



**MASSACHUSETTS CANNABIS CONTROL COMMISSION**  
STEVEN J. HOFFMAN, CHAIRMAN

## **CANNABIS CONTROL COMMISSION CONTINUES PUBLIC POLICY DISCUSSION**

*Policies will include: license categories, licensing process requirements, operating requirements and enforcement measures*

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Boston, MA - Today, the Cannabis Control Commission held its second day of public deliberation on policy matters that will inform the implementation of the recreational adult use cannabis industry in Massachusetts.

The decisions today will be incorporated into a working document of regulations that will be subject to a final vote of the Commission, expected to occur next week, before being formally filed as Draft Regulations.

### **Policy recommendations the Commission determined today:**

#### **LICENSE TYPES**

##### **Marijuana Research Facility**

- Agreed to authorize a category of license for a marijuana research facility to cultivate, purchase or acquire marijuana to conduct research regarding marijuana and marijuana products.
- Any research involving humans must be authorized by an Institutional Review Board.
- The facility may not sell marijuana cultivated under its research license, but may hold a marijuana retailer license.
- All research must be conducted by individuals over the age of 21 years.

#### **PRIORITY ECONOMIC EMPOWERMENT REVIEW**

##### **Definition of “Areas of Disproportionate Impact”**

- Agreed to use the phrase “*area of disproportionate impact, as defined by the Commission*” for drafting purposes as part of recommendations.
- At the January 9, 2018 Commission meeting, discuss and vote on analysis for identifying areas of disproportionate impact based on data available.

### **Priority Review**

- Agreed to grant priority review to applicants who demonstrate two of the following:
  - Majority of ownership belongs to people who have lived in areas of disproportionate impact for 5 of the last 10 years;
  - Majority of ownership has economic empowerment experience’;
  - At least 51% of current employees/sub-contractors reside in areas of disproportionate impact and will increase to 75% by first day of business;
  - At least 51% of employees or sub-contractors have drug-related CORI;
  - Owners can demonstrate additional significant, articulable past experience in or business practices that promote economic empowerment in areas of disproportionate impact.
- After receiving priority review, priority applicants would be subject to the same requirements as general applicants.

### **Equity Program Eligibility**

- Agreed applicants will be eligible if the majority of owners can demonstrate:
  - They have resided in areas of disproportionate impact for 5 of the last 10 years, or
  - They have resided in Massachusetts for 12 months, and have a prior Chapter 94C (or similar/related conviction from another jurisdiction) conviction, or
  - They have resided in Massachusetts for 12 months, and have a parent or spouse with a prior Ch. 94C (or similar/related conviction from another jurisdiction) drug-related conviction.

### **Equity Program Benefits**

- Agreed, in addition to fee waivers, to authorize intent to set aside funds to provide technical assistance on:
  - Management, recruitment, and employee trainings;
  - Accounting and sales forecasting;
  - Tax prediction and compliance; legal compliance;
  - Business plan creation and operational development;
  - Marijuana industry best practices; and
  - Assistance with raising funds or capital.

### **Inclusion of Under-Represented Groups**

- Agreed to require all applicants to submit and adhere to a diversity plan to promote racial and gender equity and include veterans and people with disabilities, as a general suitability requirement;
- Agreed to partner with organizations located throughout the Commonwealth to create outreach programs, technical assistance programs, workforce development programs offering skills-based training programs and establishing equitable employment and ownership opportunities for minorities, women, veterans, and low-income individuals; and

- Agreed to create educational materials in multiple languages and disseminate them on its website and in-person trainings throughout Massachusetts; and
- Agreed to create a resource to connect individuals with existing resources to obtain diversity certification.

### **Contribution to Social Equity Programs**

- Agreed to require all applicants to submit and adhere to a plan for how the business will positively impact such communities, as a general suitability requirement, according to a mandate to positively affect communities disproportionately impacted by high rates of arrest and incarceration for drug offenses.

### **Expedited Review**

Agreed to give alternate, priority review to registered marijuana dispensaries and economic empowerment applications in order to ensure an equitable distribution of economic empowerment and registered marijuana dispensary licenses.

### **Citizen Review Committee**

- Agreed to appoint a nine-person Citizens Review Committee comprised of people from impacted communities before January 31, 2018 to make recommendations regarding the equity program and the tax revenue allocated for community reinvestment under state law.

## **BACKGROUND CHECKS**

### **Disqualification**

- To balance opportunity with safety, health and welfare, agreed to disqualify license applicants for the following factors:
  - Open/unresolved criminal proceedings for charges that, if convicted, would result in a statutory disqualification;
  - Open marijuana-business violations in Massachusetts or other jurisdictions;
  - Failure to register as a sex offender in Massachusetts or other jurisdictions;
  - Felony convictions in Massachusetts or other jurisdictions, per statute;
  - Conviction or Continuance Without a Finding (CWOF) for distribution of a controlled substance to a minor
- And, identified the following factors that would presume to disqualify an applicant, but which would be rebuttable based through a formal review process:
  - Non-felony weapons violations, including firearms, involving narcotics;
  - Open/unresolved criminal warrants;
  - Firearms crimes;
  - Multiple criminal complaints during the five years immediately preceding the application for licensure tending to show a pattern of harmful behavior and bad judgment.

### **Suitability Review Committee**

- Agreed to establish a Suitability Review Committee to review information about non-disqualifying offenses or incidents received as part of the background check during the

application process and consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process.

- All reviews shall be based on written information and evidence.
- The committee will consist of three Commission staff who are appointed by Executive Director.
- The Commission shall have discretion to determine, as part of its deliberation on the license application, whether to adopt the Suitability Review Committee's recommendation.

### **Registration of Marijuana Establishment Agents**

- Agreed to establish agent suitability standards based on type of Marijuana Establishment in which the agent will be employed to strike a balance between opportunity and safety and diversion prevention.
- Agreed to adopt the medical use of marijuana's model of requiring licensees to conduct employee or agent background checks.

### **Retail Suitability Standards**

- Agreed to establish suitability standards including:
  - A look-back period of 5 years and disqualification for conviction of felony crimes of violence, dishonesty (fraud) in that period;
  - Mandatory disqualification for "sex offense" as defined by M.G.L. c. 6, §178C and M.G.L. c. 127, §133E in any time period;
  - Mandatory disqualification for any crime of distribution to a minor in any time period;
  - Mandatory disqualification for failure to register as a sex offender;
  - Presumptive negative suitability disqualification for any open criminal cases, occupational license cases or other marijuana-related business issues in MA or other jurisdictions; and
  - Presumptive negative suitability determination if Continuance Without a Finding for any crime of violence or fraud, or 2+ convictions for violent crime or crime of dishonesty within past 7 years.

### **Product Manufacturer Suitability Standards**

- Agreed to a manufacturer suitability standards, including:
  - A look-back period of 5 years and disqualification for conviction of felony crimes of violence or dishonesty (fraud) in that period;
  - Look-back period of 10 years and disqualification for "sex offense" as defined by M.G.L. c. 6, §178C and M.G.L. c. 127, §133E in that time period;
  - Disqualification for failure to register as a sex offender;
  - Mandatory disqualification for any crime of distribution to a minor in any time period
  - Presumptive negative suitability determination if Continuance Without a Finding for any crime of violence or fraud, or 2+ convictions for violent crime or crime of dishonesty within past 7 years; and
  - Presumptive negative suitability disqualification for any open criminal cases, occupational license cases or other marijuana-related business issues in Massachusetts or other jurisdictions.

### **Cultivator or Distribution Agent Suitability Standards**

- Agreed to cultivator or distributor suitability standards including:
  - Mandatory disqualification for any crime of distribution to a minor in any time period;
  - Look-back period of 3 years and disqualification for conviction of felony crimes of dishonesty (fraud) in that period;
  - Presumptive negative suitability determination for felony crimes of violence in Massachusetts or other jurisdictions; and
  - Presumptive negative suitability disqualification for any open criminal cases, occupational license cases or other marijuana-related business issues in Massachusetts or other jurisdictions.

### **Delivery Operator Agent Suitability Standards (same as Retail)**

- Agreed to (retail) delivery operator agent suitability standards including:
  - Look-back period of 5 years and disqualification for conviction of felony crimes of violence, dishonesty (fraud) in that period;
  - Mandatory disqualification for “sex offense” as defined by M.G.L. c. 6, §178C and M.G.L. c. 127, §133E in any time period;
  - Mandatory disqualification for any crime of distribution to a minor in any time period;
  - Mandatory disqualification for failure to register as a sex offender;
  - Presumptive negative suitability disqualification for any open criminal cases, occupational license cases or other marijuana-related business issues in MA or other jurisdictions; and
  - Presumptive negative suitability determination if Continuance Without a Finding for any crime of violence or fraud, or 2+ convictions for violent crime or crime of dishonesty within past 7 years.

## **ACTION ON APPLICATIONS**

### **Action Process**

- Agreed to a compliance-based process to act on licenses, taking into consideration regulations adopted regarding priority application treatment. The process will include:
  - Evaluation based on demonstrated compliance with laws and regulations of the Commonwealth, a background check, and evaluation of the thoroughness of responses to required criteria;
  - Review of each packet on a rolling basis; and
  - Notification to applicants that they have either completed a given packet or if further information is required within a specific timeframe.

### **Application Process Timeframe**

- Agreed to grant or deny a provisional license no later than 90 days, following notification to the applicant that all packets are complete.
  - Within that timeframe, the municipality will be asked to verify the Marijuana Establishment complies with all local laws, and that it is not within 500-foot buffer zone of schools, or reduced zone as adopted through local bylaw or ordinance;
  - The municipality’s response will be requested within 60 days; no response from the municipality presumes the applicant is compliant.

- Agreed the granting of the license will state further conditions (i.e. inspection) and the timeframe to satisfy them.
- Agreed a denial of a license will state the reasons why.

### **Local Zoning Compliance**

- Agreed to add to the Application of Intent portion of the license packet, a verification by municipality that the applicant is in compliance with adopted local zoning ordinances or bylaws.

### **Notice of Changes of Location of Ownership**

- Agreed to emulate requirements under the medical use of marijuana program, for changes to materials submitted to the Commission, with adjustments for different corporate structures permitted under adult use:
  - Prior to changing location(s), the Marijuana Establishment shall submit a request for such change to the Commission and shall pay the appropriate fee, if any. No such change shall be permitted until approved by the Commission.
  - Prior to any change in ownership, the Marijuana Establishment shall submit a request for such change to the Commission and shall pay the appropriate fee, if any. No such change shall be permitted until approved by the Commission.
  - Prior to change in ownership, where an owner acquires or increases to 10% or more of the equity, or employee initially subject to background check as part of the application process, such proposed new owner or employee shall be subject to a background check.
  - Prior to any modification, remodeling, expansion, reduction, or other physical, non-cosmetic alteration of the Marijuana Establishment, the Marijuana Establishment shall submit an application for such change to the Commission and shall pay the appropriate fee, if any. No such change shall be permitted until approved by the Commission.
  - Prior to changing its name, the Marijuana Establishment shall notify the Commission and shall pay the appropriate fee. No such change shall be permitted until approved by the Commission.
  - The Marijuana Establishment shall keep current all information required by 935 CMR or otherwise required by the Commission. The Marijuana Establishment shall report any changes in or additions to the content of the information contained in any document to the Commission within 5 business days after such change or addition.

**The Commission will convene again tomorrow, Wednesday, December 13, at 11:00am in Minihan Meeting Room, Hurley Building, 19 Staniford Street, Boston, MA 02114.**

The Commission expects to incorporate these policies into a working document which will be subject to a final vote expected to occur next week.

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