Example: Each complete item moves the application up in the grouping. An SE applicant with all five items addressed would be considered ahead of and SE applicant with three of the items addressed.



# Priority of Licensure - Discussion

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Additional Discussion Points:

How will the CCB define: Geographic distribution of cannabis establishments based on population and market needs will guide the overall consideration of license processing?

How will we prioritize multiple applications that meet all the criteria in a grouping?

What is “good standing”