

January 15 report to Legislature: Recommendation 1

- **Act 164 (2020), Section 5(g)(3) states:** “recommendations as to whether the General Assembly should consider adding additional types of cannabis licenses, including a craft cooperative license, delivery license, or special event license;”
- Social equity exclusivity period?

FROM OCTOBER 15 REPORT: Potential Future License Types

License Type	Nature of business
Co-op Cultivation	Allows co-ops to be formed for the purpose of cannabis cultivation.
Retail – Limited	Allows sections of existing businesses, like general stores, to be secured to sell a limited amount of cannabis, provided all other regulations are met.
Manufacturing – Cottage	Allows small amounts of infused products to be produced in a non-professional kitchen for retail sale.
Delivery	Allows for delivery directly to consumers. Models based on sales from Retail – Storefront and based on sales from Wholesalers have been debated.
On-site Consumption	Allows for sales to consumers for on-site consumption.
Retail – Temporary Event	Allows for temporary retail sales for consumption at an event like an outdoor concert.
Entry Level or Reduced Rate Retail	A lower fee retail with sales or space restrictions, which may encompass producer direct to consumer sales.

Recommendation 2

Act 164 (2020), Section 5(g)(4) states:

“recommendations as to whether cannabis and cannabis products should have a minimum amount of cannabidiol to aid in the prevention of the cannabis-induced psychosis that occurs in some users of cannabis and cannabis products;”

November 1 Report Recommendations

The Board previously addressed the issue of THC potency and public health in the November 1 Report to the General Assembly, making the following recommendations:

- **Solid concentrates:** The Board 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.
- **Prohibited products:** 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.
- **Hemp conversion:** The Board, in consultation with the Agency of Agriculture, Food & Markets, recommends that the jurisdiction of the Board'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.

12/9 meeting of exploratory subcommittee of Advisory Committee

- Federal scheduling of cannabis severely limits the ability to conduct proper research, with long approvals needed from the FDA and DEA for studies based on human consumption and products limited to federally produced cannabis with a cannabinoid profile very different from many commercially available products.
- MA undertook extensive review of existing scientific literature and available data and concluded that there was not sufficient evidence to recommend specific concentration limits.
- Subcommittee concluded that there is insufficient evidence to impose a legal minimum cannabidiol amount or ratio in legal cannabis products.

Recommendation 3

Act 164 (2020), Section 5(g)(5) states:

“recommendations regarding the display and sale of cannabis-related paraphernalia that is sold by persons who are not licensed as a cannabis establishment or a dispensary.”

Economic Opportunities & Social Equity – Legislative recommendations

Act 164 (2020), Section 5(g)(1) states: “a summary of its work with the Department of Labor, Agency of Commerce and Community Development, the Department of Corrections, and the Director of Racial Equity to develop outreach, training, and employment programs focused on providing economic opportunities to individuals who historically have been disproportionately impacted by cannabis prohibition;”

- Allocate percentage of cannabis excise tax revenue annually to the Cannabis Business Development Fund to ensure meaningful economic opportunities are available to social equity applicants and businesses?
- Create a Cannabis Community Reinvestment Fund to provide resources to communities disproportionately impacted by cannabis prohibition?
- Percentage of cannabis tax revenue to the fund annually?

Revised Fee Structure Proposal

- "Proposal C" increases the price per sq ft in a way that keeps lower tier cultivators affordable and then middle and higher tiers become progressively more expensive as you move up.
- In this proposal, the license fees for the upper tiers of indoor cultivation are generally higher as compared to other states.
- Fee costs may affect entrepreneurial interest, and it is possible that the high fees for the upper tiers will discourage applications and lower projected total collections.

License Fee Recommendations

Outdoor Cultivation and Mixed Tier License Fees

License Tier	Proposal A	Proposal B	Proposal C
Tier 1 Outdoor < 1,000 sq ft (or equivalent plant count)	\$1,000	\$750	\$750
Tier 2 Outdoor < 2,500 sq ft	\$2,500	\$1,875	\$1,875
Tier 3 Outdoor < 5,000 sq ft	\$5,000	\$3,750	\$4,000
Tier 4 Outdoor < 10,000 sq ft	\$10,000	\$7,500	\$8,000
Tier 5 Outdoor < 20,000 sq ft	\$20,000	\$15,000	\$18,000
Tier 6 Outdoor < 37,500 sq ft	\$37,500	\$25,000	\$34,000
Mixed Tier	\$4,500	\$1,750	\$1,800

Indoor Cultivation License Fees

License Tier	Proposal A	Proposal B	Proposal C
Tier 1 Indoor < 1,000 sq ft	\$4,000	\$1,500	\$1,500
Tier 2 Indoor < 2,500 sq ft	\$10,000	\$3,750	\$3,750
Tier 3 Indoor < 5,000 sq ft	\$20,000	\$7,500	\$8,000
Tier 4 Indoor < 10,000 sq ft	\$40,000	\$15,000	\$16,000
Tier 5 Indoor < 15,000 sq ft	\$60,000	\$22,500	\$36,000
Tier 6 Indoor < 25,000 sq ft	\$100,000	\$37,500	\$75,000

Retail License Fees

License Tier	Proposal A	Proposal B	Proposal C
Retail – Storefront	\$10,000	\$5,000	\$10,000
Retail – Seeds and Clones	\$4,000	\$1,000	\$2,500

Manufacturing License Fees

License Tier	Proposal A	Proposal B	Proposal C
Manufacturer – Tier 1	\$15,000	\$7,500	\$15,000
Manufacturer – Tier 2	\$5,000	\$1,500	\$2,500
Cottage Manufacturer?			

From October 15 Report: Fee Comparison with Comparable Jurisdictions

State	Retail License	Cultivator License
Alaska	New: \$5,000 Renewal: \$7,000	Limited (≤ 500 sq ft): \$1,000 new, \$1,400 renewal Standard (unlimited sq ft): \$5,000 new, \$7,000 renewal
Maine	\$2,500	Outdoor: \$250–\$15,000 (500–20,000 sq ft) Indoor: \$500–\$30,000 (500–20,000 sq ft)
Massachusetts	\$10,000	Outdoor: \$625–\$25,000 (5,000–100,000 sq ft) Indoor: \$1,250–\$50,000 (5,000–100,000 sq ft)
Vermont Proposal C	Storefront: \$10,000 Nursery: \$2,500	Outdoor: \$750–\$34,000 (< 1,000–37,500 sq ft) Indoor: \$1,500–\$75,000 (< 1,000–25,000 sq ft) Mixed: \$1,800 (1,000 sq ft indoor + 50 plants outdoor)
Vermont Proposal B	Storefront: \$5,000 Nursery: \$1,000	Outdoor: \$750–\$25,000 (< 1,000–37,500 sq ft) Indoor: \$1,500–\$37,500 (< 1,000–25,000 sq ft) Mixed: \$1,750 (1,000 sq ft indoor + 50 plants outdoor)

Other Fees

Fee Type	Proposal A	Proposal B	Proposal C
Integrated	\$125,000	\$50,000	\$100,000
Wholesaler	\$4,000	\$1,000	\$4,000
Testing Laboratory	\$1,500	\$1,500	\$1,500
Employee Registration**	\$100 max	\$100 max	\$100
Local Processing	\$100 max	\$100 max	\$500 max
Product Registration**	NA	NA	\$50 per product

** Biannual

**Annual fee to register each distinct cannabis product or separately marketed strain of flower. Fee would support random product testing and review of each product to ensure it is appropriate for adult-use and the label is not misleading. Product registration program would require that prior to the release of any new cannabis product, CCB must review the packaging, label, ingredients, and test results to either approve or deny its release.