



Legalization of Marijuana in Massachusetts: Update 2020

An Overview

January, 2020 | Commissioner Kay Doyle

November, 2016

Question 4 approved by
Massachusetts voters



September, 2017

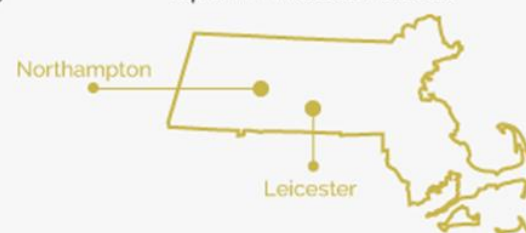
Cannabis Control Commission
appointed by the Governor,
Attorney General, and Treasurer

April, 2018

Marijuana Establishment
licensing process opens

November 20, 2018

First Retail Marijuana Establishments
open in Massachusetts



July, 2017

Enabling legislation, Chapter 55
of the Acts of 2017 was signed
into law

March, 2018

Filed final regulations: Secretary
of State published on March
23rd



June, 2018

Issued the first provisional
license



	Medical	Adult Use
Age	Registered qualify patients 18+ special procedures for patients under 18	21
Personal Possession Amount	10 oz for 60 days or other amt certified by healthcare provider	1 oz
Residential Possession Amount	10 oz for 60 days Plants necessary to create 60 day supply	10 oz 6 marijuana plants + any marijuana produced by marijuana plants cultivated on the premises If more than one 21+ adult in residence, max of 12 plants per residence
Registration Requirement	Yes	No
Business Model	Vertically-Integrated	Split into multiple license types, similar to mainstream commerce
Testing Required	Yes	Yes

OVERVIEW OF REGULATIONS: TYPES OF LICENSES

Cultivation



Craft
Cooperatives



Micro Businesses



Product
Manufacturing



Retail



Research



Transporter



Independent
Testing Labs



Delivery



Social
Consumption



Marijuana Cultivator

- Cultivate marijuana
- Process and package marijuana
- Transfer marijuana to other Marijuana Establishments, **but not to consumers**

A Craft Marijuana Cooperative is a type of Marijuana Cultivator.



Craft Marijuana Cultivator Cooperative

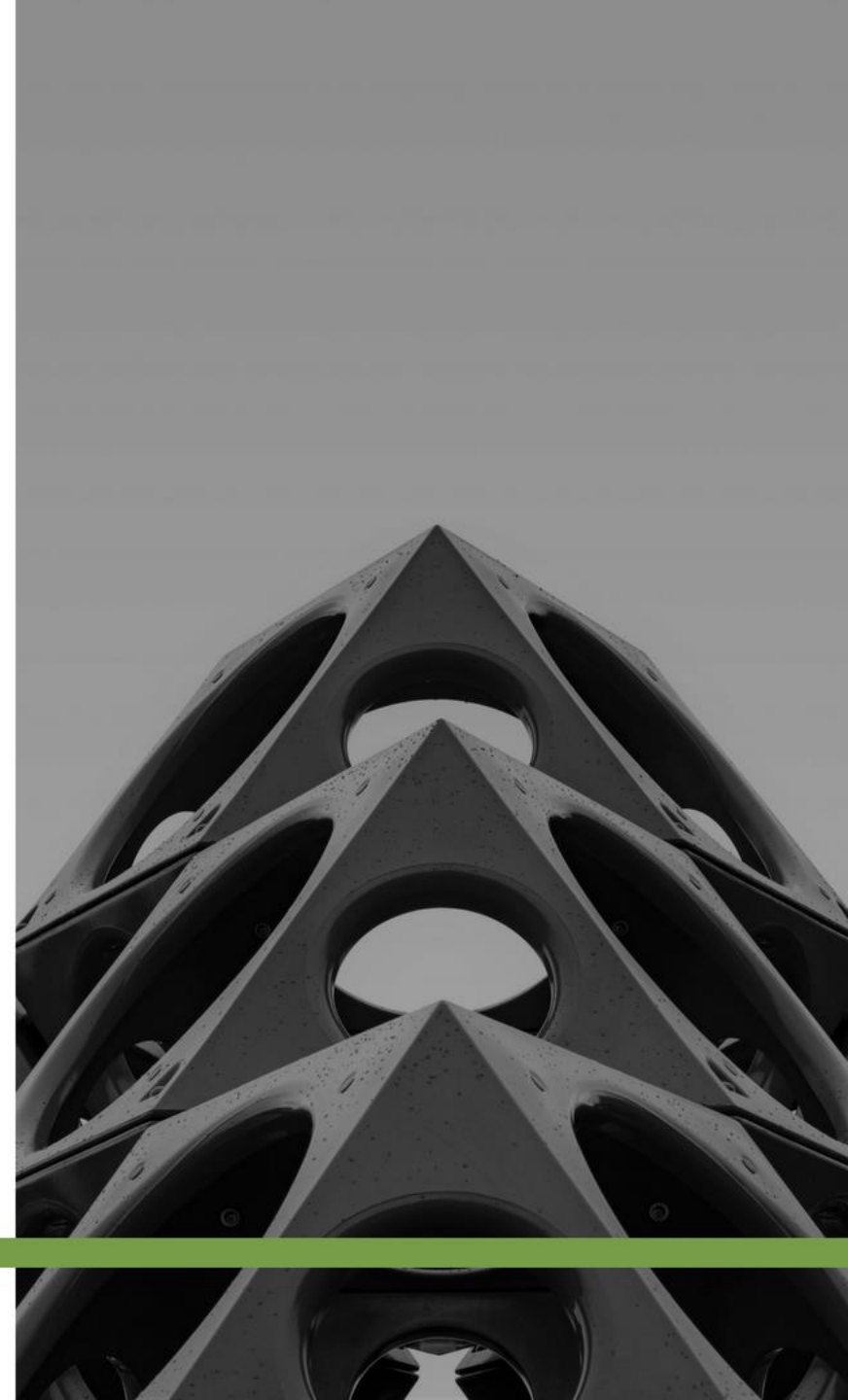
- Massachusetts residents;
- Limited liability company, limited liability partnership, or cooperative corporation;
- Authorized to cultivate, obtain, manufacture, process, package and brand marijuana and marijuana products to deliver marijuana to marijuana establishments, but not to consumers;
- 1 member must have filed a Schedule F within the last 5 years;
- Cooperative must abide by the 7 Principles set by ICA;
- A business may only have one craft marijuana cultivator cooperative license.



Tiers - Marijuana Cultivator

Each licensee (except a craft marijuana cooperative) may have 3 licenses, but the total canopy authorized by the licenses added together may not exceed 100,000 square feet.

- Tier 1: up to 5,000 square ft.
- Tier 2: 5,001 to 10,000 sq. ft.
- Tier 3: 10,001 to 20,000 sq. ft.
- Tier 4: 20,001 to 30,000 sq. ft.
- Tier 5: 30,001 to 40,000 sq. ft.
- Tier 6: 40,001 to 50,000 sq. ft.
- Tier 7: 50,001 to 60,000 sq. ft.
- Tier 8: 60,001 to 70,000 sq. ft.
- Tier 9: 70,001 to 80,000 sq. ft.
- Tier 10: 80,001 to 90,000 sq. ft.
- Tier 11: 90,001 to 100,000 sq. ft.



Marijuana Cultivator: Tier Expansion & Relegation

Expansion

- A Marijuana Cultivator may submit an application to change the tier in which it is classified.
- A Marijuana Cultivator may change tiers to either expand or reduce production.
- If a Marijuana Cultivator is applying to expand production, it must demonstrate that while cultivating at the top of its production tier, it has sold 85% of its product consistently over the six months preceding the application for expanded production.

Relegation

- At the time of license renewal, the Commission will review records
- Marijuana Cultivator during the six months prior to the application for renewal. The Commission may reduce the licensee's maximum canopy to a lower tier if the licensee sold less than 70% of what it produced.



Marijuana Product Manufacturer

- An entity authorized to obtain, manufacture, process and package marijuana and marijuana products, to deliver marijuana and marijuana products to marijuana establishments and to transfer marijuana and marijuana products to other marijuana establishments, **but not to consumers.**



Marijuana Research Facility

- An academic institution, non-profit corporation or domestic corporation or entity authorized to do business in the Commonwealth of Massachusetts.
- A marijuana research facility may cultivate, purchase or otherwise acquire marijuana for the purpose of conducting research regarding marijuana and marijuana products.
- Any research involving humans must be authorized by an Institutional Review Board.



Marijuana Micro-Business

- A microbusiness is a co-located Tier 1 marijuana cultivator and/or marijuana product manufacturer.
- A microbusiness licensee shall not have an ownership stake in any other marijuana establishment and a majority of its executives or members must have been residents of Massachusetts for no less than 12 months prior to application is eligible to apply for a micro-business license.
- Application fees and license fees for marijuana micro-businesses shall be set at 50% of the combined sum of the application fees and license fees for cultivation and manufacturing.



Testing Laboratories

- **Independent Testing Laboratory**

An entity that does not hold any other type of marijuana establishment license and is properly accredited to perform tests in compliance with the stringent requirements of the Department of Public Health protocols for testing marijuana and marijuana products.

- **Standards Testing Laboratory**

An entity that would otherwise qualify to be an independent testing laboratory but instead performs blind tests to verify the results of an independent testing laboratory at the request of the Commission.



Marijuana Transporter

- **Marijuana Transporter**

An entity may only transport marijuana or marijuana products when such transportation is not already authorized under a marijuana establishment license if it is licensed as a Marijuana Transporter:

- **Third Party Transporter**

An entity registered to do business in Massachusetts that does not hold another marijuana establishment license pursuant to 935 CMR 500.050 and is not registered as a registered marijuana dispensary pursuant to 105 CMR 725.000.

- **Existing Licensee Transporter**

A Marijuana Establishment that wishes to contract with other marijuana establishments to transport their marijuana and marijuana products to other marijuana establishments.



Marijuana Retailer

AN ENTITY AUTHORIZED TO:

- Purchase and deliver marijuana and marijuana products from marijuana establishments
- Deliver, sell or otherwise transfer marijuana and marijuana products to marijuana establishments and to consumers.
- A marijuana retailer that provides a retail location accessible to consumers 21 years of age or older or in possession of a registration card demonstrating that the individual is a registered qualifying patient with the Medical Use of Marijuana Program, if the retail store is co-located with a medical marijuana treatment center.



Marijuana Retailer

Examples of Current Medical Use
of Marijuana Retail Location



Marijuana Retailer



Delivery

WHO can deliver?

- Under adult-use, a Delivery-Only license type will be offered exclusively for an initial period of 2 years:
 - Certified Economic Empowerment Priority Applicants
 - Social Equity Program Participants
 - Microbusinesses with a Delivery Endorsement
- The 2 year exclusivity period does not start until the date the first Delivery-only Licensee receives a notice to commence operations



Delivery

WHERE can they deliver? Delivery restricted to:

- Municipalities that have authorized retail marijuana
- Municipalities that host a delivery service
- Municipalities that notify the Commission they have opted-in to delivery

Delivery is PROHIBITED to:

- dormitories and other university housing;
- commercial hospitality operations including hotels and bed-and-breakfasts; and
- federally subsidized housing.



Delivery

VERIFICATION

- Consumers' age & identity will need to be pre-verified by the marijuana retailer, either in person or online EXCEPT for registered medical patients

SECURITY

- Use of vehicle cameras for all deliveries
- Cash lock boxes
- Body cameras for adult-use deliveries only
- Videos will be retained for 30 days or the duration of an investigation by the Commission or local law enforcement
- Videos cannot be shared unless authorized by regulations, warrant or Court Order



Social Consumption

PILOT PROGRAM: 2 years

- Prepared by a workgroup including municipal administrators, health & human service officials & a municipal planner
- Up to 12 municipalities can participate in the pilot program
- North Adams, Amherst, Springfield, Provincetown & Somerville participated in the working group & would be able to participate

WHO can run a social consumption establishment?

- Microbusinesses
- Craft Marijuana Cooperatives
- Certified Economic Empowerment Priority Applicants; and
- Social Equity Program Participants

The 2 year exclusivity period does not start until the date the first Social-Consumption only Licensee receives a notice to commence operations.



Social Consumption

Pilot Program

WHAT can consumers do at a social consumption establishment?

- Consume pre-packaged infused shelf-stable edible products
- Consume pre-packaged NON - infused shelf-stable edible products (e.g., snack products)
- Vape indoors with appropriate HVAC system
- Smoke outdoors with municipal permission in designated area in compliance with outdoor tobacco smoking rules (105 CMR 661.200):
 - outdoor space must be physically separated from an enclosed work space and there is no migration of smoke into the work space;
 - limits on structures in the outdoor space;
 - outdoor space shall be open to the air at all times.



LICENSING PROCESS

1

Application of Intent

- Incorporation
- Capital
- Bond
- Property Interest
- Municipal Information
- Positive Impact on DIA

2

Background Check

- All executives, managers, persons or entities with direct or indirect authority over the management policies, cultivation or security operations
- Fingerprint check
- Nationwide civil & criminal

3

Management and Operations Profile

- Certificate of Good Standing with SoS and DOR
- Business Plan
- Operating Policies and Procedures
- Training Plan

FINAL REGULATIONS, 935 CMR 500 LICENSING PROCESS: PRIORITY APPLICANTS

PRIORITY APPLICANTS:

- Priority RMD Applicant means a registered marijuana dispensary with a final or provisional certificate of registration in good standing with the Department of Public Health or Commission, as applicable.
- Economic Empowerment Applicant means an applicant who meet certain criteria demonstrating experience in or business practices that promote economic empowerment in communities disproportionately impacted by high rates of arrest and incarceration for offenses under chapter 94C.

AREAS OF DISPROPORTIONATE IMPACT

Based primarily on arrest rates, the Commission has designated 29 cities as areas of disproportionate impact. Cities with a population of more than 100,000 people, such as Springfield and Worcester, will be subdivided to reflect that only certain neighborhoods qualify as areas of disproportionate impact.

Abington
Amherst
Boston *
Braintree
Brockton
Chelsea
Fall River
Fitchburg
Greenfield
Haverhill

Holyoke
Lowell *
Lynn
Mansfield
Monson
New Bedford
North Adams
Pittsfield
Quincy
Randolph

Revere
Southbridge
Spencer
Springfield *
Taunton
Walpole
Wareham
W. Springfield
Worcester *

* Certain neighborhoods to be designated by the Commission - Boston, Worcester, Springfield and Lowell are further subdivided:
<https://mass-cannabis-control.com/wp-content/uploads/2018/04/FINAL-DRAFT-Areas-of-Disproportionate-Impact-1.pdf>

Social Equity Program

Eligibility

One or more of the following criteria must be met:

- Residency in an area of disproportionate impact;
- Residency in MA for at least the preceding 12 months & a conviction for a 94C offense or an equivalent conviction in another jurisdiction; or
- Residency in MA for at least the preceding 12 months & proof that the individual was either married to or the child of an individual convicted under M.G.L. c. 94C or an equivalent conviction in another jurisdiction.

SEP program participants receive professional training, technical assistance, and mentoring.



Expedition Policy

Out of the general applicant pool, the following applicants receive expedited review:

- Social Equity Program participants
- Independent Testing Laboratory
- Outdoor Cultivators
- Microbusinesses
- Craft Cooperatives
- Disadvantaged Businesses:
 - Minority-Owned
 - Women-Owned
 - Veteran-Owned



Local Control

- **Statutory Controls:** after December 31, 2019 election must held in any municipality to:
 - Ban any type of marijuana establishment;
 - Limit license under 20% of the alcohol licenses granted under G.L. c. 138 §15; OR
 - Limit to less marijuana establishments to less than the number of RMDs in the municipality.



Local Control

- Zoning Controls
 - Use districts
 - Overlay districts
 - Signage
 - Agricultural Exemption



Operational Requirements

- All marijuana and marijuana products must be handled in compliance with sanitary requirements.
- Edible marijuana products are not considered food under the law, but must be handled in compliance with sanitary requirements for wholesale manufacturing, retail sale, and transportation of food.
- All marijuana and marijuana products must be tested in compliance with the testing protocols established by the Department of Public Health.
- All marijuana and marijuana products must be tracked from seed to sale in interoperable database.
- \$5,000 bond or cash to be posted in the event of the need to destroy cannabis or cannabis products.



Security Requirements

- Cultivators, marijuana product manufacturers, independent laboratories and research facilities must restrict access to only authorized employees and visitors;
- All inventory must be tracked on the interoperable system set by the Commission;
- Must be alarmed;
- Visitors must be logged;
- Marijuana and marijuana products must be stored in limited access areas;
- 24 hour video surveillance is required;
- Must be sufficiently lit to allow readable image to be captured;
- Security plan filed with local law enforcement.



Energy Efficiency & Conservation Environmental Protection

- Nation leading limits on energy use;
- Energy & Environmental Workgroup with representatives from the Department of Energy, Department of Agriculture and Department of Environmental Protection;
- Compiled Energy & Environmental Guidance:
 - Guidance on Energy Efficiency Standards & Reporting for Cultivation Facilities;
 - Guidance on Basic Energy Efficiency Standards for Marijuana Establishments
 - Guidance on Waste Management;
 - Guidance on Water Usage;
 - Guidance on Integrated Pest Management.



Marketing & Advertising

- Any marketing shall include statement “Please Consume Responsibly” and
 - at least two other warnings from menu of choices;
 - warning developed by DPH
- Logo: NO medical symbols, images of marijuana, or related paraphernalia, colloquial references to marijuana;
- NO Deceptive, false, misleading, or untrue marketing;
- NO False or misleading statements concerning other licensees and the conduct and products of such other licensees;



Marketing & Advertising

- NO TV, radio, internet or other electronic communication, billboard or other outdoor advertising, or print publication unless at least 85 percent of the audience is reasonably expected to be 21 years of age or older according to data;
- NO sponsorship of a charitable, sporting, or similar event, unless limited to audience expected to be 85 percent 21 years and older according to data;
- NO using statements, designs, representations, pictures, or illustrations that portray anyone less than 21 years of age;
- NO mascots, cartoons, brand sponsorships, and celebrity endorsements deemed to appeal to a person less than 21 years of age;
- NO Marketing on vehicles, public transit or transportation hubs;
- NO Marketing that includes images of marijuana or marijuana products on items such as t-shirts, cups, and novelty items;



Marketing & Advertising

- NO promotional items, including, but not limited to, giveaways, coupons, or “free” or “donated” marijuana;
- NO use of vehicles equipped with radio or loud speakers.
- NO signs or advertising of any kind promoting a brand or kind of marijuana product outside of a marijuana establishment;
- NO marketing of the price of marijuana or marijuana products;
- Installation of any neon signage or any illuminated external signage must comply with all local ordinances and requirements;
- Installation of any external signage cannot be illuminated beyond the period of 30 minutes before sundown until closing;



Labeling Requirements

- Requirements specified for type of product;
- Name and contact information of creator;
- Cannabinoid profile, as well as ingredients;
- Warning re: allergen;
- Department of Public Health warning;
- Graphic symbol indicating product contains marijuana and that it is dangerous to children;
- Serving size;
- Batch and serial number;
- Confirmation of testing;
- Directions for use.



Warning Graphics on Marijuana and Marijuana Products



Comprehensive Packaging Requirements

- Beverages may only be purchased in single serving size;
- Each single serving size in a multi-serving package must be clearly scored and marked, stamped, or otherwise imprinted with the symbol indicating that it is a marijuana product;
- Each single serving is limited to five mg of THC (adult use program);
- Certified by third-party child-resistant testing firm, as compliant with the most recent poison prevention packaging regulations of the U.S. Consumer Product Safety Commission;
- Opaque, plain design;
- No neon colors.



Training

- Marijuana establishment agents must have 8 hours of training per year;
- 2 hours must be Responsible Vendor Training, mandatory for staff handling marijuana, voluntary for others; (adult program)
- Responsible Vendor Training Programs will be registered with the Commission and will not be commonly owned with marijuana establishments. (adult program)
- Responsible Vendor Training Programs must include Core Curriculum set by Commission. (adult program)



Licensing Applications | January 16, 2020

The totals below are number of licenses approved by category.

Type	#
Craft Marijuana Cooperative	0
Independent Testing Laboratory	3
Marijuana Cultivator	81
Marijuana Microbusiness	4
Marijuana Product Manufacturer	63
Marijuana Research Facility	0
Marijuana Retailer	104
Marijuana Third Party Transporter	1
Marijuana Transporter with Other Existing ME License	2
Total	258

Licensing Applications | January 16, 2020

The totals below are number of licenses approved by stage.

Type	#
Provisionally Approved	33
Provisional License	121
Final License	24
Commence Operations	80
Total	258

Provisionally approved means approved by the Commission but has not submitted license fee payment yet – provisional license has not started

Licensing Applications | January 16, 2020

The totals below are distinct license numbers that have submitted all required packets.

The 699 applications represent 369 separate entities

Type	#
RMD Priority	234
Economic Empowerment Priority	24
Expedited Review	63
General Applicant	378
Total	699

Expedited Applications	
Expedited: License Type	16
Expedited: Social Equity Participant	14
Expedited: Disadvantaged Business Enterprise	28
Expedited: Two or More Categories	5
Total	63

Licensing Applications | January 16, 2020

The totals below are applications that have submitted all four packets and are pending review.

Type	#
Craft Marijuana Cooperative	2
Independent Testing Laboratory	4
Marijuana Cultivator	128
Marijuana Microbusiness	11
Marijuana Product Manufacturer	98
Marijuana Research Facility	4
Marijuana Retailer	180
Marijuana Transporter with Other Existing ME License	4
Third Party Transporter	6
Total	437

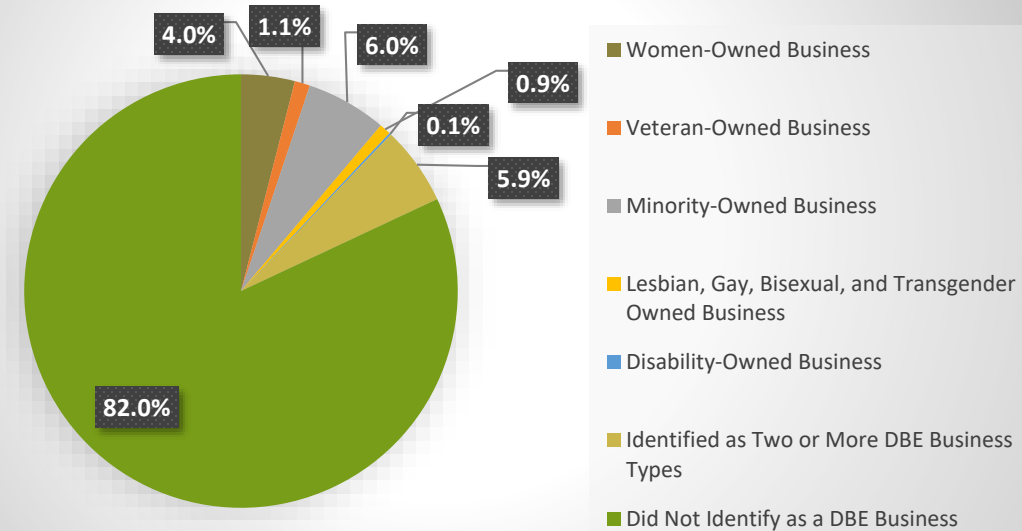
Licensing Applications | January 16, 2020

Disadvantaged Business Enterprise (DBE) Statistics

The totals below are distinct license numbers that have submitted all required packets.

Type	#	% of Group
Women-Owned Business	28	4%
Veteran-Owned Business	8	1.1%
Minority-Owned Business	42	6%
Lesbian Gay, Bisexual, and Transgender Owned Business	6	0.9%
Disability-Owned Business	1	0.1%
Identified as Two or More DBE Business Types	41	5.9%
Did Not Identify as a DBE Business	573	82%
Total	699	100.0

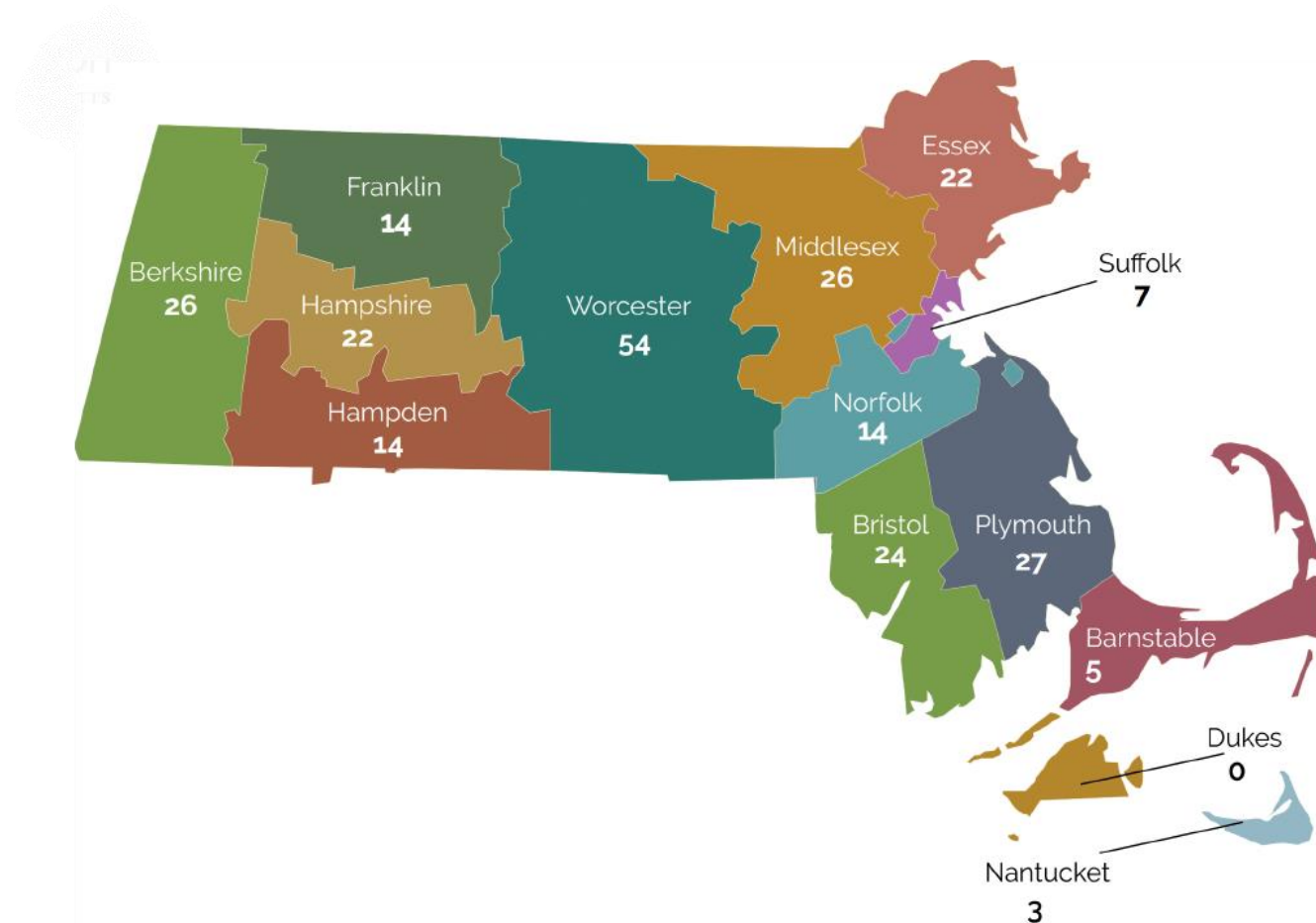
DBE STATISTICS FOR FULLY SUBMITTED LICENSE APPLICATIONS



Licensing Applications | January 16, 2020

The totals below are the total number of licenses by county.

COUNTY	#	+/-
BARNSTABLE	5	
BERKSHIRE	26	+6
BRISTOL	24	+3
DUKES	0	
ESSEX	22	
FRANKLIN	14	
HAMPDEN	14	+1
HAMPSHIRE	22	+4
MIDDLESEX	26	+6
NANTUCKET	3	
NORFOLK	14	
PLYMOUTH	27	+1
SUFFOLK	7	+4
WORCESTER	54	+6
TOTAL	258	+31

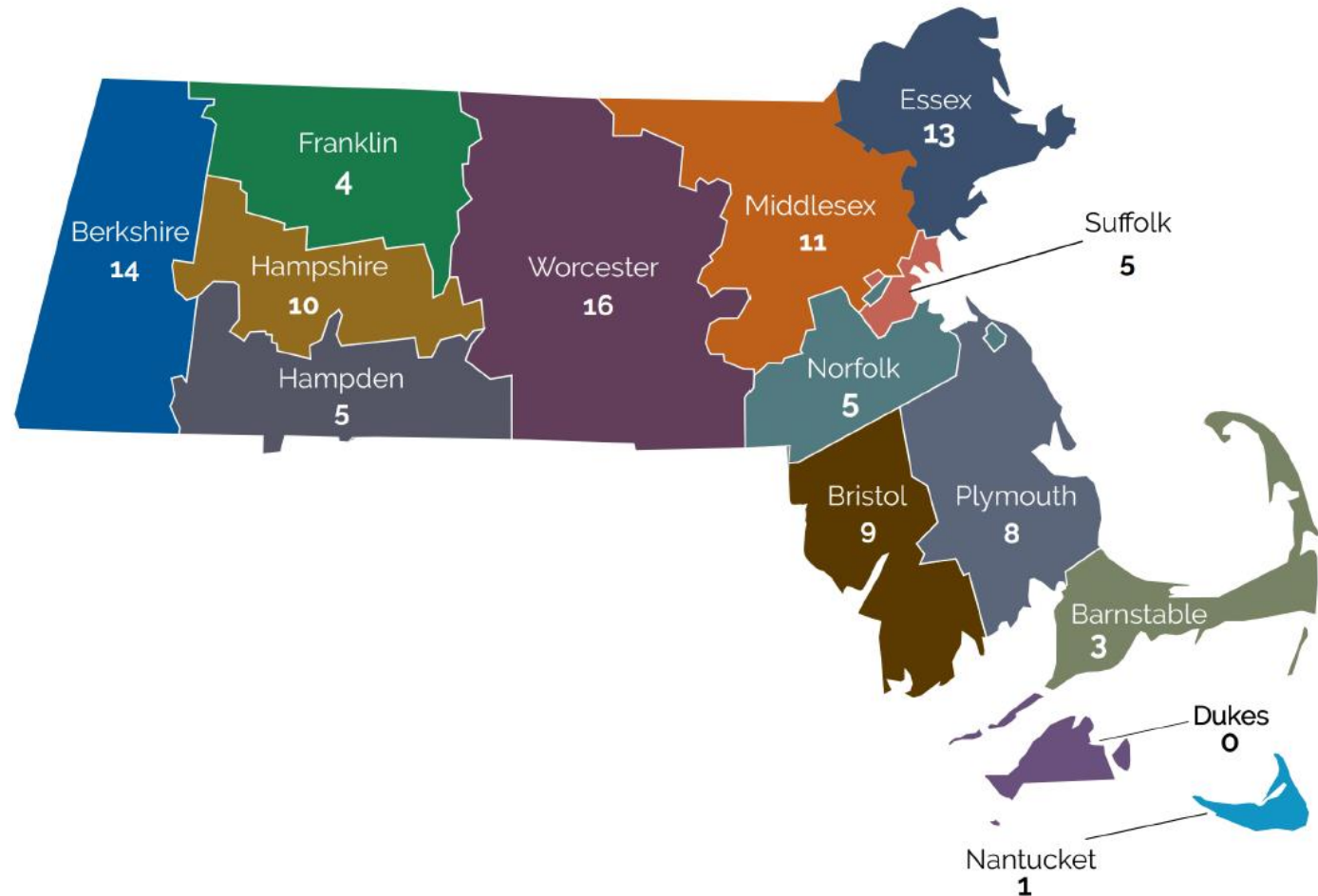


As of January 10, 2020

Retail Applications | January 16, 2020

The totals below are the total number of retail licenses by county.

COUNTY	#	+/-
BARNSTABLE	3	
BERKSHIRE	14	+4
BRISTOL	9	+2
DUKES	0	
ESSEX	13	
FRANKLIN	4	
HAMPDEN	5	+1
HAMPSHIRE	10	+1
MIDDLESEX	11	+3
NANTUCKET	1	
NORFOLK	5	
PLYMOUTH	8	+1
SUFFOLK	5	+2
WORCESTER	16	+3
TOTAL	104	+17



Licensing Applications | January 16, 2020

TYPE	PENDING APPLICATION	INITIAL LICENSE DENIED	PROVISIONAL LY APPROVED	PROVISIONAL LICENSE	FINAL LICENSE	COMMENCE OPERATION	TOTAL
Craft Marijuana Cooperative	2	0	0	0	0	0	2
Independent Testing Laboratory	4	0	0	1	0	2	7
Marijuana Cultivator	128	2	13	35	11	22	211
Marijuana Microbusiness	11	0	1	2	0	1	15
Marijuana Product Manufacturer	98	1	7	29	7	20	162
Marijuana Research Facility	4	0	0	0	0	0	4
Marijuana Retailer	180	1	12	53	6	33	285
Marijuana Transporter with Other Existing ME License	4	0	0	0	0	2	6
Third Party Transporter	6	0	0	1	0	0	7
Total	437	4	33	121	24	80	699

Revenue & Taxes

Revenue since sales begin in November, 2018: \$471 million

Revenue in 2020: \$9.8 million

Taxes: adult use marijuana is subject to:

- state sales tax: 6.25%
- state excise tax 10.75%
- local option for cities or towns: up to 3%

Example taxes collected for one quarter (Feb-April, 2019):

- Northampton \$530,589
- Brookline \$214,200
- Leicester \$176,691
- Wareham \$128,495
- Lowell \$41,048



The Media Plan

Print Collateral


Key Benefits:

- Supports constituent outreach initiatives
- Partner with non-profit and corporate sectors

THE GUIDE TO
Marijuana
in Massachusetts

Know the Law

- You have to be 21 or older to buy or use marijuana of any kind.
- Any marijuana use is not allowed in public or on federal lands.
- Landlords, employers, and municipalities may have their own policies about the use, sale, or growth of cannabis.
- Don't drive if you've been using marijuana.
- You can have up to one ounce on you, and grow six plants in your home – or up to 12 with two or more adults.




BE SAFE If you have been using marijuana, have a **designated driver** or arrange alternative transportation.

 **MoreAboutMJ.org**


THE PARENTS GUIDE TO
Marijuana
in Massachusetts

What You Need to Know

- You have to be 21 to buy or use marijuana in Massachusetts.
- Children's brains are not fully developed until their mid-20s.
- Regular marijuana use by teens can affect memory, cause learning problems, and increase risky behavior.

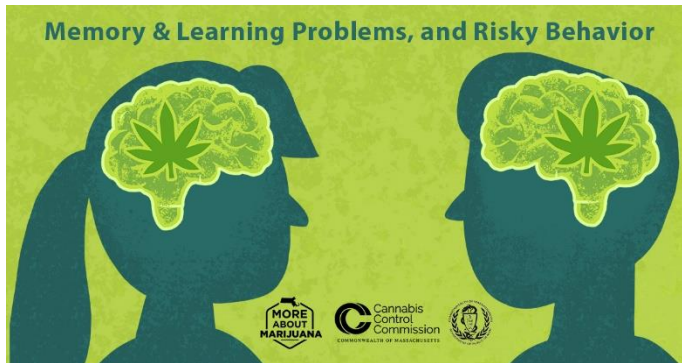


FACT People who begin using marijuana before the age of 18 are **4-7x more likely** than other adults to develop a marijuana use disorder.

 **MoreAboutMJ.org**

The Media Plan

Digital - Social media, display ads, etc.



Parent Facebook Ad



HTML Ad



Sponsored Ad



www.MoreAboutMJ.org

EOPSS Drive Sober Campaign



Retailer Inserts



Marijuana and Driving in Massachusetts

**IF YOU FEEL DIFFERENT
YOU DRIVE DIFFERENT**

what you need to know

MARIJUANA AND DRIVING



DRIVER PERFORMANCE

Like alcohol, marijuana impairs safe driving skills. It can slow reaction time, coordination, and decision making.

If You Feel Different, You Drive Different.



LAW ENFORCEMENT + PROSECUTION

Operating a motor vehicle while under the influence of marijuana, regardless of how much, is against the law and will put you at risk for an OUI. An OUI can cost \$10,000, loss of license, and jail time.

Wait until you're in a safe, legal place – it's against the law to use marijuana anywhere in public, including in your vehicle.

Police in Massachusetts receive specialized training to accurately detect drug-impaired drivers.



OPERATING UNDER THE INFLUENCE

Impaired driving is a criminal act regardless of whether a drug is purchased for medical or recreational use.

Just because a drug is “legal” does not make it safe for drivers to use.



DRIVING ALTERNATIVES

If you use marijuana, don't drive. Make a plan to get a ride-share, taxi, designated driver or use the MBTA.



Partially funded by the MA Office of Grants and Research

Themes of Research

- Health and Public Health [*e.g. health system impacts (macro-level), consumption patterns/trends (individual-level), etc.*];
- Public Safety [*e.g. OUIs, trafficking, illicit possession, cultivation/manufacturing etc.*];
- Economic/ Fiscal Impact(s);
- Social Equity;
- Industry;
- Market analysis [*e.g. seed-to-sale tracking, illicit market etc.*];
- Educational system(s); and
- Energy and Environmental Impact [*e.g. Indoor growth energy efficiency*].



Open Data Platform

- <https://opendata.mass-cannabis-control.com/>
- Socrata's secure, cloud-based, self-service platform;
- Offers visitors instant downloads of industry information including marijuana establishment agent demographics, retail sales and product distribution, and applications and licenses approved under the adult-use cannabis program.





/CANNABISCONTROLCOMMISSION



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