

### CANNABIS CONTROL COMMISSION

### September 24, 2020 10:00AM

# Remote Participation via Microsoft Teams Live

# PUBLIC MEETING MINUTES

### **Documents**:

- Medical Use Draft Regulations with Proposed Delivery Provisions
- Adult Use Draft Regulations with Proposed Delivery Provisions
- <u>Meeting Presentation</u>

### In Attendance:

Chairman Steven Hoffman Commissioner Jennifer Flanagan Commissioner Britte McBride Commissioner Shaleen Title

### Minutes:

- 1) Call to Order -0.10
  - The Chairman recognized a quorum and called the meeting to order.
  - The Chairman gave notice that the meeting is being recorded.

2) Chairman's Comments and Updates -0.39

- The Chairman gave an overview of the meeting agenda and the overall regulations process.
- The Chairman acknowledged the need for additional public comment and today's process for Commissioners to make motions on the regulations prior to final approval.
- The Chairman thanked Commissioner McBride for her leadership on the complex issues surrounding delivery.
- 3) Commission Discussion and Votes 4:53
  - The Chairman deferred to Commissioner McBride to present the topic.
  - Commissioner McBride thanked the Writing Team for their help in preparing the draft.



a. Draft Regulations: Delivery

- Commissioner McBride gave an overview of all of the proposed changes in the drafts circulated, creating new types of delivery licenses, license fees and noting that she would make additional motions in order to further amend that language.
- Commissioner Title clarified that holding a delivery license does not preclude folks from holding a retail license as well.
- Commissioner McBride moved that the definition of Marijuana Wholesale Delivery License as it appears in the draft of 935 CMR 500.002 be amended by inserting after the word "Consumers" the words: "but shall not operate a storefront under this license."
- Commissioner Title seconded the motion.
- The Commission unanimously approved the motion.
- Commissioner McBride moved that the definition of White Labeling as it appears in the draft of 935 CMR 500.002 be amended by inserting after the words "comply with" the following words: 935 CMR 500.105(5): "Labeling of Marijuana and Marijuana Products, 935 CMR 500.105(6): Packaging of Marijuana and Marijuana Products,"
- Commissioner Flanagan seconded the motion.
- The Commission unanimously approved the motion.
- Commissioner McBride moved that 935 CMR 500.105(5)(a)(10) be amended by striking out the final two words, "Delivery Agreement" and inserting in place thereof the following words: "Wholesale Agreement."
- Commissioner Title seconded the motion.
- The Commission unanimously approved the motion.
- Commissioner McBride moved that 935 CMR 500.105(5)(b)(18) be amended by striking out the final two words, "Delivery Agreement" and inserting in place thereof the following words: "Wholesale Agreement."
- Commissioner Flanagan seconded the motion.
- The Commission unanimously approved the motion.
- Commissioner McBride moved that subsection (5) of 935 CMR 500.145 be amended by striking out clause (a) in its entirety and replacing it with the following clause: "A Wholesale Delivery Licensee shall require any Consumer making a purchase for delivery to have the valid government-issued identification card a Consumer intends to use to verify her or his age at the time of delivery examined and authenticated by the Wholesale Delivery Licensee prior to the first Individual Order."
- Commissioner Title seconded the motion.
- The Commission unanimously approved the motion.
- Commissioner McBride moved to amend sub-section 935 CMR 500.146(7) by adding at the end of sub-clause (b) the following sentence: "A Licensee shall obtain the written authorization of the Commission prior to commencing White Labeling." And further, that sub-section (7) be amended by adding a new sub-clause as follows: "(c) The Wholesale Delivery Licensee may submit the



label to be used for White Labeling to the Commission in accordance with 935 CMR 500.105(7): *Packaging and Labeling Preapproval.*"

- Commissioner Title seconded the motion.
- The Commission unanimously approved the motion.
- Commissioner McBride moved that 935 CMR 500.101(3)(h): *Additional Specific Requirements* be amended in subclause 5. by striking reference to subclause (g) and inserting in place thereof subclause (h).
- Commissioner Title seconded the motion.
- The Commission unanimously approved the motion.
- Commissioner Title said she thinks the names of the licenses may be confusing, recommending the wholesale license be "delivery operator license" and for "limited delivery license" to "courier."
- Commissioner McBride said she thinks the names are clear as is.
- Commissioner Flanagan agreed.
- Commissioner Title cited municipalities as confused about the activities of a "wholesaler," when that delivery license is doing retail sales.
- Commissioner McBride indicated that, because this is being treated as a separate license from retail, the Commission has to be careful in not confusing that distinction through naming the license.
- Commissioner Title moved to change the title of the "Delivery Wholesale License" to "Delivery Operator License."
- Commissioner Flanagan seconded the motion.
- The Commission voted two in favor and two apposed, therefore the motion does not carry.
- Commissioner Title noted that this could create confusion for municipalities.
- The Chairman clarified the use of the verb "wholesale" that tends to mean that a business is selling to a retailer. But using the phrase "purchase at wholesale" is the activity the retailer takes when purchasing products from a supplier.
- Commissioner Title moved to modify the definition to replace the verb "wholesale" to "purchase at wholesale."
- Commissioner McBride seconded the motion.
- The Commission unanimously approved the motion.
- Commissioner Title moved to insert into 935 CMR 500.050(1(b) the language "no person having direct or indirect control in a Marijuana Retail License or shall obtain or be granted more than a combined total of three marijuana retail licenses and/or delivery wholesale licenses."
- Commissioner McBride seconded the motion.
- The Commission unanimously approved the motion.
- Commissioner Title asked, with, with respect to Additional Requirements for Delivery Applicants, why the Commission asks for information and documentation relating to agreements with third-party platforms, rather than asking for the agreements themselves.

- Commissioner McBride indicated that agreements may not be executed at that point in the process and deferred to Director Potvin for his perspective.
- Director Potvin indicated that the concern was disclosure, so he was comfortable with agreements and some form of disclosure.
- Commissioner McBride reiterated the concern that applicants may not be prepared with agreements at the time of a provisional license, and we may not want to stop the application process before they are able to enter into an agreement.
- Commissioner Title said she would like to see agreements as soon as they are available, including during precertification.
- Director Potvin clarified that, as currently drafted, delivery precertification applicants do not need to submit any third-party platform agreements. Those agreements are required to be submitted as part of the provisional license phase. The rationale for that is that it is rare to have those agreements in place early in the process.
- Commissioner Title moved to amending 935 CMR 500.101(3)(c)(h)(3) to read: "As part of a provisional license application, information and documentation regarding any agreements, and agreements if applicable, with Third-Party Technology Platforms pursuant to 935 CMR 500.145(1)(d) and (e)."
- Commissioner McBride seconded the motion.
- The Commission approved the motion by a vote of three in favor (McBride, Hoffman, Title) and one against (Flanagan).
- Commissioner Title noted that in the adult-use regulations, it includes language that "topicals and ointments shall not be subject to a limitation on daily sales for adult-use." A patient mentioned during public comment, that the regulations do not limit topicals and ointments for adult but do for medical.
- The Executive Director said his suspicion said that this is part of the 60-day supply requirements in medical, which is tracked, and every purchase must be counted against that supply limit. In adult, however, there is not a same 60-day supply limitation.
- Commissioner Title noted she was raising this for the record in order to be explored as part of future regulatory review.
- Commissioner Title asked about the requirements regarding the equipment and software obligations to avoid manipulation of sales data.
- Commissioner McBride indicated this was part of previous delivery-only regulations and was being carried over.
- Commissioner Title registered her discomfort with respect to White Labeling, which she was unable to articulate at the previous meeting. The concern is an identical product is going to be produced by a cultivator or product manufacture, but sold, potentially with different branding or a different price, by various retailers. Commissioner Title wanted to raise as matter for public comment.
- Commissioner McBride moved to approve the draft regulations, subject to modifications approved by the Commission.

- Commissioner Title seconded the motion.
- The Commission unanimously approved the motion.
- 4) New Business the Chair Did Not Anticipate at the Time of Posting There were no last minute items.
- 5) Next Meeting Date 1:12:35
  - The Chairman gave an overview of upcoming meetings:
    - o October 8, 2020 (regular business)
    - o October 20, 2020 (delivery policy)
    - October 29, 2020 (final regulations).
- 6) Adjournment 1:13:59
  - Commissioner McBride moved to adjourn the meeting.
  - Commission Flanagan seconded the motion.
  - The Commission unanimously approved the motion.