

May 21, 2023

Commission Municipal Equity Regulations Enforcement Take Effect This Month

Commission Publishes Model Municipal Equity By-Law or Ordinance Template and Guidance Document to Implement New Compliance Requirements Under State Law

As of May, cities and towns are now required to have in place certain policies and processes to promote equity in the cannabis industry at the local level. To assist constituents and municipalities, following a 3-0 vote at its May 9, 2024 public meeting, the Cannabis Control Commission (Commission) published a [Model Municipal Equity By-Law or Ordinance Template](#) (Model Ordinance), as well as [Guidance on Municipal Equity and Industry Participation](#) (Guidance).

Under Chapter 180 of the Acts of 2022, the Commission was required to establish certain policies for cities and towns to adopt for their engagements with license applicants and licensees that are equity applicants as identified below:

- [Social Equity Program Participants](#) (SEP),
- [Economic Empowerment Priority Applicants](#) (EEA),
- A new category of Social Equity Businesses (SEB), defined as Marijuana Establishments (ME) that the Commission has confirmed are made up of majority ownership of individuals who are approved SEPs, EEAs, or both; and
- Individuals and entities that are pre-verified or verified by the Commission as SEBs.

The Model Ordinance and Guidance are intended to support municipalities with clear policies and procedures to encourage full participation in the regulated marijuana industry by communities that were disproportionately harmed by marijuana prohibition and enforcement. Additional information that will be helpful for Host Communities to comply with the new requirements is below.



Submitting Your Host Community Municipal Equity Notification Application

To assist Host Communities with their compliance notification requirements under the state's new municipal equity regulations, the Commission has developed an application for Host Communities to use through the online [Massachusetts Cannabis Industry Portal](#) (MassCIP). [Tutorials](#) for registering for MassCIP and technical assistance are available on the Commission's website. MassCIP will be the primary tool that Commission staff will use to confirm that Municipalities have implemented municipal equity policies and plans.

To complete the notification application, the following information will be needed:

- Name and contact information of the municipality and its authorized municipal representative,
- The Host Community's actions taken to meet the Commission's minimum municipal equity standards as well as supporting documentation,
- Documentation of transparent practices developed by the municipality which can include but are not limited to the following:
 - A photo of the information publicized in a conspicuous location within the municipality's office;
 - A PDF document with a link of the municipality's website displaying the required information; and
 - A digital copy of the Municipality's transparent practices,
- The Host Community's Equity Plan,
- Local municipal data questions, and
- Host Community attestations.
- All supporting documentation uploaded to MassCIP should be in one of the following formats and should not exceed 4MB per file: PDF, JPEG, JPG, PNG, GIF.

What to Expect Following Submission of Your Host Community Municipal Equity Application

Commission staff will review applications submitted in the order they are received. Staff will communicate with the municipality and/or its authorized representative as listed in the application regarding any issues or missing information. The Commission is authorized to issue Notices of Deficiencies (NOD) to municipalities and require the submission of Plans of Correction (POC) to enable and encourage Host Communities to come into compliance with state law and regulations.

For Host Communities that may be familiar with the previously stated terminology, please consult with your legal counsel. For immediate information, please see 935 CMR 500.310, 500.320, 501.310, 501.320, and the below:



- **NOD**: A document meant to put municipality on notice of observed or discovered violations within their municipal practices under the enforcement authority of the Commission.
- **POC**: A Host Community’s formal response in terms of how they propose to correct the stated deficiencies, including a timeline that will ensure the correction occurs in an efficient manner, which may be accepted or rejected by the Commission’s Investigations team. The Host Community will also be responsible for providing proof in the form of documentation reflecting their implementation of the POC demonstrating they have brought their plan into compliance.

Complaints and Penalties

The Commission will continue to accept constituent complaints on any concerns about regulatory compliance issues through email (Commission@CCCMass.com) or phone call (774-415-0200). Complaints relative to this section should be submitted by email with subject line, “Municipal Equity Complaint.” After receiving a complaint, Commission staff will investigate the matter and may issue a NOD to the Host Community, require a POC, or issue another notice.

Host Communities will have until May 1, 2025 before the Commission imposes fines against those that are out of compliance and/or failed to come into compliance. After May 1, 2025, the Commission may also publish a list of Host Communities that have been assessed a fine for non-compliance with municipal equity regulations to the Commission’s website.

Available Resources for Municipalities

Model Ordinance

The [Model Ordinance](#) is intended to support municipalities with clear policies and procedures to encourage full participation in the regulated marijuana industry by communities that were disproportionately harmed by marijuana prohibition and enforcement. Aside from adopting the Commission’s Model Ordinance, other compliant actions can include adoption of an ordinance or by-law to exclusively permit SEBs for at least three (3) years or creating a local approval process for equity applicants that is administered on a 1:1 basis.

Municipal Equity Plans

Municipal Equity Plans should encourage applications from businesses and individuals that would meet the definition of SEBs, SEPs, and EEAs as determined by the Commission as well as individuals from communities disproportionately harmed by cannabis prohibition. These plans should include goals, programs, and measurements a Host Community will utilize to promote and encourage equity participation. [Guidance for Identifying Areas of Disproportionate Impact](#) and more information on [SEB, SEPs, and EEAs](#) can be found on the Commission’s website.



Guidance on Municipal Equity and Industry Participation

More information on requirements for Host Communities can be found in the [Guidance on Municipal Equity and Industry Participation](#). The Commission has developed this guidance to assist municipalities working with businesses seeking to apply for licensure as MEs and MTCs. The guidance document contains information on the various license types available through the Commission, the roles of the Commission and Host Communities, municipal equity requirements, and what happens when the Commission receives complaints against Host Communities. The Guidance on Municipal Equity and Industry Participation also discusses best practices for HCA negotiations to ensure municipal equity, but additional information on HCAs can be found in the Commission's published [Guidance on Host Community Agreements](#).

For more information and resources, please visit MassCannabisControl.com. If you have specific questions, please contact the Commission at Commission@CCCMass.com or (774) 415-0200.

