

**Commonwealth of Massachusetts  
Cannabis Advisory Board**



**Market Participation Sub-Committee Meeting**  
Draft Regulation Issues and Considerations

*October 26, 2017*  
*3:30-5:00 pm*



# Market Participation Sub-Committee Meeting

- Call to Order
- Roll Call and Introductions
- Approval of Minutes (for future meetings)
  
- Meeting Topics for Discussion
  - 1) Format of market participation sub-committee meetings
  - 2) Meeting schedule
  - 3) Taking of notes
  - 4) Review and discussion of Draft Regulation Issues and Considerations
  - 5) Public questions/comment



## Market Participation Sub-Committee Meeting

- G.L. c.10 §77(c)(iv) requires a subcommittee on market participation to develop recommendations on women, minority and veteran-owned businesses, local agriculture and growing cooperatives.



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- Equity and Participation at the forefront of this law
- Several mandates related to these provisions
- Access and participation to all aspects of the industry
- Who?
  - Previously incarcerated, POC, women, veterans, disabled, other marginalized groups - Intersectionality
- What does participation mean?
  - Business
  - Health
  - Criminal Justice

- Challenges
  - New ground
  - No state has been intentional, with predictable results.
- Importance
  - Have one chance to get it right
  - The data is clear
  - We do have these mandates, social justice is at the crux of the law and we are here to turn those concepts into practical rules that effectuate those goals.
  - The expertise of these members and the broader community is critical.
  - This is the way cannabis reform should be done, and we will be a model for other states and countries.





## Market Participation Sub-Committee Meeting

# 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;
- 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.



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.



**Market Participation Sub-Committee Meeting**





# Market Participation Sub-Committee Meeting

## 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, including but not limited to, the following:



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- (1) a limitation on ownership interests in a marijuana cultivator cooperative;
- (2) a limit on the total marijuana produced by a craft marijuana cultivator by the number of plants, surface area used for cultivation or output by weight; and
- (3) a reasonable fee for licensure as a craft marijuana cultivator cooperative

## Statutory Definition

“Craft marijuana cultivator cooperative”, a marijuana cultivator comprised of residents of the commonwealth organized as a limited liability company or limited liability partnership under the laws of the commonwealth, or an appropriate business structure as determined by the commission, and that is licensed to cultivate, obtain, manufacture, process, package and brand marijuana and marijuana products to deliver marijuana to marijuana establishments but not to consumers.



## Remedial Measures

The cannabis control commission shall conduct a study on participation in the regulated marijuana industry, including participation by minority business enterprises, women business enterprises and veteran business enterprises. The study shall include, but shall not be limited to: (i) a review of the participation in activities related to the regulation, licensing and promotion of marijuana establishments; (ii) a compilation of data on the individuals and entities that apply for and are issued licenses under chapter 94G of the General Laws, including the individual's or members of an entity's race, gender, country of origin and state geographic region; and (iii) any evidence of discrimination or barriers to entry in the regulated marijuana industry.





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If, upon completion of the study, 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. These programs shall include, but shall not be limited to: (i) recruitment of minority, women, and veteran owned business enterprises to become licensed in marijuana related businesses; (ii) development of workforce training for minorities, women, and veterans to enter into marijuana related businesses; (iii) creation of employer training to attract minorities, women, and veterans into the workforce; and (iv) outreach to disadvantaged groups, including consultations with state agencies and providing education and training opportunities in implementation of licensing of marijuana retailers



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## Additional Licenses & Social Consumption

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;



## Market Participation Sub-Committee Meeting

# Sub-Committee Assignments



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## Harms of Prohibition

- 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 to programs that stop and redress the harms
- Priority review and licensing decisions for applicants who demonstrate experience in or business practices that promote economic empowerment in communities disproportionately impacted by high rates of arrest and incarceration for offenses





# Market Participation Sub-Committee Meeting

## Farming and Co-ops

- Cooperation with the department of agricultural resources
- Promote and encourage full participation in the regulated marijuana industry by farmers and businesses of all sizes
- Creating a schedule of cultivator license fees commensurate with cultivation size and regulations to create a craft marijuana cultivator cooperative system



# Market Participation Sub-Committee Meeting

## Market Access for Women, Minorities & Veterans

- Recruitment of minority, women, and veteran owned business enterprises to become licensed in marijuana related businesses
- Development of workforce training for minorities, women, and veterans to enter into marijuana related businesses
- Creation of employer training to attract minorities, women, and veterans into the workforce
- Outreach to disadvantaged groups, including consultations with state agencies and providing education and training opportunities in implementation of licensing of marijuana retailers



# Market Participation Sub-Committee Meeting

## Additional Licenses and Social Consumption

- 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
- Licenses intended to facilitate scientific research or education



# Market Participation Sub-Committee Meeting

## Community Comment and Insight