

## CANNABIS INDUSTRY SUBCOMMITTEE RECOMMENDATIONS DRAFT

### I. Social Consumption Recommendations

#### A. What limits should be placed on consumption per individual? How would such limits be monitored?

**Issue 1:** *What limits should be placed on consumption per individual?* We broke down consumption limits into three categories and proceeded to look at the pros and cons of each category. The three consumption limit categories we looked at were limits on potency, limits on purchases, and limits on serving size. We found that limits on potency were very difficult to track or control because of cannabis's herbal nature. Limits on potency could also encourage the growth of the illicit market and limit the variety of business models possible including topical enterprises. Limits on purchases while easy to accomplish could pose confidentiality issues, lower potential tax revenue, and limit the variety of onsite businesses possible. 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.**

**Recommendation 2:** The Commission should implement a Daily Maximum Exposure limit of 0.35 ounces 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.

**Issue 2:** *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 4:** Our Recommendation is limits are monitored by a tamperproof lockbox point of sale that does not collect any personal consumer information beyond their age but will warn an onsite consumption retail agent when a consumer is approaching their daily exposure limit and prevent the consumer from making any further purchases once that limit is reached within that retailer.

**Recommendation 5:** 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.

**B. What routes of delivery/ types of consumption should be allowed on-site? Is smoking allowed, how do you protect employees from secondhand smoke?**

**Issue 1:** *What routes of delivery/ types of consumption should be allowed on-site?*

**Recommendation 1:** 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 2:** *Is smoking allowed, how do you protect employees from secondhand smoke?*

**Recommendation 2:** The Commission should develop strong air quality and filtration standards for onsite consumption retailers similar to a tobacco bar or any other business requiring ventilation standards and require onsite consumption retailers that have kitchens or employees operating heavy machinery to be separated from any smoke or vapor from consumers.

**Recommendation 3:** The Commission should develop a waiver program for employees that do not handle heavy machinery or kitchen equipment within an onsite consumption retailers that choose to work in an environment where marijuana smoke/vapor is in the air.

**C. What should municipalities' role be in governing social consumption? 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 1:** *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.**

**Issue 2:** *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?* 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 2:** **The Commission should simplify the process for municipalities to regulate onsite consumption marijuana retailers by keeping the process similar to how they regulate other marijuana establishments.**

**Recommendation 3:** **The Commission should develop a framework for municipalities to develop short term event permits for onsite consumption similar to a one day event alcohol consumption permit given by a municipality.**

**D. What elements should be considered at local level versus state level?**

**Issue 1:** *What elements should be considered at 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 with special exceptions possible for clubs, hotels, restaurants and any other applicant the Commission feels is appropriate.

**Recommendation 2:** Develop a tamperproof Lockbox Point of Sale with track and trace system that ensures every aspect of the process is tracked and taxed appropriately by onsite consumption retailers and can only be audited by the Commission.

**Recommendation 3:** Set a Daily Purchase Limit for onsite consumption retailers based on current laboratory standards on safe exposure but allowing municipalities an option to further reduce the limit.

**Recommendation 4:** Develop Onsite Consumption License Categories based on the various consumption methods (inhalation, ingestion, dermal).

**Recommendation 5:** The Commission should develop differing packaging and labeling standards for products that are to be used immediately onsite and not leave an onsite consumption retailer with a consumer.

**Recommendation 6:** The Commission should develop reusable packaging standards and cleaning standards for onsite usage.

**Recommendation 7: 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 8: The Commission should work with experts and other stakeholders to develop onsite consumption retail agent training standards to detect impairment.**

**Recommendation 9: The Commission should develop with law enforcement impairment standards for OUI and also require OUI warnings and educational materials within onsite consumption retailers.**

**Issue 2:** *What elements should be considered at local level?* Onsite consumption facilities can be voted in by a direct vote of the people via ballot measure and are not bound by the power of the municipality. Local permitting should not create unreasonable and impractical barriers to entry for onsite consumption businesses. Obtaining local permitting should be similar to an alcohol establishment where alcohol is consumed onsite.

**Recommendation 1: The Commission should develop guidance for municipalities that allows for local permitting but does not allow for the creation of unreasonable and impracticable barriers to entry for onsite consumption businesses including but not limited to lowering the daily purchase limit to unreasonably low levels.**

**Recommendation 2:** Give municipalities a choice in the categories of onsite consumption retailers they can choose from based on consumption methods (inhalation, ingestion, dermal) and also ensure guidance for local permitting mandates that permitting should be similar to an alcohol establishment where alcohol is consumed onsite.

**E.** What are the minimum essential components of social consumption regulations that need to be addressed initially in order to have a functioning program, and what are the components that could be addressed in the future?

**Issue 1:** *What are the minimum essential components of social consumption regulations that need to be addressed initially in order to have a functioning program, and what are the components that could be addressed in the future?*

**Recommendation 1:** **Minimum essential components include the following:**

- **Onsite consumption marijuana retailer license categories**
- **Daily purchase limits in onsite retailers based on exposure standards set in the laboratory protocols**
- **Security protocols**
- **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**
- **Lockbox point of sale system with revenue tracking**
- **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**
- **Guidance for professionals and licensed businesses so they don't lose their license allowing onsite consumption**

**The Future:**

- **Strong law enforcement standards for operating under the influence (OUI) in the field to easily detect marijuana impairment on the roads beyond current Drug Recognition Experts.**
- **Further daily usage limitations based on studies being conducted currently by the Massachusetts Department of Public Health.**

**F. 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).**

**Issue 1:** *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).* Consumers who have children may not want to purchase a large quantity of cannabis at a package style cannabis store and prefer instead to purchase a small amount they can use onsite before returning to their children at home. Similar to alcohol consumers who don't keep alcohol in the house because of children or pets, cannabis consumers want a choice on whether or not to take cannabis home with them. Public housing and some landlords do not want cannabis in any form within their walls. Smaller onsite consumption retailers that can only sell small amounts of cannabis will ensure maximum value for everyone involved including the state. Not allowing cannabis to leave the premises alleviates some public safety concerns including violations of open containers in motor vehicles. Cannabis cooperatives which require maximum value for their product in order to maintain financial viability would greatly benefit from

this style of onsite consumption retailer. Cannabis consumers will pay more for less because boutique products demand a higher price and are in high demand. Not allowing cannabis to leave the premises alleviates public safety concerns around children accidentally ingesting cannabis or small cannabis packaging. Onsite consumption allows for the maximum profit to be generated from the smallest amount of product. Cannabis cooperatives with small cultivation production/surface areas require the maximum amount of money earned from their efforts in order to thrive. Cooperatives for this reason should be allowed to wholesale their products directly to onsite consumption retailers. Onsite consumption retailers should be able to charge the maximum amount of a products value in small increments to ensure their profits and also state tax revenues remain high even after cannabis products become more common throughout the state. Onsite consumption establishments will help alleviate the public safety and health concerns brought upon by public consumption. Many individuals who live in government housing or have lease agreements with their landlords cannot use cannabis at their home or in some cases even possess it. Communities disproportionately impacted by the drug war stand to once again take the brunt of police action, enforcement and evictions if onsite consumption is not handled immediately. By allowing adult consumers to purchase small amounts of marijuana through onsite consumption retailers instead of purchasing large packages or cannabis we could also help alleviate medical marijuana patient supply problems which will emerge after adult consumers start buying the patient supply at co-located marijuana establishments.

**Recommendation 1:** The Commission should allow businesses to apply to become an onsite consumption marijuana retailer in cases where at least 51% of the business will be retail marijuana sales. Special exception should be made for Hotels, Restaurants, Social clubs, Continuing Care Retirement Communities, Veterans Organizations and any other business the Commission deems appropriate to qualify below the 51% threshold. *This ensures the state has a significant revenue stake in any onsite consumption marijuana retailer and that a wide range of businesses can apply to become an onsite marijuana retailer including but not limited to bar style establishments, art galleries, yoga studios, and massage therapy salons.*

**Recommendation 2:** 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 3:** The Commission should allow Craft Marijuana Cooperatives which require maximum value for their product in order to maintain financial viability to wholesale directly to onsite consumption marijuana retailers.

**Recommendation 4:** 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 5:** The Commission should keep financial barriers to entry low for obtaining an onsite consumption retailer license to ensure local level interest.

**Recommendation 6:** 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 7:** The Commission should not require small gatherings of adults (under 200 consumers) 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.

**Recommendation 8:** The Commission should allow the development of local level event permits similar to day long alcohol consumption permits in municipalities that want to offer them without much interference from state regulators.