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GUIDANCE FOR LOCAL CANNABIS COMMISSIONS

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Scope

The Cannabis Control Board (CCB or "the Board") has prepared this guidance document to describe how a municipality can

- (1) opt-in for cannabis retail sales,
- (2) form a local cannabis control commission, or
- (3) designate cannabis cultivation districts and setbacks.

Each municipality can choose to exercise all, some, or none of the three means of local regulation.

This guidance is concise and procedural in character. See the Board's <u>Guidance for Municipalities</u> for a broader look at cannabis licensing relevant to municipalities, including a summary of license types, the bounds of municipal authority to apply ordinances and bylaws to cannabis establishments, tax considerations, and public health and safety enforcement.

Notifying the Board of an affirmative opt-in vote

The voters of a municipality may elect by Australian ballot to opt-in to cannabis retail sales. See 7 V.S.A. § 863(a). A municipality that has determined to place an opt-in vote on the ballot for approval at an annual or special meeting is asked to designate an appropriate local official to serve as primary contact with Board. The designee is asked to make the Board aware of a pending opt-in vote by emailing ccb.info@vermont.gov. If voters opt-in, the designee should use the same email address to share a copy of the document in which official results are recorded in the town and posted for residents to view. Alternatively, the designee may send a copy of the Official Return of Election Results reported to the Secretary of State.

Local licensing

A municipality that hosts or anticipates hosting any cannabis establishment—whether a cultivator, manufacturer, wholesaler, adult-use retailer, or medical dispensary—may establish a local cannabis control commission to administer local control licenses. *See* 7 V.S.A. § 863(b). No municipality is required to do so. Municipalities cannot charge fees for local control licenses.

When the CCB receives a completed application to operate a cannabis establishment in a municipality that has *not* established a local cannabis control commission, the Board will process the application fully and notify the municipality when a license is issued.

When the CCB receives a completed application to operate a cannabis establishment in a municipality that *has* established a local control commission, the Board will notify the local control commission and inquire of the applicant's local control license before acting on the application. The Board will report to the local control commission the name of the cannabis establishment, the license type sought, and the principals of the establishment.

The role of the commission is to approve or deny a local control license based 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. (Outdoor cultivators are shielded from certain requirements.) Following issuance, the commission may suspend or revoke a local control license for a violation of any condition placed upon the license.

A local control commission ensures that cannabis establishments conform to duly enacted local standards that would apply to any similarly situated business. State law prohibits localities from using bylaws and ordinances to erect a *de facto* prohibition on operating a cannabis establishment or to directly regulate how a cannabis establishment is operated. For important details, see the Board's <u>Guidance for Municipalities</u>, Sec. IV.

Effective January 1, 2025, municipalities may designate cannabis cultivation districts where outdoor cultivation is preferred and may establish outdoor cultivation setbacks subject to certain limits. All municipalities may zone in this manner, according to ordinary procedure, whether or not they have established a local cannabis control commission. See the Board's Guidance for Municipalities, Sec. XX.

Whenever a commission issues, denies, suspends, revokes, or otherwise acts upon a local control license, it should notify the CCB by emailing pertinent details, such as applicable conditions or reasons for the action, to ccb.applications@vermont.gov.

Forming a local commission

A municipality that wishes to form a local commission should do so by resolution of its municipal legislative body; this is the Selectboard, City Council, or similar governing authority. The municipality may choose to have the local legislative body serve as the local control commission or may decide to have a separate body of appointees. These details should be included in the resolution.

A sample resolution is attached. The key elements of a resolution forming a local commission are to:

- (1) state that the purpose of the resolution is to form a local control commission, and
- (2) specify how the commission will be formed.

A municipality that forms a local control commission should send a signed copy of the founding resolution to the Cannabis Control Board at ccb.info@vermont.gov. Prompt notice is important to ensure the Board checks for local control licensure when appropriate.¹ Once established, each local commission is asked to designate an appropriate official to serve as primary contact with Board.

¹ Unless the Board knows of a local control commission, the CCB relies on an applicant's attestation of compliance with local permitting, zoning, and ordinances.

Sample resolution establishing a local cannabis control commission

Whereas, Title 7, Chapter 33 of Vermont State Statues was Amended in 2020 to provide for the safe, equitable, and effective regulation of adult-use cannabis; and

Whereas, 7 VSA § 863(b) provides that a municipality that hosts any cannabis establishment may choose to establish a cannabis control commission; and

Whereas, a local control commission may issue and administer local control license for cannabis establishment within the municipality; and

Whereas, the commission may condition the issuance of a local control license upon compliance with applicable local bylaws and ordinances, as further set out at 7 V.S.A. § 863; and

Whereas, the local control commission may suspend or revoke a local control license for a violation of any condition placed upon the license pursuant to 7 VSA §863(b); and

Whereas, for each cannabis establishment located in a municipality with a local control commission, the State Cannabis Control Board may condition issuance and maintenance of a Board license upon the presence of a valid local control license.

Now Therefore Be It Resolved, that (<u>municipal legislative body</u>) has voted affirmatively to form a local cannabis control commission, effective as of the date of this resolution (date)

Be it further resolved that, the local commission will be comprised of (members of the legislative body or members of the community; if not members of the legislative body, this section may also include any applicable details about how the commissioners are appointed)

Be it further resolved, the local cannabis control commission of (municipality) will:

- a) Review information provided by the State Cannabis Control Board;
- b) Review information provided by applicants for the approval or denial of a local control license;
- c) Communicate approval, denial, or conditions placed on the local control license to licensees and to the State Cannabis Control Board; and
- d) Comply with the provisions of 7 V.S.A. § 863 and Cannabis Control Board Rule 2.14.

Signatures:

The resolution should be signed by the members of the municipal legislative body upon passage.