



CANNABIS CONTROL COMMISSION

PUBLIC MEETING MINUTES

August 9, 2018 1 p.m.
Massachusetts Gaming Commission
101 Federal St 12th Floor
Boston, MA

COMMISSION MEMBERS IN ATTENDANCE:

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

COMMISSION MEMBERS ABSENT: None

LIST OF DOCUMENTS

1. [Presentation](#)
2. [Meeting Minutes | 04/18/18](#)
3. [Meeting Minutes | 07/26/18](#)
4. [Guidance on Marijuana Establishment Agent Registration](#)
5. [Executive Summary – Pharmacannis Massachusetts, Inc. – \(MRN281252\)](#)
6. [Executive Summary – M3 Ventures, Inc. – \(MCN281446\)](#)
7. [Executive Summary – M3 Ventures, Inc. \(MPN281346\)](#)
8. [Executive Summary – I.N.S.A., Inc. – \(MRN281680\)](#)
9. [Executive Summary – I.N.S.A., Inc. – \(MCN281268\)](#)
10. [Executive Summary – I.N.S.A., Inc. – \(MPN281426\)](#)
11. [Executive Summary – M3 Ventures, Inc. – \(MRN281290\)](#)
12. [Guidance on Host Community Agreements](#)
13. [Guidance for Farmers](#)
14. [DRAFT – Guidance on Local Equity](#)

Chairman Hoffman called the Cannabis Control Commission to order at 1:02pm on August 9, 2018. Chairman Hoffman put the public on notice that the meeting is being recorded. Chairman Hoffman reviewed the meeting agenda.

Chairman Hoffman discussed the approval of meeting minutes from April 18, 2018. Commissioner Doyle made the motion to approve, seconded by Commissioner Flanagan. The Commission unanimously approved the minutes. Next, Chairman Hoffman turned to the minutes from July 26, 2018. Commissioner McBride read her edits regarding the costs associated with the host community agreement (page 2). Commissioner Title read her edits regarding the positive impact plan (page 7). Commissioner Doyle made the motion to approve as amended by Commissioner McBride and Title, seconded by Commissioner Flanagan. The motion is unanimously approved by the Commission.

Next, Chairman Hoffman turned to the executive director's report. Executive Director Shawn Collins introduced Patrick Beyea, Director of Investigations and discussed his professional background.

Next, Mr. Collins discussed licensing applications (slide 5). Mr. Collins discussed applications under review by category (slide 6). Mr. Collins discussed the status of the applications (slide 7). Commissioner Title asked if Mr. Collins could give an update on lab applications. Mr. Collins noted there are two applications deemed complete. Mr. Collins discussed the map of applications (slide 8).

Chairman Hoffman turned to the Guidance for Farmers. Commissioner Doyle thanked the staff for their hard work. The guidance is a summary of the regulations and frequently asked questions. Commissioner McBride noted there had been some questions raised by town managers, directly related to this guidance, so it is very timely. Commissioner Title thanked Commissioner Doyle for her hard work, and suggested that for the alternative security provision, a separate waiver form should be created, similar to the waiver form created for agent registration background checks. Commissioner Doyle agreed with the suggestion. Chairman Hoffman asked for a motion to approve, subject to editing for clerical errors. Commissioner Doyle made a motion to approve, seconded by Commissioner Flanagan. The motion is unanimously approved by the Commission.

Next, Mr. Collins discussed the guidance on Marijuana Establishment Agent Registration. The guidance lays out the requirements and process. Commissioner McBride made the motion to approve the guidance, seconded by Commissioner Doyle. The motion is unanimously approved by the Commission.

Chairman Hoffman turned to the public awareness campaign. Commissioner Flanagan thanked the Commission staff, DPH, and the Governor's office for helping with the campaign. Commissioner Flanagan said that it is important to have a public awareness campaign because many people do not know about the law. Cedric Sinclair, the Director of Communications, discussed the public awareness campaign phase one. Mr. Sinclair discussed the research collected for the campaign. Mr. Sinclair discussed the key messages of the campaign. Mr. Sinclair discussed the media plan.

Commissioner Title thanked everyone who worked on this. Commissioner Flanagan spoke about the funding for the campaign. Commissioner McBride thanked Commissioner Flanagan for her hard work, and asked if a component of the campaign would be focused on school

personnel. Commissioner Flanagan noted for now it is about youth prevention, but in the future teachers and school nurses could be included. Commissioner McBride thought we should do outreach to school committees and superintendents to make them aware of the resources available. Commissioner Flanagan noted many school personnel are looking for information.

Chairman Hoffman turned to the guidance on community host agreements. Commissioner McBride discussed the public comments the Commission received on the guidance. Commissioner McBride discussed edits, giving clarity based on public requests and case law. Commissioner McBride noted this is a legal intensive document and there are components of this that may require additional review.

Chairman Hoffman adjourned the Commission for a 10-minute recess, due to a printing error. Chairman Hoffman called the Cannabis Control Commission back to order. Commissioner McBride said the hope is to set some bumpers, so that host community agreements can proceed. At the end of the day, these are contract negotiations between two parties. Commissioner McBride discussed her edits to the guidance. Commissioner Doyle noted that some frustration arises from parties who do not know about the costs at the municipal level, such as filing a special permit. Is the Commission clarifying that this is separate and apart from the community impact fee? Commissioner McBride said she does not view the requirements of G.L. c. 94G, § 3(d) extinguishing the other lawful permit/contract processes. Applicants need to be in compliance with other laws, but it must be reasonable. Commissioner Title supported all the edits. Commissioner Title thought it made sense not to include the special permit fee as part of the 3%, assuming that the community impact fee is truly a list of related costs, rather than a 3% fee without documented costs. Commissioner Title suggested the edit to include language from the law. Chairman Hoffman asked if a municipality hiring an expert to negotiate the HCA should be included in the 3%. Commissioner Doyle noted that is consistent with other permits. This is especially true for small towns in western Mass. and also may help the town stay engaged in the process. Chairman Hoffman noted small entrepreneurs do not have the resources to cover the cost of the municipality. Commissioner Doyle said she agreed, and asked municipalities to be flexible for businesses of all sizes. Commissioner McBride noted that special accounts for outside consultants is included in G.L. c.44 s.53. Commissioner Doyle noted attorneys with experience with municipal processes would be helpful for the Social Equity RFQ and noted that the deadline for submitting a response closes on 9/7.

Chairman Hoffman asked about flat fees and some reconciliation if the numbers do not match up. Commissioner McBride noted she was not sure if it was appropriate to suggest language related to the flat fee. It is possible to have a claw back provision, but not sure. Chairman Hoffman noted that if there were a mis-forecast, it could be in excess of 3%. Commissioner Title did not think it would be necessary to suggest language, as the contracting parties could come up with the language. Commissioner Title thought the Commission should reevaluate its previous decision based on what we know is happening today with the Host Community Agreements. Commissioner Title said she believes the vast majority of municipalities are acting in good faith; however there are some that are going beyond the law as laid out in the guidance. Commissioner Title distributed and made a motion that required applicants to submit signed host

agreements, to ensure compliance with M. G. L. Ch. 94G, for the issuance of a final license. Commissioner Title said the scope of review would be limited to section 3D. Commissioner Title cited the statutory authority and said she would defer to the staff in terms of building out the process. Commissioner Doyle said her main concern is that we are not specifying a process, and concerned that this will hurt the applicant more than anything. Commissioner Doyle said this is the start of fall town meeting season, and there is a concern that if we make this more complicated, we may deter communities from allowing adult use.

Commissioner Title said denying applications is what the Commission has the authority to do. It is necessary to have an HCA that is in compliance with the law. Commissioner Title noted that the timing is important now, because the Commission has not issued a final license and thus we can treat all current and future applicants consistently. Commissioner McBride said she is worried about hurting applicants, denial of the license hurts the applicant, but is also concerned about the Commission being sued for an administrative action. Commissioner McBride said she was concerned about adding an additional bureaucratic process, when the process currently is regarded as slow. Commissioner McBride also wonders where our authority to review host community agreements, based on the statute as it is currently written. Chairman Hoffman said he is concerned about the applicants, and based on advice from legal counsel our authority is only to reject a license. Chairman Hoffman would like to encourage the submission of the HCAs in order to get a better sense of what's going on. Chairman Hoffman would like to get more data, but also shining a light on these agreements may encourage people to change their behavior. Commissioner Title said she believes the information and evidence is already out there and that a light is already being shone.

Commissioner Doyle noted the municipal survey should be returned at the end of August. Commissioner McBride said inspectors could review the HCAs on site. Commissioner Title said that on the issue of penalizing the applicants, this is one of many areas of the law the applicant has to be in compliance with. No one is suggesting that the Commission interfere with the contract negotiating process but are making sure there is a lawful HCA. Commissioner Flanagan said she was concerned about the Commission's legal authority to do this. Commissioner Flanagan noted there has been some tension with cities and towns regarding this issue.

Chairman Hoffman said he would not look at the numbers of the agreement, but that there is a justification and what are the incremental costs. Commissioner McBride noted numbers might not be included in the HCA. Chairman Hoffman was unsure why the Commission could not ask for the numbers. Commissioner McBride said she is not sure if the Commission can, there is no ability to say to a municipality this does not work. Commissioner Flanagan asked if the two-week comment period was a request to collect data. Chairman Hoffman said he is looking for the contracts. Commissioner McBride said illuminating the contracts would be helpful. The Commission has limited authority, what is the Commission doing with this information. Chairman Hoffman said the Commission could go to the legislature to modify the statute, or change our regulations. Commissioner McBride asked what is the standard of review and setting expectations for applicants. Commissioner Title said the Commission is not trying to deny applicants, but setting a standard that is in compliance with the law. Chairman Hoffman would

like to work with the staff in setting a process. Commissioner Doyle noted the next meeting will be August 23, 2018, not all of the municipal survey responses will be back. Chairman Hoffman wanted to get this resolved before the issuance of a final license. Mr. Collins asked at what stage would staff be inspecting the HCA. Chairman Hoffman said during the inspection process. Commissioner McBride thought that was correct, and defer to the licensing staff to determine what that process would look like. Commissioner Title said the Commission is looking for documentation of cost. Commissioner Doyle said in the statutory language, the community impact fee is only one of the possible monetary transfers between the establishment and the municipality.

Chairman Hoffman asked if Commissioner McBride is comfortable with the document as it is. Commissioner McBride said she is happy to move forward, subject to the edits. Commissioner Flanagan made the motion to approve, seconded by Commissioner Title.

Chairman Hoffman turned to the equity focused municipal guidance. Commissioner Title withdrew her earlier motion. Commissioner Title discussed the proposed edits to the guidance. Commissioner Doyle asked if we could list the studies and include a string cite. Commissioner Title said that could be done. Commissioner Flanagan is concerned about including studies in our guidance. Commissioner Title said the Commission has a research agenda and should be able to include a summary of current research findings in its guidance. Commissioner McBride suggested including research as a resource for municipalities and updating them as necessary. Commissioner McBride wanted studies that are most relevant to our state and economy. Commissioner McBride suggested changing the word discourage to encourage to carefully consider whether necessary. Chairman Hoffman noted the edits, on language and future studies, and string cites. Commissioner Doyle made a motion to approve the guidance subject to the edits, seconded by Commissioner McBride. The motion is approved with Commissioners Doyle, Title, Hoffman and McBride voting in favor, Commissioner Flanagan voting nay. The motion is approved 4 in favor, 1 against.

Chairman Hoffman recessed the Commission for ten minutes. Chairman Hoffman called the Commission back to order. Chairman Hoffman turned to the license applications. Mr. Collins discussed Pharmacannis Massachusetts Inc. #MRN281252 retail license application. Commission staff recommend issuing a provisional license with the following conditions: (1) Final license is subject to the required individuals successfully completing a fingerprint-based check of state and national criminal history databases; (2) Final license is subject to certification that applicant remains in compliance with DPH regulations, 105 CMR 725.000; (3) Final license is subject to inspection and audit to ascertain compliance with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160 as applicable; (4) Final license is subject to inspection and audit to ascertain that its facilities are compliant with all applicable state and local codes, bylaws, ordinances, and regulations; (5) The applicant shall cooperate with and provide information to Commission investigators, agents, and employees upon request; (6) Provisional license subject to the payment of the appropriate license fee pursuant to 935 CMR 500.005. This recommendation was based on the applicant's demonstrated compliance with the laws and regulations of the Commonwealth, suitability for licensure, and upon the evaluation of the

thoroughness of the applicant's responses to the required criteria. Commission staff certify that a due diligence review of the application was performed. As of this date, the applicant has demonstrated compliance with the laws and regulations of the Commonwealth and suitability for licensure. Accordingly, the applicant is recommended for provisional licensure with the previously mentioned conditions.

Commissioner Doyle made a motion to approve the staff recommendation for the issuance of a provisional license, seconded by Commissioner McBride. The motion is unanimously approved by the Commission.

Mr. Collins discussed M3 Ventures Inc #MCN281446 Tier 2/Indoor cultivation license application. Commission staff recommend issuing a provisional license with the following conditions: (1) Final license is subject to certification that applicant remains in compliance with DPH regulations, 105 CMR 725.000; (2) Final license is subject to inspection and audit to ascertain compliance with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160 as applicable; (3) Final license is subject to inspection and audit to ascertain that its facilities are compliant with all applicable state and local codes, bylaws, ordinances, and regulations; (4) The applicant shall cooperate with and provide information to Commission investigators, agents, and employees upon request; (5) Provisional license subject to the payment of the appropriate license fee pursuant to 935 CMR 500.005. This recommendation was based on the applicant's demonstrated compliance with the laws and regulations of the Commonwealth, suitability for licensure, and upon the evaluation of the thoroughness of the applicant's responses to the required criteria. Commission staff certify that a due diligence review of the application was performed. As of this date, the applicant has demonstrated compliance with the laws and regulations of the Commonwealth and suitability for licensure. Accordingly, the applicant is recommended for provisional licensure with the previously mentioned conditions.

Commissioner Flanagan made a motion to approve the staff recommendation for the issuance of a provisional license, seconded by Commissioner Doyle. The motion is unanimously approved by the Commission.

Mr. Collins discussed M3 Ventures Inc #MRN281290 retail license application. Commission staff recommend issuing a provisional license with the following conditions: (1) Final license is subject to certification that applicant remains in compliance with DPH regulations, 105 CMR 725.000; (2) Final license is subject to inspection and audit to ascertain compliance with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160 as applicable; (3) Final license is subject to inspection and audit to ascertain that its facilities are compliant with all applicable state and local codes, bylaws, ordinances, and regulations; (4) The applicant shall cooperate with and provide information to Commission investigators, agents, and employees upon request; (5) Provisional license subject to the payment of the appropriate license fee pursuant to 935 CMR 500.005. This recommendation was based on the applicant's demonstrated compliance with the laws and regulations of the Commonwealth, suitability for licensure, and upon the evaluation of the thoroughness of the applicant's responses to the required criteria. Commission staff certify that a due diligence review of the application was performed. As of this date, the applicant has demonstrated compliance with the laws and regulations of the

Commonwealth and suitability for licensure. Accordingly, the applicant is recommended for provisional licensure with the previously mentioned conditions.

Commissioner Doyle made a motion to approve the staff recommendation for the issuance of a provisional license, seconded by Commissioner Title. The motion is unanimously approved by the Commission.

Mr. Collins discussed M3 Ventures Inc #MPN281346 Product Manufacturer license application. Commission staff recommend issuing a provisional license with the following conditions: (1) Final license is subject to certification that applicant remains in compliance with DPH regulations, 105 CMR 725.000; (2) Final license is subject to inspection and audit to ascertain compliance with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160 as applicable; (3) Final license is subject to inspection and audit to ascertain that its facilities are compliant with all applicable state and local codes, bylaws, ordinances, and regulations; (4) The applicant shall cooperate with and provide information to Commission investigators, agents, and employees upon request; (5) Provisional license subject to the payment of the appropriate license fee pursuant to 935 CMR 500.005. This recommendation was based on the applicant's demonstrated compliance with the laws and regulations of the Commonwealth, suitability for licensure, and upon the evaluation of the thoroughness of the applicant's responses to the required criteria. Commission staff certify that a due diligence review of the application was performed. As of this date, the applicant has demonstrated compliance with the laws and regulations of the Commonwealth and suitability for licensure. Accordingly, the applicant is recommended for provisional licensure with the previously mentioned conditions.

Commissioner McBride made a motion to approve the staff recommendation for the issuance of a provisional license, seconded by Commissioner Doyle. The Commission unanimously approves the motion.

Mr. Collins discussed INSA Inc. #MCN281268 Tier 7/ indoor cultivation application. Commission staff recommend issuing a provisional license with the following conditions: (1) Final license is subject to certification that applicant remains in compliance with DPH regulations, 105 CMR 725.000; (2) Final license is subject to inspection and audit to ascertain compliance with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160 as applicable; (3) Final license is subject to inspection and audit to ascertain that its facilities are compliant with all applicable state and local codes, bylaws, ordinances, and regulations; (4) The applicant shall cooperate with and provide information to Commission investigators, agents, and employees upon request; (5) Provisional license subject to the payment of the appropriate license fee pursuant to 935 CMR 500.005. This recommendation was based on the applicant's demonstrated compliance with the laws and regulations of the Commonwealth, suitability for licensure, and upon the evaluation of the thoroughness of the applicant's responses to the required criteria. Commission staff certify that a due diligence review of the application was performed. As of this date, the applicant has demonstrated compliance with the laws and regulations of the Commonwealth and suitability for licensure. Accordingly, the applicant is recommended for provisional licensure with the previously mentioned conditions.

Commissioner Doyle made a motion to approve the staff recommendation for the issuance of a provisional license, seconded by Commissioner Flanagan. The Commission unanimously approves the motion.

Mr. Collins discussed INSA Inc. #MPN281426 product manufacturer application. Commission staff recommend issuing a provisional license with the following conditions: (1) Final license is subject to certification that applicant remains in compliance with DPH regulations, 105 CMR 725.000; (2) Final license is subject to inspection and audit to ascertain compliance with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160 as applicable; (3) Final license is subject to inspection and audit to ascertain that its facilities are compliant with all applicable state and local codes, bylaws, ordinances, and regulations; (4) The applicant shall cooperate with and provide information to Commission investigators, agents, and employees upon request; (5) Provisional license subject to the payment of the appropriate license fee pursuant to 935 CMR 500.005. This recommendation was based on the applicant's demonstrated compliance with the laws and regulations of the Commonwealth, suitability for licensure, and upon the evaluation of the thoroughness of the applicant's responses to the required criteria. Commission staff certify that a due diligence review of the application was performed. As of this date, the applicant has demonstrated compliance with the laws and regulations of the Commonwealth and suitability for licensure. Accordingly, the applicant is recommended for provisional licensure with the previously mentioned conditions.

Commissioner Flanagan made a motion to approve the staff recommendation for the issuance of a provisional license, seconded by Commissioner Doyle. The Commission unanimously approves the motion.

Mr. Collins discussed INSA Inc. #MRN281680 retail application. Commission staff recommend issuing a provisional license with the following conditions: (1) Final license is subject to certification that applicant remains in compliance with DPH regulations, 105 CMR 725.000; (2) Final license is subject to inspection and audit to ascertain compliance with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160 as applicable; (3) Final license is subject to inspection and audit to ascertain that its facilities are compliant with all applicable state and local codes, bylaws, ordinances, and regulations; (4) The applicant shall cooperate with and provide information to Commission investigators, agents, and employees upon request; (5) Provisional license subject to the payment of the appropriate license fee pursuant to 935 CMR 500.005. This recommendation was based on the applicant's demonstrated compliance with the laws and regulations of the Commonwealth, suitability for licensure, and upon the evaluation of the thoroughness of the applicant's responses to the required criteria. Commission staff certify that a due diligence review of the application was performed. As of this date, the applicant has demonstrated compliance with the laws and regulations of the Commonwealth and suitability for licensure. Accordingly, the applicant is recommended for provisional licensure with the previously mentioned conditions.

Commissioner Flanagan made a motion to approve the staff recommendation for the issuance of a provisional license, seconded by Commissioner Doyle. The Commission unanimously approves the motion.

With no unknown business before the Commission, Commissioner McBride wanted place discussion of delegating authority to staff at the next meeting's agenda. Chairman Hoffman noted the next public meeting would be August 23, 2018 at 1pm. Chairman Hoffman asked for a motion to adjourn. Commissioner Doyle made the motion to approve, seconded by Commissioner Flanagan. The Commission unanimously approves the motion. The Commission is adjourned as of 4:18pm.