

CANNABIS INDUSTRY SUBCOMMITTEE RECOMMENDATIONS

I. 11/9/2017 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: Our Recommendation is Limits on Serving Size. This is the easiest to accomplish through regulations of packaging and dosage standards. It creates no confidentiality issues, ensures maximum revenue for the state and the retailer, encourages innovation and the largest variety of onsite consumption business

models including cannabis bar style establishments, infused restaurants and topical focused enterprises.

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 2: **Our Recommendation is limits are monitored by the onsite consumption cannabis retailer employees trained in impairment detection similar to TIPS (Training for Intervention Procedures) for alcohol establishments.**

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: **Smoking should be allowed because it is the preferred route of exposure for adult consumers. Vaporizing flower and concentrates as well as the consumption of infused products should also be allowed but in serving sizes.**

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

Recommendation 2: **Strong regulations for air ventilation and filtration and a possible requirement to keep a walled or window separation between where cannabis is dispensed for consumption and where it is consumed. Mirror glass**

could also be used by facilities to help keep employees tracking impairment of individual consumers away from any smoke.

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: **Our recommendation is to simplify the process for municipalities to regulate social consumption marijuana establishments by keeping it similar to how they regulate other establishments.** This will prevent confusion and ensure a faster roll out. **Short term event permits issued by**

municipalities for onsite consumption should also be similar to a one day event alcohol consumption permit given by a municipality. This will prevent any confusion or additional education needed for municipal officials on short term event permitting.

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

Issue 1: *What elements should be considered at state level?*

Recommendation 1: Licensing structure needs to be addressed at the state level. We recommend the development of a tiered onsite consumption retailer license system that allows for a wide range of onsite businesses. Onsite consumption retailer licenses similar to an alcohol bar establishment where only limited servings of cannabis can be purchased and must be used by consumers onsite is one tier. The second tier would be existing package store style cannabis retailers having an onsite permit for consumption. Third tier should be onsite consumption retailers that interact with other state agencies and professional licensure boards. The state needs to develop sound regulations around each possible type of onsite consumption retailer business license holder including minimum security protocols, air minimum filtration and ventilation requirements that allow for odor control, serving size requirements, waste disposal, tracking, reusable equipment cleaning and inspection requirements, weights and measures, menu labeling requirements, and cannabis OUI education for law enforcement.

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: **Give municipalities a choice between a tiered system of onsite consumption retailer licenses so that they can choose what is best for their community based upon their own public safety and health concerns. Do not allow municipalities to create unreasonable or impractical barriers to entry via local permitting. Obtaining local permitting should be similar to an alcohol establishment where alcohol is consumed onsite. Local restrictions should be based on community mitigation concerns and not overly burden cannabis business applicants.**

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 security protocols, municipal zoning guidance, community standards, tiered licensing for businesses**

allowed to have onsite consumption, serving size standards, tracking, law enforcement interface, labeling menu, public health limitations and inspections, weights and measures, air quality and filtration standards, odor control requirements, equipment cleaning and inspection requirements, TIPS style program development, disposal requirements, kitchen inspection DPH crossover guidance, and guidance for professionals and licensed businesses so they don't lose their license allowing onsite consumption. What can be addressed in the future includes OUI enforcement education which should be addressed by law enforcement.

- 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.

Recommendation 1: Develop smaller retailer licenses called an “Onsite Consumption Retailer” that only allows the sale of small amounts of cannabis to

a consumer that must be consumed onsite before leaving very similar to a common alcohol bar establishment. We recommend all cannabis used in any licensed onsite consumption retailer should 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. Smaller onsite consumption retailer license holders should be required to use reusable packaging for individual servings of cannabis that cannot be taken from the property. Requiring reusable containers for consumption will alleviate any environmental concerns. *Even joints used within the facility can be required to have a glass filter that must be returned to the bar when done consuming.* Labeling should be required on the menu only to prevent the need for throwaway packaging that ends up on streets and landfills. We recommend allowing municipalities to decide the type of onsite consumption retailer that is right for them by developing a tiered system of licensing for onsite consumption retailers that incorporates existing dispensaries but also creates the possibility of various ancillary cannabis retailer businesses like restaurants, lounges, coffee shops, spas, and private social clubs. Develop a separate set of labeling requirements for onsite consumption retailers that allows the use of a menu to list important product information as opposed to requiring small packaging meant for immediate usage to have the same labeling requirement as a large package. Bring your own cannabis lounges where people can bring cannabis from outside the onsite facility should have a pathway and be allowed only if the municipality approves that type of onsite facility and with the

appropriate security and public safety measures in place. Topical application of cannabis is non-psychoactive and does not intoxicate the consumer. Businesses that wish to only engage in topical application of cannabis should have separate requirements from those who wish to engage in other route of exposure for the consumer. Allow licensed boutique cannabis cooperatives with small cultivation surface/production areas to wholesale their products to onsite consumption retailers to ensure these businesses thrive and tax revenues for the state remain high. Keep financial barriers to entry low for obtaining an onsite consumption retailer license to ensure local level interest and because many those who need access the most are in undesirable areas already impacted heavily by the drug war. Do not require small gatherings (under 200) within onsite consumption retailers to acquire a special event license. The retailer is already managing compliance so events under the maximum capacity of the retailer should not require special attention from the state. Local level event permits may be developed in municipalities that want them without any interference from state regulators. Do not require non-profit social club organizations under Massachusetts law to engage in any special permitting or licensing for onsite consumption with the Commission as they are already governed by rules 105 CMR 661.00 which provides detailed requirements for allowing smoking in membership associations and outdoor spaces.