



CANNABIS CONTROL COMMISSION

Public Commission Meeting

Tuesday, December 12, 2017

10:30 a.m.

Mass Gaming Commission Offices
101 Federal Street, 12th Floor
Boston, MA

DRAFT--FOR DISCUSSION PURPOSES ONLY

This presentation has not been reviewed or approved by the Cannabis Control Commission.



Cannabis Control Commission

12.12.17 Public Meeting

Agenda

- Call to Order
- Chairman's Comments & Updates
- Discussion of Policies and Draft Regulations
- New Business that the Chairman did not anticipate at time of posting
- Next Meeting date (if known)

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Cannabis Control Commission

12.11.17 Public Meeting

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Cannabis Control Commission Order of Discussion (Modified)

Framework & Licensing

A) Marijuana Establishments

- Marijuana Cultivator (KD)
 - Craft Marijuana Cooperative (KD)
- Marijuana Product Manufacturer (KD)
- Independent Testing Lab (KD)
- Marijuana Retailer (KD)
- Marijuana Distributor (SH)
- Marijuana Delivery Operator (SH)
- Marijuana Social Consumption Operator (ST)
 - Primary Use
 - Mixed Use
 - Event License
- Micro Business (ST)

B) Licensing Process (BM)

- General
- Specific Issues

C) Research Facilities (KD)

D) Priority Econ Empowerment Review (ST)

E) Social Equity (ST)

F) Background Checks (BM)

G) Action on Applications (BM)

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Cannabis Control Commission Order of Discussion (Modified)

Operations

- Cultivation (KD)
 - Pesticides
 - Plant Nutrients
 - Organic Growing
 - Energy
- Manufacturing (KD)
- Labs/Testing (KD)
- Retail
 - Consumer Access (BM)
 - Consumer Education (JF)
 - Delivery (SH)
 - Separation of Adult & Medical (KD)
 - Employees (BM)
- Social Consumption (ST)
- Security and Incident Reporting (BM)
- Edibles (JF)
- Packaging, Labelling, Advertising (BM & JF)
- Storage/Transportation (SH)
- Inventory/Records (SH)
- Insurance (KD)

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Cannabis Control Commission Order of Discussion (Modified)

Operations (Continued)

- Waste Disposal
- Inspections and Compliance
- Actions on Licenses
 - Fines
 - Progressive Discipline
- Appeals
- Non-Conflict with Other Laws
- Notice List

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Cannabis Control Commission Order of Discussion (Modified)

Deferred Topics

- Retail Delivery Only Licenses (no brick and mortar)
- Non-retail delivery licenses
- Social Consumption
 - “BYOC” for Mixed Use Licenses
 - Event Licenses
- Fees and Capital Requirements by License Category

Additional Topics

- Leadership Program Categories
- Martha’s Vineyard/Nantucket

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Draft Regulations Discussion

Issue: Marijuana Research Facility

Options:

- 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.
- A marijuana research facility may not sell marijuana cultivated under its research license, but may also hold a marijuana retailer license.
- All research regarding marijuana must be conducted by individuals over the age of 21 years.
- Additional or different requirements

Recommendation:

- Authorize the licensure of research facilities with the specified conditions above.



Cannabis Control Commission Order of Discussion (Modified)

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Social Equity Discussion

Issues

*Economic Empowerment Priority Review: The law requires us to grant priority review to licensees that can demonstrate they promoted economic empowerment in disproportionately harmed communities. Who qualifies?

*Equity Program: Separately, the law requires us to create a way for people from disproportionately harmed communities to enter the industry. Who qualifies for such a program and what are the benefits? We can look at comparable equity programs across CA and in PA, OH, and FL.

*What other measures can we put in place to ensure a fair and accessible industry?



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Legislative Mandates

Econ Empowerment Priority Review for Applicants

The law requires the Commission to **prioritize review and licensing decisions** for applicants for retail, manufacture, or cultivation 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 under **[the Controlled Substances Act]**.”

Equity Program for Applicants

The law requires the Commission to adopt **procedures and policies to promote and encourage full participation in the marijuana industry by people from communities that have been disproportionately harmed by marijuana prohibition and enforcement** and to positively impact those communities.



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Legislative Mandates

Under Section 77 of Ch. 55, the Commission will be “graded” on its ability to provide opportunities for participation in the legal industry.

Sec 77: [The CNB] 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.

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-owned, women-owned, 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, the commission shall prepare annual reports that shall include, but shall not be limited to: (i) the total number of licensed marijuana retailers; (ii) the number and percentage of licenses provided to minority, women, and veteran owned business; (iii) the total number and percentage of minority, women, and veteran employees in the marijuana industry, and (iv) recommendations on reducing or eliminating any identified barriers to entry, including access to capital, in the marijuana industry. The reports shall be submitted to the treasurer and receiver general, the house and senate chairs of the joint committee on marijuana policy, the clerks of the house and senate, and the governor. The commission shall post each annual report on its website.



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Other Jurisdictions

Examples of Equity Programs

FLORIDA

- 1) Ten dollars of the fee from each patient ID card is allocated to the express purpose of educating minorities about medical marijuana use and the impacts of unlawful use.
- 2) One of ten new treatment center licenses are allocated for a member of the Black Farmers and Agriculturists Association-Florida Chapter.
- 3) Consideration of strong diversity plans in application process.
- 4) All applicants must demonstrate involvement of minority persons and business enterprises or veteran business enterprises in ownership, management, and employment.



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Other Jurisdictions

Examples of Equity Programs

OHIO

At least 15 percent of medical marijuana cultivator, processor, laboratory, and retail licenses to members of the following groups: Blacks or African Americans; American Indians; Hispanics or Latinos; and Asians.

(*If an insufficient number of eligible applicants meeting these requirements apply for licensure, the department and board may issue licenses to general applicants according to usual procedures.)



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Other Jurisdictions

Examples of Equity Programs

PENNSYLVANIA

The Department of Public Health must:

- *conduct outreach to diverse groups
- *provide notice of participation opportunities on its website, include language in applications that encourages applicants to contract with diverse groups, and
- *submit annual reports detailing the participation level by percentage of diverse groups and a summary of ways diverse groups are utilized by permittees.

The Department's application scoring system allocates a possible 100 points for each applicant's diversity plan out of a possible 1000 total.



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Areas of Disproportionate Impact

Issue:

How does the Commission define “areas of disproportionate impact” for the purposes of the econ empowerment priority review and the equity program?

Recommendation:

- *Use “*areas of disproportionate impact, as defined by the Commission*” for drafting purposes.
- *Identify locations as areas of disproportionate impact using a modified, race-neutral version of the analysis used by Oakland, San Francisco, and Los Angeles.
- *Specifically focus on arrest data, location data, and economic data.
- *Areas of disproportionate impact may be cities, towns, or smaller geographic units.
- *At January 2 CNB meeting, discuss and vote on analysis for identifying areas of disproportionate impact based on data available at the time.



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Econ Empowerment Priority Review

Issue: The law requires the Commission to grant priority review for licensure to applicants who have promoted economic empowerment in [. .]

Recommendation:

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 (as defined by the CNB) for 5 of the last 10 years.
- C-level executive 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 sales
- 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 this preliminary determination, same requirements as the other applicants.



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Econ Empowerment Priority Review - Example

Example:

XYZ Corp wishes to apply for priority review as a prospective owner of a marijuana retail establishment. Beyoncé, Kelly, and Michelle have equal ownership stakes in XYZ Corp.

Step 1: XYZ submits an application for priority review demonstrating that Beyoncé and Kelly, who together hold a majority of ownership, have lived in an area identified by the CNB as an area of disproportionate impact. They hire a team of employees, and 60% of the team has a verifiable drug-related CORI.

Step 2: Because XYZ meets at least two of the criteria for economic empowerment priority review, it will receive priority review.

Step 3: If XYZ's license application meets the requirements for suitability as a licensee, its business license for a marijuana retail establishment will be granted before applicants who do not meet any standard for priority review.



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Equity Program - Overview

What is the goal of the equity program?

To include people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement in the legal marijuana industry and to positively impact those communities, as required by law.

Element 1: What criteria will determine whether an applicant is eligible for the equity program?

Element 2: If an applicant is eligible, what benefits or services will they receive?

Note: The equity program is entirely separate from econ empowerment priority review. An applicant may qualify for equity program benefits, econ empowerment priority review, or neither, or both.



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California Local Equity Programs

	OAKLAND	SACRAMENTO	LOS ANGELES	SAN FRANCISCO
CRITERIA FOR EQUITY APPLICANTS	X	X	X	X
BENEFITS FOR EQUITY APPLICANTS	X	X	X	X
REQUIREMENTS FOR NON-EQUITY APPLICANTS RECEIVING SOCIAL EQUITY BENEFITS		X	X	X
EQUITY REQUIREMENTS FOR ALL APPLICANTS				X
COMMUNITY REINVESTMENT				X
REQUIREMENTS FOR MEDICAL DISPENSARIES TRANSITIONING TO COMMERCIAL ESTABLISHMENTS WITH SOCIAL EQUITY STATUS		X		X
1:1 DETERMINATION RATIO			X	
OUTREACH		X	X	
TECHNICAL ASSISTANCE	X	X	X	
DEDICATED FUNDING FOR EQUITY PROGRAM	X	<u>X</u>		



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Equity Program - Eligibility

Issue: The law requires the CNB to include “people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement” and positively impact those communities. Who is that?

Options (from other jurisdictions’ equity programs):

- *Arrest data
- *Economic factors
- *Woman-owned business
- *Prior Convictions
- *Family history
- *Veteran-owned business
- *Housing insecurity
- *Public school
- *Race

Recommendation:

Applicants are eligible if majority of owners can demonstrate:

- 1) Residency: They resided in areas of disproportionate impact (to be defined by the Commission) for 5 of the last 10 years, **OR**
- 2) Individual Impact: They have a prior conviction, **OR**
- 3) Family Impact: They have a parent or spouse with a prior conviction



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Equity Program - Benefits

Issue: If an applicant is eligible, what benefits or services will they receive?

Options:

- *CNB offers no-interest or low-interest loans
- *CNB sets aside designated licenses for equity applicants
- *CNB provides technical assistance (industry-specific & business-related)
- *CNB provides priority permit processing or fee waivers

Recommendation:

In addition to fee waivers, CNB should set aside portion of fees to provide technical assistance (through a designated fund; see next slide) on these topics:

- *Management, recruitment, and employee trainings
- *Accounting and sales forecasting
- *Tax prediction and compliance; legal compliance
- *Business plan creation and operational development; and
- *Marijuana industry best practices



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Equity Program - Benefits

Ch. 94G Section 14(b) Marijuana Regulation Fund. Money in the fund shall be subject to appropriation. Money in the fund shall be expended for the **implementation, administration and enforcement of this chapter by the CNB** and by DAR for the implementation, administration and enforcement of sections 116 to 123, inclusive, of chapter 128 and the provision of pesticide control pursuant to chapter 132B. Thereafter, money in the fund shall be expended for:

- (i) public and behavioral health including but not limited to, evidence-based and evidence-informed substance use prevention and treatment and substance use early intervention services in a recurring grant for school districts or community coalitions who operate on the strategic prevention framework or similar structure for youth substance use education and prevention;
- (ii) public safety;
- (iii) municipal police training;
- (iv) the Prevention and Wellness Trust Fund established in section 2G of chapter 111; and
- (v) 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 pursuant to chapter 94C.



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Equity Program - Example

Example:

Jackson Corp has five owners with equal shares who wish to apply to a marijuana cultivation license.

Step 1: Jackson Corp submits an application for the equity program providing evidence of the following: One owner has a prior marijuana-related conviction. A second owner has no past convictions, but her parent has a drug conviction. A third owner has resided in an area of disproportionate impact, as defined by the Commission, for 6 of the last 10 years.

Step 2: Because the majority of owners of Jackson Corp are eligible for the equity program, Jackson Corp is granted status as an equity applicant.

Step 3: Jackson Corp attends training on legal compliance and business plan creation at a seminar provided by one of the CNB's partner organizations.

Step 4: Jackson Corp submits an application for a cultivation license with a fee waiver.

Step 5: If Jackson Corp meets the requirements for suitability, it will be granted a cultivation license and will receive ongoing technical assistance training.



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Inclusion of Under-Represented Groups

Issue: The law requires the CNB to track and prepare annual reports on the percentages of owners and employees who are minorities, women, and veterans. How will the CNB include these groups and others?

Recommendations:

- *The CNB should 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.
- *The CNB should partner with organizations located throughout the Commonwealth to create workforce development programs offering skills-based training programs and establishing equitable employment opportunities for minorities, women, veterans, and low-income individuals.
- *To ensure robust community outreach and stakeholder engagement, the CNB should create educational materials in multiple languages and disseminate them on its website and in-person trainings throughout the Commonwealth. The CNB should create a resource to connect individuals with existing resources to obtain diversity certification.



Cannabis Control Commission

Social Justice Leader Designation

Issue: How should marijuana businesses have opportunities to contribute to social equity and to be recognized for those contributions?

Recommendation:

*As parts of its mandate to positively impact communities disproportionately impacted by high rates of arrest and incarceration for drug offenses, the CNB should require **all** applicants to submit and adhere to a plan for how the business will positively impact such communities, as a general suitability requirement.

*The CNB should provide a Social Justice Leader designation annually to businesses that donated 1% percent of gross revenue to the Social Equity Training and Technical Assistance Fund and conduct 50 hours of educational seminars.

*The CNB should publish a list of Social Justice Leaders annually.

*The CNB should allow a Social Justice Leader company to mark its product packages with a seal indicating its participation in the program.



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Ensuring Equitable Participation

Issue: Both economic empowerment and registered marijuana dispensaries are eligible for priority or expedited review; which license type should the CNB review first?

Recommendation: Alternate priority review to ensure an equitable distribution. Review RMD applications for priority review until one is approved; then switch to reviewing economic empowerment applications for priority review until one is approved, and so on, such that priority is granted on an alternating basis. If the CNB completes processing applications for priority review of one type, it should then continue processing the remaining applications of the other type in the order in which they were received.

Issue: How can the CNB ensure that equity applicants can participate?

Recommendation: In cities or towns where the number of marijuana establishment licenses have been limited, and both qualified general and social equity applicants have applied, the CNB should grant one state license to a qualified social equity applicant for every state license granted to a qualified general applicant.



Cannabis Control Commission

Citizens Oversight Committee

Issue: How can the CNB formally receive feedback from people in impacted communities to evaluate whether goals are being met?

Options:

- *Design an outreach plan
- *Collect data and release it publicly
- *Appoint a Citizens Oversight Committee

Recommendation: All of the Above

*To measure the Commission's progress toward its mandate, appoint a ten-person Citizens Oversight Committee comprised of people from impacted communities before December 31, 2017 to make recommendations regarding the equity program and the tax revenue allocated for community reinvestment under state law.



Cannabis Control Commission Order of Discussion (Modified)

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Cannabis Control Commission

Draft Regulations Discussion

Background Checks—License Applicants

Statutory Mandate I

The Commission is barred *by statute* from issuing a license to an applicant who has been convicted of a felony or where controlling persons have felony convictions. Section 5 of chapter 94G of the General Laws states that the Commission is authorized to license a marijuana establishment only where:

“an individual who will be a controlling person of the proposed marijuana establishment has not been convicted of a felony or convicted of an offense in another state that would be a felony in the commonwealth, except a prior conviction solely for a marijuana offense or solely for a violation of section 34 of chapter 94C of the General Laws, unless the offense involved distribution of a controlled substance, including marijuana, to a minor.”

M.G.L. c. 94G, §5(b)(4).



Cannabis Control Commission

Draft Regulations Discussion

Background Checks—License Applicants

Statutory Mandate II

(a ½) The commission shall, in accordance with chapter 30A, adopt regulations consistent with this chapter for the administration, clarification and enforcement of laws regulating and licensing marijuana establishments. The regulations shall include...

(iii) *qualifications for licensure and minimum standards for employment that are directly and demonstrably related to the operation of a marijuana establishment* and similar to qualifications for licensure and employment standards in connection with alcoholic beverages as regulated under chapter 138; provided, that a prior conviction solely for a marijuana-related offense or for a violation of section 34 of chapter 94C shall not disqualify an individual or otherwise affect eligibility for employment or licensure in connection with a marijuana establishment, unless the offense involved the distribution of a controlled substance, including marijuana, to a minor;

M.G.L. c. 94G, §4(a ½)(iii)

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Cannabis Control Commission

Draft Regulations Discussion

Background Checks—License Applicants

Statutory Mandate III

Section 21. (a) The commission shall conduct fingerprint-based checks of state and national criminal history databases, as authorized by Public Law 92-544, for the following purposes: (i) prior to issuing a license as provided in section 4...

M.G.L. c. 94G, §21



Cannabis Control Commission

Draft Regulations Discussion

Background Check—License Applicants

Issue: Whether there should be other, non-felony factors, directly and demonstrably related to the operation of a marijuana establishment, that would disqualify an applicant for licensure.

Options:

WA: Point system based on type of crime or incident; 8+ points typically disqualifies an applicant (*See* WAC 314-55-040)

OR: Conviction will not automatically disqualify but the OLCC “may consider the relationship of the facts which support the conviction and all intervening circumstances to the specific occupational or professional standards in determining the fitness of the person to receive or hold the license.” (*See* ORS 680.280)

AK: Disqualified for felony conviction in last 5 years and/or conviction of misdemeanor crime involving weapons, dishonesty or certain controlled substances. (*See* 3 AAC 306.010)

CO: Conviction for a felony within preceding 5 years. (*See* 1 CCR 212-2 R231)



Cannabis Control Commission

Draft Regulations Discussion

Background Checks—License Applicants

Recommendation I: Balance opportunity with safety, health and welfare.

- Mandatory disqualification for:
 - Open/unresolved criminal proceedings;
 - Open marijuana-business violations in MA or other jurisdictions;
 - Open/unresolved criminal warrants;
 - Failure to register as a sex offender in MA or other jurisdictions;
 - Felony convictions in MA or other jurisdictions, per statute;
 - Conviction or CWOFF for distribution of a controlled substance to a minor.
- Presumptive negative suitability finding (rebuttable):
 - Non-felony weapons violations, including firearms, involving narcotics
 - Firearms crimes
 - Multiple criminal complaints during the five (5) years immediately preceding the application for licensure tending to show a pattern of harmful behavior and bad judgment.



Cannabis Control Commission

Draft Regulations Discussion

Background Check—License Applicants

Recommendation II: Suitability Review Committee

- The Suitability Review Committee shall meet as needed to (1) review information about non-disqualifying offenses or incidents received as part of the background check during the application process; and (2) to consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process.
- 3 members; Commission staff, not Commissioners
- All reviews shall be based on written information and evidence.
- The Commission shall determine, as part of its deliberation on the license application submitted by an applicant, whether to adopt the Suitability Review Committee's recommendation and shall have discretion to do so.



Cannabis Control Commission

Draft Regulations Discussion

Background Check—License Applicants

Recommendation II: Suitability Review Committee, cont.

- Suitability Review Committee will consider the following factors:
 - Time since the offense or incident;
 - Age of the subject at the time of the offense or incident;
 - Nature and specific circumstances of the offense or incident;
 - Sentence imposed and length, if any, of incarceration, if criminal;
 - Penalty or discipline imposed, including damages awarded, if civil or administrative;
 - Relationship of offense or incident to nature of work to be performed;
 - Number of offenses or incidents;
 - Whether offenses or incidents were committed in association with dependence on drugs or alcohol from which the subject has since recovered;
 - If criminal, any relevant evidence of rehabilitation or lack thereof, such as information about compliance with conditions of parole or probation, including orders of no contact with victims and witnesses, and the subject's conduct and experience since the time of the offense, including but not limited to professional or educational certifications obtained; and
 - Any other relevant information, including information submitted by the subject to the Suitability Review Committee or requested by the Commission.



Cannabis Control Commission

Draft Regulations Discussion

Background Checks—Registration of Marijuana Establishment Agents

Statutory Mandate, Again

(a ½) The commission shall, in accordance with chapter 30A, adopt regulations consistent with this chapter for the administration, clarification and enforcement of laws regulating and licensing marijuana establishments. The regulations shall include...

(iii) qualifications for licensure *and minimum standards for employment that are directly and demonstrably related to the operation of a marijuana establishment* and similar to qualifications for licensure and employment standards in connection with alcoholic beverages as regulated under chapter 138; provided, that a prior conviction solely for a marijuana-related offense or for a violation of section 34 of chapter 94C shall not disqualify an individual or otherwise affect eligibility for employment or licensure in connection with a marijuana establishment, unless the offense involved the distribution of a controlled substance, including marijuana, to a minor;

M.G.L. c. 94G, §4(a ½)(iii)



Cannabis Control Commission

Draft Regulations Discussion

Background Check—M.E. Agent Registration

Issue: What, if any, factors directly and demonstrably related to the operation of a marijuana establishment could disqualify an applicant for registration as a Marijuana Establishment Agent.

Options:

OR: May disqualify if conviction for crime of violence, dishonesty, controlled substance violation (other than marijuana) or false statement to OLCC within past 3 years, or a combination of 2+ within past 5 years.

AK: Same as licensure: disqualified for felony conviction in last 5 years and/or conviction of misdemeanor crime involving weapons, dishonesty or certain controlled substances.

CO: Disqualification for a felony in past 5 years



Cannabis Control Commission
Draft Regulations Discussion
Background Check—M.E. Agent Registration (Employees and
Volunteers)

Recommendation I: 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.

Recommendation II: Adopt the RMD model of licensees conducting background checks.



Cannabis Control Commission
Draft Regulations Discussion
Background Check—M.E. Agent Registration (Employees and
Volunteers)

Recommendation: Retail Suitability Standard

- 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;
- Presumptive negative suitability determination if CWOFF for any crime of violence or fraud, or 2+ convictions for violent crime or crime of dishonesty within past 7 years.



Cannabis Control Commission
Draft Regulations Discussion
Background Check—M.E. Agent Registration (Employees and
Volunteers)

Recommendation: Product Manufacturer Suitability Standard

- 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 CWOFF for any crime of violence or fraud, or 2+ convictions for violent crime or crime of dishonesty within past 7 years;
- Presumptive negative suitability disqualification for any open criminal cases, occupational license cases or other marijuana-related business issues in MA or other jurisdictions.



Cannabis Control Commission
Draft Regulations Discussion
Background Check—M.E. Agent Registration (Employees and
Volunteers)

Recommendation: Cultivator or Distributor Agent Suitability Standard

- 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 MA or other jurisdictions;
- Presumptive negative suitability disqualification for any open criminal cases, occupational license cases or other marijuana-related business issues in MA or other jurisdictions.



Cannabis Control Commission
Draft Regulations Discussion
Background Check—M.E. Agent Registration (Employees and
Volunteers)

Recommendation: Delivery Operator Agent Suitability Standard (see Retail)

- 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;
- Presumptive negative suitability determination if CWOFF for any crime of violence or fraud, or 2+ convictions for violent crime or crime of dishonesty within past 7 years.



Cannabis Control Commission Order of Discussion (Modified)

Framework & Licensing

A) Marijuana Establishments

- Marijuana Cultivator (KD)
 - Craft Marijuana Cooperative (KD)
- Marijuana Product Manufacturer (KD)
- Independent Testing Lab (KD)
- Marijuana Retailer (KD)
- Marijuana Distributor (SH)
- Marijuana Delivery Operator (SH)
- Marijuana Social Consumption Operator (ST)
 - Primary Use
 - Mixed Use
 - Event License
- Micro Business (ST)

B) Licensing Process (BM)

- General
- Specific Issues

C) Research Facilities (KD)

D) Priority Econ Empowerment Review (ST)

E) Social Equity (ST)

F) Background Checks (BM)

G) Action on Applications (BM)

DRAFT--FOR DISCUSSION PURPOSES ONLY

This presentation has not been reviewed or approved by the Cannabis Control Commission.



Cannabis Control Commission

Draft Regulations Discussion

Action on Applications

Issue: What process should the Commission adopt to act on licenses?

Options:

- Compliance process; or
- Competitive process

Recommendation:

- Compliance process, taking in to consideration regulations adopted regarding priority application treatment.
- valuation based on 1) demonstrated compliance with laws and regulations of Commonwealth; 2) background check; 3) evaluation of thoroughness of responses to required criteria.
- Commission reviews each packet on a rolling basis.
- Commission will notify applicants that they have either completed a given packet; or that the Commission requires further information within a specific timeframe.



Cannabis Control Commission

Draft Regulations Discussion

Action on Applications

Issue: What timeframe should the Commission adopt to act on licenses?

Recommendation:

- Commission shall grant or deny a provisional license not later than 90 days following notification to the applicant that all packets complete.
- Within that timeframe, municipality will be asked to verify that the M.E. complies with all local laws, and that it is not within 500 foot buffer zone of schools. Response requested within 60 days; no response = presumed compliance.
- Grant of license will state further conditions (i.e., inspection) and timeframe to satisfy.
- Denial of license will state the reasons why.



Cannabis Control Commission Order of Discussion (Modified)

Framework & Licensing

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F) Background Checks (BM)

G) Action on Applications (BM)

H) Commission Approval of Changes (KD)

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Cannabis Control Commission

Draft Regulations Discussion

Issue: Notification and Commission Approval of Changes

Options:

- Emulate requirements under medical use of marijuana program for changes to materials submitted to the Commission, with adjustments for different corporate structures permitted under adult use (see next slide)

Recommendation:

- Emulate requirements under medical use of marijuana program for changes to materials submitted to the Commission, with adjustments for different corporate structures permitted under adult use (see next slide)



Cannabis Control Commission

Draft Regulations Discussion

Issue: Notification and Commission Approval of Changes

Options:

- Prior to changing location(s), the ME 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 of more than ___% or employee initially subject to background check as part of the application process, such proposed new owner or employee shall be subject to background check.
- Prior to any modification, remodeling, expansion, reduction, or other physical, non-cosmetic alteration of the ME, the ME 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 ME shall notify the Commission and shall pay the appropriate fee. No such change shall be permitted until approved by the Commission.
- The ME shall keep current all information required by 935 CMR or otherwise required by the Commission. The ME 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.



Cannabis Control Commission

12.11.17 Public Meeting

Agenda

- Call to Order
- Chairman's Comments & Updates
- Discussion of Policies and Draft Regulations
- **New Business that the Chairman did not anticipate at time of posting**
- **Next Meeting date (if known)**

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Cannabis Control Commission

Next Meeting Date

11:00 AM

December 13, 2017

Hurley Building, Minihan Conference Room
19 Staniford Street
Boston, MA

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