

#### **Cannabis Control Commission**

#### **Public Commission Meeting**

10:00 AM Tuesday, February 27, 2018

Mass. Gaming Commission Offices 101 Federal Street, 12<sup>th</sup> Floor Boston, MA



#### **Agenda**

- 1) Call to Order
- 2) Chairman's Comments & Updates
- 3) Approval of Minutes from Previous Meetings
- 4) Discussion Policies and Draft Regulations
- 5) New Business that the Chairman did not anticipate at time of posting
- 6) Next Meeting date (if known).



| Section | Торіс                           | Issue                      | Options                     |
|---------|---------------------------------|----------------------------|-----------------------------|
| .002    | Definitions                     | Use of term "Marijuana"    | Strike? Change to           |
|         |                                 |                            | Cannabis?                   |
|         |                                 | Define "Canopy"            |                             |
|         |                                 | Define "existing licensee  |                             |
|         |                                 | transporter"               |                             |
|         |                                 | Amend definition of        | Clarify that it will not be |
|         |                                 | "marijuana or cannabis     | treated as food (like       |
|         |                                 | products"                  | marijuana for medical use)  |
|         |                                 | Amend definition of        | Depends on discussion of    |
|         |                                 | microbusiness              | microbusiness license       |
|         |                                 |                            | below                       |
|         |                                 | Define "Owner"             |                             |
| .030    | Registration of ME Agents       | None                       |                             |
| .031    | Denial of Registration Card     | Add discretionary language |                             |
| .032    | Revocation of Registration Card | Add discretionary language |                             |



| Section | Topic                    | Issue  | Options  |
|---------|--------------------------|--|--|
| .040    | Leadership Program       | Changes to Energy & Environmental Leader requested by EOEA |  |
| .050    | Marijuana Establishments |  |  |
|         | Cultivation              | Cap on co-ops  | Cap Prohibition on ownership or control of other ME Requirement that at least one member have filed a Schedule F prior to licensure          |
|         |                          | Requiring staged growth                                    | Required to start in Tiers 1-3, must satisfy 85% to grow further; Priority RMD Applicants are grandfathered into the level authorized by DPH |
|         |                          | 85% to change tiers  | Work on language to ensure production is at top of cap   |
|         |                          | Cap on total canopy per license                            |  |
|         |                          | Seeds, Clones  | Allow/Ban -Allow seeded strains to be grown and sold   |
|         |                          | Environmental Standards?                                   | -Require data collection and submission regarding energy and water usage?  |
|         |                          | Add requirements to be designated as a co-<br>op           | Yes/No   |
|         |                          | Provide guidance for waiver process for small farmers      |  |
|         |                          |  |  |



| Section | Topic                | .50                               | Options  |
|---------|----------------------|-----------------------------------|--|
|         | Microbusinesses      | Required to cultivate?            | Yes/No   |
|         |                      | Caps on Product Manufacturing?    | Yes/No   |
|         | Product Manufacturer | None                              |  |
|         | Retail               | Delivery-only (No brick & mortar) | -Don't License -Defer Licensing -Other ME license required -License as service to licensed retailers? -Delivery within municipal boundaries? -Delivery to banned communities? - Limit the number of licenses available? -Pilot program w/ limited number of licenses? -Later date of license roll out tied to other ascertainable benchmarks? -Add requirements for customers to receive deliveries?Clarify one-ounce limit on purchases per person and deliveries to residences |



| Section | Topic  | Issue                     | Options   |
|---------|--------|---------------------------|---|
| .050    | Retail | Social Consumption:       | -Issue license?   |
|         |        | Primary Use               | -If yes, operating requirements?  |
|         |        |                           | -Rights of communities  |
|         |        |                           | -What are they?   |
|         |        |                           | -How are they administered?   |
|         |        |                           | -Limit the number of licenses available?                                |
|         |        |                           | -Pilot program w/ limited number of licenses?                           |
|         |        |                           | -Later date of license roll out tied to other ascertainable benchmarks? |
|         |        | Social Consumption: Mixed | -Issue license?   |
|         |        | Use                       | -If yes, operating requirements?  |
|         |        | USE .                     | Prohibition on employees under 21?                                      |
|         |        |                           | -Rights of communities  |
|         |        |                           | -What are they?   |
|         |        |                           | -How are they administered?   |
|         |        |                           | Limit number of licenses available?                                     |
|         |        |                           |   |
|         |        | Social Consumption: 1/3   | -Issue license?   |
|         |        | Day Events                | -If yes, operating requirements?  |
|         |        |                           | -Rights of communities  |
|         |        |                           | -What are they?   |
|         |        |                           | -How are they administered?   |

#### DRAFT--FOR DISCUSSION PURPOSES ONLY



| Section | Topic                       | Issue  | Options   |
|---------|-----------------------------|--|---|
| .050    | Research Facility           | None   |   |
|         | Independent Testing Lab     | No agent shall receive <i>direct</i> compensation. | Add: or indirect compensation.  |
|         | Transporter                 | Allow warehousing?                                 | Yes/no  |
| .005    | Fees/Fines                  | Amount By Category                                 | Change?   |
|         |                             | Monthly Seed to Sale Fee                           | Licensee v. Commission pays -All/some categories  |
| .101    |                             | RMD Priority Applicants                            | <ul><li>-Medical patient supply availability</li><li>-Final vs. provisional licensees</li><li>-Municipalities with retail bans</li></ul>  |
| .101    | Application<br>Requirements | Economic Empowerment Priority Applicant            | <ul> <li>-Modify definition?</li> <li>-Include sexual orientation and gender identities?</li> <li>-Include owners convicted of drug crimes?</li> <li>-Narrow types of drug crimes</li> <li>-Required information to substantiate or provision in reg that CNB will substantiate?</li> </ul> |

#### DRAFT--FOR DISCUSSION PURPOSES ONLY



#### **Application and License Fees**

| License Type   | Application Fee   | Annual License Fee   |
|--|---|--|
| Cultivation and Craft Marijuana Cultivator Cooperative Tier I Tier II Tier III Tier IV | \$100/\$50<br>\$250/\$125<br>\$400/\$200<br>\$600/\$300 | \$1,000/\$500<br>\$2,500/\$1250<br>\$4,000/\$2000<br>\$5,000/\$2500<br>or more |
| Microbusiness  | \$300   | 50% of applicable<br>License Fees  |
| Manufacturing  | \$300   | \$5,000  |
| Independent Testing Laboratory   | \$300   | \$5,000  |
| Retail (brick and mortar)  | \$300   | \$5,000  |
| Third-party Transporter  | \$300   | \$5,000  |
| Existing Licensee Transporter  | \$300   | \$5,000  |
| Research   | \$300   | \$1,000  |

Note: For cultivation application and annual license fees – outdoor cultivation reduced by 50%



| Section | Topic                       | Issue   | Options   |
|---------|-----------------------------|---|---|
| .101    | Application<br>Requirements | Areas of Disproportionate Impact  | Modify definition? -Include race in criteria?   |
|         |                             | Background Check  | Add to required information a list of past or present businesses operated in other jurisdictions/states |
|         |                             | Add conflict of interest disclosure req't? and/or disclosure of any ownership interests by individuals who are included on license application with another ME. | New reg?  |



| Section | Topic                    | Issue                                       | Options   |
|---------|--------------------------|---|---|
| .102    | Action on Applications   | Applicant access                            | Do we need to include language re: packet modifications after submission?   |
|         |                          | Supplemental materials                      | Clarify that Commission will not accept<br>materials requested by Commission after<br>the date by which it required them to be<br>submitted |
| .103    | Licensure and<br>Renewal | Clarify meaning of term "ceases to operate" |   |



| Section | Торіс                    | Issue                                   | Options   |
|---------|--------------------------|---|---|
| .105    | Operational Requirements |   |   |
|         | Marketing                | Marijuana Leaf/Colloquial<br>References | Allow/Ban   |
|         |                          | Prices                                  | Allow prices to be posted   |
|         |                          | Coupon/specials/loyalty programs        | Allow/Ban   |
|         |                          | Modify generally                        | Mirror alcohol  |
|         | Labeling                 |   | Info on package vs. insert?   |
|         |                          |   | -Streamline labels and add<br>edible warning to label<br>-Add 911 to DPH warning? |
|         | Packaging                | Virtual separation                      | Yes/No? How? When seed planted, or product sold?                                  |

#### DRAFT--FOR DISCUSSION PURPOSES ONLY



| Section | Topic   | Issue   | Options   |
|---------|---|---|---|
| .105    | Serving Size  | Single serving: 5 mg  | Increase? Statute caps at 10mg  |
|         | Inventory   | Allow RMDs to transfer inventory subject to 30% reserve for MMJ   | Yes/no  |
|         | Transportation Between<br>Marijuana<br>Establishments | Two Marijuana Establishment<br>Agents   | Keep/Reduce?  |
|         |   | Adoption of Sanitary requirements   | Yes/no  |
|         |   | Allow request to use alternate safeguards for separate locked compartment when transporting for multiple establishments | Yes/no  |
|         | Delivery of Products to<br>Consumers                  | Maximum \$3,000 on home delivery  | <ul><li>-Keep/Increase?</li><li>-Use ounces vs. dollars</li><li>-Coalesce delivery limit with limit at home</li><li>(e.g. 10 ounces in household)</li></ul> |
|         | Vehicles  | Must be owned   | Allow leased?   |
|         |   | Firearms in vehicle   | Yes/No?   |

#### DRAFT--FOR DISCUSSION PURPOSES ONLY



| Section | Торіс  | Issue                          | Options   |
|---------|--|--------------------------------|---|
|         | Waste Disposal                                       | Adopt changes requested by DEP | Yes/no  |
| .120    | Additional Operating Requirements (AOR): Cultivation | Fencing                        | Yes/No?<br>Height?  |
|         |  | 24-Hour Video<br>Surveillance  | Yes/No? Waiver criteria? -If waiver, local PD input?  |
|         |  | Environmental<br>Requirements  | -See suggestionsSpecify standards as condition for licensure? -Encourage outdoor cultivation? |
| .130    | AOR: Manufacturing                                   | None                           |   |



| Section | Topic       | Issue                         | Options  |
|---------|-------------|-------------------------------|--|
| .140    | AOR: Retail | Physical separation           | Yes/No? -Allow medical patients option to receive medicine in adult-use line? (Ensure colocated medical and adult use retailers can handle either transaction) -Confidentiality room/area w/physical separation and means for medical patients to signal desire to maintain confidentiality. |
|         |             | Clarify marketing restriction | Employees allowed to respond to questions by telephone re: pricing and strain  |
|         |             | Adopt retail sanitary code    | Yes/no   |
|         |             | Sales limits—"at a time"      | Clarify?   |
|         |             | Consumer education            | <ul><li>is requiring into all languages served overly burdensome?</li><li>add information re: penalties for violation of the law</li></ul>   |

#### DRAFT--FOR DISCUSSION PURPOSES ONLY



| Section | Topic       | Issue                   | Options |
|---------|-------------|-------------------------|---------|
| .145    | AOR: Social | BYOC                    | Yes/No  |
|         | Consumption |                         |         |
|         |             | Eliminate option to     | Yes/no  |
|         |             | allow alcohol           |         |
|         |             | establishments do it    |         |
|         |             | Prohibit at co-         | Yes/no  |
|         |             | located MMJ due to      |         |
|         |             | age concerns            |         |
|         |             | Require posting of      | Yes/no  |
|         |             | sign including          |         |
|         |             | penalties of drugged    |         |
|         |             | driving                 |         |
|         |             | Remove references       | Yes/no  |
|         |             | to smoking until        |         |
|         |             | state law is clarified? |         |
| .150    | Edibles     | None                    |         |
| .160    | Testing     | None                    |         |



| Section | Topic                       | Issue                      | Options  |
|---------|-----------------------------|----------------------------|--|
| .170    | Municipalities              | Community Host Agreements  | -Template/Commission review of CHAs -Require data collection and submission regarding costs related to community host agreement  |
| .100    | Licensing                   | Buffer Zone                | Clarify? -500 sq. ft – more or less? Flexibility? -"where children commonly congregate" – strike? -measurement of line   |
| .101    | Application<br>Requirements | Community Outreach Hearing | -Yes/No? If no, substitute? CNB public hearings w/applicants?  -Clarify process and timing — apply to locality, then state, or vice versa? Change description to "meeting" rather than "hearing" |



#### CANNABIS CONTROL COMMISSION

#### **Next Commission Meeting**

Wednesday, February 28 10:00 AM

Massachusetts State House Room B-1 Boston, MA