



CANNABIS CONTROL COMMISSION PUBLIC MEETING MINUTES

March 6, 2018 10:00 a.m.

Massachusetts Gaming Commission

101 Federal Street, 12th Floor

Boston, MA

COMMISSION MEMBERS IN ATTENDANCE

Chairman Steven Hoffman
Commissioner Kay Doyle
Commissioner Jen Flanagan
Commissioner Britte McBride
Commissioner Shaleen Title

COMMISSIONER MEMBERS ABSENT: None

LIST OF DOCUMENTS:

1. [Presentation](#)
2. [Filed Regulations for the Implementation of the Adult Use of Marijuana Industry in Massachusetts](#)

Chairman Hoffman called the meeting to order at 10:01 a.m. He let the public be on record that the meeting was being recorded.

Chairman Hoffman said there is a relatively straightforward agenda today. He is not aware of any minutes that are ready to be reviewed or voted on so they will start catching up on minutes next week during their normally scheduled meeting. The primary agenda item today is to discuss and approve the final regulations, based on the policy discussions the Commission had last week. That is the only agenda item he is aware of today. The Chairman explained today and tomorrow had been scheduled to do the review and discussion of the final regulations, but they are hopeful they will finish today. The Chairman thanked both the Commission and the staff for the work that has been done over the last five days since they met three days last week to discuss and vote on policies. All of those policies that require changes to the draft regulations were done over the last five days, with input certainly from the Commission but the vast majority of work fell on the shoulders of the General Counsel and Maryalice Gill, as well as the Executive Director, so he wanted to thank them for the work they've done over the last five days to get the Commission ready to have the conversation today. it is

Chairman Hoffman said he will go through this similar to the way they went through the draft regulations in December. They will go through 935 CMR 500.000 section by section, they will operate by exception so if there are no comments, they will move on. They are going to use the document that was circulated last evening by the Executive Director to the Commission which has all of the changes to the draft regulations as of 6 p.m. last night. They will use that as a reference. Based upon conversation with General Counsel, the Commission will vote once on the full set of regulations after they finish, voting once, not on each section. The Chairman has asked the General Counsel to raise her hand if the Commission crosses the line from talking about language or technical fixes into policy. If the Commission does cross the line into policy, the Commission will have a vote on a policy change. He asked for questions or comments from the Commissioners. There were none.

Chairman Hoffman said rather than saying 935 CMR 500 every time, he is going to read in the manner of, “.001.

The Chairman moved on to .002: Definitions. Commissioner Doyle said she has a hold. She recommends deleting “immediate family member.” It did not turn out to be needed. It is never repeated. Chairman Hoffman asked for any objections. There were none. The Chairman asked for any other comments. Commissioner Title asked if they could delete the part that says, “The Commission considers cannabis to be the preferred term,” under definitions, under “cannabis.” Commissioner Title stated that she knows the Commission tried to be consistent, but she thinks the Commission also decided to not say whether one or the other was the preferred term. Chairman Hoffman asked for any objections. There were none. Chairman Hoffman asked for other comments. Commissioner Doyle said there were requests from DPH after reviewing the regulations that they should not include “medical marijuana treatment center” in the definition of “Marijuana Establishment” because it creates confusion. Chairman Hoffman asked if they make any reference to that in the regulations. Commissioner Doyle said they specifically identified certain things about medical marijuana treatment centers, such as transacting business. Chairman Hoffman asked if that requires a definition then. Commissioner Doyle said it is makes it clear that marijuana establishments, within this regulation, refer to establishments for adult use rather than the medical use. She has not been able to find any problems that could arise from it. Chairman Hoffman asked her to read the language. Commissioner Doyle agreed. She said the definition had originally in the draft regulations read, “Marijuana Establishment means a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, or any other type of licensed marijuana-related business,” and then she had added except “a medical marijuana treatment center.” Chairman Hoffman clarified if she proposed putting that back in. Commissioner Doyle said yes, because somewhere during the drafting process, it got deleted. Chairman Hoffman asked if everybody was okay with that. Executive Director Collins said a question came up yesterday related to this very definition, adding that should not be a problem if the Commission is agreeable. He asked if research facilities were included in the definition of Marijuana Establishment. Chairman Hoffman and Commissioner Doyle agreed. Commissioner Doyle noted marijuana transporter is not in the definition either. Chairman Hoffman said the Commission would put in the language about “except medical,” and add transporter and research. Executive Director Collins agreed. Chairman Hoffman asked the General Counsel if they could proceed. She agreed.

Chairman Hoffman asked for any other holds in .002 Definitions. Commissioner Title said under “Social Equity Training and Technical Assistance Fund,” she would like to make it more general to preserve their flexibility. Instead of, “for the purpose of procuring management, recruitment and employment training,” she wants to make it for the purpose of “training and technical assistance.” Chairman Hoffman agreed. He asked if the General Counsel had that. General Counsel Christine Baily agreed and said in that same definition, she wanted to understand if the Commission is clear that it is the name of the fund. It is differently referred to in the regulations. If the Commission is fine with that name, it could also be “the Social Equity Fund” if they wanted it to be shorter. Chairman Hoffman said he likes the descriptive nature of it right now. Commissioner Title said she did not have an opinion. Chairman Hoffman said to leave it as is. The General Counsel agreed.

Chairman Hoffman asked for further comments on .002 Definitions. Commissioner Title said she had one more: priority applications. It says, “Economic Priority Applicant” she wants to make it “Economic Empowerment Priority Applicant.” Chairman Hoffman said that is in there. General Counsel Baily said it now says, “Economic Empowerment Applicant,” or are they making it, “Economic Empowerment Priority Applicant.” Commissioner Title said, “Economic Empowerment Applicant” is fine. The General Counsel said she’ll make the change throughout the document. Chairman Hoffman asked for any other changes under definitions. There were none.

Chairman Hoffman introduced .005: Fees and Fines. In the section about co-ops, where there are more than six locations in the co-op, there is language about an additional fee, both application fee and license fee for indoor and outdoor. Chairman Hoffman said he thought it should be additional fee per additional location. Commissioner Doyle agreed. Chairman Hoffman said for every location above six, that fee applies per location. Commissioner Doyle said it is highlighted in green and does say locations. Chairman Hoffman commented that it was difficult to read, so he just wanted to make sure it is in there. General Counsel Baily said to be clear, it will read “total fees per its canopy, if more than six locations, and \$200 (i)/\$100 (o) per location.” General Counsel Baily said that same language would be added to the next column. Chairman Hoffman asked if they should say indoor and outdoor rather than “I” or “O.” General Counsel Baily said she can define that somewhere. Chairman Hoffman said he would defer to her judgment regarding whatever she thinks is appropriate from a definition standpoint. Commissioner Title said she has one more suggestion: instead of “total fees of its” should it be “total fees for its.” Commissioner Doyle agreed. Chairman Hoffman thanked them and asked for anything else on .005: Fees and Fines. Commissioner Title said under “registration card holder fees,” a “marijuana-related business agent,” she did not see that defined. She is unclear as to what that refers to. General Counsel Baily said other Commissioners have raised that question, whether it is a meaningful phrase. She thinks it is sometimes put in as a placeholder. If the Commission would like her to, she could look at the instances and decide as to whether to include it or not. She has another question on this section that is more substantive, whether fines could be moved lower, or further down in the regulations. Chairman Hoffman said to him that is a judgment between the General Counsel and Secretary of State. Commissioner Doyle asked about an architectural review fee. It is a significant task for staff, to go over the architectural review plans and determine whether or not it complies with the regulations on security, but she did not see a fee for it. Chairman Hoffman said he did not recall that conversation. It is up to the Commission.

Commissioner Doyle said she thought under DPH, the fee is in the neighborhood of \$1,000 or \$1,500. Originally in 2012 or 2013, it was going to be a certain percentage of the building cost. It was done in the same way as hospitals, but it was very expensive, so DPH dropped it to make it a more reasonable fee. Chairman Hoffman asked for input from Executive Director Collins and General Counsel Baily. He does not recall having this conversation. Executive Director Collins said he does not recall it, but he did find DPH's fee structure: it is \$8.25 per \$1,000 of construction costs, with a minimum fee of \$1,500. Commissioner Doyle said she did not think DPH charged anything above \$1,500. General Counsel Baily recommended to treat this is more of a policy issue. Chairman Hoffman agreed. Commissioner Doyle said if it is not needed, it is not needed, she just wanted to flag it. Chairman Hoffman thanked her and asked for comments from Commissioners about whether to address this or not. Commissioner McBride asked what the fee entailed. Commissioner Doyle said as she understands it, it is almost like a building inspector reviewing plans, they review the plans to ensure the applicant is doing it in a way that is compliant with regulations. If that is something they can already accommodate in their budget, that is fine, but she just noticed it was not there. Commissioner McBride asked if it was a requirement and is there an alternative that applicants could pursue. Commissioner Doyle said they could have a policy of waiving the fee under certain circumstances. Architectural review is required under the regulations now, so they would have to be able to comply. Chairman Hoffman clarified it would have to be whether the Commissioner covers it or the applicant covers it. Commissioner McBride said they would not be able to waive the architectural review, but it would be a matter of having to do it in a more cost-effective manner. Chairman Hoffman said the issue is whether they discuss it as a technical change or a policy change. Commissioner Title said it struck her as a policy change based on the significance of the number. Chairman Hoffman clarified if she meant they should discuss and vote on it. Commissioner Title agreed. Chairman Hoffman said it is a policy change if they decide to include it. The question is should they have that discussion and vote or leave it the way it is. Commissioner Doyle said she wants to make sure, from a budget perspective, that it is okay not to have it. Executive Director Collins said it is difficult to say at this point given they do not know the frequency with which they'll have to review architectural plans, and the sufficiency of the various license types and their license fees, whether that would be sufficient to cover their costs. It is hard to say whether not having it would be detrimental to the budget. Chairman Hoffman thinks the budget, as he is seen it, and he has not seen the final version, the budget does cover the cost of the inspection and the cost of license evaluation. In the spirit of trying to minimize, or not dramatically drudge up barriers to entry and cost of licensing, he would prefer they leave it as it is and cover the cost themselves. Like everything else, it is something they can reevaluate based on their experience, and they see what kind of applications they get and the costs they incur, but in the interest of keeping barriers low, he suggests they leave it as is. General Counsel Baily added if there is a change in building structure fee that is already in there, would they like her to broaden the language, so it at least creates an opportunity to charge for the review. Chairman Hoffman said he is proposing no, they do not charge. He asked for other thoughts. His proposal is they do not change it, leave it as is, that it is required as part of the application fee, and the Commission is not charging incrementally for the inspection, in which case they do not need to make any changes or vote. General Counsel Baily said she thinks that is fine. Chairman Hoffman asked if there are any objections. Commissioner Title said if they did not add a fee, when would be the next opportunity to do that. General Counsel Baily said there will be opportunities in the next year to revise the regulations, so the Commission can decide at any time, as long as there is a proper

process, but she foresees opportunities before the end of the year. Commissioner Title said then she suggests they leave it as is and come back to it when they have more data on the costs. Chairman Hoffman asked for General Counsel Baily's additional comments on the fees. General Counsel Baily said some Commissioners had raised questions in regard to certain license types and inspection fees, so they might get to those as they move down to definitions of license types, but she just wanted to bring it to people's attention if they wanted to discuss it in this context. Chairman Hoffman said why do not they just make sure they get to it when they get to that section, that those issues are raised. He asked for further comments on .005. There were none.

Chairman Hoffman moved on to .030: Registration of Marijuana Establishment Agents. Commissioner McBride said she wanted to direct a question to Executive Director Collins and General Counsel Baily. She flagged they have not included in the draft regulations the registration of laboratory agents. She would propose inserting it before this section as .029. They adopted the regulation on January 23 as an addition. She would proceed with conversation about that. The reason for inserting at .029 would be take advantage of the next couple of sections that have to do with registration and also revocation or denial, in the event of denial, to also include laboratory agents in that. General Counsel said she does not have any concerns with that. Chairman Hoffman asked for any comments. He asked if this is a policy or because it is language they voted on and approved. General Counsel Baily said in the interest of being on the safe side, she would recommend a vote. Chairman Hoffman asked to Commissioner McBride to read the language. Commissioner McBride read, "935 CMR 500.029: Registration and Conduct of Laboratory Agents. The Commission shall issue a Laboratory Agent registration card to each applicant associated as an employee or volunteer with an Independent Testing Laboratory licensed pursuant to 935 CMR 500.050, that is a cite they need to fix, who is determined to be suitable for registration. All such individuals shall: (a) Be 21 years of age or older; (b) Have not been convicted of any felony drug offense in the Commonwealth or a like violation of the laws of another state, the United States, or a military, territorial or Native American tribal authority; (c) Have not been convicted of any offense involving the distribution of controlled substances to a minor or a like violation of the laws of another state, the United States or a military, territorial, or Native American tribal authority; and (d) Be determined to be suitable for registration consistent the provisions of 935 CMR 500.803(2). (2) An application for registration of a Laboratory Agent submitted to the Commission by an Independent Testing Laboratory shall include: (a) The full name, date of birth, and address of the individual; (b) All aliases used previously or currently in use by the individual, including maiden name, if any; (c) A copy of the applicant's driver's license, government-issued identification card, liquor purchase identification card issued pursuant to M.G.L. c. 138 § 34B, or other verifiable identity document acceptable to the Commission; (d) An attestation signed by the applicant that the applicant will not engage in the diversion of marijuana; (e) Written acknowledgment signed by the applicant of any limitations on his or her authorization to possess, test or transport marijuana in the Commonwealth; (f) Authorization to obtain a full set of fingerprints, in accordance with M.G.L. c. 94G, § 21, submitted in a form and manner as determined by the Commission; (g) Background information, including, as applicable: a description and the relevant dates of any criminal action under the laws of the Commonwealth, or another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts; 2. a description and the relevant dates of any civil or

administrative action under the laws of the Commonwealth, another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority relating to any professional or occupational or fraudulent practices; 3. a description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction; 4. a description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or a like action or complaint by another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority with regard to any professional license or registration held by the applicant; 5. a nonrefundable application fee paid by the Marijuana Establishment with which the marijuana establishment agent will be associated; and 6. any other information required by the Commission. (3) An Independent Testing Laboratory executive registered with the Massachusetts Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04(2) shall submit to the Commission a Criminal Offender Record Information report and any other background check information required by the Commission for each individual for whom the Independent Testing Laboratory seeks a laboratory agent registration, obtained within 30 days prior to submission. (4) The Commission shall conduct fingerprint-based checks of state and national criminal history databases, as authorized by Public Law 92-544, to determine the suitability of Laboratory Agents. The Independent Testing Laboratory shall pay a non-refundable fee to the Commission for the purpose of administering the fingerprint-based background check. (5) An Independent Testing Laboratory shall notify the Commission no more than one business day after a laboratory agent ceases to be associated with the Independent Testing Laboratory. The laboratory agent's registration shall be immediately void when the agent is no longer associated with the Independent Testing Laboratory. (6) A registration card shall be valid for one year from the date of issue, and may be renewed on an annual basis upon a determination by the Commission that the applicant for renewal continues to be suitable for registration based upon satisfaction of the requirements included in 935 CMR 500.803. (7) After obtaining a registration card for a laboratory agent, an Independent Testing Laboratory is responsible for notifying the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within five business days of any changes to the information that the Independent Testing Laboratory was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen. (8) A laboratory agent shall carry the registration card associated with the appropriate Independent Testing Laboratory at all times while in possession of marijuana products, including at all times while at an Independent Testing Laboratory or while transporting marijuana products. (9) A laboratory agent affiliated with multiple Independent Testing Laboratories shall be registered as a laboratory agent by each Independent Testing Laboratory and shall be issued a registration card for each lab. (10) Laboratory agents are strictly prohibited from receiving direct or indirect financial compensation from any Marijuana Establishment for which the laboratory agent is conducting testing, other than reasonable contract fees paid for conducting the testing in the due course of work, and finally, (11) Laboratory agents shall not be employed by other types of Marijuana Establishments while employed as a laboratory agent at one or more Independent Testing Laboratories." Chairman Hoffman said from his recollection, and for his edification, this was discussed previously. Commissioner McBride agreed, on January 23. Chairman Hoffman asked General Counsel Baily if they need to take a vote again. The General Counsel said in an abundance of caution, she would take the vote, not because there is anything in this, but asked

the Commission if she could, after the vote today, to draft a document making appropriate corrections to capitalizations, citation, that sort of thing. Chairman Hoffman agreed. He asked for a motion to approve the motion with the language read by Commissioner McBride. Commissioner Doyle made the motion, seconded by Commissioner Flanagan. It was approved unanimously by the Commission. Chairman Hoffman said that is .029.

Chairman Hoffman moved back into .030. He asked for further comments. There were none.

Chairman Hoffman moved onto to .031: Denial of a Registration Card. Commissioner McBride said she had non-substantive technical fixes given what they just put into the record, including laboratory agents in this section. She would include after the term “Marijuana Establishment Agent” in the first paragraph, the following, including “Laboratory Agents,” and then in subsection (1) “Failure to provide the information required in 935 CMR 500.029” and section (3), the same, “Failure to provide the information required in 935 CMR 500.029.” Chairman Hoffman asked if there were any issues with that. There were none. He asked for anything else in .031. Commissioner Title said under subsection (6), she hopes this is just a change based on the conversation they already had, and it is mostly a question for Commissioner McBride, under (6) where it says, “other grounds...directly related to the applicant’s registration as a marijuana establishment agent,” can they change that to, “that are directly related to the applicant’s ability to serve.” Chairman Hoffman asked the General Counsel if she that. General Counsel Baily said she needed a minute. Commissioner Title repeated the change to the General Counsel. Chairman Hoffman said okay. He asked for anything else in .031. There was not anything.

Chairman Hoffman moved on to .032: Revocation of a Marijuana Establishment Agent Registration Card. Commissioner McBride has a suggested change about including what Commissioner Title just phrased in subsection (2). Chairman Hoffman checked with the General Counsel to make sure she had it. He asked for anything else for .032. There was not.

Chairman Hoffman moved on to .033: Void Registration Cards and .040: Leadership Rating Program for Marijuana Establishments and Marijuana-related Businesses. There were no changes.

The Chairman reviewed .050: Marijuana Establishments. Commissioner Doyle said in subsection (1)(c)(2) Craft Marijuana Cooperatives, there was language inserted about the limit 100,000 square feet for the craft marijuana cooperative, but the reason those square footage issues are referencing marijuana cultivator, is to distinguish between different classes of license, that for craft marijuana cooperative is not distinguishing the class of license, so she actually recommends it be moved down to the general description in subsection (3) of what a craft marijuana cooperative is and the limits on its operation and put that 100,000 in the same paragraph that she also has edits to. Chairman Hoffman said let’s wait. He clarified right now she is saying just to move the paragraph and they can work on that entire paragraph when they get to it. Personally, he thinks what she is suggesting makes sense. He asked for anything else. Commissioner Doyle asked for clarification on section (2). Under tier relegation, she had originally proposed 70% and she does not remember much in the way of substantive conversation, but she thinks the way they took the vote may have been for 85%. Chairman Hoffman asked Executive Director Collins for a record of the conversation. Executive Director Collins said no, but he could certainly pull it up.

He does not recall 70% though. Chairman Hoffman said he does not either. He asked how long it would take to pull up the conversation. He said they could skip the section until Executive Director Collins could get a record of the discussion. Commissioner Doyle agreed. Chairman Hoffman asked for anything else on Section (2) Marijuana Cultivators before they move onto Section (3) Craft Marijuana Cooperatives. Chairman Hoffman asked, if the things they were removing for Section (1), where should it go. Commissioner Doyle said subsection (3)(D). She would like to change that section to be more consistent with their vote that Subsection (3)(B), so it reads the cooperative is limited to one license under which it may cultivate marijuana, subject to the limitations under 935 CMR 500.050(2)(b). They may need to put in another citation in there referencing the issue that if they have more than six licenses, they need to pay more money, and conduct activities authorized for Marijuana Product Manufacturers at up to three locations, in other words that six locations has been eliminated, the Commission is allowed to cultivate marijuana, and she would add to that, the Craft Marijuana Cooperative is limited to 100,000 square feet of total canopy, which is taking language from that previous section she mentioned, and putting it down here. Chairman Hoffman clarified that she is taking out the six-location max because they had eliminated that and adding the 100,000 square foot. Commissioner McBride said in her review of this, noted the same issue and she drafted some language she thinks might fit in nicely in the sentence. So, after 935 CMR 500.050(2)(b) insert a sentence, "A cooperative is not limited in the number of locations it may operate, provided that for each location over six locations, additional licenses shall apply." Chairman Hoffman suggested, "application and licensing fees." Commissioner McBride said okay and said, "pursuant to 935 CMR 500.050." Commissioner Doyle suggested in terms of locations to operate, the Commission needs to clarify that it is talking about cultivation. Chairman Hoffman repeated the changes to what Commissioner McBride proposed, to say both application and licensing fee, and the change by Commissioner Doyle to read cultivation. Commissioner Doyle clarified that the addition is limited to three locations for Marijuana Product Manufacturer. Chairman Hoffman asked for counsel's opinion. General Counsel Baily said that is fine, it does not sound like there is a policy change in there, it is just a clarification. Chairman Hoffman agreed. Commissioner Title said she apologizes if she missed this earlier, but if the co-op is adding an additional location, they must pay an application fee as well. Chairman Hoffman said yes, per additional location. The logic is there are inspection requirements with each additional location. Commissioner Title said thought that in relation to the licensing fee, they pay an application fee, and then they do not go through an application process, the co-op informs the Commission that it is adding another location. Chairman Hoffman said he does not know he agrees with that. Commissioner Doyle said she thinks, the way she was thinking about it, if you get a cooperative filing an application with the Commission, they are going to have to provide them the additional information for each location, the property interest, the fact they have a Host Community Agreement with the particular community, there are going to be, assuming they have more than six locations at the outset, there still is an additional application per location. Chairman Hoffman called it a processing expense. Commissioner Doyle agreed. She thinks there is something that justifies that there is going to be an additional expense associated. Chairman Hoffman said he agrees with Commissioner Doyle but if he remembers correctly, it is \$200 and \$100; \$200 for indoor, \$100 for outdoor, that is the incremental application fee for each additional location over six. Commissioner Title said okay. Chairman Hoffman said then, there are no policy changes.

Chairman Hoffman asked for any other comments on .050. Commissioner Title said she had another comment on (3)(d), “The Craft Marijuana Cooperative must be organized to operate consistently with the Seven Cooperative Principles,” she suggests they change that to “must operate consistently” instead of “must be organized to.” Commissioner Doyle said she agrees with that and had written the “must be organized to” language originally. She made that same edit this morning and forgot to say it, so thank you for correcting that. Chairman Hoffman asked for anything else. Executive Director Collins said with respect to last week and relegation, there were three votes: one to cap the square footage at 100,000 square feet; a second vote was for relegation 85% of product sold, if not the tier is reduced and some discussion around that was about relegation kind of generally, therefore he brought up the vote, a new applicant may apply for any tier with evaluation of the first year for the purposes of relegation. So, the discussion really kind of revolved around where an applicant could enter, versus when it could be relegated. He has no reference to 70%. Chairman Hoffman agreed he did not have that recall. Commissioner Doyle said she knows she originally proposed 70% because that is what her notes say, but she agrees that the vote was 85%, but she does not think it should be. She does not think there was a substantive conversation about why it was 85%. Chairman Hoffman said the Commission is okay with changes, they just have to make sure if they are policy changes, that they vote and approve them, but if she think it is an important issue, please put it on the table. Commissioner Doyle said she did. If you have an 85% relegation level, she thinks that may end up being too high and incentivize people to dramatically drop price or do other things like that to get rid of their product, so they can meet that 85% threshold. She thinks that is putting too much pressure on a Marijuana Establishment to meet that 85% such that they would be incentivized to do things the Commission does not necessarily want them to do. Colorado has a 70% relegation, which is an easier standard to meet so people do not get reduced in size when they do not want to be. That is why 70% is what she thinks they should do, as Colorado is obviously a more experienced state and if Colorado thought it should be bumped up to 85, she thinks it would have done it by now. Chairman Hoffman asked for other comments. Commissioner Flanagan said she was fine with that. General Counsel Baily said she would vote on that. Chairman Hoffman asked for a vote on changing from 85% to 70% with respect to the relegation rules. Commissioner Flanagan made the motion, seconded by Commissioner Doyle. The motion was approved unanimously by the Commission.

Chairman Hoffman asked for anything else on .050. Executive Director Collins suggested discussing seed-to-sale tracking system regarding a craft cooperative, which is considered one license, so long as they identify a system administrator, otherwise the Commission is going to have to pay for an individual program for each. Chairman Hoffman thought it was worth inserting. Chairman Hoffman asked the general counsel if this was a policy or a technical correction. Everything the Commission have talked about for coops, it has been as one license. Commissioner McBride stated that the Commission had talked about refining the license limitation, and adding some language into the record at that point in time, is this something the Commission need to discuss? The issue was clarifying language about control of more than 3 licenses. General Counsel Baily stated that if you did not vote on it, then you need to vote on it. Commissioner McBride cited 500.050 subsection E, regarding its language that no entity shall control the decision making for more than 3 licenses, for each class of license. Chairman Hoffman asked for a motion to approve. Commissioner Doyle wanted to make sure that the Commission recognize craft marijuana cooperatives are limited to one license,

wondering if someone who is a member of a craft marijuana cooperative could not have controlling interest in another marijuana establishment. Chairman Hoffman suggested the Commission separate the two issues. Commissioner Title asked about the Commission receiving notice as part of the application, what if someone who comes in after the application process. Commissioner Doyle stated it is addressed in the change section. Commissioner Title suggested making the language broader, for anytime there is a change in this part of the application. Commissioner McBride restated 500.050 subsection E proposed language. Chairman Hoffman asked for a motion to approve the language. Commissioner McBride made the motion to approve, seconded by Commissioner Doyle. The motion is approved unanimously by the Commission.

Commissioner Doyle asked about marijuana craft coops having a license and being a part of another marijuana establishment. General Counsel Baily stated it does not sound like it was discussed before. Commissioner Doyle stated craft marijuana coops are limited to one license, what is not expressed is making sure its members are not involved with other marijuana establishments at the ownership level. Chairman Hoffman asked if it was limited to controlling interest, Commissioner Doyle said yes. Commissioner Doyle read back the proposed language limiting the controlling interest of those with a marijuana coop license, in section 3 describing the craft coops. Chairman Hoffman asked for a motion to approve. Commissioner Title made the motion to approve, seconded by Commissioner Flanagan. The motion was approved unanimously. Commissioner Title noted that the Commission limited delivery for micro businesses, so under 9A, add tier 1 marijuana cultivator or equivalent product manufacturer. Chairman Hoffman asked for the reason behind the proposed change. Commissioner Title wanted small cultivator or manufacturer to have access to the fee benefits put in place. General Counsel Baily asked to clarify that this is limited to just to tier 1, not tier 2. Mr. Collins suggested making sure the small business is not a cheaper version of the manufacturing license. Commissioner Title suggested 2000lbs of marijuana per year but needed a minute to research. Chairman Hoffman stated the Commission would take a recess.

At 11:15 am, Chairman Hoffman resumed the meeting and stated that the issue before the Commission is limitations placed upon purchases of micro business. Commissioner Title read her proposal limiting the purchase limits on a micro business license. Commissioner Doyle made the motion to approve, seconded by Commissioner Flanagan. The motion is approved unanimously.

Chairman Hoffman asked about .101 application requirements. Commissioner McBride stated in the RMD applicants, reflecting the language in part B in application intent packet, inserting the same language that is in the general application, on the disclosure. Commissioner McBride noted the Commission took a vote to remove the requirement of certification from the municipality, in number 500.101 (2)(7) wanted to make sure the vote reflected there comes out. General Counsel Baily said she will take it out. Commissioner Title asked to change "operate to," Chairman Hoffman agreed.

Chairman Hoffman asked about .102. No additional comments. Commissioner McBride asked about .103, letter D seeking a language change at the time of removal. Chairman Hoffman asked if this was a policy change. General Counsel Baily said no. Chairman Hoffman asked about .104, application of approval of changes. Commissioner Title suggested the Commission change the requirements regarding change in ownership to change in control, and then the Commission reference the new language that the Commission just added about control. Commissioner Doyle asked about the change of ownership or control. General Counsel Baily said no vote was necessary. Chairman Hoffman moved on to .105 general operations requirements for marijuana establishments. Commissioner Doyle wanted to make sure everyone saw the green language in 16, indicating all vehicles in transportation equipment require adequate temperature control. The statute does contain some stricter provisions. Chairman Hoffman noted the Commission discussed this earlier. Commissioner Title asked about the 3 requirements for handling marijuana, wanted to change the language to generally free of seeds and stems. Chairman Hoffman noted the Commission discussed that last week.

Chairman Hoffman asked Mr. Collins to introduce the topic of warning labels. Mr. Collins noted there is a statutory requirement that packages contain two symbols, one that the product contains marijuana, and the other that it is harmful to children. Chairman Hoffman asked if the Commission needed a vote on this. General Counsel Baily stated it was not necessary. Chairman Hoffman stated he was willing to defer to the Exec. Director. Commissioner Title stated she preferred the marijuana leaf label. Chairman Hoffman agreed. Commissioner Flanagan had a preference to the red design. Commissioner Doyle agreed with the marijuana leaf, thought the Commission should think about the language in the marketing restrictions limiting use of a leaf, even though it is for a different purpose. Commissioner Flanagan asked that regulatory language be used so that only the leaf may be used here. Chairman Hoffman asked for a motion to approve the number 2 red design leaf. Commissioner Doyle made the motion to approve, seconded by Commissioner Title. The motion is unanimously approved. Mr. Collins noted this design will be shared with the licensee. Commissioner Title stated in section 5, the Commission add a label to the seeds, that includes a statement this product has not been tested. General Counsel Baily has no objections. Mr. Collins stated related to the seed question, said the Commission could put this in potential guidance, so its properly tracked.

Chairman Hoffman opened discussion on .110 security requirements for marijuana establishments. No comments from the commissioners. Next, Chairman Hoffman turned to .120 additional requirements for indoor and outdoor cultivators. Commissioner Doyle wanted to check that this shows up on subsection 2. On subsection 8, its US Dept. of Agriculture. Change title of plant nutrient requirement regulation. General Counsel Baily will change that, and any other citations will be checked for accuracy. Next Chairman Hoffman turned to .130 additional requirements for marijuana manufacturers. No comments from the commissioners. Chairman Hoffman turned to .140 additional requirements for retail sale. Commissioner Title suggested under 500.140(9) testing, adding unless otherwise accepted in these regulations.

Chairman Hoffman asked if everyone is comfortable with patient supply. Commissioner Doyle thanked Commissioners McBride and Title for their hard work on this. Chairman Hoffman turned to .150 edible marijuana products. No comments from the commissioners. Chairman

Hoffman turned to .160. Commissioner McBride wanted to add language that clones are tested but exempt from metals testing. Chairman Hoffman turned to .170, no comments from the other commissioners. Chairman Hoffman turned to .220, county of Dukes and Nantucket. Commissioner Doyle commented that even though the language looked unusual, the change had been requested by the legislative delegation. Commissioner Doyle requested change from counties, to island counties. General Counsel Baily stated she will make that change in the interest of clarity.

Chairman Hoffman turned to .300 section of compliance. No comments from the commissioners. Chairman Hoffman turned to .301 secret shopper program. Mr. Collins noted there was a discussion about expressly authorizing underage, might be worth adding. General Counsel Baily stated the language is already there. Chairman Hoffman reviewed .302, .310, .320, .330, .340, .350, .400, .415, .450, .500, .650, .700, .750, .800, .801, .802, .803, .900. The commissioners had no additional comments. Chairman Hoffman asked General Counsel Baily about the energy standards discussion, and where it ended up in the regulations. General Counsel Baily stated .504, which is the leadership. Mr. Collins noted .120. Chairman Hoffman wanted to extend the grace period from 12 months to 18 months for the canopy. Chairman Hoffman noted the Commission have received a lot of feedback, who are concerned about the time and cost involved. The feedback the Commission have gotten is contradictory, it is an issue for the environmental working group to resolve. Commissioner Doyle said her only concern was the lack of information on whether it will jeopardize with the Commonwealth's 2020 deadline. Commissioner Flanagan had the same concern, balancing the needs of the industry with the needs of the Commonwealth and would seek a recommendation from the Office of Environmental Affairs. Commissioner McBride stated she does not have the level of technical expertise, had some concerns on both sides of it. Commissioner Doyle said that the Commission can keep the 12 months from now and include 18-month proposal in front of the working group, to see if it would interfere with the 2020 mark. If they are amenable to it, the Commission could extend the deadline when the Commission reopen the regulations. Chairman Hoffman is concerned that people need to make decisions now, not sure when the Commission are reopening the regulations. Commissioner Flanagan said the Commission can make a commitment to look at them again. Commissioner Title said the purpose of the 12 months to get the existing operators to get into compliance, unaware that the process would take 18 months. Chairman Hoffman said he does not feel he has the subject matter expertise to know but have heard the regulations will not have the desired effects in terms of energy. Chairman Hoffman would like to extend the grace period from 12 to 18 months, with the idea to revisit the topic after a recommendation from the working group. Commissioner Title wanted to know what the grace period was. General Counsel Baily said the Commission haven't been able to find it in the specific language. Mr. Collins said that existing operators would have the grace period. Commissioner Doyle said the Commission discussed what an existing operator was. Commissioner Title said it was for existing cultivators to get ready for the change. Chairman Hoffman asked for a motion that the Commission extend the grace period for existing operators from 12 to 18 months. Commissioner Title made a motion to approve, seconded by Commissioner Doyle. The Commissioner voted 4 Nays, 1 Aye. Commissioners Title, McBride, Flanagan and Doyle against, Chairman Hoffman in favor. The second proposal is Commissioner Doyle's to revisiting the issue when the Commission reopen the regulations, after the working group reviews. Commissioner Flanagan made the motion to approve,

seconded by Commissioner Doyle. The motion is unanimously approved by the Commission. General Counsel Baily and Mr. Collins noted they do not see any issues left to discuss. Mr. Collins noted approval of the regulations is subjected to correcting and clarifying. Chairman Hoffman asked for a motion to approve the regulations. Commissioner Doyle made the motion to approve, seconded by Commissioner Flanagan. The motion is unanimously approved by the Commission.

Chairman Hoffman thanked the staff for all their hard work. He also thanked the hard work of the Commissioners, and the diversity of their backgrounds. Commissioner Title said she thanked the Chairman for facilitating the discussion. Chairman Hoffman noted the next public meeting will be March 13, 2018. With no further business before the Commission, Chairman Hoffman adjourned the meeting.