

#### CANNABIS CONTROL COMMISSION

# Public Commission Meeting December 5, 2017

10:30 a.m.

Minihan Conference Room

Hurley Building

19 Staniford Street

Boston, MA



## Cannabis Control Commission 11.21.17 Public Meeting

#### <u>Agenda</u>

- Call to Order
- Chairman's Comments & Updates
- Presentation of Recommendations on Regulations by the Cannabis Advisory Board Sub-Committees
  - Cannabis Industry Subcommittee (Commissioner Harding)
  - Market Participation Subcommittee (Shanel Lindsay)
  - Public Health Subcommittee (Jaime Lewis)
  - Public Safety Subcommittee (Matthew Allen)
- New Business reserved for business Chairman did not anticipate at time of posting
- Next Meeting date (if known)



#### CANNABIS CONTROL COMMISSION

#### Chairman's Comments And Updates

- Status of Funding
- Additional Job Postings
  - CFAO, CTO (Application Deadline: Dec. 22)
- RFQ's for Seed-to-Sale and Licensing Tracking Systems
  - Response Deadline: Dec. 12
- Next Week's Public Commission Meetings
- Temporary Office Update



#### CANNABIS CONTROL COMMISSION

#### **Status Of Funding**

CNB Budget Request Sept. 1, 2017 – June 30, 2018 \$7.5 MM

Operating Funds Plus Seed-to-Sale and Licensing Technology Development \$5.0 MM

Revenue Tracking Technology
Development
\$2.5 MM

Initial Funding \$2.3 MM

Funding to DOR to Develop Technology \$2.5 MM

Approved Supplemental Appropriation \$2.7 MM



## Cannabis Control Commission 11.21.17 Public Meeting

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  - Market Participation Subcommittee (Shanel Lindsay)
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#### Cannabis Advisory Board

Recommendations of the Cannabis Advisory Board Marijuana Industry Subcommittee to the Cannabis Control Commission

Chairman Christopher Harding December 5, 2017



G.L. c.10 §77(c) authorizes the chair of the Cannabis Advisory Board to appoint a subcommittee on the cannabis industry to develop recommendations on cultivation, processing, manufacturing, transportation, distribution, seed-to-sale tracking and market stability.



#### Members of the Subcommittee:

- Committee Chair: Chris Harding,
   Commissioner
- Committee Members: Ray Berry, John Lebeaux, Jaime Lewis, Shanel Lindsey, Kim Napoli, Norton Arbeláez, Michael Latulippe, Michael Dundas, Mary Ann Pesce, Horace Small, Lydia Sisson



#### The subcommittee met on the following dates:

- October 16
- October 31 (informational only)
- November 3
- November 9
- November 17
- November 21
- November 27



Please note that all of these recommendations were approved unanimously, except for:

 Recommendation 2 on slide 28: Robert McConnaughey, designee for Commissioner Harding abstained



### Recommendations



**Issue**: Creating a packaging protocol that ensures safety and properly educates consumers.

**Recommendation**: Use current DPH regulations as a starting point; Require MIPs to disclose what kind of cannabis material was used to produce.

Proposed regulations included as an Appendix



**Issue**: What measurement should be used for the

tiers: Number of plants, canopy, or another measurement?

RELEVANT REGULATION: Chapter 94G(4)(a1/2)(xxvii)

Recommendation: Tier measurement should be based on square feet of cultivation space. "Cultivation" includes all stages of growth and thus will encompass individuals that want to clone and propagate along with facilities that may have multiple spaces that have different stages of growth.



**Issue**: Using your recommended system of measurement, what should the dividing line for each tier be?

RELEVANT REGULATION: Chapter 94G(4)(a1/2)(xxvii)

**Recommendation 1**: Based on square feet of plant cultivation space. Indoor/Outdoor/Greenhouse/Hoop House/ are combined as one. Tiers are as follows:

- (A) Tier I: Up to 1,000 square feet of plant cultivation space
- (B) Tier II: 1,001 to 5,000 square feet of plant cultivation space
- (C) Tier III: 5,001 to 10,000 square feet of cultivation space
- (D) Tier IV: 10,001+ square feet (proportionate fee associated with each additional 5,000 square feet

Fee structure should be based on a \$1 per square foot. Commission should also include the tier of cultivation when determining fee structure.



Recommendation 2: Craft cooperatives should be able to apply for any Tier level as long as it allowed within legislation/regulations but may be subject to any additional fees (administrative) if cooperative has multiple growing locations under one license.

The subcommittee recommends that the Commission doesn't create additional barriers for full participation from farmers and small businesses (use language from statute to provide examples).



**Issue**: What is the subcommittee's recommendation regarding requirements for record keeping by marijuana establishments and procedures to track marijuana cultivated, processed, manufactured, delivered or sold by marijuana establishments?

RELEVANT REGULATION: Chapter 94G(4)(a1/2)(xiii)

**Recommendation 1**: Workgroup believes all growers and associated organizations (i.e. labs) need a seed to sale tracking system – system for tracking/technology should be publicly available (non-proprietary technology) to ensure that all growers have access to a tracking application/programming interface (API) seed-to-sale tracking system in order to allow for information sharing. Access to the system should not be prohibitively expensive for all Tiers of producers. Requirements should mimic the current medical regulations for all producers.



**Recommendation 2**: The Commonwealth should immediately re-initiate a competitive bidding process to both qualify and select an organization that can provide a comprehensive tracking system.



**Issue**: What are the subcommittee's recommendations regarding minimum standards for the requirement that all licensees possess and operate an interoperable publicly available (non-proprietary technology) application programming interface (API) seed-to-sale tracking system sufficient to ensure the appropriate track and trace of all marijuana cultivated, processed or manufactured pursuant to this chapter?

RELEVANT REGULATION: Chapter 94G(4)(a1/2)(xvii)

**Recommendation 1**: Use existing medical model for all cultivation; insure outdoor standards match medical for product safety; develop best ag practices for indoor and outdoor cultivation.



**Recommendation 2**: Testing: The Commonwealth should not lower any testing requirements for any class of cannabis producer. The current medical marijuana testing requirements as implemented by the Department of Public Health are supported by years of research and stakeholder collaboration. They should be applied to adult-use products. The Commission should continue the ongoing collaboration with the Department of Public Health, Department of Agricultural Resources, and other stakeholders.

**Recommendation 3**: All cannabis product producers shall be subject to the Commission's final testing requirements.



**Recommendation 4**: All cannabis producers shall be subject to additional existing agricultural regulations: nutrient management, pesticide regulations, etc.

- <a href="https://www.mass.gov/lists/333-cmr">https://www.mass.gov/lists/333-cmr</a> (Pesticide regulations)
- <a href="https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXIX/Chapter132B">https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXIX/Chapter132B</a> (Massachusetts Pesticide Control Act)
- <a href="http://www.mass.gov/eea/docs/agr/pesticides/docs/plant-nutrient-regulations.pdf">http://www.mass.gov/eea/docs/agr/pesticides/docs/plant-nutrient-regulations.pdf</a> (Plant Nutrient Regulations)
- <a href="https://malegislature.gov/Laws/SessionLaws/Acts/2012/Chapter26">https://malegislature.gov/Laws/SessionLaws/Acts/2012/Chapter26</a>
   2 (An Act Relative to the Regulation of Plant Nutrients)



**Recommendation 5**: MDAR will consult with growers, state agencies, universities, and other stakeholders regarding best management cultivation practices that should be encouraged. These best management practices may include but not be limited to:

- compost any waste materials
- energy usage
- nutrient management
- Etc.



The legislation calls for virtual separation of medical and adult use marijuana—how should this be done?

**Issue**: The method by which Marijuana establishments may serve both patient and adult populations from a single retail location.

Recommendation: Virtual Separation of medical and adult use marijuana should be done at the point of sale. All patrons (adult use or medical) who enter a dispensary that retails both medical and adult use marijuana must either display a valid government ID certifying that they are 21 years of age or older; or a valid Massachusetts Medical Use of Marijuana Program card (patient or caregiver). At the point of sale, all co-located retail medical/adult use marijuana establishments will be required to possess and operate software capable of tracking and distinguishing sales for adult use and medical patients.



The legislation prohibits individuals under 21 being allowed on the premises of a Retail Marijuana Establishment, but how will registered qualifying patients over 18 but under 21 have access to medication?

**Issue**: Does a registered patient 18-20 being onsite of a Retail Marijuana Establishment run afoul of Chapter 55?

**Recommendation**: There is no necessity for registered qualifying patients under the age of 18 to be on the premises of a Retail Marijuana Establishment that does not also offer Medical Marijuana. Access to medication at a marijuana establishment that retails both adult use and medical cannabis will be facilitated by virtual separation.

The intent is to allow the sale of medical marijuana to patients under 18 to their qualified caregivers. For patients over 18 but under 21, they can use their valid marijuana medical card in a facility that sells both medical and adult use marijuana.



What energy, environmental, and waste disposal standards for licensure and licensure renewal of marijuana establishments licensed as a marijuana cultivator or marijuana product manufacturer does the subcommittee recommend

**Issue**: Should there be minimum standards for energy, environmental, and waste disposal standards tied to licensure and renewal of marijuana business establishments and, if so, what are they?

**Recommendation**: adopt existing DPH waste disposal standards as identified in 105 CMR 720.105 (J) (p.31). Energy and environmental standards must, at a minimum, be commensurate with Municipal Requirements. See 105 CMR 725.600 (p.50).



What standards for manufacturing or extracting cannabinoid oils or hydrocarbon solvent does the subcommittee recommend?

**Issue**: Should the regulations specify minimum safety standards for specified types of hydrocarbon solvent extraction systems?

**Recommendation**: The CCC should adopt an industry standard in line with the National Fire Protection Association's guidance on extraction and Marijuana Facilities.

- Existing operators should be given a grace period of time of 9 months in order to get current facilities up to the new code.
- See Colorado Fire Marshals' Special Task Group Marijuana Facility Guidance
- See <u>Denver, CO Marijuana Extraction Facility Fire Code</u>



What recommendations do you have regarding the regulations of these ancillary businesses (i.e. transportation, storage, and distribution) and are there other ancillary businesses that should be considered?

**Issue**: Outside of the 3 primary licenses contemplated in Chapter 55, are there other types of cannabis related businesses that should be licensed and regulated, and if so, how?

**Recommendation 1**: The CCC should adopt the proposed amendments to 105 CMR 725 as they relate to Independent Testing Labs and Lab Agents (re: required registration).



**Recommendation 2**: All ancillary businesses that come in direct contact with cannabis should be licensed with the state. These include transportation, storage, and distribution businesses (among others TBD). All employees should be subject to the same registration and training requirements for similarly situated marijuana establishment employees.

**Recommendation 3**: We recommend adopting a licensing and regulation structure similar to <u>Colorado's Transporter Licenses</u>. The license is valid for 5 years. A licensed transporter provides logistics, distribution, and storage of marijuana and marijuana products. A transporter may contract with multiple businesses and may hold another marijuana license. They must use and have access to seed-to-sale tracking.

DRAFT--FOR DISCUSSION PURPOSES ONLY



**Recommendation 4**: Ancillary businesses that do not come in direct contact with cannabis (i.e. training organizations, business start-ups, CPAs) may register with the CCC and receive an accreditation so as to protect Massachusetts consumers and businesses from predatory entities as defined by the AG. This accreditation applies to any entity purporting to cater to the cannabis industry.

**Recommendation 5**: The CCC should maintain a comprehensive list of those registered and accredited with the CCC as well as a list of businesses found to be predatory or unscrupulous so that consumers and businesses may collect reliable information prior to engaging their services.

**Recommendation 6**: Accreditation/Registration for ancillary businesses that do not come into direct contact with cannabis (i.e. training organizations, business start-ups, CPAs) should be optional.



What training requirements should there be for retail dispensary and cultivation/processing employees?

**Issue**: The creation of standards performance expectations for the benefit of employees, patients, and consumers.

**Recommendation 1**: The CCC should adopt a statewide program similar to Colorado's <u>Responsible Vendor Program</u>. The program, or similar programs, must be approved by the CCC. Employee participation in this program is mandatory, but an employee may elect to attend in person, or via internet. Employers may offer their own in-house training in place of the Responsible Vendor Training, as long as it meets minimum program standards as set by the CCC and is reviewed annually by the CCC.



**Recommendation 2**: New employees must be certified within 90 days of hire. The fee for the test will be paid for by the employer. Each individual certification lasts for 2 years and is portable with the employee; employees must recertify then as a condition of employment.

**Recommendation 3**: The vendor training applies to all employees involved in the selling or handling of marijuana products. Administrative employees and others who do not come into direct contact with marijuana or marijuana products are not required to take this course (but may do so voluntarily).

**Recommendation 4**: The program is designed to bolster industry-wide safety, security, integrity, and transparency standards.



**Recommendation**: We recommend the consideration of adopting the updated 105 CMR 725 with modifications necessary to support the adult use industry as well including:

- 105 CMR 725.100 Registration of Registered Marijuana Dispensaries
- 105 CMR 725.105 Operational Requirements for Registered Marijuana Dispensaries
- 105 CMR 725.300 Inspection of Registered Marijuana Dispensaries
- 105 CMR 725.400 Grounds for Denial of Initial Application for Registration
- 105 CMR 725.405 Grounds for Denial of Renewal Application and Revocation
- And other relevant Sections as identified by the Subcommittee.



What limits should be placed on consumption per individual?

**Issue**: We found serving size limitations were the easiest to accomplish through packaging and dosage standards that creates no tracking and confidentiality issues, allows for the largest variety of onsite consumption business models, and ensures maximum revenue for the state and the retailer.

**Recommendation 1**: The Commission should develop state limits on "Serving Size" as well as the maximum amount of servings allowed per immediate use package.

Proposed Regulation included in Appendix



**Recommendation 2**: The Commission should implement a Daily Maximum Exposure up to 0.35 ounces (or combination equivalent) in onsite retailers based on current Department of Public Health laboratory protocols.

**Recommendation 3**: The Commission should set how many servings are allowed per immediate use container but allow municipalities to raise or lower that limitation to suit their own public health and safety concerns.



**Recommendation 4**: The Commission should monitor and audit cash transactions through a tamperproof lockbox point of sale.

**Recommendation 5**: The Commission should require all point of sales systems within an onsite consumption retailer to warn the onsite consumption retail agent when a consumer is approaching their daily maximum exposure limit.



**Issue**: How would such limits be monitored?

Confidentiality is extremely important and the statute does not allow the state to collect any information but the age of the consumer.

**Recommendation:** Onsite consumption retail agents should be trained in detecting impairment in consumers so that they can cut anyone off who is becoming visibly intoxicated similar to how bar tenders manage alcohol intoxication.



**Issue**: What routes of delivery/ types of consumption should be allowed on-site?

**Recommendation**: The Commission should develop onsite consumption retailers in tiered licensing for every type of consumption possible (Inhalation, Ingestion, Dermal) as well as one onsite retailer license that encompasses all types of onsite marijuana consumption. This should be done similar to how alcohol licenses are regulated with combinations of wine and beer or hard alcoholic liquors.



**Issue**: Is smoking allowed, how do you protect employees from secondhand smoke?

**Recommendation 1**: The Commission should develop strong air quality, odor control, and filtration requirements for designated smoking areas within onsite consumption marijuana retailers.

**Recommendation 2**: The Commission should utilize any relevant language in 105 CMR 661.00: Regulations Implementing M.G.L. c. 270, § 22 as a guide when developing regulations to protect employees from second hand smoke.

**Recommendation 3**: The Commission should prohibit employees from the handling of machinery or kitchen equipment within an onsite consumption space contained inside an onsite consumption retailer.



**Issue**: What should municipalities' role be in governing social consumption?

Recommendation 1: We recommend municipalities role in governing social consumption should be similar to how municipalities regulate any other marijuana establishment.



Should it be narrower, broader, or the same as the ability to regulate time/location/manner of operations that municipalities have over other marijuana establishments?

**Issue**: Broader municipal control could lead to bottlenecks and municipalities regulating out the possibility of these businesses. Narrower municipal control risks inflaming the municipalities against these businesses coming into their communities. Simplifying this for municipalities by keeping it similar to how they regulate other establishments will prevent confusion and allow a faster roll out.

**Recommendation**: The Commission should develop guidance for municipalities on developing short term event permits for offsite consumption similar to an alcohol consumption permit given by a municipality.



**Issue**: What elements should be considered at the state level?

**Recommendation 1**: Develop a minimum threshold for a business to apply to become an onsite consumption marijuana retailer. We propose that businesses can apply to become an onsite consumption marijuana retailer in cases where at least 51% of the business will be marijuana sales.

**Recommendation 2**: Recommend the Commission provide framework for special exceptions possible for clubs, hotels, restaurants and any other applicant the Commission feels is appropriate.

**Recommendation 3**: The Commission should develop parameters for a tamperproof lockbox point of sale system that carefully monitors all retail transactions and can only be audited by the Commission and other state agencies per MA General Laws.



**Recommendation 4**: The Commission should develop reusable packaging standards and cleaning standards for onsite usage.

**Recommendation 5**: The Commission should develop Strong Air Quality and Ventilation Standards as well as employee protections based on tobacco bars and existing businesses requiring ventilation.

**Recommendation 6**: The Commission should work with experts and other stakeholders to develop onsite consumption retail agent training standards to detect impairment.

**Recommendation 7**: The Commission should develop with law enforcement impairment standards for OUI and also require OUI warnings and educational materials within onsite consumption retailers.



**Issue**: What are the minimum essential components of social consumption regulations that need to be addressed initially in order to have a functioning program?

**Recommendation**: Minimum essential components include the following:

- Onsite consumption marijuana retailer license categories and fees
- As a part of the education of staff, we recommend including Maximum Suggested Daily Exposure in onsite retailers based on standards set in the laboratory protocols
- Security protocols (i.e. ensuring not serving people under 21)
- Employee training to detect impairment
- Zoning guidance for municipalities including what they can request of applicants and also what they can prohibit
- Serving size and amount of servings per onsite use package requirements
- Point of sale system with revenue tracking



**Recommendation, continued**: Minimum essential components include the following:

- Law enforcement and public safety guidance
- Labeling menu and re-usable packaging standards that differ from traditional cannabis package stores
- Public health limitations and inspections
- Air quality and filtration standards as well as odor control requirements
- Equipment safety, cleaning, and inspection requirements including prohibitions on some equipment that maybe dangerous to public safety. i.e. blow torches
- Disposal/Recycling requirements
- Kitchen inspections including local municipal guidance
- Providing guardrails for professionals and licensed businesses so they don't lose their license allowing onsite consumption



**Issue**: What types of existing establishments and businesses should be considered for on-site consumption licenses? (E.g., only marijuana establishments or other businesses, such as yoga, salons, spas, private social clubs?)

**Recommendation 1**: The Commission should require all cannabis used in any licensed onsite consumption retailer must come from the regulated market including but not limited to licensed adult use cultivation centers, manufacturers, cooperatives, or medical marijuana treatment centers that are co-located.

**Recommendation 2**: The Commission should require reusable containers for onsite consumption retailers to alleviate any environmental issues, children home access, and state to state drug trafficking concerns.



**Recommendation 3**: The Commission should keep financial barriers to entry low for obtaining an onsite consumption retailer license to ensure local level interest.

**Recommendation 4**: The Commission should give priority to onsite consumption marijuana retailer license applicants that are proposed for areas of the state heavily impacted by the drug war.

**Recommendation 5**: The Commission should not require small gatherings of adults within onsite consumption retailers to acquire a special event license. The retailer is already managing state and local compliance so events under the maximum capacity of the retailer should not require special attention from the state.



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Recommendations of the Cannabis Advisory Board Market Participation Subcommittee to the Cannabis Control Commission

> Chairman Shanel Lindsay December 5<sup>th</sup>, 2017



G.L. c.10 §77(c) authorizes the chair of the Cannabis Advisory Board to appoint a subcommittee on the cannabis market participation to develop recommendations on women, minority and veteran-owned businesses, local agriculture and growing cooperatives.



#### Members of the Subcommittee:

- Shanel Lindsay (Chair)
- Ray Berry
- John Lebeaux
- Kim Napoli
- Horace Small
- Lydia Sisson
- Tessa Murphy-Romboletti
- Nichole Snow
- Henry Thomas III
- Matt Allen



#### The subcommittee met on the following dates:

- October 26
- November 9 (Roxbury listening session)
- November 13 (Springfield listening session)
- November 21
- November 28
- November 30



### Statutory Mandates



#### **Redress for the Harms of Prohibition**

Procedures and policies to promote and encourage full participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities



Tax revenue from marijuana will go toward, among other things, programming for restorative justice, jail diversion, workforce development, industry specific technical assistance, and mentoring services for economically disadvantaged persons in communities disproportionately impacted by high rates of arrest and incarceration for marijuana offenses



There is also a requirement to prioritize review and licensing decisions for applicants for marijuana business licenses who demonstrate experience in or business practices that promote economic empowerment in communities disproportionately impacted by high rates of arrest and incarceration for offenses



#### Women, Minorities, and Veterans

Where the commission determines that there is evidence of discrimination or barriers to entry in the regulated marijuana industry, the commission shall adopt diversity licensing goals that provide meaningful participation of communities disproportionately affected by cannabis prohibition and enforcement, including minority business enterprises, women business enterprises and veteran business enterprises. The commission shall, in consultation with the supplier diversity office under the executive office of administration and finance, develop training programs designed and implemented to achieve meaningful participation by minority persons, women, and veterans.



#### Farmers, Small Business & Craft Cooperatives

Procedures and policies, in cooperation with the department of agricultural resources, to promote and encourage full participation in the regulated marijuana industry by farmers and businesses of all sizes, which shall include creating a schedule of cultivator license fees commensurate with cultivation size and regulations to create a craft marijuana cultivator cooperative system.



#### **Small Businesses**

Establish and provide for issuance of additional types or classes of licenses to operate marijuana related businesses, including licenses that authorize only limited cultivation, processing, manufacture, possession or storage of marijuana or marijuana products, limited delivery of marijuana or marijuana products to consumers licenses that authorize the consumption of marijuana or marijuana products on the premises where sold, licenses that authorize the consumption of marijuana at special events in limited areas and for a limited time and licenses intended to facilitate scientific research or education.



### Recommendations



### Harms of Prohibition



Issue: How does the CCC achieve the statutory mandate of mitigating and correcting the disparate harms of prohibition?

Recommendation 1: Consider and weave the requirement to promote and encourage full participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed and to positively impact those communities into every aspect of the licensing and employment process.



Recommendation 2: Do not employ standards for licensure or employment that have been shown to exclude people from communities that have been harmed by prohibition, i.e. automatic exclusions for arrests or convictions.

Recommendation 3: CCC should push for the legislature to, pursuant to the statute, appropriate tax money programming for restorative justice, jail diversion, workforce development, industry specific technical assistance, and mentoring services for economically disadvantaged persons in communities disproportionately impacted by high rates of arrest and incarceration for marijuana offenses. Identifying the source of the funding is key. It can be a percentage of fees or sales, or some combination of both.



Recommendation 4: Creation of a loan fund to assist affected individuals in starting and maintaining local cannabis businesses.

<u>Recommendation 5</u>: Tax exempt bonds to promote business growth and development.

<u>Recommendation 6</u>: Priority for community residents for licenses located in areas that have been disproportionately harmed.



Recommendation 7: Formation or support of a technical assistance authority to assist aspiring applicants with business support, i.e. application writing, business plans, etc.

<u>Recommendation 8</u>: Incentives provided to licensees for hiring from communities that have been subject of disparate impact.

Recommendation 9: Creation of a Community Board to ensure the mandate of improving impacted communities is met and that the community voice is heard. Neighborhood associations, elected officials, and others should participate. Designed to reach areas that the CCC cannot reach.



Recommendation 10: CCC, with supplier diversity office and other relevant agencies, should develop training programs including (i) recruitment of affected individuals to become licensed in marijuana related businesses; (ii) development of workforce training for affected individuals to enter into marijuana related businesses; (iii) creation of employer training to attract affected individuals into the workforce; and (iv) outreach to groups focused on empowering affected individuals, including consultations with state agencies and providing education and training opportunities.



Issue: How should the CCC prioritize review and licensing decisions for applicants for marijuana business licenses who demonstrate experience in or business practices that promote economic empowerment in communities disproportionately impacted by prohibition?

<u>Recommendation 1</u>: EE licenses should be granted on a 1:1 basis with other licenses.



Recommendation 2: EE licenses should have the same structure as other licenses, i.e. they should not be required to be non-profits. No "separate but equal" approach.

Recommendation 3: The CCC should consider the standards for equity permits in Oakland, San Francisco and Los Angeles when crafting the standards for MA EE licenses. These systems require general applicants to provide resources/support to equity applicants. The CCC should pull best practices from these systems while also maintaining the independence of EE licenses.



# Women, Minorities, and Veterans



Recommendation 1: CCC should, with supplier diversity office, create standards for accreditation/registration to identify minority (POC, women, veteran) owned businesses. Accreditation/Registration of this type should be optional, and will be helpful for collecting data.

Recommendation 2: The CCC should develop a mentoring program through which experienced entrepreneurs are paired with vetted entrants into the industry to gain valuable business insight and hands on training and should with local mentoring and business support services.

Recommendation 3: The CCC should engage the legislature to develop a fund out of which qualifying businesses, who but for finances would qualify for licensing, may receive funds for legally required businesses necessities (security, training, testing, etc.).



Recommendation 4: The CCC should develop a multilingual website (and hard copy) that serves as a primary resource for minority owned businesses. On this site, would-be or current minority-owned businesses can find information about access to capital (i.e. grants, loans, and alternative financing information).

Recommendation 5: Marijuana Establishments that operate in a city or town should assign a liaison to the local community Veteran's Agent as well as groups that assist other minority business owners, to assist in linking them to employment opportunities within the industry.



<u>Recommendation 6</u>: Work with veteran's support agencies and minority owned business focused groups to post and alert employment opportunities.

<u>Recommendation 7</u>: Work with radio stations and other media outlets to recruit minorities for job opportunities.



<u>Recommendation 8</u>: Formation or support of technical assistance authorities to assist aspiring applicants with business support i.e. application writing, business plans, etc.

<u>Recommendation 9</u>: Incentives provided to licensees for hiring from minority groups.

Recommendation 10: The term "minority" includes POC, indigenous people, women, veterans, and any other individual with a qualifying characteristic covered under Chapter 55. "Minority owner" means at least 51% or more of ownership is minority.



### Farmers and Craft Cooperatives



**Issue:** How does the CCC meet the mandate to promote and encourage full participation in the regulated marijuana industry by farmers and businesses of all sizes?

<u>Recommendation 1</u>: License craft cooperatives in order to create greater economic participation and benefit to growers/farmers in the cannabis industry.

Recommendation 2: Develop small business licenses for manufacturing, production, and on-site consumption that are accessible to small business proprietors.



<u>Recommendation 3</u>: Develop a fee structure for cooperative licenses that is accessible to farmers and cooperative producers.

<u>Recommendation 4</u>: Based on Square Feet of Plant Cultivation Space. Indoor/Outdoor/Greenhouse/Hoop House/are combined as one. Tiers are as follows:

- (A) Tier I: Up to 1,000 square feet of plant cultivation space
- (B) Tier II: 1,001 to 5,000 square feet of plant cultivation space
- (C) Tier III: 5,001 to 10,000 square feet of cultivation space
- (D) Tier IV: 10,001 + square feet (proportionate fee associated with each additional 5,000 square feet)

Fee structure should be based on a \$1 per square foot. The CCC should also consider the tier of cultivation when determining fee structure.



<u>Recommendation 5</u>: Cooperatives should be allowed to participate in any producer tier. Additional licensing fees should be evaluated based on number of cooperative members.

<u>Recommendation 6</u>: Do not create additional barriers for full participation from farmers and small businesses. (i.e. delivery requirements of two people for small home deliveries).

Recommendation 7: Systems for seed-to-sale tracking should be accessible to all growers and cultivators that require tracking from seed-to-sale. Access to seed-to-sale tracking systems should not be prohibitively expensive for all tiers of producers. Requirements should mimic the current medical regulations for all producers.



<u>Recommendation 8</u>: Cooperatives should include multiple growers on multiple sites or multiple growers in one location.

Recommendation 9: Each cooperative should be allowed to create its own unique brand and structure, i.e. producer owned, democratic voting of all members, ability to offer ancillary services to producers such as financing, employee referral and recruitment services, product processing and packaging, etc.



#### **Small Businesses**



Issue: How does the CCC meet the statutory mandate of ensuring that businesses of all sizes have opportunity within the industry?



<u>Recommendation 1</u>: The CCC should issue on-site consumption and limited use licenses.

These licenses should cater to small businesses, including but not limited to:

- Yoga Studios
- Massage Therapists
- On-Site Consumption Bars
- Wellness Centers
- Coffee Shops and Bistros
- Art Galleries

And should include any small business where cannabis products or services that include cannabis comprise at least 51% of their sales.



<u>Recommendation 2</u>: The CCC should develop a minimum thresholds for a business to apply to become an onsite consumption licensee.

<u>Recommendation 3</u>: The CCC should provide framework for special exceptions for clubs, hotels, restaurants and any other applicant the CCC feels is appropriate.

<u>Recommendation 4</u>: The CCC should create social consumption "BYOC" licenses with low barriers to entry.



<u>Recommendation 5</u>: The CCC should not create additional barriers for full participation from small businesses.

<u>Recommendation 6</u>: The CCC should create as many pathways for small business licensing that do not trigger the 20% restriction enacted by some municipalities.



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#### Cannabis Advisory Board

#### Recommendations of the Cannabis Advisory Board Public Health Subcommittee to the Cannabis Control Commission

Chairman Jaime Lewis December 5, 2017



G.L. c.10 §77(c) authorizes the chair of the Cannabis Advisory Board to appoint a subcommittee on public health to develop recommendations on products, labelling, marketing, advertising, related public health issues, potency, which may include a recommended maximum limit for individual servings of marijuana products, and packaging, which may include the development and implementation of a public health warning to appear on marijuana products



#### Members of the Subcommittee:

- Chair Jaime Lewis
- Michael Dundas
- Horace Small
- Nichole Snow
- Michael LaTulippe
- Associate Commissioner Lindsey Tucker
- Dr. Alan Balsam
- Dr. Sharon Levy
- Chief John Carmichael



#### The subcommittee met on the following dates:

October 13<sup>th</sup>, 2017

October 20<sup>th</sup>, 2017

October 27<sup>th</sup>, 2017

November 3<sup>rd</sup>,2017

November 10<sup>th</sup>, 2017

November 13<sup>th</sup> 2017

November 20th 2017

November 27th 2017





#### Issues: Related to Packaging and Labeling

- Establish a consistent product labeling requirement across Medical and Adult use labels
- Include a requirement for a list of solvents and chemicals used during the extraction process for all concentrates
- Define 'bright colors' precisely
- The CNB should work with the Department of Public Health to review testing variance process on THC testing of MIPs in other states, particularly Colorado
- Marking or Stamping edible products where practicable to indicate the edible product contains THC DRAFT--FOR DISCUSSION PURPOSES ONLY



**Issues:** Related to Potency

- The CNB should work with Department of Public Health to determine whether there is a need for a limit on potency
- The CCC should consider inclusion of other cannabinoids for both labeling and testing.



# Issues: Related to Products Recommendations:

- Maintain the ability for patients to receive discounts. Now that Adult-Use marijuana is available to adult consumers, RMDs should now supplement costs for discounts that they provide to patients to lower the costs for their medicine.
- Establish an easily accessible process for the public to report marijuana products or advertising that they believe appear to be targeted to children or adolescents
- Prohibit the use of non-cannabis derived additives in vaping products
- Require that all new THC products be approved prior to coming to market



# Issues: Related to Marketing and Advertising Recommendations:

 Adopt all Statutory Provisions of MGL Ch.
 94G(4)(a1/2)(xxix). --Adopt the following Medical Marijuana regulations for Marketing and Advertising to adult-use licensees.

105 CMR 725.105(L)(2) Regulate illuminated signage 105 CMR 725.105(L)(4) Prohibit exterior graphics 105 CMR 725.105(L)(9) Limit product to Limited Access Areas

 Prohibit marijuana operators from use of medical symbols or claims about the medicinal values of their product in their marketing and advertising



# Issues: Related to Marketing and Advertising Recommendations:

- Prohibit marijuana operators from the use of any statement, design, representation, picture, or illustration related to the safety or efficacy of marijuana unless supported by substantial evidence or substantial clinical data with reasonable scientific rigor, which shall be made available upon request of a registrant or the Department
- Require an analysis of marketing materials to ensure equity across communities with no unintended concentration of materials towards any certain community, with the goal of preventing and or eliminating microtargeting.



# Issues: Related Public Health Issues: funding Recommendations:

- Establish a *distinct and designated source of funding* to be allocated to support prevention and education and program evaluation regarding the potential risks of cannabis for children and adolescents.
- Establish a distinct and designated source of funding for prevention and intervention and treatment for marijuana related public health concerns, including marijuana use disorders Establish a distinct and designated source of funding for data collection and monitoring of marijuana related public health concerns, including marijuana use disorders
- Establish a distinct and designated source of funding for data collection and monitoring of marijuana related public health concerns, including marijuana use disorders
- Establish a distinct and designated source of funding for research



# Issues: Related Public Health Issues, Clinician Education

- The Commission should ensure the availability of a CME and CEU accredited curriculum for practicing clinicians on the endo-cannabinoid system of the human body, phyto-cannabinoids, synthetic cannabinoids, and cannabis interactions with other drugs commonly prescribed.
- The Commission should ensure that health professionals have access to high
  quality training programs so that they can develop the expertise to adequately
  counsel their patients across the lifespan on the health effects of marijuana
  use.



### Issues: Related Public Health Issues, Poly Drug Use

- The Commission should prohibit alcohol, tobacco, or other drugs from being purchased or consumed within all marijuana establishments.
- The Commission should develop an educational campaign with the Department of Public Health designed for home users on the amplified effects of combining cannabis with other drugs, tobacco, and alcohol.



#### Issues: Related Public Health Issues

- The Commission should require Cooperatives to abide by the same security standards, disposal standards, and municipal requirements as any other marijuana establishment that interacts with the plant directly and engages in cultivation activities, wholesaling, and transport of cannabis
- The Commission should work with the Department of Agricultural Resources and the Department of Public Health on developing laboratory testing and pesticide standards for outdoor and greenhouse marijuana cultivation.



#### Issues: Related Public Health issues

- The Commission should work with the Department of Environmental protection to develop disposal standards
- Co-located Marijuana Establishments must maintain sufficient inventory for sale to Registered Qualified Patients
- The Commission should develop occupational standards and safety guidelines in coordination with the Executive Office of Labor and Workforce Development for employees working within all types of marijuana establishments.



# Issues: Under Related Public Health Issues, Social Consumption

- The Commission should regulate serving sizes of cannabis within a marijuana establishment where cannabis is allowed to be consumed on premises
- The Commission should mandate strong air ventilation standards for marijuana establishments where cannabis smoking or vaporizing will take place.
- The Commission should mandate strong air ventilation standards for marijuana establishments where cannabis smoking or vaporizing will take place
- The Commission should develop standards to protect employees from exposure to cannabis



# Issues: Related Public Health Issues, Social Consumption

- The Commission should prohibit employees of marijuana establishments around cannabis smoke and cannabis vapor to operate heavy machinery including kitchen equipment.
- The Commission should mandate marijuana establishments where cannabis is consumed use reusable packaging that cannot be removed from the premises by the consumer.
- The Commission should work with the Department of Public Health to develop appropriate materials for within marijuana establishments where cannabis is consumed to detail the dangers of driving under the influence, penalties, designated drivers, as well as how to contact transportation services like cabs and ride sharing services.



# Issues: Related Public Health Issues, Social Consumption

- The Commission should work with the Department of Public Health to develop appropriate materials for within marijuana establishments where cannabis is consumed to detail how consumers can get help with substance use disorders.
- The Commission should work with the Department of Public Health to develop appropriate materials for within marijuana establishments where cannabis is consumed to detail the dangers of driving under the influence, penalties, designated drivers, as well as how to contact transportation services like cabs and ride sharing services.



#### Issues: Related Public Health Issues, Social Consumption

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- The Commission should work with the Department of Public Health to develop appropriate materials for within marijuana establishments where cannabis is consumed to detail how consumers can get help with substance use disorders.
- The Commission should establish per transaction sales limits for marijuana, concentrates, edibles, beverages so that the total does not exceed one ounce or its equivalent.



#### Cannabis Control Commission 11.21.17 Public Meeting

#### Agenda

- Call to Order
- Chairman's Comments & Updates
- Presentation of Recommendations on Regulations by the Cannabis Advisory Board Sub-Committees
  - Cannabis Industry Subcommittee (Commissioner Harding)
  - Market Participation Subcommittee (Shanel Lindsay)
  - Public Health Subcommittee (Jaime Lewis)
  - Public Safety Subcommittee (Matthew Allen)
- New Business reserved for business Chairman did not anticipate at time of posting
- Next Meeting date (if known)



#### Cannabis Advisory Board

Public Safety and Community Mitigation Subcommittee

Recommendations of the
Cannabis Advisory Board
Public Safety and
Community Mitigation Subcommittee
to the Cannabis Control Commission

Chairman Matt Allen December 5, 2017



#### Cannabis Advisory Board

Public Safety and Community Mitigation Subcommittee

G.L. c.10 §77(c) authorizes the chair of the Cannabis Advisory Board to appoint a subcommittee on public safety and community mitigation to develop recommendations on law enforcement, property, business and consumer issues.



#### Members of the Subcommittee:

Matt Allen, chair

John Carmichael

Julie Jacobson

Kim Napoli

Tessa Murphy-Romboletti

Andrea Cabral

Kenneth Halloran

Michael Latulippe

Henry Thomas



#### The subcommittee met on the following dates:

- October 20, 2017
- November 3, 2017
- November 22, 2017
- December 1, 2017





#### Themes:

- Massachusetts should strive to be the standard for best practices in the cannabis industry. Effectively addressing concerns of stakeholders is an important element in becoming an example for other states to follow.
- Security regulations for the medical cannabis program are strong, and should be used by the CCC.
- Municipalities are seeking for guidance on moratoriums, zoning, licenses for events, and many other issues.
- Law enforcement agencies need resources to educate their employees about how to enforce the law.
- Adherence to the Cole memo and the enforcement areas it emphasizes may prevent federal intervention and should be prioritized (i.e. prevent diversion to other states, access by youth).
- Regulations should not create undue burdens, particularly for smaller businesses seeking to enter the market. For instance, some security regulations necessary for large scale grow operations may not be necessary for a smaller businesses that have a lesser amount of cannabis on hand at any time.
- Consumers need educational resources to better adhere to the law and to consume cannabis responsibly.



#### **BUSINESS**

Issue: Create measures to protect the premises, staff, customers, abutters, and general public.

Recommendation 1: Adopt security measures included in the medical marijuana regulations 105 CMR 725.

**Examples:** 

Safeguard Security Measures
Transportation
Mandated Reporting
Employee ID Cards

Surveillance Locations Back Up Alarm Disposal Safekeeping/ Storage



#### **BUSINESS**

<u>Recommendation 2</u>: Adopt a statewide program similar to Colorado's Responsible Vendor Program (also similar to TIPS).

Recommendation 3: All cannabis establishments should notify the local chief of police about security protocols; establishments and police departments should designate liaisons.

<u>Recommendation</u> 4: Outdoor cannabis cultivation areas shall be fortified with fencing, alarms, cameras.



#### **BUSINESS**

Issue: Ensure that excessive regulation does not create unnecessary barrier to entry into the market, especially for small business entrepreneurs and including in the areas of security and community mitigation requirements.

<u>Recommendation 1</u>: Earmark funds for small businesses to meet security rules; accept alternative security safeguards.



#### LAW ENFORCEMENT

Issue: Ensure that law enforcement agencies have the necessary resources to effectively enforce the law.

Recommendation 1: CCC should provide materials for law enforcement agencies to educate law enforcement agents about what is legal and what is arrestable under the new law. Some portion of tax revenue should go to law enforcement training.

Recommendation 2: The CCC should have an enforcement wing, similar to the Alcoholic Beverage Control Commission.



#### LAW ENFORCEMENT

Recommendation 3: The CCC shall work with the Executive Office of Public Safety & Security to provide funding to local law enforcement for the purpose of conducting underage marijuana sales/purchasing compliance checks.

Recommendation 4: Place of Last Consumption reports should be filed with the Cannabis Control Commission similar to MGL Ch. 90 §24J.



#### LAW ENFORCEMENT

Issue: Prioritize adherence to the Cole memo and enforcement areas it emphasizes while avoiding unnecessary arrests, prosecutions, and incarcerations for violations of the law.

<u>Recommendation 1</u>: Security regulations for cannabis businesses must include measures to prevent diversion.

Recommendation 2: Where violations occur, penalties should include corrective action and a progressive penalty structure. Retraining through the Responsible Vendor Program should be an option.



#### LAW ENFORCEMENT

Recommendation 4: Law enforcement agencies, the Executive Office of Public Safety, the Executive Office of Health and Human Services should gather all relevant pre-implementation data, from any state or local law enforcement, labor, environmental, public health or other regulatory agency, including, but not limited to: data regarding adult and juvenile arrests, charges, and prosecution broken down by age, race, gender, and location.



#### **COMMUNITY MITIGATION**

Issue: Provide municipalities with guidance about how to adhere to the law and the range of cannabis businesses that may provide opportunities for economic development.

Recommendation 1: The CCC should provide language, or work with the AG to create language, that municipalities can use in local ballot initiatives about hosting cannabis businesses and for use in zoning ordinance and bylaws.

Recommendation 2: The CCC should issue guidance on how to re-legalize cannabis establishments in municipalities that banned them before they knew of the wide range of small business licenses possible under the compromise legislation.



#### **COMMUNITY MITIGATION**

Issue: Develop productive relationships between cannabis businesses, local authorities, and other stakeholders to ensure that concerns and unintended consequences can be effectively and quickly addressed.

Recommendation 1: The CCC should give local authority to Boards of Health or other local government body to regulate the sale or distribution

<u>Recommendation 2</u>: Cannabis Advisory Boards composed of local authorities, residents, and cannabis business owners should be encouraged.



### **COMMUNITY MITIGATION**

Recommendation 3: The CCC should require applicants to meet with local authorities and describe their business and its anticipated impact on the community as part of the licensing process. The Commission should develop a local sign off mechanism to demonstrate that the cannabis business has gone through this process.

Recommendation 4: The CCC should define whether there is a role for municipalities in licensing and enforcement and identify the local licensing authority and local enforcement authority similar to the liquor license authority.



#### **COMMUNITY MITIGATION**

Issue: Implement best practices to mitigate any negative impacts on communities that host cannabis businesses.

Recommendation 1: The CCC should give local authority to Boards of Health or other local government body to regulate the sale or distribution

Recommendation 2: Incorporate best practices from tobacco producers (resource use, reduce youth access) and alcohol retailers (training of personnel, engagement with public health authorities).



#### **COMMUNITY MITIGATION**

Issue: Mitigation agreements and other issues.

Recommendation 1: Mitigation payments to communities should reflect real costs. The CCC should offer guidance as to what constitutes a reasonable mitigation package to avoid unfair burdens on businesses and to ensure that community impact fees are reasonably related to tangible and intangible costs to host communities.

<u>Recommendation 2</u>: The CCC should design a process for obtaining One-Day Licenses, similar to One-Day Liquor Licenses, for agricultural vendors participating in Farmer's Markets if such activity is to be allowed.



#### **CONSUMERS**

Issue: Provide educational resources so that consumers understand what activities are permitted under the law, health consequences of cannabis use, and how to avoid operating under the influence.

<u>Recommendation 1</u>: CCC should promote public education on cannabis including:

- Compliance with the law
- Dosages and other info for naïve consumers
- Dangers of OUI and how to avoid OUI

Materials at: POS, tourism website, PSAs



### Cannabis Advisory Board

Public Safety and Community Mitigation Subcommittee

#### **CONSUMERS**

Issue: Give consumers have a channel to express dissatisfaction with cannabis businesses or products so that the CCC can address issues as necessary.

Recommendation 1: Consumers and the public should have a channel, such as a Mass.gov website or hotline, to report issues at dispensaries including problems or concerns with product safety, other safety hazards at retailers, product marketing, or underage sales.





Thank you!



# Cannabis Control Commission 11.21.17 Public Meeting

#### **Agenda**

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- Presentation of Recommendations on Regulations by the Cannabis Advisory Board Sub-Committees
  - Cannabis Industry Subcommittee (Commissioner Harding)
  - Market Participation Subcommittee (Shanel Lindsay)
  - Public Health Subcommittee (Jaime Lewis)
  - Public Safety Subcommittee (Matthew Allen)
- New Business reserved for business Chairman did not anticipate at time of posting
- Next Meeting date (if known)



### CANNABIS CONTROL COMMISSION

### Next Meeting Date

Monday, December 11, 2017 10:30 AM

Mass Gaming Commission Offices
101 Federal Street, 13<sup>th</sup> Floor
Boston, MA