Vermont Cannabis Control Board

Report to the General Assembly
as per Sections 4b & 16a of Act 62 (2021)

November 1, 2021

VERMONT
CANNABIS CONTROL BOARD

Overview

- Background, Requirements, and Process
- Recommendations regarding:
  - Solid concentrate products above 60% THC
  - Conversion of hemp or CBD to Delta-9 THC
  - Medical Cannabis Registry advisory entity

Background, Requirements, and Process

- Advisory Committee
- Advisory Sub-Committees
- Consultants
- Public comment
- Relevant requirements of this report

Advisory Committee

The 14-member Cannabis Control Board Advisory Committee was created to assist the Board's mission to safely, equitably, and effectively implement and administer the laws enabling adult and medical use of cannabis in Vermont.

Member	Statutory Position
Shayla Livingston	(A) expertise in public health appointed by the Governor
Stephanie Smith	(B) the Secretary of Agriculture, Food and Markets or designee
Kim Watson	(C) expertise in laboratory science or toxicology appointed by the Governor
Nader Hasim	(D) expertise in systemic social justice and equity issues appointed by the Speaker of the House
Ashley Reynolds	(E) expertise in women- and minority-owned business ownership appointed by the Speaker of the House
Mark Levine	(F) the Chair of the Substance Misuse Prevention Oversight and Advisory Council or designee
Chris Walsh	(G) expertise in the cannabis industry appointed by the Senate Committee on Committees
Sivan Cotel	(H) expertise in business management or regulatory compliance appointed by the Treasurer
Tim Wessel	(I) expertise in municipal issues appointed by the Senate Committee on Committees
Ingrid Jonas	(J) expertise in public safety appointed by the Attorney General
TJ Donovan (Designee: Julio Thompson)	(K) expertise in criminal justice reform appointed by the Attorney General
Billy Coster	(L) the Secretary of Natural Resources or designee
Jim Romanoff	(M) the Chair of the Cannabis for Symptom Relief Oversight Committee or designee
Meg D'Elia	(N) appointed by the Vermont Cannabis Trade Association

Advisory Sub-Committees

The Advisory Committee is broken down into seven sub-committees by issue area:

- Compliance and Enforcement
- Market Structure, Licensing, Taxes and Fees
- Medicinal Cannabis*
- Exploratory*
- Public Health
- Social Equity
- Sustainability

*These two subcommittees participated in the development of recommendations in this report

Consultants

VS STRATEGIES

Advisory Committee Process and Public Comment

The CCB has emphasized receiving input and feedback from its Advisory Committee and Vermont residents throughout the process of developing this report.

- Since the end of May, there have been 23 full Board meetings, three full Advisory Committee meetings, and over 65 sub-committee meetings.
- Time is reserved for public comment at all Board meetings, Advisory Committee meetings, and Advisory Sub-Committee meetings.
- The Board set up a process to receive public comments through its website, where it has received more than 125 substantive comments to date.

Relevant Requirements of the Report: permissible products

Act 62 (2021), Section 4b states:

"On or before November 1, 2021, the Cannabis Control Board shall report to the General Assembly on the following:

(1) recommendations as to whether integrated licensees and product manufacturers licensees should be permitted to produce solid concentrate products with greater than 60 percent THC for purposes of incorporation into other cannabis products that otherwise comply with restrictions in 7 V.S.A.§ 868 (prohibited products) and rules promulgated by the Board pursuant to 7 V.S.A. § 881(a)(3); and

(2) recommendations developed in consultation with the Agency of Agriculture as to whether the Board should permit hemp or CBD to be converted to Delta-9 THC and, if so, how it should be regulated."

Relevant Requirements of the Report: medical cannabis advisory entity

Act 62 (2021), Section 16a states:

"The General Assembly recognizes the value of continuing to employ an advisory entity focused on medical cannabis and the patients and caregivers on Vermont's Medical Cannabis Registry. However, the General Assembly finds that the structure and mission of such an entity should be updated to reflect the changing approach to cannabis since the establishment of the current Oversight Committee in 2011. Therefore, in the 2022 legislative session, the General Assembly intends to establish the Medical Cannabis Oversight Advisory Panel and requests that the Cannabis Control Board submit its recommendations for the membership and duties of this panel to the General Assembly on or before November 1, 2021."

Understanding the recommendations

Definitions (from Vermont hemp program rules):

- Cannabinoid means any of a group of closely related chemical compounds which include THC (tetrahydrocannabinol), THCA (tetrahydrocannabinolic acid), CBD (cannabidiol), CBDA (cannabidiolic acid), CBN (cannabinol), CBG (cannabigerol), CBC (cannabichromene), CBL (cannabicyclol), CBV (cannabivarin), THCV (tetrahydrocannabivarin), CBDV (cannabidivarin), CBCV (cannabichromevarin), CBGV (cannabigerovarin), CBGM (cannabigerol monomethyl ether), CBE (cannabielsoin), CBT (cannabicitran), and other active constituents that are naturally occurring in the Cannabis sativa L. plant.
- Delta-9 tetrahydrocannabinol, also referred to as "THC," is the principal psychoactive cannabinoid found in the Cannabis sativa L. plant.
- Distillate means a concentrate where a segment of cannabinoids from an initial extraction are selectively concentrated through heating and cooling, with all impurities removed.
- Isolate means a concentrate that is more than 95 percent comprised of a single cannabinoid compound created by a chemical process.

CCB Recommendation 1: solid concentrates

The CCB recommends that cannabis licensees be permitted to produce extractions (concentrates, distillates, and isolates) with a concentration of 60% or greater THC for purposes of incorporation into other cannabis products that otherwise comply with the restrictions in 7 V.S.A.§ 868.

CCB Recommendation 1: solid concentrates

CONSUMER SAFETY IMPACT

- When THC is extracted from the cannabis plant, the resulting solid or liquid concentrate will, by nature, be above 60% THC.
- One of the most common ways to formulate a cannabis product is by using a distillate, isolate, or other concentrate. Using a full concentration extraction allows product manufacturers to precisely calibrate how much THC is going into a product.
- If extractions above 60% concentration are prohibited at any point in the supply chain, licensees will need to adulterate them with an additive to dilute the THC concentration before the extraction can be added to a cannabis product. Cutting a natural concentrate with an adulterant could make the end product more dangerous, as additives can be potentially harmful to consumers.

FINANCIAL IMPACT

- Prohibiting these products will subject licensed manufacturers to increased costs in the form of additional testing and formulation requirements for any adulterants used to dilute the concentration of their extractions.

CCB Recommendation 2: prohibited products

In accordance with 7 V.S.A. § 904a(a), which sets forth the intent of the General Assembly to move as much of the illegal cannabis market as possible into the regulated market for the purposes of consumer protection and public safety, the Board recommends removing from the prohibited products in 7 V.S.A. § 868 solid concentrates with a THC concentration of 60% or above for adults 25 years of age and older so that the CCB can regulate the manufacture and sale of these products.

CCB Recommendation 2: prohibited products

- These products are widely used in Vermont, and widely available in out-of-state markets. Prohibiting these products will allow the unregulated market for them to thrive.
- Leaving the manufacture and sale of these products outside of the CCB's control could be dangerous or harmful for both the manufacturers and users.
  - Some of the products from the unregulated market are made with various solvents, some of which could pose health risks if used improperly or consumed at high levels.
  - Consumers may be unaware of the potential risks involved in consuming products with a high concentration of THC.
  - Unregulated market facilities that are not inspected and permitted operate at an increased risk, including posing potential harm to first responders.
- Under the CCB's authority, the manufacture and sale of these products would be subject to standards regarding facility inspection, fire and building safety code, solvent usage in extraction, presence of residual solvents, consumer education, and additional health warnings, resulting in a safer process for manufacturers and cleaner and safer products for Vermonters.

CCB Recommendation 3: hemp conversion

The Board, in consultation with the Agency of Agriculture, recommends that the jurisdiction of the CCB's cannabis program encompass the manufacture and sale of products containing Delta-8, Delta-9, other Deltas, and future synthetic cannabinoids with similar properties, whether they are derived from hemp or from high-THC cannabis.

- Like any product with intoxicating properties, these substances should be subject to regulatory requirements that ensure that they are only sold to adults or those authorized to purchase them, and that they are properly tested, labeled, and safe for consumers and patients to use.
- The synthesis of Delta-9 THC (or any other cannabinoid with similar properties) from CBD or hemp should be regulated by the CCB. In regulating these products, the Board proposes to:
  - create a license category for hemp producers who intend to synthesize products for the adult-use cannabis market; and
  - create a product registration process, so that prior to the release of any new product containing an intoxicating cannabinoid that has been synthesized from hemp, the CCB would review the packaging, label, ingredients, test results, and either approve or deny the release of that product.

CCB Recommendation 4: medical cannabis advisory entity membership

The Board recommends that the Medical Cannabis advisory entity be comprised of the following 12 members*:

a) Six registered patients appointed with the intent to create an inclusive and diverse advisory entity, chosen by the CCB from a list of volunteers from the registry. Criteria should include, but not be limited to, geographical location, socio-economic status, and medical need.
b) Three registered caregivers chosen with the intent to create an inclusive and diverse advisory entity, chosen by the CCB from a list of volunteers from the registry. Criteria should include, but not be limited to, geographical location, socio-economic status, and medical need.
c) Two licensed health care professionals with knowledge of using cannabis for symptom relief appointed by the CCB from lists provided by the Board of Medical Practice and the Office of Professional Regulation.
d) One licensed cultivator with expertise in medical strains appointed by the CCB from a list provided by a Vermont cannabis cultivation advocacy organization.

The term of each member shall be three years, except, so that the term of one regular member expires in each ensuing year of the members first appointed, the terms should be staggered. As terms of currently serving members expire, appointments of successors should be in accord with the provisions of the original appointment. Members shall serve not more than two consecutive terms in any capacity.
*Designees may be appointed by the members.

CCB Recommendation 4: medical cannabis advisory entity duties

The Board recommends that the Medical Cannabis advisory entity have the following duties:

a) Meeting at least six times per year for the purpose of evaluating public input and making recommendations to the Cannabis Control Board regarding:
   - the ability of patients and registered caregivers in all areas of the State to obtain timely, affordable, and safe access to cannabis for symptom relief;
   - the effectiveness of the Vermont Medical Cannabis registry and the licensed dispensaries individually and together in serving the needs of qualifying patients and registered caregivers, including the provision of educational and support services; and
   - recommendations to the CCB on best practices in administration of the medical cannabis program.

b) With the help of the CCB, identify how best to leverage any excess or carry-over funds obtained from licensing, fees or government appropriation to improve services and products provided, or to reduce costs to registered patients.