Cannabis Control Commission Public Meeting

In Person and Remote via Teams

Meeting Book - Cannabis Control Commission Public Meeting

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Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

January 12, 2026

In accordance with Sections 18-25 of Chapter 30A of the Massachusetts General Laws and Chapter 2 of the Acts of 2025, notice is hereby given of a meeting of the Cannabis Control Commission. The meeting will take place as noted below.

CANNABIS CONTROL COMMISSION

January 14, 2026
10:00 AM

Remote via Microsoft Teams Live* and In-Person at Cannabis Control Commission, Second Floor Public Meeting Room, Union Station, 2 Washington Square, Worcester

PUBLIC MEETING AGENDA

I. Call to Order
II. Commissioners' Comments & Updates
III. Commission Discussion & Votes
    1. Delivery Exclusivity Report and Recommendations; *Draft Regulatory Amendments Related to Delivery Exclusivity Revisions to 935 CMR 500, regarding delivery exclusivity*
    2. Other Regulatory Considerations, if needed*; Including, but not limited to, Amendments to Secret Shopper Program at 935 CMR 500.303 and 501.303, and Amendments to Social Consumption Exclusivity at 935 CMR 500.050(6)(g)2.*
IV. New Business Not Anticipated at the Time of Posting
V. Next Meeting Date
VI. Adjournment

*Closed captioning available

If you need reasonable accommodations in order to participate in the meeting, contact the ADA Coordinator Debra Hilton-Creek in advance of the meeting. While the Commission will do its best to accommodate you, certain accommodations may not be available if requested immediately before the meeting.

Cannabis Control Commission: Delivery Exclusivity Period Assessment

December 2025

UMassAmherst

Donahue Institute
Economic and
Public Policy Research

Cannabis Control Commission: Delivery Exclusivity Period Assessment

Prepared by the UMass Donahue Institute's Economic & Public Policy Research Group

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Economic and Public Policy Research

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- All Social Equity Program (SEP) staff who made the time to speak with the UMDI research team about their perspectives on the delivery exclusivity period and program participant experiences.
- Other team members collaborating on the research including the Cannabis Control Commission's Research Department and staff, the Director of Data Analytics, the internal Delivery Exclusivity Working Group and Working Group Lead, and other commission staff, all of whom provided ongoing and intensive support over the course this project.

Executive Summary

Background

The Massachusetts Cannabis Control Commission (CCC)[1] established the delivery exclusivity (DE)[2] period to promote equity for communities historically harmed by the "war on drugs." For this work, the "war on drugs" is understood as a set of U.S. government policies starting in the 1970s aimed at strictly monitoring and sanctioning the illegal drug trade and illegal drug use. This overarching policy is often criticized for disproportionate enforcement in urban and low-income areas, particularly among Black and Hispanic communities. The DE program aims to create a viable pathway into the cannabis market for those individuals impacted by the heightened drug prohibition enforcement during this period. The policy states that delivery-type licenses, which provide a lower barrier of entry compared to more capital-intensive licenses such as retail and cultivation, will only be awarded to businesses with majority ownership comprised of Social Equity Program (SEP) or Economic Empowerment Program (EEP) participants. In turn, the SEP and EEP programs are reserved for those who have been disproportionately harmed by the war on drugs, based on various requirements such as living in ***disproportionately impacted communities***, or having a criminal justice history related to the prohibition of marijuana, among other requirements. The terms ***disproportionately harmed*** and ***disproportionately impacted*** thus appear throughout this report to describe the population targeted for the delivery exclusivity policy.

These delivery license types were inspired by delivery service models used in other industries, such as Uber Eats or Amazon.com, where drivers deliver goods directly to consumers without the need for a traditional brick and mortar outlet. While home delivery was already allowed under the Commonwealth's medical marijuana program, the first recreational-use Massachusetts delivery businesses were launched in July 2021. Massachusetts has three main delivery types associated with the DE program. The **marijuana courier** license was designed for delivery businesses to partner with existing retailers and deliver a dispensary's products. The **delivery operator** license allows businesses to purchase wholesale and store products in a warehouse, to then deliver directly to consumers from their own supply. The **delivery endorsement** is a designation that allows marijuana microbusinesses to engage in delivery, as well. The exclusivity period began on the date the first Delivery Operator received a notice to commence operations.[3] The delivery exclusivity period was set for a three-year period starting on April 1, 2022 and concluding on April 1, 2025. The CCC voted in March 2025 to extend the exclusivity period for another 12 months, until April 1, 2026.[4]

[1] In this report we will refer to the Cannabis Control Commission as 'the CCC' or 'the Commission,' interchangeably.

[2] In this report we will refer to delivery exclusivity and DE interchangeably.

[3] See 935 CMR 500.050(10)(b) and (11)(f)

[4] Massachusetts Cannabis Control Commission Extends Exclusivity for Delivery Licenses. Cannabis Control Commission Massachusetts. April 1, 2025. https://masscannabiscontrol.com/2025/04/massachusetts-cannabis-control-commission-extends-exclusivity-for-delivery-licenses/

The Study

The goal of this study is to assess whether the delivery exclusivity period has met its intended objectives and to make recommendations based on the findings. As stated in the regulations, an assessment must be made for the Commissioners to call a vote for action about the delivery exclusivity period:

> "*the Commission may vote to extend that period following a **determination that the goal of the exclusivity period to promote and encourage full participation** in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law **has not been met**; and the Commission may vote to expand eligibility for Delivery Licenses during the exclusivity period pursuant to 935 CMR 500.050(10)(b)4*.[5]

During the extension of the delivery exclusivity period, over the summer and fall 2025, the UMass Donahue Institute supported an internal Delivery Exclusivity Working Group at the Cannabis Control Commission in a two-phase project to evaluate the progress toward the goals of this policy. While the delivery exclusivity program was established with the statutory goal in mind, it was not initially set up with officially articulated goals nor a data collection plan and process for a traditional program evaluation. The scope of work in phase one instructed UMDI, through key informant interviews and a review of relevant datasets, to design a conceptual analysis plan appropriate for assessing the specific, required questions in the regulation that allowed for delivery exclusivity and propose operationalized definitions for the criteria to be used in the assessment.

Although the assessment topics are itemized in the regulations, measurement criteria and parameters for the assessment were unspecified. Therefore, developing effective criteria for the assessment was a primary requirement of this study and subsequent analysis. The work done in phase two comprises the following report, which analyzes whether the goals of the exclusivity period have been met as outlined in the regulations and operationalized in phase one of this work. As described in Commission regulations, criteria must be developed to determine whether the delivery exclusivity period has been successful in meeting its stated goal of "promot[ing] and encourag[ing] full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition."[6] The regulations itemize seven general areas (or goals) that should be measured to determine whether the delivery exclusivity policy has succeeded:

[5] Source: 935 CMR:500.050 (10b) Marijuana Courier; (11f) Marijuana Delivery Operator; (pp. 37-39). Accessed June 2025. https://www.mass.gov/doc/935-cmr-500-adult-use-of-marijuana/download. Emphasis by UMDI.

[6] Massachusetts Cannabis Control Commission, 935 CMR 500.050(10)(b).

Table 1: Delivery Exclusivity Goals: Regulatory Language[7]

"The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:
a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law;
b. Overall rates of participation in the regulated Marijuana industry by people of color;[8]
c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants;
d. Number of registered agents who are Social Equity Program Participants;
e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments;
f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends; and
g. Any other information the Commission determines relevant"[9] The following key policy interventions, defined by the Commission, were included in this assessment: 1) Understand the impact on the industry from the changes to the delivery licenses (e.g. 2 to 1 agents in a vehicle, expanded delivery hours, digitalization of records) 2) Examine the effect of the ongoing implementation of the HCA statutory and regulatory amendments 3) Examine the effect of cities' and towns' bylaws/ordinances derived from Chapter 180 and the corresponding Municipal Equity regulations 4) Assess the impact of the creation of the Cannabis Social Equity Trust Fund on Marijuana Establishments

Source: 935 CMR 500.050(10)(b)1a g and 935 CMR 500.050(11)(b)1a g

Throughout phase one, UMDI developed criteria for evaluating Goals A through G, as listed in the regulations. The analysis design was based on key informant interviews of current and past CCC Commissioners and a review of relevant datasets, including publicly available quantitative data on the Commission's Open Data webpage and internal sales- and agent-level data. The analysis plan developed for this study appears in a separate technical report which will be submitted with this report.[10]

In addition to informing the analysis plan, the key informant interviews from phase one (subsequently bolstered in phase two by a focus group of SEP staff members, a review of public feedback comments, and a survey of delivery business owners and license applicants) detailed various challenges of the delivery exclusivity period, as well as perspectives on measuring

[7] For a brief overview of regulations, policies, and programs related to the delivery exclusivity period see Appendix D: Regulations, Policies, and Programs Related to the Delivery Exclusivity Period.

[8] Commission regulation speaks to People of Color in the context of diversity plans as "Black, African American, Hispanic, Latinx, and Indigenous people." Source: 935-CMR-500.101(8)(k).

[9] For this assessment, the Commission defined four questions related to key policy interventions made during the delivery exclusivity period.

[10] *Addendum #1:. Cannabis Control Commission: Phase I Analysis Plan and Methodology*. UMass Donahue Institute. November 2025.

success and recommendations for future actions. Major findings from the qualitative analysis include:

- **One-on-one interviews with past and current Massachusetts Cannabis Control Commissioners** revealed a lack of clear metrics or measurable goals to evaluate success, structural and support limitations within the Commission, and insufficient ongoing training and business mentorship for equity licensees, which impeded their ability to build sustainable businesses;
- **A focus group conducted with the Commission's Equity Programming and Community Outreach (EPCO) Staff** highlighted persistent structural and financial barriers that participants face in establishing viable cannabis businesses despite the delivery exclusivity period designed to promote equity and provide a low barrier of entry into the industry;
- **Analysis of feedback given during the policy's public comment period** strongly favored continued protection of the delivery exclusivity period;[11]
- **And a survey of delivery exclusivity applicants and business owners** indicated that policy interventions made by the CCC have not been implemented for long enough or have not addressed core issues affecting business conditions. These challenges negatively impact all small businesses in the cannabis industry, many of which are delivery licensees.

In the second phase, UMDI conducted an analysis to quantify the operationalized criteria developed in phase one. This assessment includes various ways to measure concepts mentioned in commission regulations, such as *full participation*, *business performance*, and *financial feasibility*. More detail on those terms can be found in **Appendix E: Commissioner perspectives about measuring success**.

The quantitative assessment of the delivery exclusivity period shows that it has succeeded in some important ways, namely by encouraging high rates of representation and participation of disproportionately impacted business owners in the cannabis industry. This is true both within disproportionately impacted areas (DIAs),[12] where delivery businesses are comparatively well represented, and for business owners and agents who are people of color, who participate at higher rates in the cannabis industry compared to the participation of people of color in the Massachusetts economy overall.

However, the delivery exclusivity policy has not completely met its intended goal of encouraging full participation in the industry by disproportionately impacted people. **Despite the high rates of participation within DIAs and for people of color, the total number of delivery businesses represents only five percent of license holders in the cannabis sector in Massachusetts,**

[11] The key findings are discussed in depth in a separate technical report—to be submitted with this report—entitled Addendum: #2: *Qualitative Analysis of Public Feedback on Cannabis Delivery Exclusivity Policy*. Cannabis Control Commission. November 2025.

[12] The Cannabis Control Commission has designated 30 communities in Massachusetts as "Disproportionately Impacted Areas" (DIAs). These are geographic areas that have been disproportionately harmed by marijuana prohibition and enforcement. See https://masscannabiscontrol.com/equity/dia/

representing a very small portion of the entire cannabis industry. The current study uncovered several indicators suggesting delivery licenses are not viewed as a viable entry point in the cannabis market. Looking at the annual uptake of delivery licenses, this appears to be a segment of the industry that is lagging. For instance, the number of courier licenses grew at an annualized rate of 19 percent during the first three years that the courier license was available. Delivery operators grew at a 68 percent annualized rate. In comparison, the number of retailer licenses grew by 235 percent annually for its first three years, and the industry overall grew at a 212 percent annualized rate. Considering these data, it would appear these license types are not fully realized as a robust opportunity for helping disproportionately harmed people to participate in the cannabis industry in Massachusetts at higher levels.

Serious factors in the underutilization and slow rollout of these licenses, such as prohibitive regulatory and market forces within the industry, have created severe difficulties for people utilizing these licenses and are explored in our quantitative analysis. Major findings from this analysis include:

- Businesses in disproportionately impacted areas (DIAs)[13] have generally achieved full participation in the cannabis industry, as cannabis businesses are more likely to be located in DIAs compared to Massachusetts establishments overall (couriers are 39 percent more likely to be located in DIAs and delivery operators are 52 percent more likely to be located in DIAs compared to the Massachusetts retail sector). There is also high participation in the cannabis industry among people of color for delivery license types, compared to rates of business ownership among people of color in the Massachusetts economy overall: 58 percent of courier businesses and 53 percent of delivery operator businesses are owned by people of color. Comparatively, only 25 percent of all businesses in Massachusetts are owned by people of color.
- However, challenges exist in the application pipeline and for non-delivery cannabis businesses in DIAs. Despite favorable participation rates compared to the Massachusetts economy, marijuana businesses in DIAs take longer to achieve final licensure compared to marijuana businesses outside of DIAs, meaning that cannabis businesses located in DIAs have taken longer to open (160 days longer for couriers and 104 days longer for delivery operators to achieve final licensure). Additionally, proportionally fewer businesses in DIAs are in the operational stage, with a higher percentage achieving final licensure but remaining unopened compared to cannabis

[13] Disproportionately Impacted Areas (DIAs) are defined by UMass Donahue Institute's March 2021 report: *Identifying Disproportionately Impacted Areas by Drug Prohibition in Massachusetts*, with the addition of the City of Lawrence. This represents a hybrid approach when combined with the list of DIAs on the CCC website: https://masscannabiscontrol.com/equity/dia/. The full list of city-wide DIAs used in this report is: Barnstable, Dennis, Falmouth, Mashpee, Truro, Yarmouth, North Adams, Pittsfield, Attleboro, Fall River, New Bedford, Raynham, Taunton, Oak Bluffs, Andover, Beverly, Haverhill, Lawrence, Lynn, Methuen, Peabody, Salem, Salisbury, Greenfield, Montague, Agawam, Chicopee, Holyoke, Palmer, West Springfield, Westfield, Northampton, Everett, Malden, Marlborough, Medford, Somerville, Woburn, Braintree, Norwood, Quincy, Randolph, Stoughton, Weymouth, Brockton, Middleborough, Plymouth, Wareham, Chelsea, Revere, Fitchburg, Gardner, Leominster, Southbridge, Spencer, Sturbridge, and Webster. Further, four cities are defined by the Census Tract level: Boston, Worcester, Springfield, and Lowell. However, Census tract-level data is not available several CCC datasets, nor available for some external datasets used to benchmark participation rates. Therefore, city-wide counts are used for these four cities, as well.

businesses outside of DIAs. Though participation rates have been relatively high for cannabis businesses, these suggest challenges in the application pipeline.

- Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years: business costs have increased over the past five years for retailers and transportation & logistics businesses in the United States, first during the recovery from the COVID-19 pandemic and currently due to higher inflation and tariffs on imports. Higher costs for materials, packaging, energy, and other types of goods are felt across sectors, including the cannabis industry. Adding to the challenges of succeeding as a marijuana business, marijuana delivery is only permitted in 59 percent of towns and cities in Massachusetts, while dispensaries are only permitted in 56 percent of towns and cities.
- At the same time, marijuana product prices in Massachusetts have fallen since legalization, threatening business performance. Combined with weak and inconsistent sales growth and geographic restrictions on marijuana business operations, these conditions have reduced profit margins for delivery businesses and retailers alike.

In light of the underdevelopment of the cannabis delivery sector as seen in the quantitative data and the difficulties experienced by business owners reflected in interviews, public comments, and survey responses, **the evidence shows that the delivery exclusivity policy has not met its intention of achieving full participation and financial feasibility in the industry.** Primary barriers related to feasibility and sustainability have been identified by delivery exclusivity applicants and licensees as the following:

- Costly start-up
- Lengthy and confusing application process
- Extensive and prohibitive requirements
- Seemingly underdeveloped and unsustainable market conditions

It is important to note that the process may not seem inherently lengthy or difficult given the highly regulated nature of the cannabis industry. But most qualified candidates who seek to establish delivery businesses face structural and financial barriers that hinder their access and progress from the start.

Considering the conclusions drawn from the analysis of industry data and participant feedback, our overall recommendation is that **the delivery exclusivity period should be extended, but changes should be considered to reduce barriers and consider broader market conditions in the cannabis sector to maximize program goals.**

The initial three-year period appears to have been too limited a time frame for the effects of the policy and its follow-up interventions to be measurably realized, **we suggest that the exclusivity period be extended for an additional five to seven years.**

At the same time, to promote full participation in the cannabis industry by disproportionately impacted people and to improve business performance and financial feasibility, UMDI recommends the following actions:[14]

- **Streamline and simplify as much of the licensing process as possible.** To create a more feasible and sustainable business model for DE licensees, interventions should seek to create efficiencies or economies of scale that lead to cost savings relative to these business models.
- **Streamline municipal involvement.** Interventions that help streamline requirements, increase transparency, and build uniformity for applicants in their interactions with municipalities can help shorten application timelines and get operators into the industry with a greater likelihood of success.
    - **Continue to promote resources for agreements and guidelines to working with municipalities.** Model host community agreement (HCAs) guidance documents can ensure that there are fewer unexpected costs or requirements, help applicants navigate the process with fewer legal or professional service costs, regulate fees and create a simpler process overall, though many survey respondents report having difficulties with these aspects of the application. It is important that the CCC continue to promote these resources and related technical assistance.
    - **Ensure agreements with municipalities are timely.** To fully capitalize on an exclusivity period, applicants should be able to move through the licensing process as quickly as possible. It is important that the CCC urge communities to expedite the process of creating HCAs and in negotiating other agreements with delivery operators.
    - **Lobby to change statutory requirements to minimize HCA requirements for delivery couriers.** HCA requirements for delivery couriers may be extraneous or prohibitive for these businesses who do not have brick-and-mortar locations. Changes such as centralized agreements for applicants to avoid negotiating multiple HCAs, requiring HCAs for only the city in which a courier is headquartered, or bundling HCAs for couriers within the HCAs already negotiated by their retail partners could further reduce barriers by reducing the cost of applications and limiting the hours used administratively and bureaucratically for these business types.
- **Streamline the application process for licensing**. Interventions that address the volume of requirements, specific requirements that cause issues, the number of parties (municipalities, the CCC, or retail partners) involved in the process, or are otherwise non-essential can help applicants reach operation and therefore profits sooner, capitalizing on the DE period.
    - **Reconsider the two-phase application process.** Applications could move on to provisional licensure once they're pre-certified without re-initiating the

[14] In this summary we note when the Commission does not have full jurisdiction to address the issue.

application process or submitting repetitive paperwork to reduce confusion and reliance on legal or professional services.

  - **Reconsider requirements that are not essential to operation.** There are several requirements that must be in place before a license is awarded. These requirements slow down when a potential licensee might be able to make money or run the risk of a license not being granted. Ancillary requirements that may not be related to security, operations, or safety could either be completed after commencing operations, or could be removed entirely. Additionally, restructuring the requirements for physical space, allowing a submission later in the process could help reduce the financial burden of rent, which is very costly and adds large upfront costs with the current requirement of securing a space before licensure.

- **Bolster access to capital.** Interventions that expand options for financing, the amount of capital available, and the source of this capital could fill gaps for applicants and improve business feasibility for new business owners.
  - **Encourage the legislature to expand the use of the Cannabis Social Equity (CSETF) Trust Fund.** Encouraging the legislature to appropriate more funds, more funding rounds, allow different uses for these funds, and encourage the implementation of additional forms of capital such as low-interest loans could help fill gaps between current grants and remaining costs for business owners.
  - **Consider partnering with other financing organizations, such as MassDevelopment to offer capital to the industry.** To supplement CSETF funding, the CCC could separately partner with organizations like MassDevelopment to provide the capital needed for low-interest loans and connect participants to other valuable business growth resources.
- **Create channels to accelerate connections across the industry.** Interventions that could centralize connections, and possibly even contracts between businesses in the industry, could save time and effort for applicants, adjust start-up costs and efforts to the scale of delivery businesses, and even promote higher rates of utilization across the delivery industry.
  - **Consider channels for business-to-business connections.** Applicants who are at the approved or pre-approved stage could either elect to be a part of, or automatically be added to, a platform or database on which retailers and manufacturers are already registered for the purpose of connecting with other licensees in the industry. This could help delivery businesses get more visibility and would likely benefit all corners of the market. An additional facet of this platform could be a centralized delivery contract, which retailers and manufacturers could opt-in to, eliminating the need for individual contracts between businesses.
  - **Consider channels for business-to-consumer connections.** A platform or landing page which promotes all operators, delivery or not, could be a place for delivery operators to boost their visibility or connect with retailers and manufacturers. While some similar platforms exist, they do not promote all licenses, and a platform managed by the CCC could promote *all* licensed operators, which could be beneficial for both businesses and consumers.

To enable effective assessments of the delivery exclusivity period in the future, UMDI recommends the following interventions:

- Standardize data systems and data collection.
- Include new measures in CCC datasets to indicate:
    - A yes or no variable indicating 'disproportionately impacted' status for licenses, agents, and persons with authority;
    - A yes or no variable indicating whether the agent or 'person with authority' is a person of color (using existing data on detailed race and ethnicity, including write-in answers that are difficult to analyze);
    - and a yes or no variable indicating whether the establishment is majority owned by a person or people of color.
- Address gaps in the Cannabis Social Equity Trust Fund data and allow alignment with Commission administrative data. The Commission would request changes from the Executive Office of Economic Development (EOED), which administers the CSETF.
- Improve tracking of SEP and EEP participants in the industry across administrative databases.
- Include delivery courier information in sales databases.
- Include additional fields in the agent-level data to specify job types to allow the determination of who is a payroll employee and indicate other key roles (owner, board member, etc.).
- Continue research to further understand these issues to identify interventions for improving feasibility and sustainability.

Delivery Exclusivity: Perspectives from Past and Current Cannabis Control Commissioners

This section provides findings from a series of interviews conducted during the summer 2025 with founding and current Commissioners of the Cannabis Control Commission (CCC). The interviews provided information on the Commission's approach to delivery exclusivity in Massachusetts from the perspective of Commissioners who instituted the program. Perspectives from the interviews helped inform data collection priorities and shaped the development of research methods to assess the exclusivity period. The process also provided qualitative data for questions that could not be answered through quantitative analysis alone.

From June through July 2025, the University of Massachusetts Donahue Institute (UMDI) facilitated a total of seven one-on-one interviews with past and current CCC Commissioners. All interview participants were identified and introduced to the UMDI team by an administrator of the Commission. For ease of participation, all interviews took place virtually over Microsoft Teams, with all times scheduled by an administrator of the Commission.

Conducting one-on-one interviews allows UMDI to include the input of current and past CCC Commissioners, who may not feel comfortable expressing their thoughts in an open group discussion format. All participants were guaranteed confidentiality and were informed that pseudonyms would be used if names were used in the report, allowing them to speak freely. This in turn addresses potential research concerns for response bias.

Interview questions were designed to better understand participant perspectives towards the main objectives for the delivery exclusivity period, as well as examine related challenges and successes of this period. See **Appendix A: Interview Guide for Commissioners** in this report for the full set of interview questions.

The interview findings in this section provide an overview of the delivery exclusivity approach, informing how the program might be measured and assessed. The section is broadly organized into the following five subsections as discussed by past and present Cannabis Control Commissioners:

1. **Setting objectives**, describing perspectives on why the delivery exclusivity period was initially developed and what the main objectives of this period were.
2. **Challenges,** describing the primary challenges Commissioners experienced throughout the process of establishing and overseeing the delivery exclusivity period.
3. **Meeting objectives**, describing past and current Commissioner perspectives towards whether the main objectives of the delivery exclusivity period have been met.
4. **Measuring success**, describing various approaches that may best measure the overall success of the delivery exclusivity period.
5. **Extending delivery exclusivity**, describing the Commissioners' thoughts about whether the delivery exclusivity period should be extended, and what an appropriate extension of this timeline may involve.

Each of the five topics described above are discussed in turn, using analyzed data from all seven one-on-one interviews with Cannabis Control Commissioners. For additional information on the interview methodology, see the **Methodology** section.

Establishment of Delivery Exclusivity Objectives

According to the Commissioners, the delivery exclusivity period was established by the Massachusetts Cannabis Control Commission as part of a broader effort to promote equity within the regulated cannabis market.[15] The concept was developed in response to the war on drugs,[16] or the period of intensified federal enforcement around the illegal drug market dating back to the early 1970s. It is widely accepted that this intensified enforcement disproportionately harmed communities of color through criminalization, over-policing, and systemic racism. The primary objective driving the establishment of delivery exclusivity was to create a more equitable industry by offering individuals from these historically harmed communities a viable pathway into the cannabis market.

The first step in achieving this goal involved the creation of delivery licenses that had fewer startup costs and lower barriers to entry. These licenses, including the delivery courier and the delivery operator, were intended to provide a more accessible entry point compared to more capital-intensive licenses such as retail and cultivation. These delivery license types were inspired by delivery service models used in other industries, such as Uber Eats, where drivers deliver goods directly to consumers without the need for a traditional brick and mortar store. By adopting this model, the Commissioners we spoke with described this as an aim to make the cannabis industry more accessible to individuals with limited financial resources, particularly those participating in the Social Equity Program (SEP)[17] and the Certified Economic Empowerment Priority Applicants (EEP).[18]

These delivery license types were placed under a three-year exclusivity period to ensure that disproportionately impacted applicants had an opportunity to succeed before competing with larger, well-financed businesses for license access. The intent was to support long-term business viability and wealth creation by giving equity entrepreneurs time to establish operations, build a customer base, and potentially attract investment. In some cases, the goal was for these businesses to grow and be established enough that, once the exclusivity period ended, they could be acquired under fair terms, creating new opportunities for wealth creation for people traditionally excluded from this industry.

[15] While the first Massachusetts delivery courier businesses were launched in July 2021, the exclusivity period began on the date the first delivery operator received a notice to commence operations in 2022. *See* 935 CMR 500.050(10)(b) and (11)(f). The original delivery exclusivity period was set for a three-year period starting on April 1, 2022 and concluding on April 1, 2025. The Cannabis Control Commission (CCC) voted in March 2025 to extend the exclusivity period for another 12 months, until April 1, 2026.

[16] https://drugpolicy.org/drug-war-history/

[17] https://masscannabiscontrol.com/equity/socialequityprogram/

[18] https://masscannabiscontrol.com/equity/eea/

Creation and Implementation Challenges

According to many of the Commissioners UMDI spoke with, the delivery exclusivity period faced various structural, regulatory, and operational challenges during its creation and implementation, which limited its effectiveness and highlighted the complexity of developing policies in a new and highly regulated market.

One of the most critical challenges was the lack of a clear, measurable framework to assess the delivery exclusivity period's success. During both the creation and implementation phases, the Commission did not establish specific metrics or overarching goals to evaluate the effectiveness of the exclusivity period. As a result, the Commission lacked the tools to understand key concepts of the period such as financial feasibility, business performance, rates of participation, and continued participation. Without these concepts, the Commission had no reliable way to understand the impact of regulations on delivery licensees. Additionally, several Commissioners interviewed by the UMDI team described the three-year duration of the exclusivity period as being chosen without a clear rationale or connection to long-term outcomes for equity licensees.

The exclusivity period encountered regulatory challenges, particularly related to public safety concerns. An example discussed frequently by Commissioners during interviews is the two-driver-per-vehicle requirement, which was introduced in response to concerns from both the public and the Commission. This push back stemmed from concerns that allowing marijuana delivery could increase crime. Drivers transporting large amounts of cannabis products or cash might become targets for theft. To address these concerns, the two-driver rule was implemented as a way to increase driver safety and protect their products. Although this requirement helped build support for the delivery license types, it significantly increased operating costs for licensees, as this effectively doubled payroll expenses. Many equity applicants found the two-person requirement financially burdensome and unsustainable, especially given the already tight profit margins in the cannabis delivery sector.

The statutory requirement allowing municipalities throughout the Commonwealth to opt out of delivery services also created uneven delivery implementation across the state.[19] This made it difficult for the Commission to develop metrics and strategies to measure and achieve equity outcomes. This also limited the customer base and business potential for delivery licensees, creating a compounding effect that decreased the financial viability of many businesses.

At a broader level, the Commission faced internal operational challenges. Commissioners noted that the CCC itself lacked allies in the Legislature and was subject to public scrutiny over internal personnel issues, also, two Commissioner seats remained open during the first phase of this study. These pressures further complicated the creation and implementation of these delivery

[19] This statutory requirement, controlled by the legislature, allows communities to opt out of delivery services within their borders. Fifty-nine percent of towns allow delivery. Recently, the MA Senate passed an amendment to the new cannabis bill on this subject: Amendment S.2749. This legislation is not finalized but there is a good chance that the delivery statute is amended in the near future.

license types and the exclusivity period, limiting the Commission's capacity to provide support to licensees.

Finally, during interviews Commissioners expressed that there were significant gaps in training, mentorship, and business development assistance from the Commission to delivery licensees. Many equity applicants entered the industry with limited business experience and needed guidance to navigate the regulatory and financial reality of the cannabis market. While the Commission made significant efforts to support licensees at the beginning, continued technical assistance, mentorship and training could have helped delivery licensees build more sustainable businesses and fully benefit from the exclusivity period.

Meeting Primary Objectives of the Delivery Exclusivity Period

During interviews conducted in June and July 2025, Commissioners were asked if they considered whether the delivery exclusivity period's central objectives had been met. Many Commissioners expressed frustration. One such Commissioner citing that the media generally suggests the period's objectives have not been met and demonstrates a lack of faith in the Commission. Commissioners confirmed during the interviews with UMDI staff that the program was less successful than they hoped. One Commissioner criticized the exclusivity period as a whole:

> I've come to the opinion that no exclusivity period has been proven to work anywhere in the country and not just for delivery. It was well intentioned, but I don't know if it has created the outcomes we were hoping for.

Other Commissioners interviewed were more optimistic towards the delivery exclusivity period citing that it had encouraged participation, but with partial success, which contrasts with statements made by other Commissioners. That said, all interviewed Commissioners expressed concerns about whether objectives of the program were met and frequently expressed a need for additional information on data such as continued participation and rates of participation.

One respondent claimed that while the central objective of the delivery exclusivity period was to improve the lives of Social Equity Program (SEP) participants and Economic Empowerment Priority Applicants (EEPs), this objective has not yet been achieved:

> *Even in our dataset, a majority of [all business] owners are white males. Regardless of the amount of profits, the barriers are still the same. SEP and EEPs should thrive, but their situation hasn't changed.*

Participants assert that regulations related to delivery were likely too strict to start out. One Commissioner we spoke with described participant difficulty with being unable to deliver to every community they are in proximity to:

> *There is a list of communities in the state that do not allow for delivery. Unless delivery is allowed everywhere, there is a geographical dimension to this issue…That's another inequality, in that not everyone can go to the towns that they are near.*

Additionally, one Commissioner observed that regulations, “didn't allow people to repackage products and resell them,” and concluded that, “We (the Commissioners) kept hearing this was not an economically feasible model.” Many participants in the delivery exclusivity period had trouble making significant financial returns and improving their livelihoods because of the regulations. The two-driver minimum requirement, for example, was viewed as a financial burden for businesses but a necessity for public safety.

Moreover, Commissioners raised concerns about the lack of data driving regulatory changes. One Commissioner observed that delivery exclusivity participants have had many difficulties navigating regulations, and that changes have not yet been successfully measured, including the issue of the two-driver rule. Changes made by the CCC have not been successfully measured as the time frame may not yet allow a proper assessment of the actions taken by the Commission. This concern was expressed by one frustrated Commissioner who observed, “Since October 2024 it hasn’t even been a year for regulations to breathe. We don’t know the true impact of our regulations.”

Overall, the Commissioners agreed that the delivery exclusivity period was partially successful and that this period did not meet their expectations in helping the lives of SEP and EEP participants. Commissioners cited missing key data as the reason which inhibited driving changes to the regulations.

Measuring Success

During their interviews, Commissioners were asked how the success of the delivery exclusivity period could best be quantitively measured. Responses varied when it came to measuring the success of the delivery exclusivity period, likely reflecting differing Commissioner priorities. Some suggestions highlighted during interviews include:

1. Assessing licensees buying or maintaining their license
2. Assessing before/after regulations impacting sales/revenue
3. Surveying businesses’ financial or economic feasibility
4. Surveying businesses’ grants and capital infusion

Even though Commissioners suggested a range of potential metrics for quantifying the delivery exclusivity policy’s success, one suggestion that came up multiple times was for the creation of a survey of delivery business owners. During one interview, a commissioner describes how implementing a survey may be useful in examining the exclusivity period’s success:

> *I would do things like, financial or economic feasibility and see how growth, how they’re able to grow… inquire if they’re part of [the] social equity trust fund. How to acquire and access these metrics. There’s no way to truly know… one way is being able to survey the people in this space. Operator delivery services have a different story than the couriers…*

While there was no common consensus across Commissioners on how to best approach assessing the delivery exclusivity's success, everyone UMDI spoke with posed viable ways which could be incorporated to measure the overall success of the exclusivity period.

Extending the Delivery Exclusivity Period Timeframe

At the conclusion of each interview, Commissioners were asked a hypothetical question; If the delivery exclusivity period were to be extended, what would a reasonable timeline look like? There was consensus that the delivery exclusivity period should be extended, and many advocated for a prolonged period.

When asked, interviewees varied in their justification when it came to extending the delivery exclusivity period. Several Commissioners noted that the decision for the initial timeline of a three-year delivery exclusivity period was a potential marker to assess the success of delivery businesses and analyze effective return on investment. Other Commissioners recommended overhauling the delivery exclusivity period, restarting it altogether. In other interviews, Commissioners suggested three years because it seemed like a reasonable number. The intentional approach to ensuring the period continues in the future to allow participants to experience additional growth in this field was described by one Commissioner who asserts:

> *Extend[ing] to another 3-to-5 years would be fair. I say that only because there may be some new developments that emerge through social consumption that will also have an exclusivity period... Those equity loans can last anywhere from 5 to 20 years. So, we used that as a mark.*

Another interviewee described a conversation with fellow Commissioners about the period being about five years:

> *There was a conversation about making it five years, a lawsuit followed that a group of entities wouldn't qualify for the license type… It happened immediately after regulations were written and promulgated.*

While some Commissioners recommended continuing the exclusivity period for a shorter period than five years, several recommended prolonging the period indefinitely:

> *I think exclusivity could be extended a bit longer if there is interest. Unless you have to legally allow non-equity participants, I don't think there is any reason to ever end the exclusivity period.*

The culmination of interviewee responses ultimately suggests that the exclusivity period should be extended for some number of years, and there should be more conversations about a possible extension for a longer period if not making the regulation permanent.

Delivery Exclusivity: Perspectives from Equity Programming and Community Outreach (EPCO) Staff

This section provides findings from a focus group conducted in early September 2025 with Commission Equity Programming and Community Outreach (EPCO) staff involved in running the Social Equity Program (SEP). Perspectives from the focus group helped to inform data collection priorities and shaped the research methods used to assess the exclusivity period. The discussion also provided qualitative data for questions that could not be answered through quantitative data alone.

In September 2025, the Donahue Institute facilitated a focus group with current EPCO staff at the Cannabis Control Commission. EPCO staff members were identified and introduced to the UMDI team by an administrator of the CCC. For ease of participation, this focus group interview took place virtually over Microsoft Teams, which was scheduled by an administrator of the Commission.

Conducting a focus group discussion with EPCO staff allowed UMDI to include direct input of the individuals working within the CCC's Social Equity Program and better understand the staff's thoughts towards the delivery exclusivity period, and its impacts on participants. All participants were guaranteed confidentiality, allowing them to speak freely.

Interview questions were designed to better understand EPCO staff perspectives towards the main objectives for the Social Equity Program, the delivery exclusivity period, as well as examine related challenges and successes of both topics. See **Appendix B: Focus group guide for EPCO staff** for the full set of focus group interview questions. Understanding EPCO staff perspectives on the impacts of the delivery exclusivity program is critical to assess its overall success and better understand the challenges involved.[20]

The following section of this report will describe EPCO staff perspectives towards the delivery exclusivity period, broadly organized into the following two subsections, as discussed by staff:

1. **Social Equity Program services and participants,** describing the training and specific services offered to SEP participants, as well as the general business experience participants entering the program have.
2. **Impacts on SEP participant businesses,** describing the delivery exclusivity period's impact on SEP participant engagement in businesses, access to businesses, business profit and overall business feasibility.

[20] Even though SEP and CCC commissioner perspectives were included in this study through individual and group interviews, UMDI acknowledges a gap in the study's data collection on this topic. Originally, UMDI had planned to conduct two additional focus group interviews for this study - one with delivery exclusivity couriers, and the other with delivery exclusivity operators. For budgetary reasons, the focus groups were not conducted, and instead were replaced by a survey of delivery licensees and applicants.

Both topics described above will be discussed in turn, using analyzed data from the focus group discussion conducted with Social Equity Program staff. This section will conclude with a brief discussion by EPCO staff on recommended interventions and their final thoughts about the overall success of the delivery exclusivity period. For additional information on the focus group process, see the **Methodology** section.

Social Equity Program services and participants

The Social Equity Program was established in 2018 and is a component of the Cannabis Control Commission's Equity Programming and Community Outreach department. The program offers technical assistance and training for those who have been disproportionately harmed by cannabis prohibition and the war on drugs.[21] License owners receive various benefits by participating in the Social Equity Program, including fee waivers and discounts, exclusive access to delivery license types (marijuana courier and delivery operator licenses), the ability to apply for grants from the Cannabis Social Equity Trust Fund, as well as access to trainings and technical assistance. Cannabis industry workers can join the program as well to participate in SEP courses and trainings.

In the focus group, EPCO staff described the main goals of the program as educating new and current members on the cannabis industry, on various facets of owning a business, and learning the rules and regulations. EPCO staff emphasized accessibility as well, in "meeting everybody where they're at," and with an understanding that not everyone has the same background or past experiences, potentially due to "conscious or unconscious barriers or systemic barriers put in place against you." One staff member succinctly explained:

> *Knowledge is power. You can't do any better if you don't know any better.*

Moreover, the courses, trainings, and technical assistance available through SEP are designed to be transferable to other industries to help participants achieve success, whether that is with a cannabis business or other type of business. Staff understood this as a goal of the program as well, responding in the focus group:

> *We developed and refined a program that provides tech and training that you can use beyond the cannabis industry: resume, accounting, look at your background, teaching DEI, teaching workforce respect, if you're already you're a licensee with your doors open, I'm teaching retention, how to keep staff, it's something any person can use on their journey.*

There was broad agreement among EPCO staff that the most important aspect of the program was the legislation itself, which established a mission of equity and participation of disproportionately impacted groups as goals of marijuana legalization. Having the social equity

[21] Massachusetts Cannabis Control Commission, *Social Equity Program*. https://masscannabiscontrol.com/equity/socialequityprogram/

program written into the law grants the staff the stability to provide their services even as leadership and other circumstances at the Commission may change. As one EPCO staff said:

> *Services change, leaders change, that's human nature. The most important service/ program is our legislation; it is embedded in the legislation what our mission is. It is a fact. That sets in motion the forward services prioritizations, no matter how strong or weak in intention.*

Another staffer responded:

> *The intentionality of the law and having that written there is the most important service we provide.*

Besides the CCC regulations which establish the Social Equity Program, staff also pointed to the technical assistance and training that is available as an important service they provide in support of participants, explaining that the number of courses has more than tripled. This allows more participants to access necessary knowledge and expertise on a wider range of topics.

Budgetary limits facing the Social Equity Program, as reported by EPCO staff, are a major challenge to achieving the program's goals. For instance, outreach in particular was named as an area where an inadequate budget impacted the program's ability to hold in-person events. By shifting to virtual outreach sessions, staff felt it was more difficult to reach potential participants.

Another challenge that was voiced in the focus group was the difficulty in evaluating or quantifying success for SEP participants, considering that the experience of these business owners and workers can vary so widely. Metrics or benchmarks that may be appropriate to gauge success for one group of participants may not be sufficient or appropriate for another group of participants.

There are four tracks of courses available to SEP participants: Entrepreneur, Leadership and Executive Development Pathway, Pathway to Employment, and Integrated Business Solutions.[22] Among those various training pathways available, the focus group revealed two pathways that seem most popular among participants. First, a universal track prepares SEP participants with essential learning about the cannabis plant and industry as well as an introduction to regulatory terms and requirements. The entrepreneur track is another popular option that many participants consider the most important (especially those interested in starting their own business). EPCO staff report high retention, with participants returning for additional coursework and learning after completing their initial sessions.

When discussing the importance of prior experience, EPCO staff emphasized participation in the legacy market (the marijuana market before legalization). Many business owners and cannabis workers have prior experience in the legacy market and the Social Equity Program views that as

[22] Massachusetts Cannabis Control Commission, *Social Equity Program Tracks*. https://masscannabiscontrol.com/equity/sep-tracks/

a strength. There is intentional outreach to members of the legacy market to identify their business knowledge, which, while informal, is foundational to the current legal market. As described by an EPCO staff member:

> *There is no legal cannabis market without the legacy market: how to sell it, what to sell, the best marketing strategies, understanding your clientele, public safety. All these are industry things to consider in your formal business that you may have from your informal experience. That experience is why a lot of people are interested in the cannabis market now.*

During UMDI's group interview with EPCO staff, the topic of the program's impact on participants arose, frequently brought up by staff members themselves. The following section of this report examines the impacts the delivery exclusivity period has had on SEP participant access to and participation in business, as well as the period's impact on the profit and overall business feasibility of SEP participants. Each impact as discussed by EPCO staff will be examined, in turn.

Delivery exclusivity's impacts on SEP participant businesses

When asked their thoughts on the delivery exclusivity period's impact on SEP participant access to business, several staff voiced frustration. Many staff assert that most program participants aiming to establish businesses during this period still face structural and financial barriers. As one EPCO staff member observed:

> *[The] delivery license was supposed to be the lowest barrier to entry which is right there an issue. I know a lot of people who can't lease their own vehicle.... [There remains] Still a barrier to accessing the [delivery exclusivity] license type. If I give you a meal, but there's not enough substance, is that deemed nourishment?*

While EPCO staff do acknowledge that the delivery exclusivity period has had a positive impact on many program participant's access to business, staff are also quick to note that structural barriers faced by program participants continue to act as a barrier to many SEP participant's access to business.

Most staff we spoke with assert that accessing a vehicle, whether by owning or leasing one, remained an often-insurmountable obstacle for many program participants. Due to this obstacle, EPCO staff viewed participant access to business success during the delivery exclusivity period as structurally limited and dependent on accessing the resources they already have (such as owning or leasing a car). EPCO staff assert that while the historical lack of financial access and resources such as owning and leasing vehicles creates barriers to access business success for many SEP participants, it is not the only challenge they commonly face:

> *This [the delivery exclusivity period] is usually not people's primary focus; they need to sustain their normal life (business, families, education), as well. Has this [the delivery exclusivity period] increased access or have people given up on the*

process? ...People need to deal with us [the Social Equity Program], financially have the time and patience to deal with the system.

While most EPCO staff we spoke with acknowledged that the implementation of the delivery exclusivity period has "benefited the industry," they also note that "[the CCC] have a long way to go" in addressing more of the common structural barriers faced by SEP participants access to and participation in business.

One common structural barrier was around access to business loans with a staff member who observed, "(because of federal illegality) traditional business loans are not available to cannabis businesses." Aiming to address this financial burden, one staff member noted that the delivery exclusivity period "was supposed to be less burdensome on access to capital. That was the focus of these license types."

When UMDI asked EPCO staff if they thought the delivery exclusivity period had increased the amount of business participation for eligible people, staff told us that while this period had increased SEP member business participation, many structural and financial barriers remain a challenge for participants seeking to participate in business. EPCO staff also strongly urged the Cannabis Control Commission to continue increasing the forms of structural and financial support available to SEP participants, with many staff members viewing the delivery exclusivity period as a starting point in supporting people disproportionately harmed by the war on drugs within the Commonwealth's cannabis industry:

I would not say it (the DE period) has evened out the playing field. If we wanted that, we would have put a prioritization on all license types. So, what was the real intentionality? To say "I did something" without actually repairing the harms. What these [historically marginalized/underrepresented] communities have shown is that they know how to work within the confines of the system.

Every EPCO staff member we interviewed emphasized the need for the CCC to continue implementing forms of support to participants within the social equity program. One staff member describes this need, reasserting support in favor of continuing to maintain the delivery exclusivity period in the immediate future:

They need to identify more ways to make the exclusivity access type mean something. Because over regulation (of the cannabis industry) has made it challenging to (SEP participants) getting (their businesses) off the ground, opening up this license to everyone will be devastating.

To learn more about the firsthand experience of program participants, the research team asked EPCO staff if they had a sense of how the delivery exclusivity period impacted SEP participant business profits and overall business feasibility. All staff members we spoke with described challenges with this period for its participants, as highlighted by one staff member who noted:

> What I've heard from different courier licensees: it hasn't been very feasible or profitable, a lot of learning on the fly, and being saved by the skin of your teeth, it's not a good business model.

Staff did believe that the delivery exclusivity had a slight positive impact on participants' business profit, but many staff also stressed that this period should be treated as a starting point for building more robust structural supports aimed to help increase SEP business feasibility and profit. One staff member concluded:

> *If you'd spoken to most delivery exclusivity operators in the industry, they would not identify this period as an incentive; probably would say it's the least we can do to meet their needs, bare minimum of what this license type was supposed to do.*

EPCO staff recommendations and final thoughts

At the conclusion of UMDI's focus group with EPCO staff, participants were asked about their overall thoughts on the importance of the delivery exclusivity period to a participant's business success, and recommendations they may have for future improvement of this period. There was consensus among staff that the delivery exclusivity period has likely benefited the business success of participants, but staff frequently stressed that the exclusivity period is only one measure that should be expanded, to support the business success, and long-term feasibility of Social Equity Program participants. This point was described by one EPCO staff member who asserted:

> *Delivery exclusivity is the least we can do, but what is the most we can do? As an agency and industry, and as legal as we can make it, we should be thinking of how to support these businesses for as long a time as possible to make these businesses as profitable as possible and right some of the wrongs.*

There was consensus among EPCO staff to extend the period of delivery exclusivity for SEP participants and expand measures that help create "immediate relief for the businesses" of delivery exclusivity couriers and operators.

EPCO staff recommended several interventions to help further the feasibility and success of DE participant businesses, as one staff member recommended that the Cannabis Control Commission should begin, "identify[ing] the things, we [the CCC and SEP] could do that would be sustainable."

The main suggestions EPCO staff described for supporting delivery exclusivity operator and courier businesses were around increasing structural forms of support for participants such as increasing access to and increasing advocacy around capital for delivery couriers and operators. One EPCO staff member noted that further reducing the cost of annual license fees and any additional fees would likely "help people along financially."

Analysis Results

Cannabis Industry Landscape

The delivery exclusivity program was created to enable those who have been harmed by the war on drugs to enter and participate in the cannabis industry. In 2025, only a small proportion of *commence operations* licenses, those that the CCC has granted approval to open for business, are delivery licensees. Currently, there are 746 licensees across all license types that have *commence operations* status (**Table 2**). Thirteen of these commence operations licensees are delivery couriers and 19 are delivery operators, while one microbusiness has a delivery endorsement status in operation. **This totals to 33 delivery licensees in operation in the industry, or roughly five percent of all licensees.** While not included in this table, there are an additional 115 courier pre-certification licensees (though only 16 of those have not yet expired) and 117 delivery operator pre-certification licensees (though only 19 of these have not yet expired). An additional two microbusinesses are applying for delivery endorsements in 2025.

Table 2: Active Licenses and Commence Operations Licenses by License Type

	Final or Provisional Licenses		Commence Operations Licenses	
License Type	**N**	**%**	**N**	**%**
Independent Testing Laboratory	15	1%	13	2%
Marijuana Courier	*25*	*2%*	*13*	2%
Courier Licenses held by Retailers	*9*	*0.7%*	*3*	0.4%
Courier-Only Licenses	*16*	*1%*	*10*	1%
Marijuana Cultivator	329	27%	140	19%
Marijuana Delivery Operator	*40*	*3%*	*19*	3%
Delivery Operator Licenses held by Retailers	*2*	*0.2%*	*1*	0.1%
Delivery Operator-Only Licenses	*38*	*3%*	*18*	2%
Marijuana Microbusiness	32	3%	15	2%
Marijuana Microbusiness Delivery Endorsement	*3*	*0.2%*	*1*	*0.1%*
Marijuana Product Manufacturer	263	21%	125	17%
Marijuana Retailer	514	42%	412	55%
Single-Store Retailer Licenses	304	25%	235	32%
Multi-Store Retailer Licenses	210	17%	177	24%
Marijuana Transporter with Other Existing ME License	8	1%	4	1%
Third Party Marijuana Transporter	6	0.5%	5	1%
Total	**1,232**	**100%**	**746**	**100%**

Source: Cannabis Control Commission.
Note: delivery license types are the main focus of the analysis of this report. This table counts the number of licenses rather than the number of businesses (a single business may hold multiple licenses). This administrative dataset does not include a variable for disproportionately impacted status.

In comparison, the core supply chain of the cannabis industry, from growers to manufacturers to brick-and-mortar dispensaries, represent the majority of license holders. Marijuana retailers are the most common license type (55% of operating licenses), followed by marijuana cultivators (19%) and marijuana product manufacturers (17%). These three license types account for 91 percent of all licenses in operation. Put in this context, delivery services are a relatively small share of the cannabis market.

This count, however, overestimates the number of businesses engaged purely in delivery service. A single business (as determined by tax identification number) may hold licenses across different types or multiple licenses of the same type. For instance, of the 13 courier licenses in operation, three are held by businesses which also operate a retail location.[23] This leaves just 10 businesses that solely operate as a courier. Similarly, there is one business that runs both a brick-and-mortar dispensary location and a delivery operator license, leaving 18 solely delivery operator businesses in the market statewide. **This is an important distinction between types of establishments because the concepts of business performance and financial feasibility, two of the measures identified by CCC regulations and addressed in this report, are partly a function of revenue streams.** Diversified businesses (operating multiple license types) may fare better in the face of industry challenges than a business invested solely in any one area, such as delivery.

In a similar distinction, **Table 2** disaggregates retailers between businesses that operate just a single dispensary against those that operate multiple storefronts. This is a proxy to determine which are more likely to be small businesses (and thus more exposed to economic challenges) versus those which are more closely associated with larger businesses, potentially multi-state operators (which may have additional financial and other resources that allow them to weather difficult market conditions). Most marijuana retailers are single-store operations, both among all active licenses and among operating licenses. By this measure, retailers are more likely to be small businesses, as well.

These distinctions help to understand the cannabis industry landscape, which is a complicated web of supply chains and interconnected businesses, some of which operate with a singular function while others are diversified. Against this backdrop, the delivery component of the cannabis industry is relatively small, even more so when considering businesses that operate as delivery only.

Overview of the Analysis

While the section above provides industry background, the analysis for this study follows a strict structure based on the required criteria for evaluating whether the goals of the exclusivity period have been met, as itemized in the regulations.[24] The legislative mandate establishes the same series of goals to assess the delivery exclusivity period for each of the three delivery

[23] Delivery licenses are limited, on an exclusive basis, to businesses controlled by, and with majority ownership comprised of, Certified Economic Empowerment Priority Applicants and/or Social Equity Program Participants for a period of at least 36 months from the date the first Delivery Operator licensee receives a notice to commence operations. See https://masscannabiscontrol.com/wp-content/uploads/2021/05/20210528_FAQs_Cannabis_Delivery.pdf

[24] Source: 935 CMR:500.050 (10b) Marijuana Courier and (11f) Marijuana Delivery Operator; (pp. 37-39). Accessed June 2025. https://www.mass.gov/doc/935-cmr-500-adult-use-of-marijuana/download.

license types: marijuana courier, marijuana delivery operator, and microbusiness delivery endorsement. Although the assessment topics are itemized in the legislation, measurement criteria and parameters for the assessment were unspecified. Therefore, developing effective criteria for the assessment was a primary requirement of this study and subsequent analysis.

As described in Commission regulations, criteria must be developed to determine whether the delivery exclusivity period has been successful in meeting its stated goal of "promot[ing] and encourag[ing] full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition."[25] Based on key informant interviews and a review of relevant datasets, including publicly available quantitative data on the Commission's Open Data webpage as well as public meeting feedback, and internal sales- and agent-level data, UMDI developed criteria for evaluating Goals A through G as listed in the regulations. UMDI then grouped these goals into thematic categories – **Representation and Participation in the Cannabis Industry; Business Performance and Success for Delivery Exclusivity Licensees; Business Feasibility and Sustainability,** and **Policy Impacts**— which are detailed in the following table:

Table 3: Structure of Analysis based on RegulatoryEvaluation Goals

The findings in this report address required areas of evaluation as defined by the Commission regulation and are grouped by theme.

Report Section Heading	The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:
Representation and Participation in the Industry	a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law
	b. Overall rates of participation in the regulated Marijuana industry by people of color
	c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants
	d. Number of registered agents who are Social Equity Program Participants
Business Performance and Success	e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments
Business Feasibility and Sustainability	f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends
Policy Impacts	g. Any other information the Commission determines relevant

Note: The above table summarizes the criteria required for evaluating whether the goals of the exclusivity period are met.
Source: 935 CMR:500.050 (10b) Marijuana Courier; and 935 CMR 500.050(11b)Marijuana Delivery Operator;(pp. 37-39). Accessed June 2025. https://www.mass.gov/doc/935-cmr-500-adult-use-of-marijuana/download

[25] Massachusetts Cannabis Control Commission, 935 CMR 500.050(10)(b).

Data Sources Used in the Study

Government provided data sets

CCC datasets, publicly available on the Commission's Open Data webpage as well as internal datasets on sales, agents, and Social Equity Program participants, were anonymized for use in this report. Cannabis Social Equity Trust Fund awards data were provided by the Massachusetts Executive Office of Economic Development, which administers the grant program. Finally, quantitative data from several external datasets were used to benchmark CCC data against the broader economy. These include the Massachusetts Executive Office of Labor and Workforce Development ES-202, the U.S. Census Bureau Non-Employer Statistics, the U.S. Census Bureau American Community Survey, and the U.S. Census Bureau Population Estimates Program.

Survey of delivery licensees and applicants

In collaboration with the CCC, UMDI designed a survey of delivery exclusivity license applicants and business operators. The team created a short web-based survey to better understand licensee and applicant experiences as participants in the delivery exclusivity period. The survey was designed specifically to elicit answers that speak to the goals outlined by the regulation. Questions for delivery exclusivity participants who are already in operation touched on business feasibility and sustainability, start-up costs, barriers to success, and policy impacts. Questions for delivery exclusivity applicants touched on the process of acquiring a license, barriers involved with acquiring a license, and improvements to the application process. Both operators and applicants who responded to the survey were asked questions about experiences with and benefits of the delivery exclusivity period as well as experiences with and benefits of the Cannabis Social Equity Trust Fund.

Table 4: Survey Responses by DE Filter

DE Applicant or Operator	Count	Share
Yes	57	69%
No	26	31%
Total	**83**	**100%**

Respondents who answered "No" when asked whether they were applying for or currently operating a delivery exclusivity license were directed out of the survey. An additional 10 respondents who indicated being a DE applicant chose "None of the above" for an application type and were directed out of the survey. An additional two operators of non-delivery businesses indicated "None of the above" as their application type and were directed out of the survey. As a result, there are 45 complete responses to the survey.

Table 5: Responses by License Type and Commence Operations Status

License Type by Operation Status	Count	Share
Operator	**20**	**100%**
Courier Only	6	30%
Delivery Operator only	4	20%
Other business with or applying for Courier License or Delivery Endorsement	10	50%
Applicant	**25**	**100%**
Courier and Delivery Operator	9	36%
Courier Only	2	8%
Delivery Operator only	10	40%
Other business with or applying for Courier License or Delivery Endorsement	4	16%
Total	**45**	**100%**

Public Comments and Public Meeting Feedback

The current evaluation also considered feedback submitted during the public comment period opened by the CCC regarding the delivery exclusivity period.[26] Written feedback, submitted through letters and emails, came from key stakeholders with direct experience with the delivery exclusivity period. Those offering written comment during the period included social equity business owners, equity advocacy organizations, and cannabis industry organizations. An additional source of feedback came from statements made at public meetings which provided additional opportunities for public comment on delivery exclusivity.

A thematic analysis of the source documents was conducted. Commission research staff provided a comprehensive qualitative analysis of 74 Commission documents containing public feedback and meeting minutes regarding the delivery exclusivity period. The analysis examined stakeholder perspectives on two independent dimensions: (1) support for the concept of delivery exclusivity licenses reserved for social equity participants, and (2) support for extending or maintaining the current two-year exclusivity period.

The key findings from the analysis were in four areas and are discussed in depth in a separate technical report which will be submitted with this report.[27] Briefly, the analysis reveals strong stakeholder consensus favoring continued protection of the delivery exclusivity period. The complete absence of opposition to extension, combined with majority support for the equity licensing concept itself, suggests that stakeholders view the policy as serving important equity goals while requiring additional time to achieve its intended outcomes. These findings indicate that the policy has broad legitimacy among engaged stakeholders, though concerns about operational sustainability and timeline adequacy remain prominent.

[26] As part of the content review in Phase I of this project, UMDI designed a plan for the analysis of public feedback about the delivery exclusivity period provided to the Commission in late 2024. UMDI shared the plan with Cannabis Control Commission Research Department staff, who conducted the analysis.

[27] *Qualitative Analysis of Public Feedback on Cannabis Delivery Exclusivity Policy*. Cannabis Control Commission. November 2025.

Key Findings

The delivery exclusivity period has succeeded in some important ways, namely by encouraging high rates of representation and participation of disproportionately impacted business owners in the cannabis industry. This is true both within disproportionately impacted areas, where delivery businesses are comparatively well represented, and for business owners and agents who are people of color, who participate at higher rates in the cannabis industry compared to the participation of people of color in the Massachusetts economy overall.

However, the delivery exclusivity policy has not completely met its intended goal of encouraging full participation in the industry by disproportionately impacted people. **Despite the high rates of participation within DIAs and for people of color, the total number of delivery businesses represents only five percent of license holders who are open for business.** Based on the analysis in this report, there are a number of indications that delivery licensees are not reaching their potential. Looking at the annual uptake of delivery licenses, this appears to be a segment of the industry that is lagging. For instance, the number of courier licenses grew at an annualized rate of 19 percent during first three years that the courier license was available. Delivery operators grew at a 68 percent annualized rate. In comparison, the number of retailer licenses grew by 235 percent annually for its first three years, and the industry overall grew at a 212 percent annualized rate. These license types are therefore not fully realized as a robust opportunity for helping disproportionately harmed people to participate in the cannabis industry in Massachusetts at higher levels.

Serious factors in the underutilization and slow rollout of these licenses reflect the prohibitive regulatory and market forces within the industry that have created severe difficulties for people utilizing these licenses. Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years; combined with weak and inconsistent sales growth, these conditions have reduced profit margins for delivery businesses and retailers alike. Additionally, survey respondents indicated that policy interventions made by the CCC have not been implemented for long enough or have not addressed core issues affecting business conditions. These challenges negatively impact all small businesses in the cannabis industry, among them delivery licensees.

In light of the underdevelopment of the cannabis delivery sector as seen in the quantitative data and the difficulties experienced by business owners reflected in interviews, public comments, and survey responses, **the evidence shows that the delivery exclusivity policy has not met its intention of achieving full participation and financial feasibility in the industry.** In this context, the delivery license types do not provide the kind of low-barrier of entry into the cannabis industry and feasible business model that the policy originally imagined and intended.

Throughout the **Analysis Results** section, **blue**-highlighted text represents datapoints or takeaways that are positive trends for or impacts of the delivery exclusivity policy. **Orange**-highlighted text represents unmet goals or challenges for the policy.

The following is a summary of the major findings for each analysis section, covering Goals A through G, as well as a brief determination of whether the goals have been met or not.

***Representation and Participation in the Cannabis Industry** – this goal has been partially met.*

- **Partially Met: Full Representation of DIA[28] Licensees** – Businesses in disproportionately impacted areas (DIAs) have generally achieved full participation in the cannabis industry, as cannabis businesses are more likely to be located in DIAs compared to Massachusetts establishments overall (couriers are 39 percent more likely to be located in DIAs and delivery operators are 52 percent more likely to be located in DIAs compared to the Massachusetts retail sector). Though, there are challenges in the application pipeline for delivery businesses in DIAs. Marijuana businesses in DIAs take longer to achieve final licensure compared to marijuana businesses outside of DIAs, meaning that cannabis businesses located in DIAs have taken longer to open (160 days longer for couriers and 104 days longer for delivery operators). Additionally, proportionally fewer businesses in DIAs are in the operational stage, with a higher percentage achieving final licensure but remaining unopened compared to cannabis businesses outside of DIAs.
- **Partially Met: Progress toward Participation of People of Color** – There is higher participation in the cannabis industry among people of color for delivery license types compared both to all other license types and compared to business ownership rates for people of color in the state overall. Fifty eight percent of courier businesses and 53 percent of delivery operator businesses are owned by people of color. Comparatively, only 25 percent of all businesses in Massachusetts are owned by people of color. The benefits of the delivery exclusivity policy, however, are not fully shared outside of the delivery license types, and people of color seem to still face barriers when opening businesses in the cannabis industry.
- **Not Met: Costly Barrier to Licensure** – Nearly all respondents to the survey reported the process of getting a license to be difficult or extremely difficult, and reported facing barriers such as unaffordable start-up costs, followed by lack of financing options, and too much paperwork.
- **Partially Met: Growing SEP Usage** – Participation in the Social Equity Program has steadily increased since the program was introduced, and most SEP participants are people of color. However, SEP agents who are people of color are less likely to have approved and active applications to join the program, and more likely to have incomplete or deleted applications compared to SEP agents who are not people of color. For instance, 45% of SEP agents who

[28] Disproportionately Impacted Areas (DIAs) are defined by UMass Donahue Institute's March 2021 report: *Identifying Disproportionately Impacted Areas by Drug Prohibition in Massachusetts*, with the addition of the City of Lawrence. This represents a hybrid approach when combined with the list of DIAs on the CCC website: https://masscannabiscontrol.com/equity/dia/. The full list of city-wide DIAs used in this report is: Barnstable, Dennis, Falmouth, Mashpee, Truro, Yarmouth, North Adams, Pittsfield, Attleboro, Fall River, New Bedford, Raynham, Taunton, Oak Bluffs, Andover, Beverly, Haverhill, Lawrence, Lynn, Methuen, Peabody, Salem, Salisbury, Greenfield, Montague, Agawam, Chicopee, Holyoke, Palmer, West Springfield, Westfield, Northampton, Everett, Malden, Marlborough, Medford, Somerville, Woburn, Braintree, Norwood, Quincy, Randolph, Stoughton, Weymouth, Brockton, Middleborough, Plymouth, Wareham, Chelsea, Revere, Fitchburg, Gardner, Leominster, Southbridge, Spencer, Sturbridge, and Webster. Further, four cities are defined by the Census Tract level: Boston, Worcester, Springfield, and Lowell. However, Census tract-level data is not available several CCC datasets, nor available for some external datasets used to benchmark participation rates. Therefore, city-wide counts are used for these four cities, as well.

are people of color have an active status to their application, compared to 57% of SEP agents who are not people of color.

Business Performance & Success for Delivery Exclusivity Licensees – this goal has not been met.

- **Not Met: Challenging Industry Backdrop** – Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years and, in combination with geographic restrictions on marijuana business operations, have negatively impacted the business performance of delivery and brick-and-mortar dispensaries alike. Adding to the challenges of succeeding as a marijuana business, marijuana delivery is only permitted in 59 percent of towns and cities in Massachusetts, and dispensaries are only permitted in 56 percent of towns and cities.
- **Not Met: Weak and Inconsistent Sales Growth** – Over the past several years, sales growth has been positive for only delivery operators, while couriers and retailers have seen stagnant sales over the same period.
- **Not Met: Reduced Profit Margins** – Business costs have increased over the past five years for retailers and transportation & logistics businesses in the United States, first during the recovery from the COVID-19 Pandemic and currently due to inflation and higher tariffs on imports. Higher costs for materials, packaging, energy, and other types of goods are felt across sectors, including the cannabis industry. At the same time, competition in the market has increased and marijuana product prices in Massachusetts have fallen since legalization, reducing profit margins and threatening business performance.

Business Feasibility and Sustainability – this goal has not been met.

- **Not Met: High and Unexpected Start-Up Costs –** Despite some progress on lowering costs through fee waivers, delivery exclusivity businesses report difficult financial conditions and unexpectedly high start-up costs. In addition, data shows a shrinking pipeline of applicants and a lack of necessary funding for new businesses.
- **Not Met: Unfavorable Business Perceptions and Barriers to Future Plans** – Most respondents have either neutral or negative perceptions of their current business conditions, and most respondents anticipate barriers to fulfilling these plans, primarily related to the delivery exclusivity period ending or increased competition because of it ending. Despite these challenges, the majority still intend to expand their business in the coming year.

Policy Impacts – this goal has been partially met

- **Partially Met: Positive Impacts from Regulatory Changes –** Respondents felt that all regulatory changes to the number of drivers, electronic records and delivery hours had generally positive impacts on their business, with the removal of the two-driver rule being the most significant positive impact.
- **Not Met: Significant Barriers with Municipalities –** Reported experiences working with municipalities were generally negative, and many respondents experienced significant

barriers to entering the cannabis industry specifically due to negotiating host community agreements (HCAs).[29]

- **Partially Met: Well-Utilized and Highly Beneficial Cannabis Social Equity Trust Fund (CSETF)**[30] – The majority of respondents are currently utilizing the CSETF, and an overwhelming 94 percent of respondents reported that the CSETF benefitted them a lot (the most positive answer on the scale provided). The most common purpose of CSETF grants was reported to be professional services, as well as business expenses, facility capital expenses, and facility fees.

Representation and Participation in the Cannabis Industry

Goals A, B, C, and D from the Cannabis Control Commission regulations (935 CMR 500) are addressed in this section.

In this section, we discuss representation and rates of participation in the delivery exclusivity period in several ways in response to the defined criteria. We assess rates of participation of delivery licensees from disproportionately impacted communities; rates of participation of people of color; Social Equity Program and Economic Empowerment Priority business owners and engagement with licensing; and Social Equity Program participants as registered agents in the industry.

Representation and Participation in the Industry	a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law
	b. Overall rates of participation in the regulated Marijuana industry by people of color
	c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants
	d. Number of registered agents who are Social Equity Program Participants

[29] Host Community Agreements are terms reached between a marijuana establishment and a local government, detailing conditions that the marijuana establishment must meet in order to commence operations: https://masscannabiscontrol.com/host-community-agreement/

[30] The Social Equity Trust Fund is a grant program administered by the Massachusetts Executive Office of Economic Development for marijuana establishments, including those in the application process to those in operations: https://www.mass.gov/info-details/cannabis-social-equity-trust-fund

Analysis

PARTICIPATION OF PEOPLE FROM DISPROPORTIONATELY IMPACTED COMMUNITIES

*Goal A of the exclusivity period assessment seeks **to measure rates of participation in the cannabis industry by people from communities that have been disproportionately harmed by marijuana prohibition and the war on drugs**.*

Headline: This goal has partially been met - businesses in disproportionately impacted areas have generally achieved full participation in the cannabis industry, though there are challenges in the application pipeline for cannabis businesses located in these areas.

- **Partially met: Delivery couriers and operators are geographically well represented and more likely to be in disproportionately impacted areas relative to the proportion of non-cannabis businesses in similar sectors located in the region (Figure 1 and Figure 2).**
- **Partially met: Additionally, license types targeted by the delivery exclusivity policy are more likely to be in areas of disproportionate impact compared to other cannabis license types, such as marijuana retailers. (Figure 1 and Figure 2).**
- **Not met: Delivery businesses in DIAs take longer to receive licensure and to commence operations compared to delivery businesses in other parts of the state (Figure 3).**
- **Not met: A smaller proportion of DIA delivery licensees reach the commence operations stage overall compared to delivery licensees outside of DIAs and compared to marijuana retailers, meaning more delivery licensees remain in the pre-revenue stages of business formation (Figure 4).**
- **Partially met: The Cannabis Social Equity Trust Fund is proportionally more likely to fund delivery businesses in DIAs compared to other areas. In contrast, marijuana retailers located in DIAs are no more likely to receive a CSETF grant than marijuana retailers located outside of DIAs.**

The analysis of disproportionately impacted individuals in the industry is challenged by gaps in the administrative data, as well as a lack of comparable data external to the Commission that could serve as a benchmark. While disproportionately impacted people and groups are defined by the Commission[31] and the term is reflected in SEP program qualification criteria, a field indicating this status is not included as a variable in the administrative data sets used by the Commission. For example, agent and business databases do not contain a field indicating an official status as 'disproportionately impacted.'[32] Similarly, there is no data, in the cannabis industry or in the Massachusetts economy overall, on whether business owners have been negatively impacted by criminal justice system in their past. Without these variables in the

[31] According to the Commission, disproportionately impacted people / groups include past or present residents of geographic areas of disproportionate impact; certified Economic Empowerment recipients; Social Equity Program participants; Massachusetts residents with past drug convictions; and Massachusetts residents with parents or spouses who have drug convictions. From Guidance on Plans to Positively Impact Disproportionately Harmed People. Accessed July 2025. https://masscannabiscontrol.com/wp-content/uploads/2020/01/Guidance-on-Plans-to-Positively-Impact-Disproportionately-Harmed-People-1.pdf

[32] A term that could approximate for this is status as an Economic Empowerment Priority Applicant and/or a Social Equity Program Participant.

Commission's data sets or in external benchmarks, it is impossible to comprehensively analyze the participation of disproportionately impacted people engaged in the industry. Due to data limitations, **we cannot assess the delivery exclusivity policy to the specificity required by the mandate.**

In the absence of a person-level variable, we can analyze the places – geographic communities – that were found to be disproportionately impacted. We can assign a geographic variable to business address data to examine licensees operating businesses that are located in disproportionately impacted areas (DIAs).[33] This creates a framework for measuring participation using available data. Additionally, we can analyze data about cannabis delivery businesses, which are required to be owned by people with this formal status. Our analysis of participation of the disproportionally impacted, therefore, centers on these two characteristics. To test whether disproportionately impacted areas are fully participating in the regulated cannabis industry, UMDI operationalized the following **criteria**: business participation rates in disproportionately impacted areas, and delivery business participation in several ways: engagement in the licensing process; average days to licensing; proportion of applicants reaching 'commence operations' stage; and distribution of grants from the social equity trust fund.

Business Participation Rates (in DIAs)

In this first criteria, we assess business representation in disproportionately impacted areas. Using the CCC's establishment dataset, we compare the proportion of licenses located within DIAs out of all licenses to the proportion of similar business types (using either the retail sector or the transportation & logistics sector as comparisons) located in DIAs.[34] This creates a ratio where values of 1.0 or greater imply that the concentration of marijuana licenses in DIAs is at least equal to or greater than the concentration of comparison establishments (either all retailers in **Figure 1** or all transportation & logistics businesses in **Figure 2**) in DIAs. Ratio values of less than 1.0 imply that marijuana licenses are less concentrated in DIAs than would be expected. The following equations illustrate this measure:

$$\frac{Delivery\ Licenses\ located\ in\ DIAs}{All\ Delivery\ Licenses} = \%\ of\ Delivery\ Licenses\ in\ DIAs$$

$$\frac{Comparison\ Sector\ Establishments\ in\ DIAs}{All\ Comparison\ Sectors\ Establishments} = \%\ of\ Comparison\ Sector\ in\ DIAs$$

$$\frac{\%\ of\ Delivery\ Licenses\ in\ DIAs}{\%\ of\ Comparison\ Sector\ in\ DIAs} = \boldsymbol{Participation\ Rate}$$

[33] Disproportionately Impacted Areas (DIAs) are defined by UMass Donahue Institute's March 2021 report: *Identifying Disproportionately Impacted Areas by Drug Prohibition in Massachusetts*, with the addition of the City of Lawrence. This represents a hybrid approach when combined with the list of DIAs on the CCC website: https://masscannabiscontrol.com/equity/dia/.

[34] The retail and transportation & logistics sectors were chosen as they most closely represent the functions of marijuana delivery companies.

The data show that marijuana couriers and delivery operators are geographically well represented and more likely to be in disproportionately impacted areas relative to the proportion of businesses in similar sectors[35] located in the region. **This would indicate that the policy goals of participation are met or exceeded by delivery businesses present in areas of disproportionate impact.**

Figure 1 and **Figure 2** display these participation rates by region and statewide for courier and delivery operator license types as well as for comparison license types. For instance, **Figure 1** displays participation rates for couriers, delivery operators, and marijuana retailers *benchmarked to the overall retail sector*. **Figure 2** displays similar rates but uses marijuana transporters as a comparison within the cannabis industry and therefore *benchmarks to the overall transportation & logistics sector instead.*

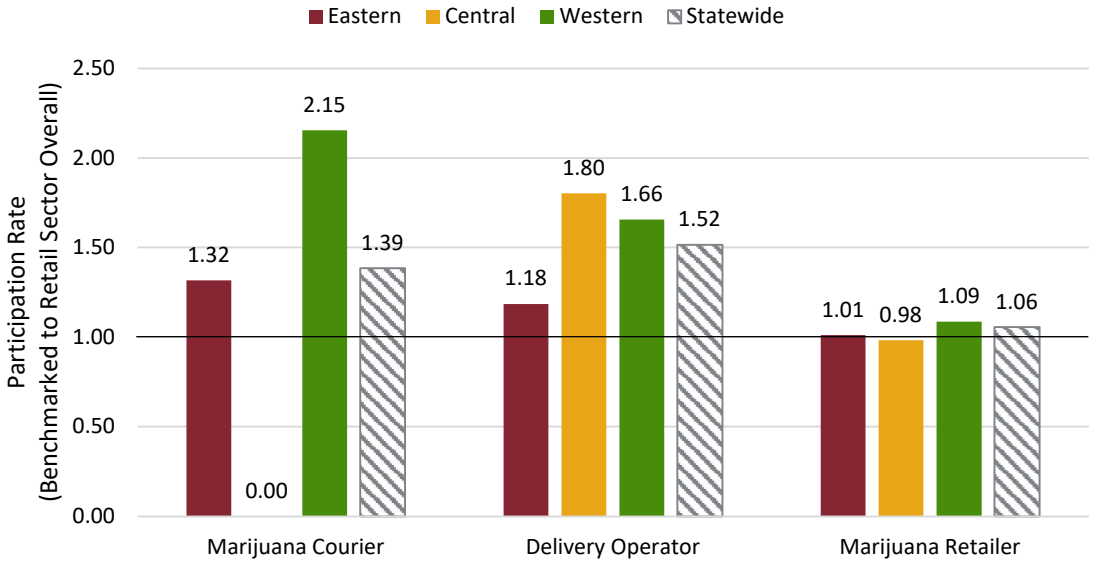
For all license types and regions, besides marijuana couriers in Central Massachusetts (of which there were no operating licensees in the region), all delivery groups were meeting or exceeding the benchmark in terms of expected participation of businesses in DIAs. Cannabis delivery businesses are more concentrated in areas of disproportionate impact than we would expect given the geographical distribution of all retail and transportation and logistics businesses in Massachusetts. Notably, with the exception of marijuana couriers in Central Massachusetts, delivery licensees are participating in areas of disproportionate impact at higher rates than marijuana retailers when compared to the retail sector overall (**Figure 1**).

Whereas delivery licenses are typically more concentrated in DIAs (with participation rates greater than 1.0), marijuana retailers are about as equally concentrated in areas of disproportionate impact as the retail sector overall (with participation rates roughly equal to 1.0 in all regions). **This also represents a potential positive effect of the delivery exclusivity policy: license types enabled by the policy are more likely to be in areas of disproportionate impact compared to other cannabis license types.**

Delivery license types, however, appear as equally concentrated in DIAs as to marijuana transporters (**Figure 2**). Though there is regional variation, couriers, delivery operators, and marijuana transporters all appear to have relatively comparable participation rates in DIAs statewide (1.23, 1.35, and 1.29 respectively). This would indicate that, when compared to the transportation & logistics sector overall, delivery licenses are similarly likely to be in areas of disproportionate impact compared to other license types, though more likely than transportation & logistics establishments overall.

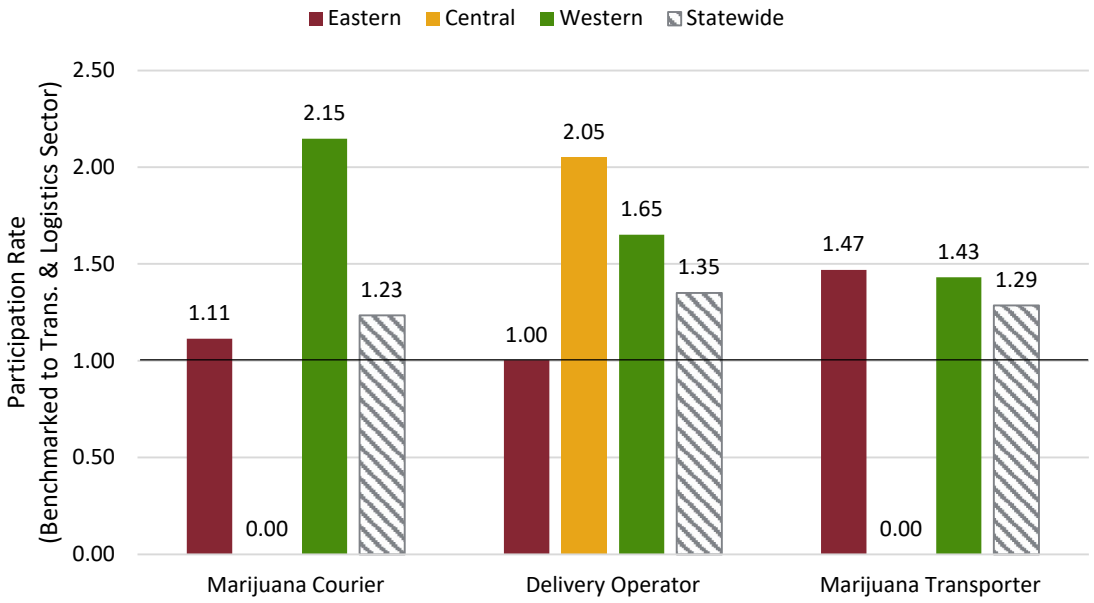
[35] Similar comparison sectors include retail businesses and transportation & logistics businesses.

Figure 1: Rates of Participation for Disproportionately Impacted Areas, Benchmarked to the Retail Sector Overall



Source: Massachusetts Cannabis Control Commission; Massachusetts Executive Office of Labor and Workforce Development, ES-202

Figure 2: Rates of Participation for Disproportionately Impacted Areas, Benchmarked to the Transportation and Logistics Sector Overall



Source: Massachusetts Cannabis Control Commission; Massachusetts Executive Office of Labor and Workforce Development, ES-202. Note: Marijuana Transporter in this chart is the sum of the following two license types: Marijuana Transporter With Other Existing ME License and Third-Party Marijuana Transporter.

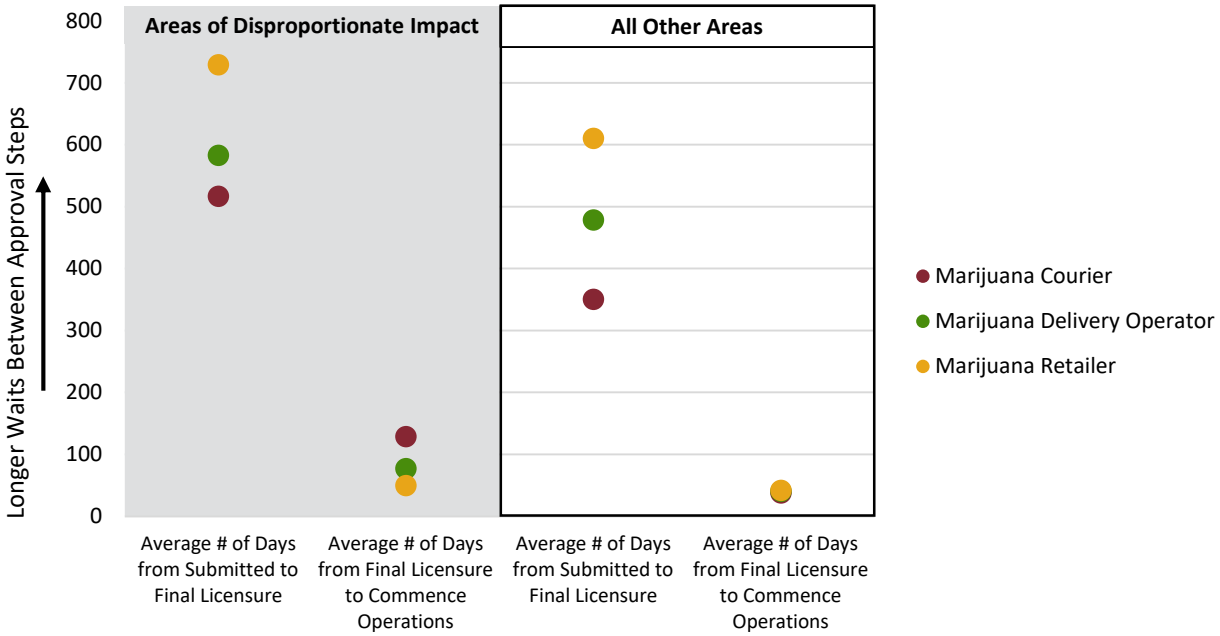
Some geographies appear to have more successful participation of marijuana delivery businesses in DIAs. Western Massachusetts, for instance, has the highest participation rate for

couriers compared to other regions; with a participation rate of 2.15, couriers in Western Massachusetts are more than twice as likely to be in DIAs as compared to all retailers or transportation establishments in the region. Comparatively, couriers in Central Massachusetts have a participation rate of 0.0 because there are no active couriers in Central Massachusetts that are located in a DIA. Eastern Massachusetts in general appears to have lower DIA participation among delivery licenses as compared to other regions, though marijuana delivery licenses are still more likely to be located in DIAs compared to the retail or transportation & logistics sectors.

Time Frame for Licensing (in DIAs)

A protracted licensing process can be a challenge for applicants seeking to enter the cannabis industry. The longer the time frame, the longer it takes to establish a revenue stream. In this assessment we use the license and applications dataset to compare the time frame required for final licensure and commence operations status, comparing delivery licensees to cannabis retail businesses.

Figure 3: Average Number of Days Between Approval Steps by License Types for Areas of Disproportionate Impact



Note: Couriers, Delivery Operators, and Retailers all had similar average wait times from approval to commence ops in areas outside of DIAs, and so the dots in the lower right overlap.

Across business types (for both retailers and delivery licensees), the process of reaching final licensure and opening for operations has taken longer on average in areas of disproportionate impact (160 days longer for couriers and 104 days longer for delivery operators to achieve final licensure). **This represents a challenge to the goals of the delivery exclusivity policy which aim to support businesses in DIAs**; delivery businesses in DIAs take longer to receive final licensure and to commence operations (lefthand side of **Figure 3**) and thus face a disadvantage compared

to delivery businesses elsewhere in the state (righthand side of **Figure 3**). The longer a business remains in the application phase, the longer it takes to generate revenues. This can impact participation specifically in DIAs by discouraging new business formation in these areas. This pattern is true for marijuana retailers as well: retailers in DIAs take longer through the approval process compared to retailers outside of DIAs.

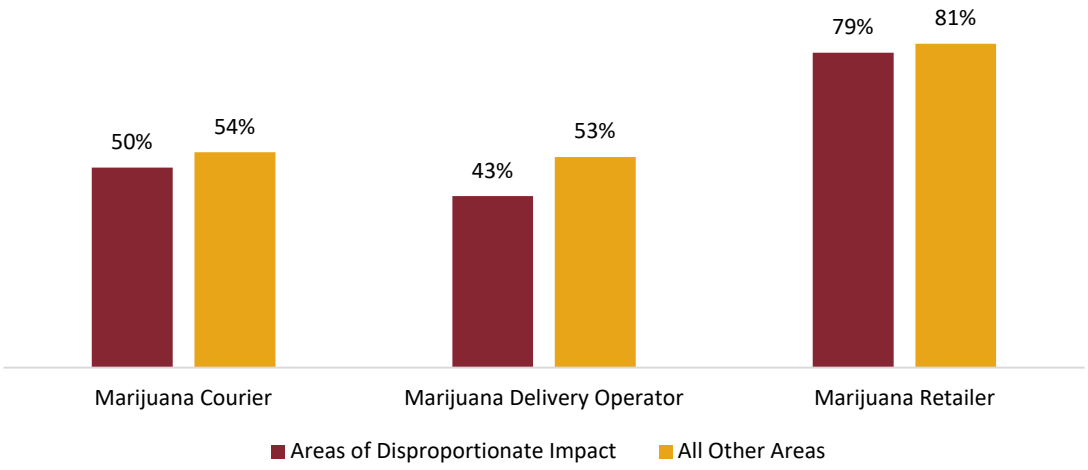
However, delivery businesses in all areas of the state seem to take less time to be awarded final licensure compared to comparably located retailers. This may indicate that brick-and-mortar establishments have more regulatory requirements or other hurdles compared to delivery businesses and thus take longer to work through the approval process. Once awarded final licensure, however, marijuana retailers appear to be able to commence operations more quickly than delivery licensees in DIAs. The difference in time to reach commence operations outside of DIA seems to be negligible across license types.[36]

Proportion of Applicants Reaching 'Commence Operations' Stage (in DIAs)

Not only do cannabis businesses in DIAs take longer to commence operations, but a smaller proportion of DIA licensees reach the commence operations stage overall compared to licensees outside of DIAs (**Figure 4**). This is especially true for delivery operators: only 43 percent of approved delivery operator licenses in DIAs are in the commence operations stage, compared to 53 percent of delivery operators outside of DIAs. The differences are smaller for couriers (50% vs 54%) and for retailers (79% vs 81%). **This finding presents a challenge for the DE policy goal of full participation, especially for delivery operators. The delivery exclusivity policy does not seem to have fully succeeded in leveling participation for businesses geographically located in DIAs.** If a business cannot commence operations, it cannot generate revenue. In addition, delivery licensees are less likely to have commenced operations as compared to retailers, meaning more delivery licensees remain in the pre-revenue stages of business formation.

[36] Beyond regulatory requirements, differences in the timing of the approval process can also be attributed to the unique circumstances of individual applicants, e.g., access to capital, sophistication/experience of the applicant, employment of counsel/consultants, etc. For a discussion of factors impacting disproportionately impacted licensees see the section of this report entitled "Delivery exclusivity's impacts on SEP participant businesses," on page 27.

Figure 4: Areas of Disproportionate Impact: Commence Operations Licenses as a Percent of all Approved Licenses



Cannabis Social Equity Trust Fund (in DIAs)

The Cannabis Social Equity Trust Fund (CSETF) supports the growth of new cannabis businesses by providing funding at various stages, from pre-licensure through commence operations. Businesses can use these grants for operational, training, and capital needs. In this criteria, we assess CSETF funding awarded to applicants and licensees in DIAs relative to other areas.

For delivery-type licensees, CSETF awards were as likely to be disbursed to businesses in DIAs as would be expected given the proportion of licensees located in DIAs. **This is a sign that the CSETF supports the delivery exclusivity policy in meeting its goals: the CSETF is proportionally more likely to fund delivery businesses in DIAs compared to other areas.** Delivery businesses are connecting with an important source of financing available to them in the face of federal prohibition of banking for marijuana businesses. This successful pattern for delivery businesses does not seem to have carried over for comparative license types: marijuana retailers located in DIAs are no more likely to receive a CSETF grant than marijuana retailers located outside of DIAs.

PARTICIPATION OF PEOPLE OF COLOR

*Goal B seeks to measure **full participation and representation of people of color (PoC) in the cannabis industry.***

Headline: Our analysis shows that this goal has been partially met, though people of color still face barriers when opening non-delivery businesses:

- **Partially met: There is higher participation in the cannabis industry among people of color for delivery license types compared to all other license types and compared to business ownership rates for people of color in the state overall (Table 6).**
- **Partially met: Delivery businesses that are majority owned by people of color spend less time in the approval process and can therefore reach commence operations quicker (Figure 5).**

- **Partially met: Majority PoC-owned delivery licensees are more likely to be in the commence operations stage as compared to all other delivery licensees (**
- **Figure** 6**).**
- **Not met: The benefits of the delivery exclusivity policy, however, are not fully shared outside of the delivery license types, and people of color seem to still face barriers when opening businesses in the cannabis industry (**
- **Figure** 6**).**

In order to assess full participation and representation of people of color in the cannabis industry, UMDI used administration data from the CCC on self-reported race and ethnicity for both 'agents' (a generalized term referring to anyone in the cannabis industry, from employees to owners), and for 'persons with authority' (which includes owners, board members, and directors). When reporting their race and ethnicity, participants are allowed to specify a race group as a write-in option in addition to choosing from a preset list of groups. UMDI coded the self-specified race and ethnicity groups to get a more comprehensive categorization of agents and persons with authority. The CCC Delivery Exclusivity Working Group defines people of color *in the context of the cannabis industry* as either Black, Hispanic/Latino, or American Indian and Alaska Native.[37] Through prior research, the CCC has determined these as the primary race and ethnicity groups that were disproportionately harmed by the war on drugs. We use this definition for people of color moving forward in our analysis.

Representation of People of Color

Delivery exclusivity licenses are more likely to be majority owned by people of color, as compared to almost all other license types (**Table 6**). Fifty eight percent of couriers and 53 percent of delivery operators are majority-owned by people of color, compared to 25 percent of all cannabis industry licenses. In additional, agents who work with delivery licensees are also more likely to be people of color: 49 percent of agents associated with couriers and 66 percent of agents associated with delivery operators are people of color, compared to 20 percent out of all cannabis industry agents. **This is a sign of success for the goals of delivery exclusivity which sought to encourage the participation of disproportionately impacted people, many of whom are people of color:** there is higher participation in the cannabis industry among people of color for delivery license types compared both to all other license types and compared to PoC business ownership rates in the state overall.

[37] For more information on this technical definition see Appendix C: Delivery Exclusivity Working Group Definition of People of Color.

Table 6: Participation of People of Color in the Cannabis Industry by License Type

	Agents		All Persons with Authority		Owners		PoC-Majority Owned Licenses	
License Type	**PoC n**	**% PoC**	**PoC n**	**% PoC**	**PoC n**	**% PoC**	**PoC n**	**% PoC**
Craft Marijuana Cooperative	0	0%	1	7%	1	33%	1	50%
Independent Testing Laboratory	12	8%	5	10%	3	14%	1	8%
Marijuana Courier	53	49%	29	42%	13	41%	11	58%
Marijuana Courier Pre-Certification	-	-	174	60%	116	64%	62	68%
Marijuana Cultivator	440	13%	85	8%	48	12%	24	12%
Marijuana Delivery Operator	101	66%	39	40%	25	38%	18	53%
Marijuana Delivery Operator Pre-Certification	-	-	125	47%	81	49%	52	55%
Marijuana Microbusiness	14	13%	6	8%	2	5%	2	11%
Marijuana Product Manufacturer	465	16%	65	8%	33	11%	20	14%
Marijuana Research Facility	0	0%	0	0%	0	0%	0	0%
Marijuana Retailer	1,689	22%	191	11%	103	16%	41	13%
Marijuana Transporter with Other Existing ME License	35	60%	3	19%	1	13%	1	25%
Third Party Marijuana Transporter	14	12%	3	19%	0	0%	0	0%
Total	**2,823**	**20%**	**726**	**16%**	**426**	**23%**	**233**	**25%**
Massachusetts Working Age Population (18+)	**980,403**	**17%**	**980,403**	**17%**	-	-	-	-
Massachusetts Establishments	**-**	**-**	**-**	**-**	**119,842**	**16%**	**119,842**	**16%**

Source: CCC; U.S. Census Bureau American Community Survey, 2024 1-Year Estimates via Social Explorer; U.S. Census Bureau, Non-Employer Statistics.
Note: Agents data based on approved applications only. Persons with Authority are based on "active" licenses, therefore totals may not match between agents and persons with authority. Agents data does not include pre-certification licenses.

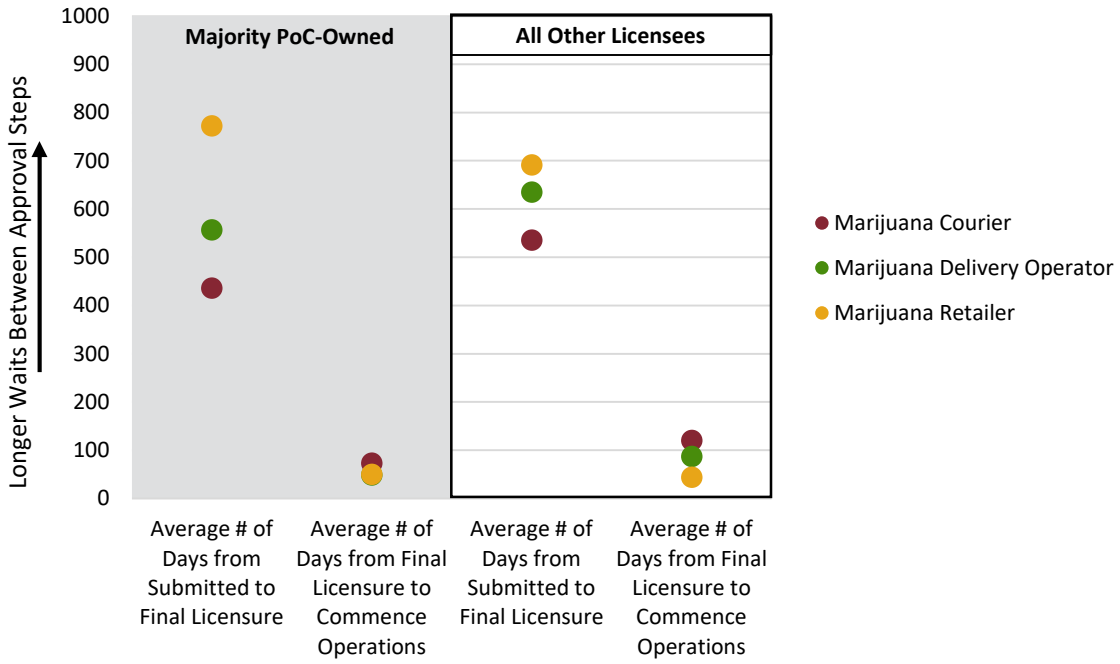
The cannabis industry overall – not just delivery businesses – appears to have a higher participation rate among people of color compared to the Massachusetts economy overall. Twenty percent of cannabis industry agents are people of color, while in comparison 17 percent of the Massachusetts working age population are people of color. Additionally, 25 percent of marijuana licenses are majority-owned by people of color, compared to ownership of 16 percent of all establishments in Massachusetts. Cannabis license holders, for both marijuana delivery and marijuana retail business, compare especially favorably against the Massachusetts retail sector overall, of which 9.3 percent of establishments are owned by people of color.

People of color are well-represented in the pipeline for delivery licenses, as well. Pre-certification couriers and delivery operators – the first phase of the process when applying for a delivery-type license – are more likely to be majority owned by people of color (68% of all pre-certification couriers and 55% of all pre-certification delivery operators) – though these numbers change slightly when pre-certifications are narrowed to only those that have not yet expired (77% people of color for couriers and 41% for delivery operators). This indicates either that the pipeline of delivery businesses is more likely to be diverse, or that majority-PoC owned businesses face additional barriers to reaching commence operations status and thus remain in the pre-certification stage for longer.

Time Frame for Licensing

Delivery licenses that are majority-owned by people of color have on average shorter waits between application submission to final licensure compared to all other delivery licensees. PoC-owned delivery licensees also have on average shorter spans of time between receiving final licensure and commencing operations. **This is a positive outcome for the goals of the delivery exclusivity policy which aims to boost participation in the cannabis industry among people of color. Delivery businesses that are majority owned by people of color spend less time in the approval process and can therefore reach commence operations quicker.**

Figure 5: People of Color: Average Number of Days between Approval Steps by License Type



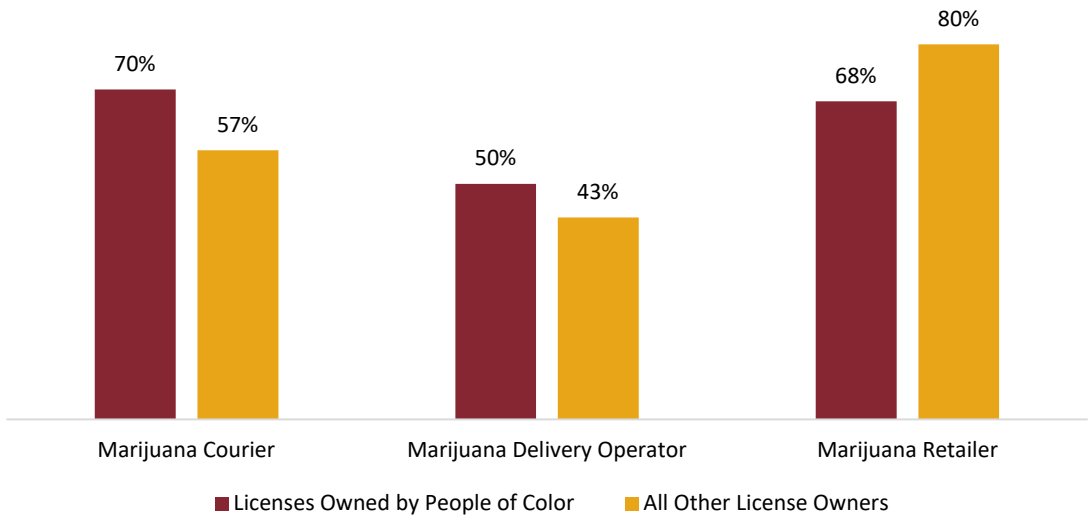
This positive trend of shorter approval wait times, however, is not true for retail businesses owned by people of color. Dispensaries owned by people of color tend to take longer to be approved for final licensure compared to all other dispensaries. This would indicate that the benefits of the delivery exclusivity policy, in this regard, are not extending outside of the delivery license types, and people of color seem to still face barriers when opening other types of businesses in the cannabis industry. Other license types are not accruing the benefits of the policy in ways that the delivery businesses are.

Proportion of Applicants Reaching 'Commence Operations' Stage

Majority PoC-owned delivery licenses are more likely to be in the commence operations stage as compared to all other delivery licenses. **This is a sign of success for the DE policy which sought to enhance participation for disproportionately impacted people. Alternately, success rates are lower for other license types owned by people of color. For instance, marijuana retailers (who are not targeted by the delivery exclusivity policy intervention) seem to have the**

opposite pattern, where retail businesses owned by people of color are less likely to be in commence operations compared to retail businesses not owned by people of color.

Figure 6: People of Color: Commence Operations Licenses as a Percent of all Approved Licenses



There seems to be less variability in the likelihood of reaching commence operations between license types for licenses owned by people of color; only twenty percentage points separate the least likely license type (50% for delivery operators) from the most likely license type to be in commence operations for licenses owned by people of color (70% for couriers). The spread is almost double that for licenses not owned by people of color: 43 percent likelihood for delivery operators versus 80 percent for marijuana retailers. **This is a sign of success as well for delivery exclusivity policy**: delivery licenses perform relatively better for people of color owners compared with licenses not owned by people of color.

Cannabis Social Equity Trust Fund

Due to confidentiality requirements in handling CCC data, we are not able to analyze the race or ethnicity of Social Equity Trust Fund awardees. UMDI recommends that the CCC work closely with the Massachusetts Executive Office of Economic Development (who administers the CSETF) to better understand what proportion of CSETF grants are awarded to PoC business owners.

LICENSES GRANTED TO MAJORITY OWNERSHIP EEP AND SEP

*Goal C proposes the **tracking of licensees who are participants of the Social Equity Program or the Economic Empowerment Program**.*

Headline: This goal is partially met, though incomplete administrative data clouds the full understanding of SEP and EEP participation in the cannabis industry. However, survey respondents across various delivery license types report difficult conditions in acquiring a license.

- **Partially met: There are proportionally fewer retailer licenses owned by EEP or SEP participants compared to couriers and delivery operators (**
- **Table 7).**
- **Not met: Nearly all respondents to the survey reported the process of getting a license to be difficult or extremely difficult, and reported facing barriers such as unaffordable start-up costs, followed by lack of financing options, and too much paperwork.**

Social Equity Program Participation

The Social Equity Program helps to support business owners and employees who have been disproportionately harmed by marijuana prohibition succeed in the cannabis industry by providing trainings, technical assistance, and networking. Participation in SEP and in the Economic Empowerment Program (EEP) may help to encourage prospective delivery licensees to join the market.

A review of CCC administrative data reveals that, as should be expected, all delivery operators with provisional or final licensure are either SEP or EEP participants. However, the data seems to show that only 76 percent of provisional or final license couriers have an SEP or EEP number; considering business owners need to be SEP or EEP participants to own a courier license (and we would therefore expect 100% of courier licenses to be SEP or EEP), this would indicate the data is incomplete to some degree. Only 15 percent of active marijuana retailers list an SEP or EEP number in the administrative data. This could be an undercount, as well, considering the percentage of incomplete data observed among courier licensees. In addition, non-delivery businesses may be SEP or EEP participants but may not feel it necessary to list their number when reporting to the CCC considering it is not required to be an SEP or EEP participant to own a retail license. This makes it difficult to interpret the SEP or EEP data as is. UMDI recommends better tracking of SEP and EEP participants in the industry. With a more comprehensive understanding of SEP and EEP participation in the cannabis industry (either as license owners or as employees), the CCC can better evaluate and quantify the benefits of these programs.

Table 7: Count of Provisional and Final Licenses by License Type for EEP and SEP Businesses

License Type	# of Provisional or Final Licenses for EEP or SEP Businesses	# of All Provisional or Final Licenses	% EEP or SEP
Marijuana Courier	19	25	**76%**
Marijuana Delivery Operator	40	40	**100%**
Marijuana Retailer	75	514	**15%**

Barriers to Acquiring Licensure

Nearly all respondents to the survey reported the process of getting a license to be difficult or extremely difficult and reported that during the licensing process they faced barriers such as unaffordable start-up costs, lack of financing options, and too much paperwork. The overwhelming majority of survey respondents reported facing barriers in opening their business

(94%), with primary barriers identified as lack of financing options, while unaffordable start-up costs, timeframe from licensure to starting up, difficulty finding a location, and high costs to secure a location were heavily reported. When asked about possible improvements that could make the application process more attainable, themes related to streamlining the application and removing unnecessary steps and onerous requirements were reported the most. Others suggested better cooperation with local governments/HCAs, better communications from the CCC, and a more affordable application process.

NUMBER OF REGISTERED AGENTS WHO ARE SEP PARTICIPANTS

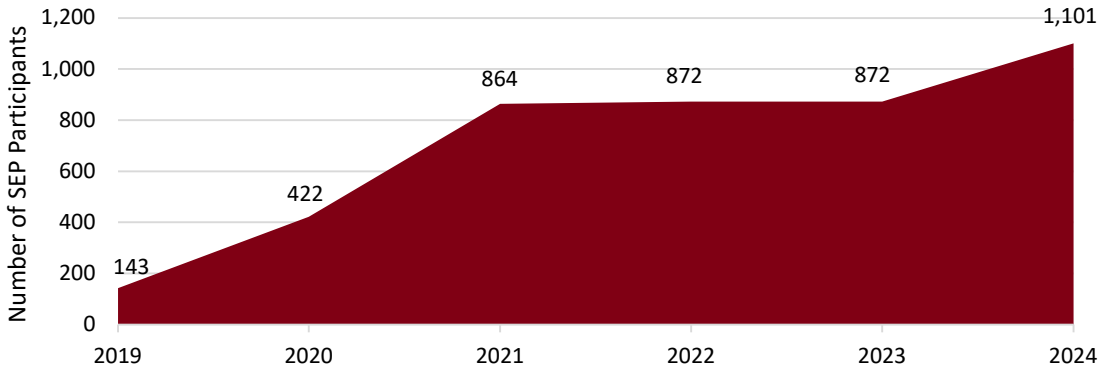
Through Goal D, the CCC seeks a better understanding of ***the number of industry participants who are a part of the Social Equity Program.***

Headline: The analysis indicates that this goal is partially met, though there are challenges due to incomplete administrative data.

- **Partially met: Except for a lull between 2021 and 2022, SEP participation has steadily increased since the program was introduced (Figure 7).**
- **Partially met: The majority of SEP participants are people of color (Table 8).**
    - **Not met: However, people of color have a slightly lower proportion of active SEP licenses compared to all other participants.**
- It is difficult to determine exactly how many SEP agents work for the various license types, however. There are a significant number of agent applications where the field for SEP participation is blank, i.e. neither yes or no. UMDI recommends that the CCC develops a dataset that can link the list of SEP participants with existing lists of registered agents.

The purpose of the Social Equity Program is to build capacity across disproportionately impacted people to participate in the cannabis industry by connecting participants with technical assistance, business owner networks, and educational and training materials through the CCC. Except for a lull between 2021 and 2022, SEP participation has steadily increased since the program was introduced (**Figure 7**). **This is a positive sign that the DE policy goals to increase participation in the Social Equity Program are being met. The incremental increase of SEP participants creates a larger pool of people eligible to seek delivery-related licenses.**

Figure 7: Cumulative Number of SEP Participants, 2019-2024



As stated above, the majority of SEP participants are people of color (**Table 8**). **However, although their numbers in the SEP program are high, people of color have a slightly lower proportion of active licenses compared to all other participants** (45% active for people of color versus 57% active for those who are not people of color). There are proportionally more applications by people of color which were either deleted before submission (i.e. the applicant has completely cancelled their application) or are currently incomplete (i.e. the applicant has instead only not yet completed the application).

Table 8: SEP Participants by Race and Ethnicity Categorization

	Active Applications	Deleted Applications	Incomplete Applications	Percent Active
People of Color	750	40	891	45%
Not People of Color	300	12	217	57%
Declined to Answer	51	1063	236	4%

Due to a high percentage of blank responses in the data, however, it is difficult to determine the distribution of SEP participants among the various marijuana license types. The administrative dataset from the CCC that provides detail on agents who are SEP participants includes a high percentage of incomplete data. For instance, in this dataset, 73 active and unique person identification numbers answered "yes" when asked if they are a Social Equity Program participant, a small percentage compared to the 11,433 active, unique agents who answered that they are not an SEP participant. However, the same dataset includes an additional 3,905 rows of active and unique person identification numbers who left the SEP participant field blank. Assuming that a portion of those blank submissions in fact are SEP participants (who for one reason or another did not list their SE number), this means that there is a constrained ability to estimate the number of SEP participants by license type. UMDI recommends that the CCC develops a dataset that can link the list of SEP participants with existing lists of registered agents.

Business Performance and Success for Delivery Exclusivity Licensees

Goal E from the Cannabis Control Commission regulations (935 CMR 500) is addressed in this section.

Business Performance and Success	e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments

Analysis

Goal E of the exclusivity period aims to ***count the number of delivery licenses in operation and to compare those to the business performance of other marijuana establishments.***

Headline: This goal has not been met. Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years and, in combination with geographic restrictions on marijuana business operations, have negatively impacted the business performance of delivery and brick-and-mortar dispensaries alike.

- **Not met: The rates of delivery business formation are much lower than for retail businesses, and couriers and delivery operators are much less saturated in the cannabis market across the state relative to brick-and-mortar dispensaries (Figure 8).**
- **Partially met: Sales growth has been positive for delivery operators over the past several years (Figure 9).**
- **Not met: Courier and retailers, however, have seen stagnant sales over the same time period (Figure 9).**
- **Not met: Business costs have increased over the past 5 years for retailers and transportation & logistics businesses across the United States, first during the recovery from the COVID-19 pandemic and currently due to inflation and higher tariffs on imports. These higher costs for materials, packaging, energy, and other types of goods are felt across sectors, including the cannabis industry. At the same time, marijuana product prices in Massachusetts have fallen since legalization (Figure 10), reducing profit margins and threatening business performance.**
- **Not met: Only 59 percent of towns and cities in the state allow delivery, limiting the markets in which delivery businesses can compete (Figure 11).**
- **Not met: Average sales per establishment have been in decline virtually since the beginning of the legal cannabis market (Table 10). This is true for retailers, which started operations in 2019, as well as delivery license types, which started operations later in 2021 and 2022. This is a challenge for the delivery exclusivity policy: businesses are on average reporting less revenue, threatening the financial sustainability of operations.**

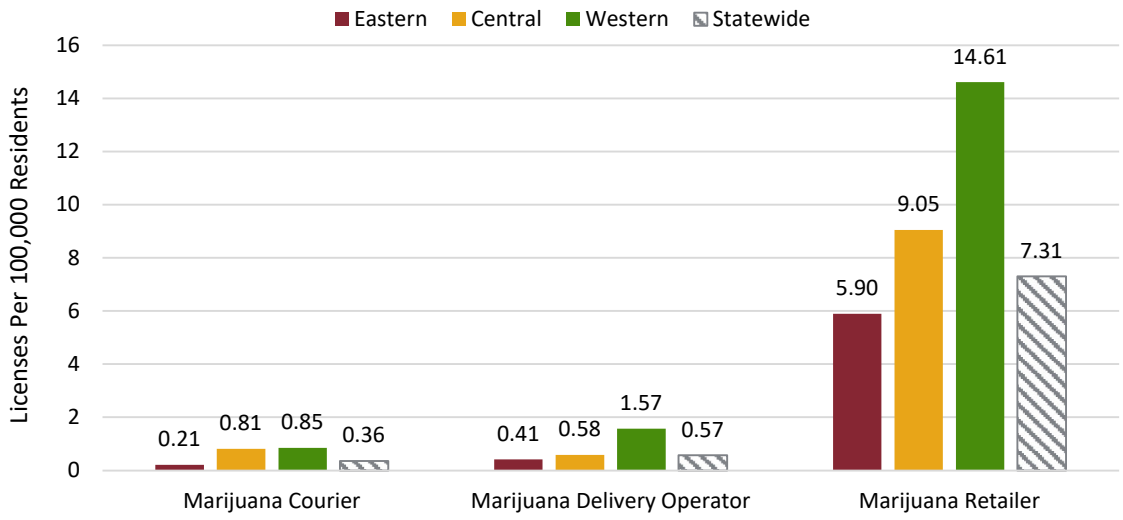
Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years and have negatively impacted the business performance of delivery and brick-

and-mortar marijuana businesses alike. In this section, UMDI seeks to better understand the position of businesses in the cannabis industry through available data. First, an analysis of license saturation per 100,000 residents aims to measure the reach and prospective client base of delivery businesses versus marijuana retailers. Second, sales data were analyzed to understand business revenue trends over time. Third, UMDI compared employment levels and trends for delivery businesses against marijuana retailers.

Marijuana License Saturation

Delivery licenses are a relatively small part of the cannabis industry: there are currently 13 courier licenses with commence operations approval and 19 delivery operator licenses operating in that approval stage. Combined, those represent roughly five percent of all commence operations licenses in the cannabis industry. In comparison, there are 412 marijuana retailer licenses in operation in Massachusetts, or 55 percent of all marijuana licenses. This is significant because retailers are the clearest comparison point and competitor for delivery operators especially. The saturation of retailers in the state could impact courier business performance as well; if consumers have plentiful options for patronizing dispensaries, the value of delivery from any one dispensary declines and it becomes more difficult for couriers to establish themselves as viable alternatives.

Figure 8: Count of Licensees by Region and License Type per 100,000 Residents



Source: CCC; U.S. Census Bureau Population Estimates Program.

In the **Representation and Participation** section which compares delivery licensees to the business community overall, disproportionately impacted people seem well represented in the cannabis industry. But compared to potential consumer bases in **Figure 8**, delivery businesses seem underrepresented compared to retailers.

Despite the purpose of the delivery exclusivity policy to enhance the ability of disproportionately impacted people to open delivery businesses, the rates of delivery business formations are much lower than for retail businesses. Considering the widespread

and intensive use of delivery services in other sectors such as restaurants or consumer goods, we would expect delivery licenses to be far more represented relative to retailers. Alternatively, fewer delivery businesses per 100,000 residents could translate to higher sales per establishment as consumers divide their spending between fewer businesses. Sales data seems to indicate some evidence for these benefits especially for delivery operators. Deflation in marijuana prices and inflation in business costs, however, have eroded the business conditions in the cannabis industry for all business types.

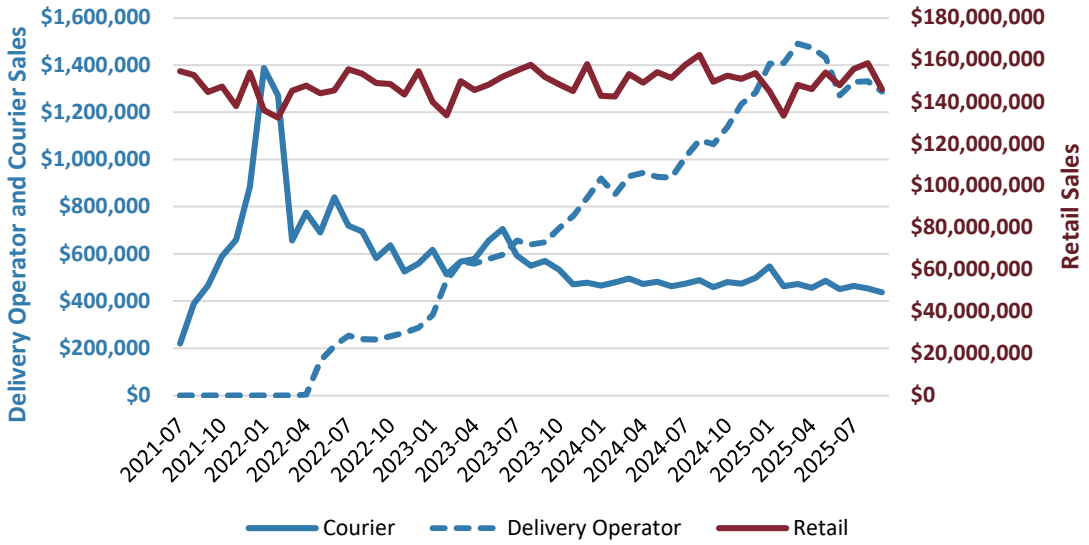
Sales Trends in the Cannabis Industry

The benefits of the delivery exclusivity policy seem to have accrued especially well for delivery operators, who appear to be the only direct-to-consumer seller type that has increased sales over the past several years. Sales made by couriers, on the other hand, have seen no growth at all over the past almost two years, **a troubling sign for the delivery exclusivity policy**.[38] This could indicate that the delivery operator model, where the business wholesale purchases cannabis products to store in a warehouse and deliver directly to consumers, is more successful than the marijuana courier model, where the business must partner with retailers to deliver cannabis products to consumers from the dispensary. Ultimately, the delivery market appears underutilized, and sales could be artificially depressed as a result.

Delivery operators and couriers have had divergent sales trajectories, with operators' sales increasing since late 2022 through mid-2025. Courier sales, however, slid from a high in the beginning of 2022, and have stagnated at a low level since late 2023 (**Figure 9**). Retail sales have seen little movement throughout the entire period as well. However, the retail market is significantly larger than the delivery market. Delivery sales of operators, couriers, and microbusinesses with delivery endorsement combined peaked in March 2025 at $1.964 million, or just 1.3 percent of the $148 million of retail sales from that month. Taking total sales in nominal dollar value since the start of the legal cannabis market, 99.3 percent of all marijuana sales have taken place in a dispensary, and only 0.7 percent of sales have been made through delivery.

[38] It is important to note that the CCC dataset indicates if a sale utilized a courier for delivery, but does not indicate the revenues made by the courier for that sale. The dollar amount listed for courier deliveries indicates the dispensary's sales price, i.e. the revenue accrued by the retailer. Couriers make revenue from fees and tips on the delivery, but this is not reported in the CCC dataset. If tracking of courier revenues is desired, the addition of a different field for data collection would be required.

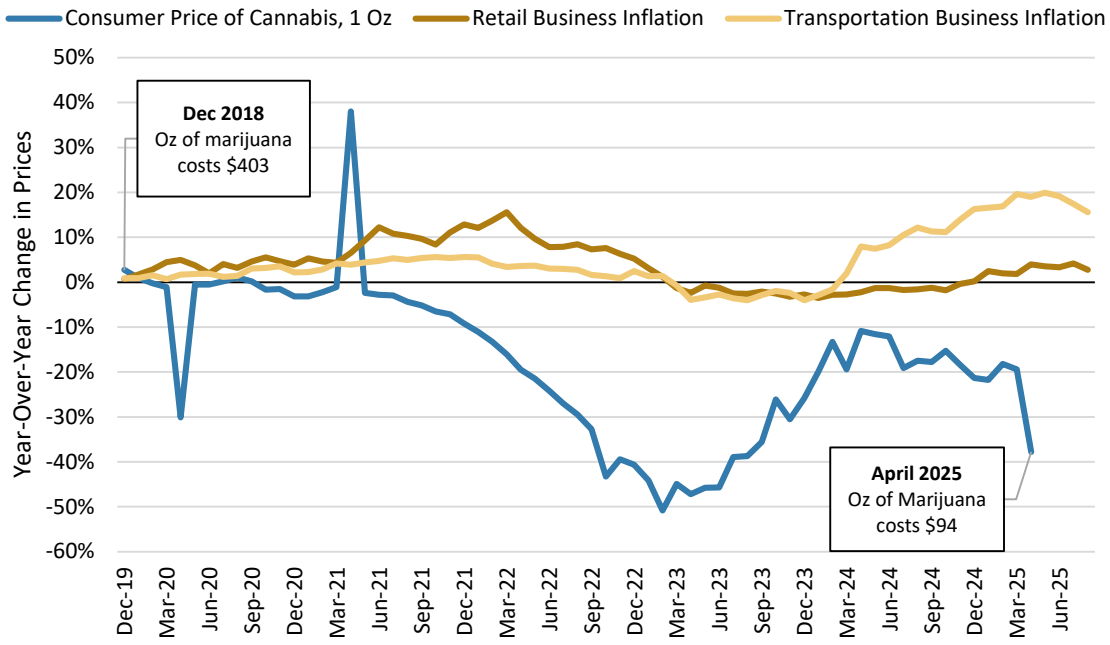
Figure 9: Monthly Sales by License Type (Not Adjusted for Inflation)



Note: Delivery endorsement sales were not included in this graph. The very small portion of delivery endorsement sales in the industry does not fit with the scales in this figure.

Considering that the dollar value of sales in this analysis are nominal (i.e., not adjusted for inflation), these figures underestimate the challenges facing the revenue streams of direct-to-consumer marijuana businesses. If courier and retail sales have been nominally stagnant over the past several years, this means that businesses' revenues have not kept up with increasingly expensive materials, labor, health insurance, and other costs facing businesses. U.S. business costs have increased over the past five years for retail sector and transportation & logistics sector businesses, first during the recovery from the COVID-19 pandemic and currently due to inflation and higher tariffs on imports. These higher costs for materials, packaging, energy, and other types of goods are felt across the economy, including the cannabis industry. At the same time, marijuana product prices in Massachusetts have fallen since legalization (**Figure 10**), reducing profit margins and threatening business performance. Lower sales prices may discourage potential new business owners from entering the market, especially faced with high costs of doing business. **These macro-economic conditions have created a difficult situation especially for small businesses in the cannabis industry, among them delivery licensees; these groups are more exposed to the challenges of lower sales prices and higher business costs compared to larger, multistate operators.**

Figure 10: Year-over-Year Change in Prices for Marijuana Vs. Producer Inflation in U.S. Retail Sector and Transportation Sector Establishments, 2019-2025



Source Cannabis Control Commission; U.S. Bureau of Labor Statistics, Producer Price Index

Utilization of Delivery Services

Since delivery services have been introduced, sales volumes—the number of transactions as opposed to the dollar value of transactions—have increased, a sign that utilization is increasing as the legal marijuana market has matured. Both retailers and delivery operators have seen consistently increasing sales volumes over the past three years. Couriers have seen less pronounced growth, with transactions plateauing since mid-2023, but have avoided sales volume decreases. But the decreasing price of marijuana in the legal market has effectively erased any revenue growth for direct-to-consumer marijuana businesses except for delivery operators. Delivery and brick-and-mortar would have seen much higher revenue growth if the price of marijuana was stable.

Although there is no readily available source of data to allow comparisons across U.S. states, Massachusetts businesses appear to be utilizing delivery services at a lower rate compared to national findings. A 2022 national survey of dispensaries found that 61 percent of respondents offered delivery services and another 16 percent planned to offer delivery by 2023, for a potential total of 77 percent of dispensaries offering delivery.[39] Estimates from a recent

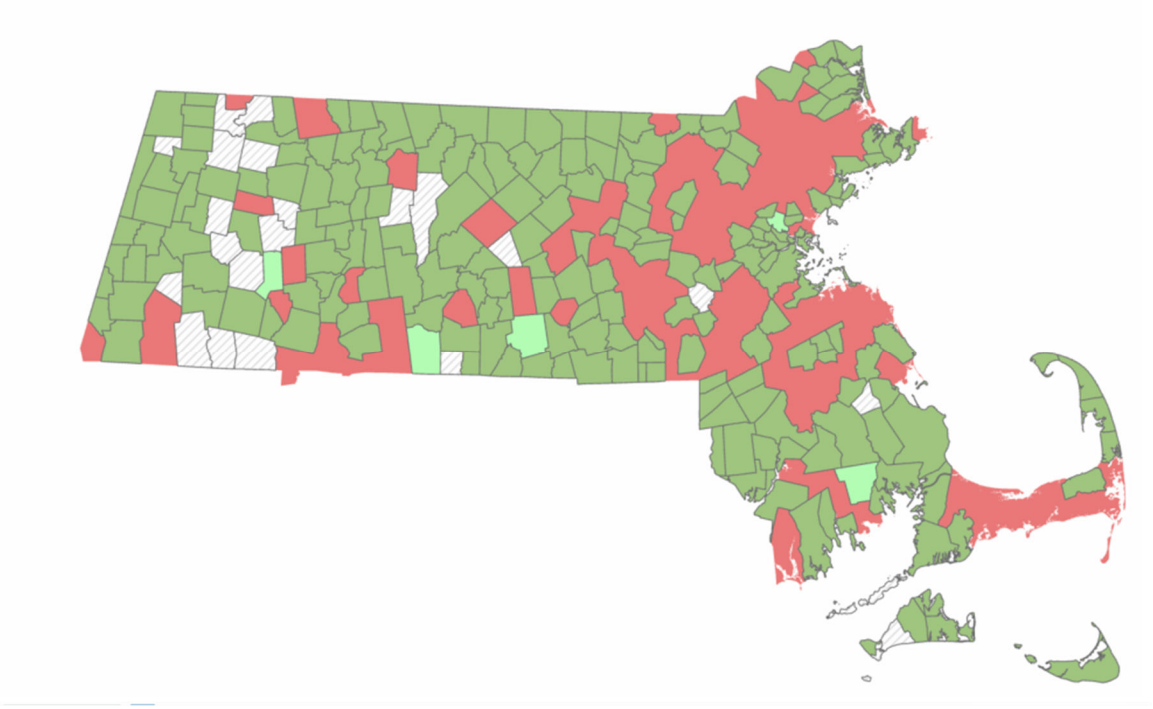
[39] Cannabis Business Times, *SKUs, Online Orders and Delivery*. September 2, 2022. https://www.cannabisbusinesstimes.com/business-issues-benchmarks/cannabis-delivery/article/15689275/skus-online-orders-and-delivery

academic study found lower levels of usage: 13.4 percent of brick-and-mortar retailers[40] across a U.S. sample advertised delivery services. Massachusetts data show a similar level of use, with CCC sales data showing that 9.4 percent of retailers have utilized courier services (28 retail licensees have delivered with couriers out of 297 retailers total that are present in the sales dataset). At the same time, delivery services, and couriers in particular, are generally underutilized in the industry. In Massachusetts there are forty retail businesses for every one courier license holder. However, with 13 courier licenses currently in operation, and 28 retail licensees having utilized a courier to deliver, that would imply that the average courier business has agreements with only roughly 2 retailers. Therefore, there are unrealized opportunities for couriers to partner with greater numbers of retailers and expand their delivery capacities.

Delivery may also be underutilized in Massachusetts due to artificial restrictions on the geographic range of these services; **only 59 percent of towns and cities in the state allow delivery, limiting the markets in which delivery businesses can compete**. Put another way, roughly 68 percent of Massachusetts's population lives in towns or cities that allow delivery. Municipalities are statutorily allowed to opt-out of both marijuana delivery and retail, and in fact, a slightly smaller percentage (56% of towns and cities, representing 67% of the Massachusetts population) allow brick-and-mortar dispensaries (**Figure 11**). Despite this, delivery may be at a disadvantage in parts of the state where both are permitted. For instance, delivery and retail are both allowed in the urban core of Greater Boston but not allowed in the more sparsely populated ring of suburbs around Interstate 495. But due to the saturation of dispensaries in urban markets in the state, these consumers may more readily choose to buy from brick-and-mortar retailers if they view them as quicker or more convenient than delivery. Delivery could have a competitive advantage in more suburban or rural areas where consumers would need to travel farther to reach a dispensary, but only if delivery were allowed in these locations. In fact, this may be a contributing reason why participation and business formation of delivery licenses is at times higher in Western Massachusetts: many of the rural areas of Western Massachusetts allow delivery, and so the geographic market is larger than in the Eastern half of the state, even if the raw number of potential consumers is smaller. Increasing the list of communities that couriers or operators can deliver to could improve business performance for these license types.

[40] Berg, Carla, et. al, Cannabis retailer marketing strategies and regulatory compliance: A surveillance study of retailers in 5 US cities. Addict Behavior. March 17, 2023. https://pmc.ncbi.nlm.nih.gov/articles/PMC10674052/

Figure 11: Municipal Permitting for Adult-Use Marijuana Delivery in Massaschusetts



Source: Cannabis Control Commission. Municipal Zoning Tracker. https://masscannabiscontrol.com/municipal-zoning-tracker/; UMDI map using MassGIS.
Note: Green indicates delivery is permitted; light green indicates 'In process'; red indicates delivery not permitted; grey slashes indicate no response.

Employment Trends in Marijuana Businesses

Disregarding partial year data for 2025 (data for which was only available through the end of August), couriers and retailers appear to be stable in size, in terms of the total number of people involved in those operations whether they be employees, owners, board members, or volunteers, though partial year data for 2025 would indicate a slight dip. Delivery operators, in contrast, appear to be shrinking in size from 2022 to 2024. This is all against the backdrop of a Massachusetts job market that has grown only a small amount over the past few years, with both employment and the number of businesses being slightly lower in 2025 than the 2023 annual averages (**Table 9**).

Marijuana couriers, delivery operators, and retailers all appear to be larger on average in size (based on average agents per establishment) than the average business size in the state overall. However, this is a difficult comparison to make, as agents include other persons affiliated with a marijuana business such as owners and board members. As such, UMDI recommends the CCC develop an agent code purely for employees of a marijuana establishment. This will allow for more direct comparisons to other industries in the state as well as making it easier to estimate the economic contributions to the Massachusetts economy of marijuana businesses.

Table 9: Annual Employment and Establishment Growth by License Type, 2018-2025

License Type	Total Agents/Employees									
	2018	2019	2020	2021	2022	2023	2024	% Growth, 2023-2024	2025 YTD	2025 as % of 2024
Marijuana Courier	15	15	15	138	328	296	246	-17%	167	68%
Marijuana Delivery Operator	25	25	25	26	167	229	327	43%	237	72%
Marijuana Retailer	621	1,906	3,434	6,305	9,913	12,185	15,141	24%	11,007	73%
Massachusetts Overall (in 1000s)	3,588	3,632	3,327	3,459	3,595	3,635	3,645	0.3%	3,567	98%
License Type	**Total Establishments**									
	2018	2019	2020	2021	2022	2023	2024	% Growth, 2023-2024	2025 YTD	2025 as % of 2024
Marijuana Courier	0	0	0	6	9	10	10	0.0%	13	130%
Marijuana Delivery Operator	0	0	0	0	4	10	18	80%	19	106%
Marijuana Retailer	5	32	95	188	258	331	382	15%	412	108%
Massachusetts Overall (in 1000s)	256	260	262	277	290	290	284	-2%	290	102%
License Type	**Average Agents per Establishment**									
	2018	2019	2020	2021	2022	2023	2024	% Growth, 2023-2024	2025 YTD	2025 as % of 2024
Marijuana Courier				23	36	30	25	-17%	13	52%
Marijuana Delivery Operator					42	23	18	-21%	12	69%
Marijuana Retailer	124	60	36	34	38	37	40	8%	27	67%
Massachusetts Overall	14	14	13	12	12	13	13	2%	12	96%

Source: CCC; Massachusetts Executive Office of Labor and Workforce Development, ES-202.
Note: 2018 data is for April through December, and 2025 data is for January through August.

Based on the growth in the number of establishments by license types, the delivery segment of the cannabis industry appears to be lagging. The number of courier licenses grew at an annualized rate of 19 percent during first three years that the courier license was available. Delivery operators grew at a 68 percent annualized rate. In comparison, the number of retailer licenses grew by 235 percent annually for its first three years, and the industry overall grew at a 212 percent annualized rate.

Average sales per establishment have been in decline virtually since the beginning of the legal cannabis market (**Table 10**). This is true for retailers, which started operations in 2019, as well as delivery license types, which started operations later in 2021 and 2022. **This is a challenge for the delivery exclusivity policy: businesses are on average reporting less revenue, threatening the financial sustainability of operations.** This could also be an indication that there are now more small businesses in the mix, compared to relatively fewer but larger businesses who entered the market immediately.

Table 10: Average Annual Sales Per Establishment by License Type

License Type	Sales (in 1,000s)							
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	***2025****
Marijuana Retailer	$16,460	$553,391	$972,573	$1,644,033	$1,755,236	$1,784,789	$1,819,747	*$1,462,391*
Marijuana Delivery Operator	$0	$0	$0	$0	$1,898	$7,390	$12,312	*$13,565*
Marijuana Courier	$0	$466	$1,322	$3,805	$9,336	$6,829	$5,726	*$4,627*
License Type	**Establishments**							
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	***2025***
Marijuana Retailer	5	32	95	188	258	331	382	*412*
Marijuana Delivery Operator	0	0	0	0	4	10	18	*19*
Marijuana Courier	0	0	0	6	9	10	10	*13*
License Type	**Sales (in 1,000s) Per Establishment**							
	2018*	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	***2025 YTD***
Marijuana Retailer	$3,292	$17,293	$10,238	$8,745	$6,803	$5,392	$4,764	$3,549
Year-Over-Year % Change			-41%	-15%	-22%	-21%	-12%	
Marijuana Delivery Operator					$475	$739	$684	$714
Year-Over-Year % Change						56%	-7%	
Marijuana Courier				$634	$1,037	$683	$573	$356
Year-Over-Year % Change					64%	-34%	-16%	

Note: 2018 data is for April through December, and 2025 data is for January through August.

Business Feasibility and Sustainability

Goal F from the Cannabis Control Commission regulations (935 CMR 500) is addressed in this section.

Business Feasibility and Sustainability	f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends

Financial feasibility is a closely related concept to business performance; both attempt to measure the conditions of the broader market and the experience of the average business in the cannabis industry. In this section, quantitative analysis for feasibility is primarily concerned with the application pipeline as well as the distribution of Social Equity Trust Fund awards, and the survey analysis focuses on costs, current business conditions, and future plans.

Analysis

Goal F of the exclusivity period aims to ***understand the financial feasibility of continued participation in the marijuana industry for communities disproportionately harmed by the war on drugs.***

Headline: Despite some progress on lowering costs through fee waivers, this goal has not been met, as delivery exclusivity businesses report difficult financial conditions and unexpectedly high start-up costs. In addition, data show a shrinking pipeline of applicants and a lack of necessary funding for new businesses.

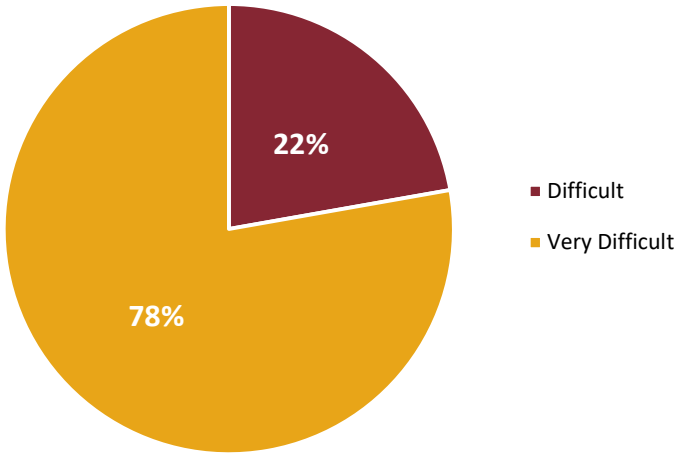
- **Not met: All respondents characterized start-up cost feasibility as difficult to some extent, with the majority characterizing these as very difficult (Figure 12).**
- **Not met: There is a shrinking pipeline of prospective licensees, whether delivery or brick-and-mortar, who are interested in opening businesses in the cannabis industry (Figure 13).**
- **Partially met: There are proportionally fewer inactive courier and delivery operator applications than there are inactive retailer applications (Table 12).**
- **Partially met: Licensing fees for delivery businesses are waived, representing significant savings for couriers and delivery operators as average licensing fees for other license types can approach $10,000 (Table 13).**
- **Not met: Awards for prospective businesses from the Cannabis Social Equity Trust Fund, which may have financial needs in the pre-licensure phase, seem more difficult to acquire, which can be a challenge for some businesses that are exploring delivery functions (Table 14).**
    - UMDI recommends that EOED add fields to the CSETF data so CSETF grants can be matched with the specific business function that the establishment intends to use the award for, which will allow them to better understand how businesses are using this financial support, and if that usage differs by license type.

- **Not met: Most respondents feel either neutral (39%) or very negative (33%) about their current business conditions, and the majority of respondents (67%) anticipate barriers to fulfilling their business plans in the next year, primarily citing barriers related to the delivery exclusivity period ending (Table 15).**

Start-Up Cost Feasibility

Only survey respondents who are currently in operation received questions about start-up costs. **All respondents characterized start-up cost feasibility as difficult, with the majority characterizing these as very difficult (78%)** (**Figure 12**). Most of these respondents reported unexpected start-up costs (83%), which in general, largely included unanticipated expenses required before securing a license or commencing operations and expenses which unexpectedly cost significantly more due to the licensing process (i.e. covering legal costs for the drawn-out application process). **Table 11** ranks the most common unexpected costs in more detail.

Figure 12: To What Degree were Business Start-Up Costs Feasible for your Individual Financial Situation



Source: UMDI Survey of Cannabis Businesses

Table 11: What Were the Costs to Starting your Business That You Did Not Expect?

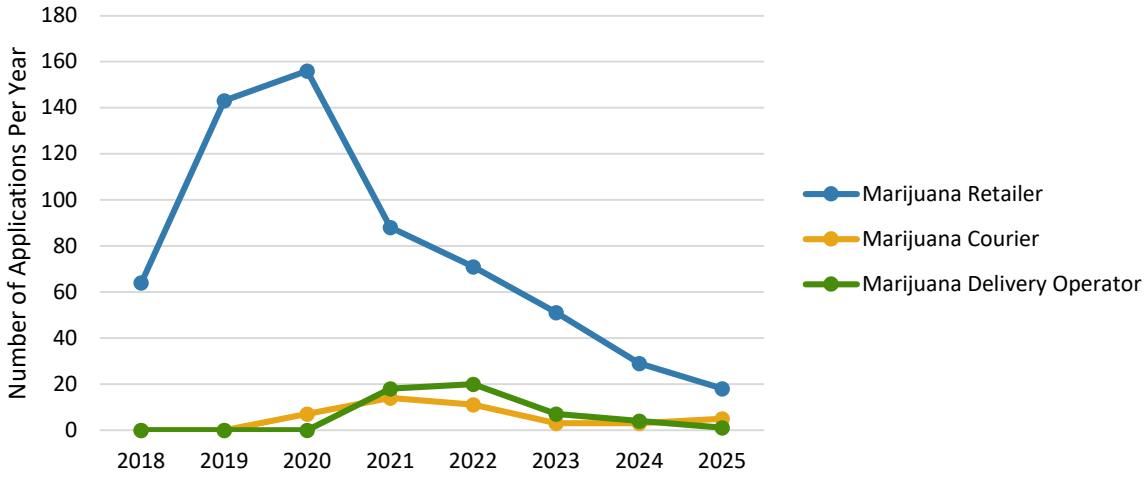
Unexpected Costs	Courier Only	Delivery Operator only	Other business with or applying for Delivery License or Endorsement	Total
Operating Costs (Insurance costs, Rent, Employee Costs, Software costs, Accountant fees, Gas cost, Payment processing fees, Product costs, Private lending interest rates)	8	2	5	15
Application Fees (Legal fees, Municipal fees, Location fees, Build out costs, Commencing operations fees)	4	3	1	8
Expenses required before securing a license or commencing operations	1	5	1	7
Expected expenses unexpectedly cost significantly more due to licensing process	1	3	2	6
Lack of income due to time spent applying and inability to fund owner income through SEP grants	1			1
Lack of revenue due to lack of contracts with retailers	1			1

Source: UMDI Survey of Cannabis Businesses

License Application Pipeline

An analysis of establishment-level license data shows a shrinking pipeline of prospective licensees, whether delivery or brick-and-mortar, who are interested in opening businesses in the cannabis industry (**Figure 13**). After an initial push post-legalization and post-creation of delivery type licenses, the number of applications per year has declined. Only marijuana couriers had more applications so far in 2025 than in 2024; operators and retailers are on track for declines year-over-year. **This is a challenge for the DE policy and could be a symptom of the difficult market conditions and challenges to feasibility in the cannabis industry.**

Figure 13: Volume of Applications by License Type and Year



There are proportionally fewer inactive (i.e. before the provisional or final licensure stage) courier and delivery operator applications compared to active applications (i.e. those that have achieved at least provisional or final licensure) than there are inactive retailer applications. **This is a positive trend for the DE goals**, as the pipeline seems to have fewer incomplete applications than would be expected, indicating that more delivery licensees reach provisional or final licensure compared to the marijuana retailer license type.

Table 12: Proportion of Inactive Licenses to Active Licenses by License Type

License Type	Active	Total Inactive	Inactive to Active Ratio
Marijuana Courier	25	72	2.9
Marijuana Delivery Operator	40	49	1.2
Marijuana Retailer	514	3,712	7.2

Given their lower inactive to active ratio, the delivery operator license appears to have the lowest barrier to entry among these three options, as described by this metric, among those seeking the license. People may start the application process and be less discouraged compared to retailers, who in comparison have more prohibitive conditions to create a business. This relates to the sales data analysis in the **Business Performance and Success for Delivery Exclusivity Licensees** section where delivery operators were the only license type to be experiencing sales growth over the past several years; if the market conditions for couriers and retailers are more difficult, prospective business owners may not be able to reach commence operations as easily.

Table 13: Licensing Fees by License Type

License Type	Average Licensing Fee	Average Fee Payment	Total Licensing Fees	Total Fee Payments	% of Fee Paid
Craft Marijuana Cooperative	$8,125	$675	$32,500	$2,700	8%
Independent Testing Laboratory	$8,636	$1,100	$190,000	$26,400	14%
Marijuana Courier	$5,000	$0	$65,000	$0	0%
Marijuana Courier Pre-Certification	$0	$0	$0	$0	0%
Marijuana Cultivator	$8,757	$680	$3,476,382	$274,525	8%
Marijuana Delivery Operator	$0	$0	$0	$0	0%
Marijuana Delivery Operator Pre-Certification	$0	$0	$0	$0	0%
Marijuana Microbusiness	$3,218	$580	$119,063	$14,500	12%
Marijuana Product Manufacturer	$8,364	$897	$2,643,125	$288,925	11%
Marijuana Research Facility	$1,000	$300	$1,000	$600	60%
Marijuana Retailer	$8,471	$861	$5,751,735	$546,600	10%
Marijuana Transporter with Other Existing ME License	$3,750	$767	$30,000	$4,600	15%
Microbusiness Delivery	$1,106	$0	$4,425	$0	0%
Third Party Marijuana Transporter	$4,583	$1,020	$27,500	$5,100	19%

Licensing fees for delivery businesses are waived, as evidenced by CCC internal data showing $0 in fee payments for couriers, delivery operators, and microbusinesses with a delivery endorsement (**Table 13**). **This is a positive aspect of the delivery exclusivity policy, as average licensing fees can approach $10,000 per business.** This represents significant savings for delivery businesses, especially considering that many of the licensing fees are collected at the beginning stages of business formation, at a time when access to capital can be most difficult. Nevertheless, survey respondents still found fees to be prohibitive (**Table 11**).

Cannabis Social Equity Trust Fund

The majority of CSETF funding goes to businesses that either have been approved for provisional or final licensure, or are in commence operations. Only ten percent of CSETF funding goes to pre-licensure businesses. **This could be a positive sign for the DE policy goals**, as most available funding goes toward businesses that the CCC has already approved in some capacity.

However, funding for prospective businesses, which may have financial needs in the pre-licensure phase, seems more difficult to acquire, which can be a challenge for some businesses that are exploring delivery functions. Put another way, less than half (45%) of CSETF recipients are in the application pipeline, with the remainder of awards going to businesses that are already in operation.

Table 14: Social Equity Trust Fund by Tier Level

Tier Level	Tier 1 (Industry Entry Support)	Tier 2 (Immediate Needs)*	Tier 3 (Support for Commencement of Operations)	Tier 4 (Existing Business Growth and Expansion)
Which businesses qualify?	Pre-Licensure (Provisional or Final)	Provisional or Final Licensees	Provisional or Final Licensees without Notice to Commence Ops	Final Licensees that have received Notice to Commence Ops
$	$2,750,000	$2,650,000	$7,250,000	$16,200,000
% of Total	10%	9%	25%	56%

Note*: the Immediate Needs Grant Program from FY24 has been combined with the Tier 2 from FY25.

There are, however, data limitations for assessing the CSETF. First, the fund is administered through the Massachusetts Executive Office of Economic Development, a separate organization from CCC, and data on the CSETF awards were provided by the EOED. Many businesses named in the Cannabis Social Equity Trust fund dataset of awards for FY24 and FY25 did not exist or could not be matched to businesses on the publicly available dataset of licenses on the CCC's Data Catalog website. Many unmatched businesses were awarded relatively small amounts of $25,000 or less (though some unmatched businesses were awarded grants of $300,000 or more). This means that further analysis of those unmatched businesses was not possible.

Second, because a single cannabis business may have multiple licenses of different types, it is difficult to determine the exact distribution of CSETF awards by license type. We recommend that EOED add fields to the data so that CSETF grants can be matched with the specific business functions that the establishment intends to use the award for, which will allow them to better

understand how businesses are using this financial support, and if that fund usage differs by license type.

Business Conditions and Future Plans

In addressing this goal, survey respondents were asked questions regarding their perception of their own business conditions, future plans for their businesses, and barriers to fulfilling those plans. Respondents who are currently in operation received these questions.

Most respondents feel either neutral (39%) or very negative (33%) about their current business conditions. Comparing those who responded negatively overall to those who responded positively, more respondents have negative views (39%) of their business conditions while only 22% have a positive perception.

The majority of respondents (67%) anticipate barriers to fulfilling their business plans in the next year. The majority of respondents also intend to expand their business in the next year (78%), indicating a sense of resiliency among these operators who are continuing to pursue success in the cannabis industry despite barriers and negative business conditions.

The primary barrier to executing future plans was reported to be related to the delivery exclusivity period ending, or increased competition as a result of it ending. Other barriers include financing and business sustainability, market conditions and industry trends, and regulations and regulators.

Table 15: Barriers to Fufilling Future Business Plans

Barriers	Total
Uncertainty related to delivery exclusivity	**8**
Delivery exclusivity period ending	3
Increased competition due to delivery exclusivity period ending	3
No guarantee of Social Equity Trust fund money	2
Financing and Business Sustainability	**7**
(Financial barriers, Lack of capital or access to capital, Conflict with partners and therefore losing partners and money, Not successful enough to sell, Legal fees to secure control of business, Predatory Lenders and Ancillary Businesses)	
Market Conditions and Industry Trends	**7**
(Oversaturated market driving down product costs and therefore revenue, No delivery market in nearby towns, Lack of retailers to partner with, Lack of support from industry power, Lack of biomass)	
Regulations and Regulators	**4**
(Cost of regulations does not consider prices for product, Business not sustainable due to regulations and associated costs, Lack of communication and consistency from regulators, Municipal barriers)	

Policy Impacts

Goal G *from the Cannabis Control Commission regulations 935 CMR 500 is addressed in this section.*

In this section, the survey of delivery exclusivity applicants and operators is leveraged to discuss key regulatory, policy, or guidance changed made by the Commission, and how they may or may not have improved business conditions and outcomes for delivery licenses. Questions about business impacts from specific regulations, HCAs, local equity provisions, and the Social Equity Trust Fund were asked to directly inform this discussion.

Policy Impacts	g. Any other information the Commission determines relevant

Analysis

Goal G aims to assess "Any other information the Commission determines relevant." For this study, CCC staff requested that UMDI assess ***"the key regulatory, policy, or guidance changes made by the Commission to improve business conditions and ideally improve outcomes for delivery licensees during the delivery exclusivity period."***

Headline: This goal has been partially met – while improvements to regulations, namely the removal of the two-driver rule, have positively impacted businesses, significant barriers in negotiating HCAs and inconsistencies across municipalities remain. The Social Equity Trust Fund has been highly beneficial and well-utilized by SEP participants, though the most commonly suggested improvement is for more funding to be made available.

- **Partially met: Respondents felt that all regulatory changes to the number of drivers, electronic records and delivery hours had generally positive impacts on their business.**
- **Not met: Reported experiences working with municipalities were generally negative, and many survey respondents reported experiencing significant barriers to entering the cannabis industry specifically due to negotiating HCAs.**
- **Not met: Most respondents felt as if these barriers have not changed over time, though slightly more respondents felt these barriers got worse (28%) as opposed to better (22%).**
- **Partially met: The Social Equity Trust Fund is well-utilized and highly beneficial for SEP participants.**
- **Partially met: The most common purpose of CSETF grants was reported to be professional services, utilized by 24 of the 31 respondents who are currently using the fund.**

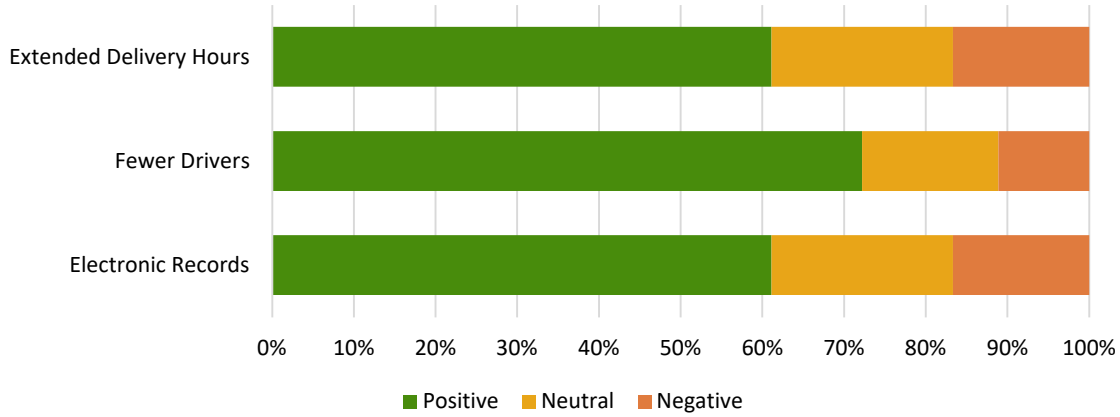
Understand the Impact on the Industry from the Changes to the Delivery Licenses

To address this assessment goal, survey respondents were asked about the impacts of three specific regulatory changes on their businesses: the introduction of the ability to use electronic records, the removal of the two-agent driver requirement, and the expansion of delivery hours. Respondents who are currently in operation received these questions. While respondents were asked to rank these impacts on a five-point Likert scale from Very Negative to Very Positive, the analysis below aggregates positive and negative responses.

Overall, **respondents felt that all regulatory changes had generally positive impacts on their business**, though about 1/5 of respondents felt neutral or no impacts.

The removal of the two-agent requirement, or the fewer drivers change, garnered the highest positive rating among the three regulatory changes (72%), while electronic records and delivery hours are tied (61%). That being said, more respondents felt very positive impacts from delivery hours (39%) than electronic records (28%).

Figure 14: Impacts of Regulatory Changes on Cannabis Businesses



Respondents were also given the option to list any other regulatory amendments that positively or negatively impacted their business. Other impacts from regulatory changes included several mentions of the two-driver rule and driver check-in requirements as positive impacts, while HCA agreements and the rules against delivering to hotels and businesses were mentioned as having negative impacts.

While these responses and sentiments shared in other survey questions suggest that certain regulatory requirements, notably the two-driver rule, have significant impacts on business sustainability, these amendments were positively received overall. Therefore, the changes in regulatory requirements and their resulting business impacts can be regarded as a step in the right direction.

Examine the effect of the ongoing implementation of the HCA statutory and regulatory amendments

To address this assessment goal, survey respondents were asked to list or describe major barriers they have noticed in working with towns and cities regarding host community agreements and related fees. Respondents who are currently in operation received these questions. Regardless of their responses to this first question, respondents were also asked to rank how these barriers have changed over time on a five-point Likert scale from Much Worse to Much Better. The analysis below aggregates positive and negative responses. Open response descriptions of barriers identified were grouped into themes for analysis.

Overall, experiences working with municipalities were generally negative, and many respondents experienced significant barriers to entering the cannabis industry specifically due to negotiating HCAs. The most common theme among barriers in working with towns and cities regarding HCAs were related to municipal resistance and obstruction tactics. Generally, respondents felt that municipalities took advantage of their position of power in granting licenses by dragging out the licensing process and misusing regulations to limit the number of licenses granted, such as refusing to re-open the cap on the number of licenses even when awarded businesses fail to open. As a result, respondents faced longer timelines and therefore higher costs associated with the licensing process to retain lawyers, pay rent on locations they have yet to be licensed for, and to support their own personal financial needs while waiting to earn any revenue. For some respondents, the wait time was so severe they ran out of funds, pulled out of the process, or were otherwise denied as they couldn't afford other fees and aspects of the application process.

When asked about how these barriers have changed over time, **most respondents felt as if these barriers have not changed over time, though slightly more respondents felt these barriers got worse (28%) as opposed to better (22%).**

Examine the effect of cities' and towns' bylaws/ordinances derived from Chapter 180 and the corresponding Municipal Equity regulations

To address this goal, survey respondents were asked to rank how mandatory local equity provisions have impacted their business. Respondents who are currently in operation received these questions. The question reminded respondents that municipalities must adopt local provisions to promote opportunities in the cannabis industry for individuals and communities disproportionately affected by marijuana prohibition and asked them to rank the impacts of these provisions on a five-point Likert scale from Very Positive to Very Negative.

Generally, responses regarding local equity provisions were neither positive nor negative. Most respondents felt that mandatory local equity provisions had no impact or neutral impacts on their business (56%), though more respondents felt there have been positive impacts (28%) over negative impacts (17%).

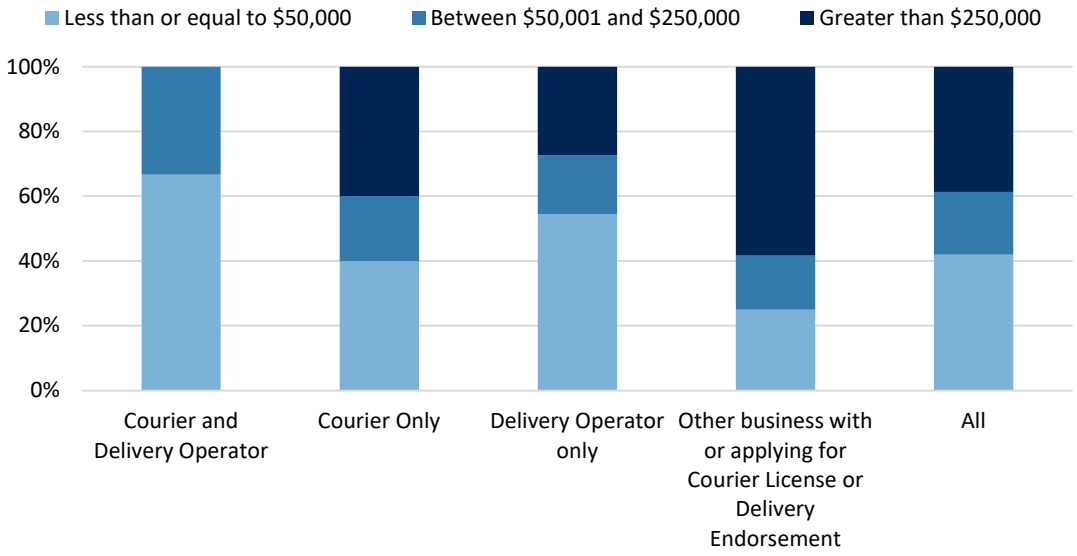
Assess the impact of the creation of the Cannabis Social Equity Trust Fund on Marijuana Establishments

To address this assessment goal, survey respondents were asked several questions regarding their awareness and usage of and business impacts from the existence of the Social Equity Trust Fund (CSETF). Respondents who are currently in operation and who are in the process of applying received these questions. Respondents were also asked about the purpose and size of the grant they received, if applicable, as well as any potential improvements to the fund that would benefit their business.

Overall, the CSETF is well-utilized and highly beneficial for SEP participants. The majority of respondents are either currently using or have previously used the CSETF (65%), while 23 percent are interested in applying in the future. Only 8 percent reported not knowing what it was, and 2 percent haven't heard of it at all. Overwhelmingly, 94 percent of respondents who

are currently using or have previously used the CSTEF reported having positive benefits, with 71 percent reporting it benefited them a lot. It should be noted that in other open response questions, some respondents reported that they have still not received CSTEF funding, despite having applied.

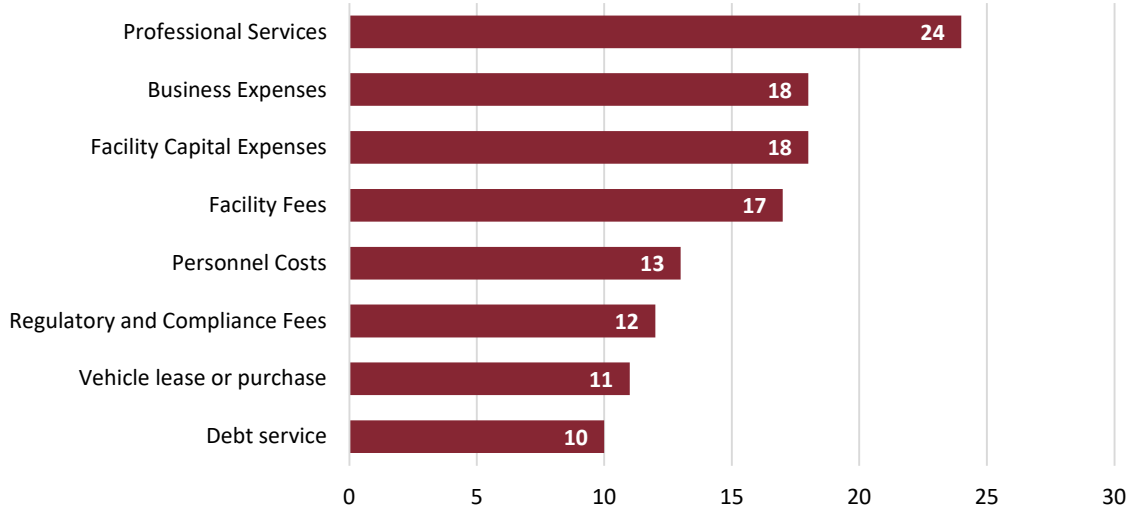
Figure 15: CSETF Grant Sizes



Most grant sizes were reported to be either less than or equal to $50k (42%) or greater than $250k (39%), with the most common purpose reported to be professional services, followed by business expenses, and facility capital expenses. Considering the financial strain expressed in other survey questions, it is clear that even though these grants have been beneficial, it is still difficult to support a delivery--type cannabis business. This and the gap across small and large grant sizes illustrates that the fee scales and cost structures are high in this industry, and less like other small businesses.

Survey respondents were able to select more than one purpose for their CSETF grant. **The most common purpose of CSETF grants was reported to be professional services, which are related to consultant, financial, or legal fees for document and application preparation, feasibility and market studies, and others, utilized by 24 of the 31 respondents who are currently using the fund.** Other top grant uses include business expenses, facility capital expenses, and facility fees.

Figure 16: CSETF Grant Purposes



Open responses to the question asking about any improvements to the fund that would benefit a respondent's business were grouped into themes, and the sentiment most commonly reported was for more funding to be available in future rounds (note that funding is made through legislative appropriations). Respondents also suggested better communications with EOED and the CCC, broader categories for purposes of grant money, and different terms of agreement.

Conclusions and Recommendations

Conclusions

The purpose of this report is to analyze whether the goals of the delivery exclusivity period have been met as outlined in the regulations, and additionally, make recommendations based on the conclusions drawn from this analysis.

This section utilizes all data sources used in this study, including sentiments shared in the survey by industry participants, to draw conclusions on our analysis of the delivery exclusivity period. These conclusions inform our recommendations, which aim to highlight the areas in which the CCC can focus its efforts to improve outcomes for participants. That said, it is ultimately the decision of the Commission which, if any, of these recommendations they choose to implement or any amendments to these recommendations they choose to make (e.g. length of time for extension, etc.).

In the broadest sense, the goal of the DE period is to prioritize applicants for economic opportunities who are part of geographic and/or racial or ethnic groups historically impacted by the war on drugs. Overall, the program is well-suited to achieve these goals. There are avenues for people who have been historically disadvantaged to get a head start in the industry and a vision and programmatic infrastructure in place to help these populations gain access to economic opportunities. The CCC designed this program with economically empowering principles in mind – the program is designed with the hope of lowering barriers to entering the industry, to provide funding, training, and services to ensure success in doing so, and to protect a portion of the industry from large, multi-state operators or those otherwise with access to significant amounts of capital from dominating the marketplace.

The DE period has succeeded in some important ways, namely by encouraging high rates of representation and participation of disproportionately impacted business owners in the cannabis industry. This is true both within disproportionately impacted areas, where delivery businesses are comparatively well represented, and for business owners and agents who are people of color, who participate at higher rates in the cannabis industry compared to the participation of people of color in the Massachusetts economy overall.

However, work remains to be done before the overall goals of the delivery exclusivity period can be achieved. **Goals of encouraging full participation in the industry by disproportionately impacted people have yet to be met based on relatively low numbers of licensees in the operating phase, slow rates of growth, and issues with financial feasibility**. The adoption of delivery licenses in the industry has been at much slower rates than for retail licenses and for the industry overall, and delivery businesses represent only five percent of license holders who are open for business – a very small portion of the cannabis industry. In practice, many of the regulations related to businesses in the industry are inadvertently hurting delivery businesses. This, combined with other market forces have created severe difficulties for people utilizing these licenses. Survey respondents overwhelmingly reported facing unfeasible and unexpected

start-up costs, onerous applications processes, prohibitive regulations, and business models which ultimately make their businesses very difficult to sustain.

While some conceive of the delivery opportunity as one similar to food delivery app services like Uber Eats, the reality of the policy landscape is that the cannabis delivery industry differs from these companies in significant ways. In terms of business models, food delivery app drivers are gig economy workers who work at their convenience for smaller, and more inconsistent incomes using existing infrastructure provided for them by a parent company. In contrast, cannabis delivery couriers are small business owners who are seeking higher profits that match their business establishment efforts, but they are not realizing profits at the same scale as their investments.

Business models for food delivery work differently and offer resources and economies of scale that do not exist for the cannabis delivery market. Drivers for food delivery services such as Uber Eats are screened and enabled to opt-in to any local delivery requests, and food establishments are able to opt in to the service with a singular, overarching agreement with the driver's parent company (Uber Eats in this example).[41] In contrast, for the cannabis delivery industry drivers are empowered to create their own stand-alone business. But opportunities for delivery may only be realized after an extensive licensing process with the CCC and municipalities, further contracting with individual retailers on a case-by-case basis, the development of or contracting with a third-party technology platform to service deliveries (much like the Uber Eats app, but for individual delivery operators), and extensive legal, licensing, and business related expenses. These differences present a significant gap in the understanding of marijuana delivery business models (and for couriers, in particular, who must rely on agreements with brick-and-mortar retailers), and while recent regulatory changes have made improvements to these hardships, the majority of survey respondents feel that the delivery exclusivity period has not been long enough) for them to fully capitalize on the opportunity.[42]

Considering these conclusions drawn from the analysis of industry data and participant feedback, our overall recommendation is that **the delivery exclusivity period should be extended.**

The Delivery Exclusivity period should be extended

There have been significant obstacles to address during the DE period and the interventions in response have not been in place for long enough to benefit licensees.

The majority of respondents reported that the existence of the DE period either influenced or greatly influenced their decision to open a cannabis business (80%), and the overwhelming majority of respondents, applicants and operators, felt as if the DE period should be extended (87%), with only 11 percent of respondents disagreeing or feeling neutral about an extension. For those with a non-delivery license type, more than one-third said the DE period enhanced the

[41] https://www.uber.com/us/en/deliver/
[42] The Delivery Exclusivity period began on April 1, 2022.

success of their current business (39%). For those who want the DE period to be extended, the primary reason was because the initial exclusionary period did not allow time for the first entrants into the market to flourish (see **Table 22**).Other concerns about the period ending included multi-state operators (MSOs) taking over the market and pushing DE operators out, not having time to capitalize on the opportunity after the two-driver rule was removed, and those who felt the original goal of the delivery operator and courier licenses being reserved exclusively for social equity applicants has not been achieved.

Respondents felt that the aspects of the DE period that have had the greatest impact on their businesses sustainability and feasibility was the opportunity to get a head start in building their business, the capital available through the Cannabis Social Equity Trust Fund, and the ability to open a business with lower startup costs based on the license types (**Table 23**). Regarding owning and operating a cannabis business (**Table 24**), respondents shared perspectives of how difficult the conditions of the cannabis industry are, though positive sentiments shared were the most highly reported, as respondents highlighted the positive role of the cannabis industry on the local economy.

The delivery exclusivity period should be extended several years (e.g. 5-to-7).

We can clearly conclude that the initial three-year period was too short to observe measurable change or measure outcomes. Three years appears to have been too limited a time frame for the effects of the policy and its follow-up interventions to be measurably realized. Quantitative data available for this study show no obvious changes in trends during the exclusivity period that could be related to the timing of policy interventions.[43] At the same time, SEP participation increased over the entire DE timeframe. Feedback from licensees relayed that there has not been enough time between the launch of the exclusionary period and subsequent policy interventions to see improved conditions for licensees or assess their impacts.[44] Many expressed that the initial three-year period should be seen as a 'starting point.' Also, during this time, data systems were not fully refined and still need modification to collect sufficient data. A three-year period does not appear to have been long enough to observe measurable changes.

While recommending that the delivery period should be extended, the research cannot and did not lead to a clear and specific answer regarding a time frame recommendation. Instead, the analysis of public comments found that respondents arguing for an extension proposed various durations, mainly arguing for an extension of five years or greater. One group of respondents argued for a five-year extension (to eight years total). Another group proposed a seven-year reset from current date (to ten years total). One survey respondent wrote:

> *"The Commission should reset the exclusivity period to a full seven years, if not longer, to give social equity businesses a genuine opportunity to become sustainable."*

[43] License applications, SEP participation, and sales data were used as major measures.
[44] See feedback from public comment from late 2024 and survey responses in fall of 2025.

Others during the public comments process argued for an indefinite or even a permanent extension. The former argued that there should be no time limit for the delivery exclusivity program, that the period should be indefinite, until profitability metrics are fulfilled. Others proposed an extension tied to measurable success indicators. Finally, one group argued that delivery exclusivity should be in place permanently, providing a sector of activity for disproportionately impacted people as a form of compensation for the real harm experienced by this group due to the enhanced criminal enforcement during the "war on drugs."

It is ultimately the decision of the Commission which, if any, of these recommendations they choose to implement or any amendments to these recommendations they choose to make. Given the evidence that the three-year period was too limited a time frame for participants to experience impacts and too short to measure, and our proposed changes to data measurement systems, we suggest that the period be extended for an additional five to seven years. The Commission could also consider an indefinite period (assuming legal and regulatory feasibility), that stays in place until metrics are fulfilled.

It is important to clarify that our recommendation is not to conduct the program as it stands now for another set of years. Our findings suggest both that the program has not had enough time to be successful **AND** that there are a number of impediments (structural, regulatory, cost-related and market-related issues) that are preventing the program from being fully successful. Major impediments are discussed in the next section. Examples include difficulties obtaining financing; a complex regulatory setting requiring professional services to manage; and costly administrative burdens at state and local levels. Therefore, we recommend for any time frame that is selected, that an evaluation take place during that time to assess the program and efforts to change some of the structural and regulatory issues.

While the regulations do not specify quantitative targets to measure the goals of the program, and while the data that are available to use as indicators for assessing these goals are administrative in nature and need fine-tuning for analysis of this program, we can still conclude that the leading mission of economic empowerment has not been fully realized. Between the onerous requirements that prevent or prolong entry to the industry, the gap between the CCC's vision and the reality of delivery business models, and the modest profits made by delivery licensees, it is clear that there are significant barriers preventing delivery businesses from being feasible and sustainable.

Primary Barriers to Feasibility and Sustainability

The available data and industry feedback analyzed for this study allow us to identify several primary barriers to feasibility and sustainability of businesses which hold delivery licenses and for applicants seeking delivery licenses.

Costly start-up

Though the CCC attempts to limit start-up costs for DE operators by waving initial licensing fees, other expected and unexpected costs remain high for participants. Expenses such as legal fees and accounting fees ended up costing significantly more than expected for some survey respondents due to the lengthy application process, which often dragged on because of lengthy

negotiations with municipalities. Some respondents reported municipalities charging fees that were not to scale with their business model and therefore unaffordable. An additional factor for the start-up cost is the time spent on the application process.

Lengthy application process
Between Host Community Agreement (HCA) negotiations with municipalities and the other extensive requirements within the applications, the process ultimately took much longer than most participants expected. Given that the primary benefits this program offers is to allow a timeframe for SEP participants to get a head start in the market, time is especially of the essence. When excessive requirements, lengthy negotiations, and contract procurement delay the ability to start making profit, the benefit of a head start is negated.

While DE applicants were found to have shorter application timeframes than retailers, it still takes about a year for couriers and about a year and three months for delivery operators to move from submitted to approved with final licensure, with an additional month and a half from approval to commencing operations (see **Figure 3**). Considering the DE period has been active for three and a half years, even **applicants who submitted applications when the period first began may have only been operational for the past two years, a timeframe in which many young businesses may not yet be profitable.**

Extensive and prohibitive requirements
The two-phase application process requires applicants to register their business and submit a range of necessary documents for pre-certification, make agreements with municipalities and complete background checks, and ultimately re-submit updated documents before they can be assessed for approval. Given the sensitive nature of cannabis marketplace, it follows that security plans and background checks are a necessary part of this process, though they may take significant time and effort. Other aspects of the application, such as Positive Impact Plans, Diversity Plans, and more, are not necessarily vital to starting business operations and can act as additional roadblocks preventing applicants from realizing their business goals.

Confusing application process
In addition to adding time and effort to the application process, the requirements for licensure prove to be confusing for entrepreneurs and new business owners. Between the two-phase process that requires a second application initiation after pre-certification, and the requirements for DE operators who do not have brick and mortar locations to make HCA agreements, survey respondents felt that the process was overall confusing. Added confusion makes the application process take longer, costs more due to reliance on professional services, and the process becomes stressful, adding mental load to applicants.

Seemingly underdeveloped and unsustainable market conditions
Ultimately, DE operators make up a very small share of the industry and of marijuana sales. Of the 746 operational licensees in the industry, just 33 are delivery licensees, roughly five percent of all licensees. Since the start of the legal cannabis market, 99.3 percent of all marijuana sales have taken place in a dispensary, and only 0.7 percent of sales have been made through delivery (**Figure 9**). There is no readily available source of data to allow comparisons across U.S. states, although a few studies provide estimates of the proportion of businesses offering delivery. For

example, in a 2022 survey of U.S. dispensaries, more than three-quarters of dispensaries said they were set to offer delivery services.[45] Estimates from a recent academic study found lower levels of usage: 13.4 percent of brick-and-mortar retailers[46] were advertising delivery services across a U.S. sample of dispensaries. Massachusetts data show a similar level of use, with CCC sales data showing that 9.4 percent of retailers have utilized courier services (28 retail licensees have delivered with couriers out of 297 retailers total that are present in the sales dataset). At the same time, delivery services, and couriers in particular, are generally not growing in the industry. In Massachusetts there are 40 retail businesses for every one courier license holder. However, with 13 courier licenses currently in operation, and 28 retail licensees having utilized a courier to deliver, that would imply that the average courier business has agreements with only roughly two retailers. Therefore, there appear to be unrealized opportunities for couriers to partner with greater numbers of retailers and expand their delivery capacities.

Barriers on the consumer side of the market

We are aware of several areas from the consumer side of the market which create barriers to utilization for delivery businesses. These market conditions exacerbate issues with sustainability in the market, even after participants have overcome barriers to entering the market. One issue is that delivery businesses are not integrated into the spaces where consumers typically go to purchase marijuana products. Ordering delivery requires consumers to find a stand-alone website for businesses without a brick-and-mortar presence in their communities, and aside from advertisements, they may be completely unrecognizable by their local residents, further decreasing the chances of consumers utilizing delivery operators.

Another issue is the cumbersome purchasing process with additional steps and fees for consumers. In order to place a delivery order, customers have to complete verification steps on their own online and are often met with additional service or delivery fees of $5 to $10 on top of order minimums, which can be upwards of $50 to $60. Fees and transaction processes could easily push out customers who are only willing to purchase a single-use product or otherwise small purchase, and these customers will likely utilize a retail dispensary instead of delivery operators.

Overall, the time and money that DE operators invest into their businesses are not at the same scale as their sales and profits. This is both because of the barriers to entering the market as well as the underdeveloped market in which they should be able to recoup the investments made during start-up, but which does not seem to be the case for most participants. The following section will address potential avenues to address these barriers.

[45] Cannabis Business Times. September 2, 2022. https://www.cannabisbusinesstimes.com/business-issues-benchmarks/cannabis-delivery/article/15689275/skus-online-orders-and-delivery

[46] Berg, Carla, et. al, Cannabis retailer marketing strategies and regulatory compliance: A surveillance study of retailers in 5 US cities. Addict Behavior. March 17, 2023. https://pmc.ncbi.nlm.nih.gov/articles/PMC10674052/

Recommendations to Address Barriers

Streamline and simplify as much of the licensing process as possible

To create a more feasible and sustainable business model for DE operators, interventions should seek to create efficiencies in application, licensing, and agreements/approvals processes so time and costs are minimized. Survey respondents have reported that time spent in multiple application processes, both with the CCC and with municipalities, create and compound costs and financial burdens (i.e. legal and professional services). The CCC should continue to streamline and simplify as many processes as possible to reduce burden and costs on new entrants into the market. In short, the CCC should consider any interventions related to minimizing unnecessary costs.

Streamline municipal involvement

Survey respondents cited various struggles in working with municipalities on host community agreements (HCAs) and other legal requirements, most of which are summarized by a lack of consistency across municipalities and transparency in the application process. Interventions that help streamline requirements, increase transparency, and build uniformity for applicants can help shorten application timelines and get operators into the industry with a greater likelihood of success.

- **Continue to promote resources for agreements and guidelines to working with municipalities.** Model HCAs and HCA/HCME guidance documents for both municipalities and applicants with guidelines can ensure that there are no unexpected costs or requirements, help applicants navigate the process with fewer legal or professional service costs, regulate fees and create a simpler process overall. While these resources already exist, many survey respondents reported having negative experiences with municipalities, specifically on the legal side of negotiating agreements. It is important that the CCC continue to promote and publicize these resources to simplify these processes and provide related technical assistance. This action could also reduce the burden on the CCC as the monitoring of these municipal agreements is labor-intensive.
- **Ensure agreements with municipalities are timely.** To fully capitalize on an exclusivity period, applicants should be able to move through the licensing process as quickly as possible. While there is already prioritization of these DE applicants by the CCC, it is important that the CCC urge communities to expedite the process of creating HCAs and negotiating other agreements with delivery operators.
- **Lobby to change statutory requirements to minimize HCA requirements for delivery couriers.** For operators who do not have brick-and-mortar or retail locations, consider a centralized agreement process in which applicants will not have to make several, individual agreements with different municipalities. Additionally, we recommend that HCAs for delivery couriers are only required for the city in which the business is headquartered. As such, if a delivery courier already has a standing HCA with a municipality and applies for additional licenses, they should not have to negotiate additional HCAs. An additional or alternative intervention to expedite the process altogether would be to allow retailers to bundle delivery couriers into their HCA

agreements, eliminating the need for delivery couriers to negotiate separate HCAs for each community they serve. Considering the products being delivered are sourced from a retailer or other cannabis licensee they are therefore already considered within the primary HCA. Further payments for community impacts may not be necessary for operators who do not have brick-and-mortar storefronts.

Streamline the application process for licensing

Applicants who responded to the survey faced roadblocks and hardships during the licensing process that are related in some way to the application process, which generally took longer, required more effort and expertise, and cost more than they anticipated. Interventions that address the volume of requirements, specific requirements that cause issues, the number of parties (municipalities, the CCC, or retail partners) involved in the process, or are otherwise non-essential can help applicants reach operation and therefore profits sooner, capitalizing on the DE period.

- **Reconsider the two-phase application process.** Currently, the application process includes two phases with several approval milestones where an applicant must re-engage in the application process after being pre-certified. Instead, applications could automatically move on to provisional licensure once they're pre-certified without re-initiating the application process or submitting repetitive paperwork. There are many similar license types to apply for, and many steps where applicants may face roadblocks. A streamlined process could reduce confusion and reliance on legal or professional services.
- **Reconsider requirements that are not essential to operation.** Ancillary requirements that may not be related to security, operations, or safety could either be completed after commencing operations, or could be removed entirely. Many of these requirements may be outside of a new business owner's knowledge, and would require additional time and resources to complete, and others may be unnecessary for this group, such as Diversity Plans, considering these applicants are all SEP qualified, or Positive Impact plans. Additionally, restructuring the requirements for physical space, allowing a submission later in the process could help reduce the financial burden of rent, which is very costly and adds large upfront costs with the current requirement of securing a space before licensure.

Bolster access to capital

The CSETF was widely regarded as very beneficial to its users according to survey respondents, but these same users are still struggling with start-up costs. Interventions that expand options for financing, the amount of capital available, and the source of this capital could fill gaps for applicants and improve business feasibility for new business owners.

- **Encourage the legislature to expand the use of the Cannabis Social Equity Trust Fund.** Survey respondents reported that they could benefit from expanding the CSETF to add more funds and funding rounds, to add more allowed options for grant purposes, and to speed up timelines for grant access. Encouraging the legislature to appropriate more

funds, more funding rounds, allow different uses for these funds, and encourage the implementation of additional forms of capital such as low-interest loans could help fill gaps between current grants and remaining costs for business owners. The use of low-interest loans could also help businesses build credit, which is valuable.

- **Consider partnering with other financing organizations, such as MassDevelopment to offer capital to the industry.** To supplement CSETF funding, the CCC could separately partner with organizations like MassDevelopment to provide the capital needed for low-interest loans and connect participants to other valuable business growth resources.

Create channels to accelerate connections across the industry

Survey respondents reported spending significant and unexpected funds on the various certifications and agreements required for licensure, describing the onerous process of getting certified by the SEP and licensed by the CCC, making HCAs with municipalities, satisfying other local requirements – only to be faced with the task of finding and negotiating contracts with retailers or manufacturers in order to have actual products to sell. At the same time, visibility remains as issues for delivery licensees related to cumbersome processes on the consumer side of the market. By creating channels for both business-to-business connections and business-to-consumer connections to be made, the CCC could further integrate delivery into the current, thriving side of the industry with delivery services functioning as an asset to retailers and consumers as opposed to a competitor. Interventions that could centralize connections, and possibly even contracts between businesses in the industry, could save time and effort for applicants, scale start-up costs and efforts to the scale of delivery businesses, and even promote higher rates of utilization across the delivery industry.

- **Consider channels for business-to-business connections.** Applicants who are at the approved or pre-approved stage could either elect to be a part of, or automatically be added to, a platform or database on which retailers and manufacturers are already registered for the purpose of connecting with other licensees in the industry. This could help delivery businesses get more visibility and would likely benefit all corners of the market. The Massachusetts Supplier Diversity Office hosts a similar database of certified diverse businesses in Massachusetts to support contracts.[47] An additional facet of this platform could be a centralized delivery contract, which retailers and manufacturers could opt-in to, eliminating the need for individual contracts between businesses. If a delivery operator is licensed, a retailer or manufacturer could opt-in to allow their customers to order delivery serviced by a delivery driver who has opted in to the platform. Much like a restaurant business opts in to Uber Eats, a retailer could opt in to this platform, and delivery drivers could accept delivery requests or promote their products.
- **Consider channels for business-to-consumer connections.** A platform or landing page which promotes all operators, delivery or not, could be a place for delivery operators to

[47] Certified Diverse Business Dashboard. https://www.mass.gov/info-details/sdo-certified-diverse-business-dashboard

boost their visibility or connect with retailers and manufacturers. Much like a customer browsing local restaurants on Uber Eats by cuisine, location, restaurant name, or by pick up or delivery, a central sales platform could allow customer to browse local cannabis businesses by brand, location, business name, or by pick up or delivery. While some websites with similar structures currently exist, such as Weedmaps or Leafly, it appears that these platforms do not include all licensees. A platform operated by the CCC which promotes all licensed operators could be beneficial for both businesses and consumers.

Recommendations to Improve Data Systems to Enable Effective Assessments in the Future

Finally, we have suggestions for improving Commission data systems to enable more effective tracking and analysis of programs in the future. Research based on administrative data collected by the Commission has been a key aspect of assessing the success of the delivery exclusivity period. As stated in Commission licensing documentation, "the Commission will be collecting data and information over the exclusivity period. The Commission will evaluate whether the goals of this initiative were met and, if not, may further extend the exclusivity period."[48] However, our use of administrative data evidenced a need for additional variables to be collected along with a need for better harmonization across Commission data sets to allow linkages and enable full analysis of the required topics.

The following are recommendations related to data collection and standardization:

Include new measures in CCC datasets to indicate:

- A yes or no variable indicating 'disproportionately impacted' status for licenses, agents, and persons with authority;
- A yes or no variable indicating whether the agent or person with authority is a person of color (using existing data on detailed race and ethnicity, including write-in answers that are difficult to analyze); and
- A yes or no variable indicating whether the establishment is majority owned by people of color

While disproportionately impacted people and groups are defined by the Commission[49] and the term is reflected in SEP program qualification criteria, a field indicating this status is not included as a yes or no variable in the administrative data sets used by the Commission. The addition of this field would streamline future assessments of the delivery exclusivity policy and simplify the structures of these datasets. A term that might approximate for this is an official status as an

[48] Guidance on Licensure. Cannabis Control Commission. February 2024. Language appears three times on pages 11 and 12. Accessed October 2025. https://masscannabiscontrol.com/wp-content/uploads/2024/03/Guidance-on-Licensure.pdf

[49] According to the Commission, disproportionately impacted people / groups include past or present residents of geographic areas of disproportionate impact; certified Economic Empowerment recipients; Social Equity Program participants; Massachusetts residents with past drug convictions; and Massachusetts residents with parents or spouses who have drug convictions. From Guidance on Plans to Positively Impact Disproportionately Harmed People. Accessed July 2025. https://masscannabiscontrol.com/wp-content/uploads/2020/01/Guidance-on-Plans-to-Positively-Impact-Disproportionately-Harmed-People-1.pdf

Economic Empowerment Priority Applicant and/or a Social Equity Program Participant. If these statuses are used to construct a disproportionately harmed variable, the CCC should ensure that all SEP or EEP participants are accurately designated in the establishment and agent databases.

The CCC currently collects data on the detailed race and ethnicity of agents and persons with authority. However, many of the responses are "other race" open-ended answers, which requires a significant effort to code into useable data for analysis. UMDI recommends that CCC adjusts their data collection to ask agents whether they are or are not a member of the three race and ethnicity groups that the CCC considers as their definition of people of color. After answering yes or no to this question, agents can still answer with their detailed race and ethnicity groups. This change, however, would streamline future assessment of participation and representation by people of color.

Similarly, it is currently possible to calculate whether a license is majority owned by people of color by categorizing the CCC's internal dataset on persons with authority (consisting of individual-level data on owners, board members, directors and other others) with an indicator for person of color, and then aggregating percentage ownership for owners who are people of color. This process could be replaced by collecting data on establishments directly for whether they are majority owned by people of color and including an indicator field to that effect in the establishment dataset. This information could be suppressed in public-facing downloads on the Open Data webpage but used internally for future assessments.

The following are suggestions for addressing gaps in data about the Cannabis Social Equity Trust Fund:

Cannabis Social Equity Trust Fund

There are data limitations for assessing the CSETF. The fund is administered through the Massachusetts Executive Office of Economic Development (EOED), a separate organization from CCC, and data on the CSETF awards were provided by the EOED. As such, any changes to the data set would require that the CCC work with the EOED. UMDI recommends that CCC work with EOED to analyze the SETF data in new ways and to better match businesses between EOED datasets and CCC administrative data.

First, due to confidentiality requirements in handling CCC data, we cannot analyze the race or ethnicity of Social Equity Trust Fund awardees. UMDI recommends that the CCC work closely with EOED to better understand what proportion of CSETF grants are awarded to people of color business owners.

Second, many businesses named in the Cannabis Social Equity Trust Fund dataset of awards for FY24 and FY25 did not exist or could not be matched to businesses on the publicly available dataset of licenses on the CCC's Data Catalog website. Many unmatched businesses were awarded relatively small amounts of $25,000 or less (though some unmatched businesses were awarded grants of $300,000 or more). This means that further analysis of those unmatched businesses was not possible. The difficulties in matching could be due to businesses that change their "doing business as" name between applying for licensure with the CCC and applying for funding through the CSETF.

Lastly, because a single cannabis business may have multiple licenses of different types, it is difficult to determine the exact distribution of CSETF awards by license type. For instance, if a business with both retail and courier licenses receives an award from the CSETF, it was not possible with the data we were provided to fully understand which function of the business the award was intended to support. We recommend that CCC works closely with EOED to match CSETF awards with the specific business functions that the establishment intends to use the award for, which will allow them to better understand how businesses are using this financial support, and if that fund usage differs by license type.

The following are recommendations to enable a better understanding of SEP and EEP participation in the industry:

Improve tracking of SEP and EEP participants in the industry across administrative data sets.
Due to lack of identifiers in the data, it is difficult to determine the distribution of SEP participants among the various marijuana license types (including agents and establishments). A review of CCC administrative data reveals that, as should be expected, all active delivery operators (both those active in the application process and those with commence operations status) are either SEP or EEP participants. However, the data seems to show that only 76 percent of active couriers have an SEP or EEP number; considering business owners need to be SEP or EEP participants to own a courier license (and we would therefore expect 100% of courier licenses to be SEP or EEP), this would indicate the data is incomplete to some degree. Only 15 percent of active marijuana retailers list an SEP or EEP number in the administrative data. This could be an undercount as well, considering the percentage of incomplete data observed among courier licensees. In addition, non-delivery businesses may be SEP or EEP participants but may not feel it necessary to list their number when reporting to the CCC considering it is not required to be an SEP or EEP participant to own a retail license. This makes it difficult to interpret the SEP or EEP data as is or understand the full reach of the program.

UMDI recommends better tracking of SEP and EEP participants in the industry. With a more comprehensive understanding of SEP and EEP participation in the cannabis industry (either as licensees or as agents), the CCC can better evaluate and quantify the benefits of these programs.

The following are suggestions about the sales data base to provide a better understanding of the cannabis delivery system:

The sales database needs to include delivery courier information.
We do not currently know the relationship between couriers and the retail businesses they may be serving, as the sales database only lists the retailer license number for sales completed by a courier and does not list the courier license number. For this report we did not have access to a list otherwise of linkages between couriers and the retailers they serve. An analysis of linkages between delivery operators and retailers or manufacturers could provide useful insights on the utilization of delivery by dispensaries, including any geographic variation.

Additionally, in order to study the use of delivery couriers accurately, data systems must add variables to allow courier sales to be affiliated with a courier license. Sales data records

currently list the retailer license number for sales made by couriers, but not the courier license number itself. With this information, an analysis of regional variation of courier sales would be possible, as well as an analysis of sales trends in DIAs and for courier licenses majority owned by people of color, for instance. Further, a field would be useful in the sales database that disaggregates the revenue of courier sales between retailers and couriers. Couriers earn revenue by service fees and tips on deliveries, though those fees and tips are not reported in the data.

The following are recommendations to fill gaps in understanding the agent-level data:

Additional fields are needed in the agent-level data to specify job types to allow the determination of who is an employee – for example, the field could distinguish payroll employees and indicate other roles.

Measuring employment in the industry is difficult due to lack of specificity in the agent-level data set. The agent data set does not specify between payroll employees and other persons affiliated with a marijuana business such as owners and board members. As such, UMDI recommends the CCC develop a code to indicate if the agent is a payroll employee of a marijuana establishment. This will allow for more direct comparisons to other industries in the state as well as making it easier to estimate the economic contributions to the Massachusetts economy of marijuana businesses.

IMPROVE FUTURE ASSESSMENTS OF DELIVERY EXCLUSIVITY

As this study points out, questions remain about business models, cost structures, and issues of feasibility and sustainability for the delivery license types. Considering these gaps, we suggest the Commission seek to further understand these issues so they can continue to identify interventions to improve feasibility and sustainability. Currently, administrative data is not designed to provide information in these areas. It would be helpful in the future to collect firsthand participant perspectives about the program as well as business conditions.

Another suggestion related to future assessments is to create measurable targets related to industry licensing and participation. Data benchmarks used in this study can be used as a starting point to allow future assessments.

Appendix A: Interview Guide for Commissioners

Cannabis Control Commission

Delivery Exclusivity Period Assessment: Phase I – Interview Guide

Hello and thank you for your time. The UMass Donahue institute is working with the Cannabis Control Commission to better understand the main program goals, challenges and benefits of the delivery exclusivity period. My research team is particularly interested in knowing more about your perspective on why the delivery exclusivity period was created, what challenges were experienced during its implementation, and to what degree you think this period was successful. This information is being collected in part to assess whether the program should be extended. The Cannabis Control Commission identified you as someone whose perspective would be ideal to include in our study.

A few things to note before we begin:

- The research team is not able to record or transcribe this conversation. I/ We will be taking notes throughout the interview to ensure I/we can capture everything you say accurately without recording.
- These notes will not be shared outside of the UMDI research team.
- Your participation is completely confidential. My research team will not make any quotes directly attributable to you unless we have your consent to do so.

Do you have any questions before we begin this interview, and I start recording?

[BEGIN RECORDING TO THE CLOUD ON ZOOM]

1. Please tell me your name, title, and describe the role you played in the conception, development, and implementation of the delivery exclusivity period.

Thanks. I'm going to focus on getting a clearer sense of what the main objectives were for the delivery exclusivity period. As the research team is aiming to evaluate this period, *our evaluation has been a bit challenging because specifics of program goals were not defined or operationalized at the beginning of the exclusivity period.*

2. Why do you think the Commission decided to create a delivery exclusivity period?
    - What was the Commission hoping to accomplish by creating a delivery exclusivity period?

3. What were the main goals of the delivery exclusivity period when it was first implemented?
    - Have those main goals changed since then?
        - If yes: please describe this change
        - If no: why do you think it hasn't changed?

4. What specific problems was the delivery exclusivity period supposed to address?
    - What specific communities did you believe would directly benefit from the delivery exclusivity period?

Thank you. I'm now going to pivot the conversation slightly and focus on defining specific key terms and concepts connected to the overall goals of the delivery exclusivity period. In order to do that, I'm going to read out a description of the delivery exclusivity goals, and will copy it into the zoom chat, for your reference.

[ADD TO ZOOM CHAT] Under the exclusivity period, (which began April 1, 2022) delivery licenses are set aside only for businesses with majority ownership made up of Economic Empowerment Applicants (EEA) or Social Equity Program (SEP) participants. Delivery Operator Licenses shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants... to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition.

It is my team's goal to develop a uniform definition for each of the following terms we'll discuss, as well as think through the specific metrics that could be used in measuring and assessing each term.

5. Please describe the importance and role of the phrase *financial feasibility* to the delivery exclusivity period's goals.
    - What specific ways could the delivery exclusivity period's *financial feasibility be measured and/or quantified?*

6. Please describe the importance and role of the phrase *business performance* to the delivery exclusivity period's goals.
    - What specific ways could the delivery exclusivity period's *business performance be measured and/or quantified?*

7. Please describe the importance and role of the phrase *rates of participation* to the delivery exclusivity period's goals.
    - What specific ways could the delivery exclusivity period's *rates of participation be measured and/or quantified?*

8. Please describe the importance and role of the phrase *continued participation* to the delivery exclusivity period's goals.
    - What specific ways could the delivery exclusivity period's *continued participation be measured and/or quantified?*

9. What specific outcomes did you expect to see from the delivery exclusivity period?
    - Do you think these outcomes were met? Why is that?

10. In detail, please define what you think a successful delivery exclusivity period would involve.
    - To what extent do you think the delivery exclusivity period was successful?

11. Is there anything specific you would have done differently during the delivery exclusivity period?
    - Why is this?

Thanks, we're coming to our last set of questions for today.

12. We will be interviewing other former and current Commissioners and the Director of Equity Programming about the delivery exclusivity period. Do you have any additional feedback on the creation, implementation, goals, and/or challenges of the delivery exclusivity period that you think my team should know about?
    - Anything else about this topic that we did not get an opportunity to talk about?
    - Are there any questions that you think we should ask that we did not ask during this interview?

13. Do you have any final questions for me or about this project?
    - Would it be ok to contact you in the future for follow-up questions or clarifications?

Thank you so much for all your valuable input and if you think of other feedback after today, please do not hesitate to contact me directly. Have a great day.

Appendix B: Focus group guide for EPCO staff

Cannabis Control Commission

Delivery Exclusivity Period Assessment: Phase 2 – EPCO staff focus group guide

Welcome and thank you for joining us today to talk about the Cannabis Control Commission's social equity program, the delivery exclusivity period, and its impacts on participants. Before we start, I would like to provide some general guidelines and information for this group conversation. Materials that we use from this study will not include any names or other potentially identifying information. We will not be recording this conversation, but our analysts are here to take notes during this conversation. Please keep today's discussion and the identities of those participating confidential. Do you have any questions before I begin?

[NO RECORDING- BEGIN TAKING NOTES]

1) I'll begin by asking everyone to introduce themselves by BRIEFLY stating your name and your title.

2) Please describe the professional work and/or programs you run for the Cannabis Control Commission, and your specific role within each?

Thanks. I'm going to begin our conversation by focusing on the overall mission and logistics of the Commission's social equity program.

3) Could you please describe the stage at which social equity participants begin and end their involvement with the program?
   a) What specific milestones and criteria must be met and verified before participants start or end their program involvement?

4) What are the most important training topics offered to social equity program participants?
   a) Why are they so important?

I'm going to pivot the conversation slightly and will focus on the social equity program participants and their experiences within the program.

5) How much prior business experience do you think the majority of social equity program participants have when they start the program?
   a) Why do you think this is?
   b) For those with some business experience: What specific types of business experience do participants have? (probe for: managed a business; owned a business; part of an LLC)

6) To what extent has the DE period increased access to and participation in business for SEP participants?

7) What do you think are the most important services and programs or stipulations within the cannabis industry that help support and ensure the business success of disproportionately impacted people of color? For clarification, the Commission regulation defines People of Color as: “Black, African American, Hispanic, Latinx, and Indigenous people”.

8) Do you think there is a connection between the type of license someone has and their business success and sustainability? Why do you think this is the case?

I’m now going to turn to our final topic for today, which is about assessing the extent to which social equity program participants have been successfully supported.

9) To what extent do you think delivery exclusivity participants have had profitable businesses as a result of their participation in the social equity program?

10) To what extent do you think delivery exclusivity participants have had profitable businesses as a result of their participation in the delivery exclusivity program?

11) To what extent do you think DE/DO participants have had profitable or feasible business during the delivery exclusivity period?

12) To what extent do you think the Delivery Exclusivity period’s implementation has supported success and sustainability of social equity program businesses?
    a) Please describe specific examples of how the delivery exclusivity period helps ensure the access and participation of SEP businesses.
    b) Please describe specific examples of how the program helps ensure the success of SEP businesses.

13) Do you think the delivery exclusivity program should be continued and why or why not?
    a) To what extent do you think this perspective is shared by SEP participants?

We’re coming to the end of our time today. Before we conclude, I have one last question for you.

14) Is there anything we haven’t talked about today that you think is important to include in our study-especially about the social equity program, the delivery exclusivity period, and their impact on participants?

Thank you so much for all your valuable input and if you think of other suggestions after today, please do not hesitate to contact us. Have a great day.

Appendix C: Delivery Exclusivity Working Group Definition of People of Color

The analysis in this study has used the operationalized definition of People of Color that was developed and approved by the Working Group.[50] This definition uses the response options provided to agents and to SEP participants in their applications. In both instances, people had the opportunity to enter an additional response under "Some Other Race or Ethnicity"; as noted in the second bullet point, we are asking your team to review those "other" responses and determine whether they meet the operationalized definition. We will provide the referenced draft recategorizations along with the anonymized datasets.

Definition

Individuals are designated as People of Color if they selected one or more of three identities (indicated as 1s in the table below): "Black or African American", "Hispanic, Latino, or Spanish", and "American Indian or Alaska Native". This includes individuals who selected one of these three identities and *additionally* selected any other identities.

- For example, this operationalized definition would include someone who selected "Black or African American" and "Asian", or who selected "Black or African American" and "White".
- For individuals who entered an additional response under "Some Other Race or Ethnicity", UMDI will use the draft recategorizations of responses provided by DEPCO Silea Williams and DGC Michael Baker to determine whether those individuals meet the criteria in the operationalized definition.

0	Asian (Chinese, Filipino, Asian Indian, Vietnamese, Korean, Japanese)
1	Black or African American (of African Descent, African American, Nigerian, Jamaican, Ethiopian, Haitian, Somali)
0	Native Hawaiian or Other Pacific Islander (Native Hawaiian, Samoan, Chamorro, Tongan, Fijian, Marshallese)
1	Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)
0	Middle Eastern or North African (Lebanese, Iranian, Egyptian, Syrian, Moroccan, Algerian)
1	American Indian or Alaska Native
0	White (German, Irish, English, Italian, Polish, French)
[TBD by UMDI]	Some Other Race or Ethnicity
[not included]	Decline to Answer

[50] Commission regulation speaks to People of Color in the context of diversity plans as "Black, African American, Hispanic, Latinx, and Indigenous people." Source: 935-CMR-500.101(8)(k).

Appendix D: Regulations, Policies, and Programs Related to the Delivery Exclusivity Period

This appendix provides brief information about the delivery exclusivity policy that was established, and major programmatic- and policy interventions that were made over the course of the three-year period to improve the success of delivery businesses and applicants. Assessing the impacts of these interventions to improve business conditions for delivery exclusivity licensees and applicants was among the specified goals of this research project. We **sought to use quantitative data and qualitative feedback to better understand the impacts these interventions had on delivery licensees and applicants**. Results **are discussed in the body of the report.**

Delivery Exclusivity and the DE Period

The delivery exclusivity period was established by the Massachusetts Cannabis Control Commission as part of a broader effort to promote equity within the regulated cannabis market. The concept of exclusivity as a tool to address historic inequities and center disproportionately impacted people, has been used in a few other U.S. locations (New York state; Denver, Colorado). It was developed in response to federal government drug policies to reduce the illegal drug trade and related law enforcement [51] which disproportionately harmed some areas through criminalization, over policing, and systemic racism. The primary objective driving the establishment of delivery exclusivity was to create a more equitable industry by offering individuals from these historically harmed communities an exclusive chance to capitalize on this pathway into the cannabis market during this period, without having to compete with other larger and established companies.

The first step in achieving this goal involved the creation of delivery licenses with fewer startup costs and lower barriers to entry. These licenses, including the **delivery courier** and the **delivery operator**, were intended to provide a more accessible entry point compared to more capital-intensive licenses such as retail and cultivation. The lower barriers to entry would also help small businesses enter an industry dominated by large, multi-state operators.[52] These delivery license types were inspired by delivery service models used in other industries, such as Uber Eats, where drivers deliver goods directly to consumers without the need for a traditional brick and mortar store. Commissioners described the adoption of this model as an aim to make the cannabis industry more accessible to individuals with limited financial resources, particularly those participating in the Social Equity Program (SEP)[53] and the Certified Economic Empowerment Priority Applicants (EEA).[54]

[51] https://drugpolicy.org/drug-war-history/

[52] Mass. Marijuana Delivery Rules Get Final Control Commission Approval. NBC Boston. November 30, 2020. https://www.nbcboston.com/news/local/mass-marijuana-delivery-rules-get-final-control-commission-approval/2244126/

[53] https://masscannabiscontrol.com/equity/socialequityprogram/

[54] https://masscannabiscontrol.com/equity/eea/

While home delivery was allowed under the Commonwealth's medical marijuana program, the first recreational use Massachusetts delivery businesses were launched in July 2021. The exclusivity period began on the date the first delivery operator received a notice to commence operations.[55] The delivery exclusivity period was set for a three-year period starting on April 1, 2022 and concluding on April 1, 2025. The Cannabis Control Commission (CCC) voted in March 2025 to extend the exclusivity period for another 12 months, until April 1, 2026.[56]

The SEP program

The Commission established a free, statewide training program called the Social Equity Program (SEP) in 2018 to provide technical assistance and training enabling successful participation in the marijuana industry by people disproportionately harmed by the war on drugs. Eligibility for the program can be met by satisfying one of several criteria, generalized as –residency in a disproportionately impacted area; low-income levels; criminal justice-involvement, either individually or of a spouse or child; or originally certified as a Certified Economic Empowerment Priority Applicant.[57]

The free program was designed to create sustainable pathways into the adult-use cannabis industry providing related training, technical assistance and fee waivers in specific areas. The program divides training into four tracks:

- Entrepreneur (those seeking licensure and ownership);
- Core (those interested in cannabis careers at the managerial and executive level);
- Re-Entry and Entry-Level (those re-entering society or those entering the workforce); and
- Ancillary (those with existing skills directly transferable to supporting cannabis businesses).[58]

In May of 2023, in response to participant feedback, the Commission launched new advanced training courses designed to help SEP participants create successful businesses, in the cannabis industry in particular. The free coursework was designed to address the ongoing challenges reported by licensees from the program in creating and maintaining a successful Massachusetts business. The topics included strategies to raise capital; targeting investors; building a sustainable business organization; human resources; and marketing and branding.

[55] See 935 CMR 500.050(10)(b) and (11)(f).

56 Massachusetts Cannabis Control Commission Extends Exclusivity for Delivery Licenses. Cannabis Control Commission Massachusetts. April 1, 2025.

https://masscannabiscontrol.com/2025/04/massachusetts-cannabis-control-commission-extends-exclusivity-for-delivery-licenses/

[57] Getting Started. Cannabis Control Commission website. Accessed September 2025.
https://masscannabiscontrol.com/equity/getting-started/

[58] Cannabis Control Commission Launches First-in-the-Nation Social Equity Program. Cannabis Control Commission. June 28, 2018.
https://masscannabiscontrol.com/2018/06/cannabis-control-commission-launches-first-in-the-nation-social-equity-program/

Related regulations, policies and programs

In addition to the programatic support of the Social Equity Program to improve conditions for employees and business owners in the industry, several additional important policy updates and guidance changes were made over the course of the delivery exclusivity period. These updates were made by the Commission to improve business conditions and ideally improve outcomes for delivery licensees during the delivery exclusivity period. Assessing the impacts of these interventions to improve business conditions for delivery exclusivity licensees and applicants was among the specified goals of this research project. **Table 16** below summarizes the major policy updates and guidance changes that needed to be assessed.

Table 16: Delivery Exclusivity Goals Regulatory Language

"The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:
g. Any other information the Commission determines relevant" 1) Understand the impact on the industry from the changes to the delivery licenses (e.g. 2 to 1 agents in a vehicle, expanded delivery hours, digitalization of records) 2) Examine the effect of the ongoing implementation of the HCA statutory and regulatory amendments 3) Examine the effect of cities' and towns' bylaws/ordinances derived from Chapter 180 and the corresponding Municipal Equity regulations 4) Assess the impact of the creation of the Cannabis Social Equity Trust Fund on Marijuana Establishments

Source: 935-CMR-500.050(10)(b)1a-g

A scan of literature was done to obtain more information on these policy, regulatory, or guidance changes and define specific areas to research. To describe the policy refinements, we examined any related regulatory language using legal research sources (including Westlaw, Cornell Law School's Legal Information Institute (LII), and the Massachusetts Legislature website). We also scanned material located on the Cannabis Control Commission website to identify key changes in the delivery exclusivity period. In addition to describing the changes in the section below, we used an online survey to obtain feedback from delivery licensees and applicants about these policy refinements and programs. See the section entitled *Policy Impacts* for a summary of feedback from the survey about the policy changes and related impacts.

Changes to delivery license parameters

The first area of inquiry related to policy revisions is **the impact on the industry from the changes to the delivery licenses.** On November 22, 2024, the CCC introduced three major changes regarding the delivery exclusivity program:[59]

- Digitization of Records

[59] Cannabis Control Commission Regulatory Reforms to Support Delivery, Testing Transportation, Small Business Expansion, and Patient Access in the Commonwealth are Now in Effect

- Elimination of the Two-Driver Rule (2 to 1 agents in a vehicle)
- Expansion of Delivery Hours

Digitization of Records

While original rules did not allow for electronic transmission for records, the CCC changed its regulations allowing Marijuana Establishments and Medical Marijuana Treatment Centers to utilize and store electronic manifests as opposed to physical ones so as long as they are accessible at any time by registered agents.

> "A Marijuana Establishment shall complete a manifest prior to transporting Marijuana or Marijuana Products between Marijuana Establishments or an MTC. A Marijuana Establishment may utilize a physical or electronic manifest during the transportation of Marijuana or Marijuana Products" - CMR 935 500.105 (13)(f)(1). Nov. 22, 2024.[60]

Two Driver Rule

Delivery operators previously were required to have two agents in the car for deliveries, and changes made to this rule reduced the number of staff required for transporting marijuana products to one agent.

> "All vehicles transporting Marijuana Products shall be staffed with a minimum of two Marijuana Establishment Agents. At least one agent shall always remain with the vehicle when the vehicle contains Marijuana or Marijuana Products" - CMR 935 500.105 (13)(a)(6). November 22, 2024.[61]

Delivery Hours

The CCC also changed regulations by expanding the hours of operation for delivery from the original 9 p.m. to 8 a.m. to 7:00am to 11:00pm. Hours of operation are also determined at the municipal level and these may appear in local bylaws and ordinances.[62]

> "All deliveries shall be completed between 7:00 A.M. to 11:00 P.M. local time. A Host Community may set alternative delivery hours by municipal ordinance or by-law; provided, however, that a municipality shall not set an earlier time to begin deliveries nor set a later time to complete deliveries." - CMR 935 500.145 (1)(n). November 22, 2024.[63]

UMDI located the latest regulatory language reflecting the changes implemented in November of 2024, which the Commission summarizes on their website. By utilizing tools like Cornell Law

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[60] Cannabis Control Commission Regulations, Cornell Law School CMR 935 500.105 (13)(f)(1), Westlaw CMR 935 500.105 (13)(f)(1)

[61] [4] Cannabis Control Commission Regulations, Cornell Law School 935 500.105 (13)(a)(6), Westlaw CMR 935 500.105 (13)(a)(6)

[62] [5] The regulations also show that there are limitations on the time for sales of marijuana and marijuana products (8am-9pm) CMR 935 500.141(4)(d), which is not to be confused with delivery hours as highlighted in CMR 935 500.145 (1)(n)

[63] [6] Cannabis Control Commission Regulations, Cornell Law School CMR 935 500.145 (1)(n), Westlaw CMR 935 500.145 (1)(n)

School and Westlaw's legal databases, UMDI was able to confirm that some of the regulations have been updated. However, there were discrepancies when it came to what was said through the Commission website and one of the regulations appears to be unchanged in the legal references. Given the need to use multiple sources to identify the most current rules, it may be worth noting that applicants of the delivery exclusivity period may experience similar difficulties navigating the regulations as some sources do not reflect the most recent changes.

Amendments to specify parameters for Host Community Agreements

The second area of inquiry related to policy revisions was to **examine the effect of the ongoing implementation of the HCA statutory and regulatory amendments.** Effective in 2022, 935 CMR 500.180 (Chapter 180) describes the regulatory actions and subsequent amendments which were aimed at fostering a better relationship between host communities and marijuana establishments. The implementation of Chapter 180 covers the following topics:

- Host community agreements
- Review and certification of host community agreements
- Community impact fees
- Waiver of host community agreements

The Commission was granted authority to regulate host community agreements. As stated on the CCC website,[64] in time, the CCC amended and created regulations that promote equity, which benefitted participants of the delivery exclusivity period. In 2023, after significant public input, Chapter 180 amendments were made to specify the parameters for Host Community Agreements. The amendments included commission oversight of Host Community Agreements (HCAs) and Community Impact Fees (CIFs), municipal equity requirements, suitability reform, and the first-ever designation of social equity businesses for applicants and licensees.

In the Guidance on Community Impact Fees documents,[65] it states: "A demand of a CIF exceeding 3% of the gross sales of a licensee as a term or condition," which protects small businesses from host communities initiating difficult fees to afford. Additionally, these provisions help smaller businesses when it comes to transparency between host communities and marijuana establishments. However, it is a requirement that a compliant HCA or HCA waiver must be submitted in order for a license application to be complete (935 CMR 500.180(2)(a)), which may add additional delays or complications for license applicants.

[64] *Cannabis Control Commission's Implementation of Chapter 180 Regulations Now Underway*. Cannabis Control Commission website. February 8, 2024. Accessed July, 2025. https://masscannabiscontrol.com/2024/02/chapter-180-of-the-acts-of-2022/

[65] *Guidance on Host Community Agreements*. Cannabis Control Commission. February 2024. https://masscannabiscontrol.com/wp-content/uploads/2022/01/Guidance-on-Host-Community-Agreements.pdf

Mandatory local equity provisions

The third area of inquiry related to policy revisions was to note the introduction of **cities' and towns' bylaws/ordinances corresponding to Municipal Equity regulations.** In 2022, the Massachusetts Legislature passed MGLA 94G (3), a general law that enabled cities and towns to impose practical bylaws/ordinances imposed onto marijuana establishments in their municipalities. This law guides the regulations created by the CCC, 935 CMR 500.181.

> "A city or town may adopt ordinances and by-laws that impose reasonable safeguards on the operation of marijuana establishments, provided they are not unreasonably impracticable and are not in conflict with this chapter or with regulations made pursuant to this chapter." - M.G.L.A. 94G § 3(a). Effective since November 9, 2022.[66]

While the law empowers the commission to establish necessary practices for municipalities to encourage full participation in the regulated marijuana industry, the regulations also outline how the CCC would follow the law. The law authorizes the CCC to develop a best practice guide for HCA negotiations between municipalities and license applicants. When it comes to HCA negotiations, the creation of guidance for license applicants aids applicants in achieving better conditions within a municipality. Overall, the creation of HCA negotiation guidance, likely benefits participants in the delivery exclusivity period as they may not have had the necessary resources prior to the creation of the guidance.

The following was created in Chapter 181:

- Equity standards for host communities to promote and encourage full participation in the regulated marijuana industry
- Equity standards for host communities during HCA negotiations with equity parties,
- Equity standards for host communities to positively impact communities that were disproportionately harmed by marijuana prohibition and enforcement

The creation of the guide also established protections for social equity businesses. By providing these additional protections, the commission ensures that barriers aren't imposed that disproportionately affect social equity applicants.

Despite giving host communities time to adopt new rules or bylaws, nowhere in the regulations does it state how the commission plans to enforce host communities to establish these new rules or bylaws. It simply states:

> "(d) Host Communities must adopt local rules or bylaws to comply with 935 CMR 500.181(3) on or before May 1, 2024. A Host Community shall submit an attestation in a form and manner determined by the Commission affirming that

[66] M.G.L.A 94G § 3(a): Westlaw, MA Legislature

it has adopted local laws to effectuate compliance with 935 CMR 500.181(3) and identifying the specific laws passed. In addition, a Host Community shall submit its equity plan and any other documentation of its compliance with 935 CMR 500.181(3) - 935 CMR 500.181 (3)(d)"

Cannabis Social Equity Trust Fund

A fourth major intervention area, designed to support delivery licensees and applicants, is **the Cannabis Social Equity Trust Fund.** This funding mechanism was established to financially enable applicants for the purpose of encouraging full participation within the state's regulated marijuana industry, specifically targeting communities that have been disproportionately harmed by past marijuana prohibition.

Cannabis Social Equity Trust Fund was established through M.G.L.A. 94G § 14A and referenced in 935 CMR 500.181, and in the regulations as 400 CMR 8.00. The Cannabis Social Equity Trust Fund (CSETF) is distributed through the Executive Office of Economic Development (EOED). Just recently, on April 16, 2024, Governor Healey awarded over $2.3 million to be distributed via the CSETF. The CSETF distributed the money to support 50 cannabis businesses in 28 communities.[67]

To apply for grants from the Cannabis Social Equity Fund, applicants select one of the four tiers in their application, depending on eligibility. Applicants received between $25,000 to $500,000 depending on the tier grant they applied for, and the eligible business expenses which are as follows:

- Tier 1: Industry Entry Support – Pre-licensed social equity cannabis businesses
- Tier 2: Immediate Needs – Provisional and final licensees needing urgent operational support
- Tier 3: Support for License Acquisition and Commencement of Business Operations – Provisional licensees seeking financial support to commence operations
- Tier 4: Existing Business Growth and Expansion – Operational businesses seeking to improve or expand

The grant covers the following eligible business expenses:

- Immediate needs (rent, payroll, debt service, taxes)
- Professional services (legal, accounting, compliance)
- Facility-related costs (construction, renovations)
- Licensing and regulatory fees
- Business expenses including equipment and supplies
- Business related insurance fees
- Vehicle lease and purchases

[67] *Governor Healey Awards over $2.3 Million in Funding from the Cannabis Social Equity Trust Fund*. Mass.gov website. Accessed August 2025. https://www.mass.gov/news/governor-healey-awards-over-23-million-in-funding-from-the-cannabis-social-equity-trust-fund

This concludes our brief reference document describing the delivery exclusivity policy that was established, and the major programmatic- and policy interventions that were made over the course of the three-year delivery exclusivity period to improve the industry success of delivery business licensees and applicants. The study sought to use quantitative data and qualitative feedback to better understand the impacts these interventions had on delivery licensees and applicants and results are discussed in the body of the report.

Appendix E: Commissioner perspectives about measuring success

Perspectives gathered from past and current Commissioners informed our choice of data measures to assess representation and participation in the cannabis industry. Commissioners' observations also provided context and informed our understanding of the quantitative findings in this area.

Rates of Participation

During interviews, Commissioners were asked how they would define and quantify rates of participation regarding the delivery exclusivity period. Many of the Commissioners responded by giving examples of possible measures that could be taken to assess rates of participation, with one commissioner suggesting:

> Setting up [a] marker of success is difficult as you open the license type. Were expectations set at the beginning of the process? Did we have something to compare ourselves to? We look at all the folks in SEP, how many chose to pursue which kinds of license types?

Another commissioner admitted that rates of participation are challenging to quantify since the commission had not set up specific ways to measure this concept. Rates of participation need to be based on some number, whether it be the number of applicants or the number of employees for the business. One commissioner said:

> It comes down to who's in the queue, what's the level of interest. What's the ability of someone being able to site or open a retail business. Couriers need a retail business. There are aspects out of their level of control.

In the end, the exclusivity program was primarily created to get those interested in entering the industry and gaining a foothold to participate in the market, who have been harmed by the war on drugs.

> [There are] 600-716 [licensees] that have commence operations, those doors are open for business, 82 are SEP/EE. If you add them together, maybe a little bit over 10% because you want to look at the overall ~700 hovering a little above 10% of the total pie.

When asked on how to quantify rates of participation, Commissioners responded similarly saying that measuring participation would require counting the amount of SEP and EEP applicants within the exclusivity period and comparing them to other license types. One commissioner highlighted the need to be proactive in tracking the number of applicants that haven't started the process yet and whether anyone was left behind in the application process.

Continued Participation

> "Put cannabis in the Massachusetts landscape, don't create the Massachusetts landscape for cannabis." – Former commissioner

When asked to define and quantify continued participation, Commissioners noted the concept of business sustainability. Business sustainability was repeated as necessary for continued participation, because without a sustainable model, a business cannot thrive or continue to operate in the market. On the topic of continued participation, one commissioner said:

> In Massachusetts, many businesses are going under at a daily [basis], not just delivery. It has to be viewed in the larger context of the industry.

Another commissioner similarly agrees with the importance of sustainability for continued participation within the industry:

> This is really important. If you were able to open shop but you had to close it, you were not successful. If you started the process but could not commence operations, then the policy was not successful.

Continued participation has been difficult for many licensees as mentioned by the Commissioners. Certain policies and regulation changes make navigating the cannabis industry troublesome for participants, and it increases the chances that a business may need to close.

Commissioners were also asked how they would quantify continued participation. One Commissioner suggested looking at the number of customers using delivery as a way of purchasing products, while others suggested collecting data on revenue growth, number of registered agents working for these license types, new licensees coming on board, and existing licensees adding vehicles. A commissioner questioned whether the number of applicants has stayed stagnant, and whether people are moving through the [licensing] process, both as ways of possibly quantifying continued participation. One commissioner talked about how continued participation in the process is like sustainability. The commissioner said:

> I think sustainability… maybe 3 years down the road, [will] be financially viable, maybe a target [retention rate] of 60-80%. I think it's based on judgement to set targets. I'm not smart enough to say what sustainability should be but should be well above 75%.

In the interviews, many of the Commissioners suggested different metrics of sustainability, and they also suggested possible future measurements that could be used to assess continued participation. Considering these conceptual ideas, UMDI used available data to create methods to assess the goals of the exclusivity period as described the legislation.

Business Performance

Commissioners did not agree on how to define business performance as it relates to the exclusivity period. The following are some definitions proposed by Commissioners:

- Growth metrics, gaining/losing employees, assets, and geographic locations of businesses
- Similar to financial feasibility: retaining customer base and retaining business to business relationships

- Cost benefit analysis and a focus on returns on investments

Taken together, Commissioners interpreted business performance through sales, employment, customer base, and return on investment.

Commissioners were also asked about how to quantify business performance. While Commissioners were unable to find common ground in this area as well, some examples of metrics included: analyzing the amount of vehicles owned or operated by a company; and the employees, assets, and the number of towns/geographic areas that the business can deliver to. One Commissioner also suggested looking at the amount of closures or amount of licenses that didn't make it to commence operations stage, and how many had to eventually cease operations because it was no longer beneficial or possible.

Financial Feasibility

Commissioners were also asked to define financial feasibility and how it can be quantified. Financial feasibility for many of the Commissioners is mainly defined by start-up costs and the start-up capital required for the business, as one commissioner says:

> I wouldn't say profit; I would say the startup costs. The cost of getting off the ground, the local processes. Cost of getting off the ground is the largest financial barrier.

Financial feasibility isn't necessarily about the profits, but more so on the costs of starting the company, for example: licensing fees, return on investment, paying staff, buying equipment, and security requirements. The 2-driver rule was noted as especially burdensome for many participants with respect to financial feasibility.

Overall, there was unanimity among Commissioners about financial feasibility, as many defined the concept as the start-up costs and financial burdens that inhibit the growth or inception of businesses with an exclusivity license.

Commissioners answered differently about what the CCC currently does to quantify financial feasibility and offered varied suggestions for what can be done in the future. One Commissioner said the Commission can request financial data to evaluate where businesses are accruing debt. The Commission also collects data on sales and revenue which is used to influence regulation changes and briefs; however, one commissioner mentioned that the Commission lacks data on licenses as a whole and a breakdown on license holders' sales and revenue, especially courier or delivery operator licensees. One Commissioner suggested:

> Measuring how long the business could actually survive-how to prove that with numbers? What's the return on investment? Does the business show long-term financial feasibility for success?

The Commission collects some data regarding financial feasibility, but Commissioners cited lack of data concerning return on investments and business sustainability as inhibitors to guide regulation reform.

Appendix F: Methodology

Qualitative Methodology

Interviews with past and current Cannabis Control Commissioners

To help better understand the main program goals, challenges and benefits of the delivery exclusivity period, UMDI conducted a total of seven one on one interviews with past and current Cannabis Control Commissioners for this study. Interview data provides a unique and illustrative viewpoint of the specific perspectives that founding and current Cannabis Control Commissioners have towards the implementation, and overall success of the delivery exclusivity period.

For this qualitative methodological approach, all seven participants were identified for interviews by members of the current Cannabis Control Commission. Participants were contacted by an administrator from the Commission, who scheduled all meeting times with members of the UMDI team virtually over Microsoft Teams. Interviews lasted a maximum duration of 45 minutes. Following policy by the Commission, no interview video or audio recordings took place from these discussions. In addition to the lead facilitator, interviews included 1-2 additional members of the research team who attended to take notes during the conversation.

Interview questions were designed to better understand the participants' perspectives towards what the main objectives for the delivery exclusivity period were, as well as examine related challenges and successes of this period. See Appendix A in this report for the full set of interview questions.

Using researcher notes taken during each interview, the data was then coded thematically for data analysis and integration within the report's central topics. No names or official titles of any participant are included in this report, to maintain participant confidentiality.

Interviews with Social Equity Program staff

Additional qualitative information was collected through a focus group conducted in early September 2025 with Commission staff involved in running the Social Equity Program (SEP).

In September 2025, the Donahue Institute facilitated a focus group with current EPCO staff at the Cannabis Control Commission. EPCO staff members were identified and introduced to the UMDI team by an administrator of the CCC. For ease of participation, this focus group interview took place virtually over Microsoft Teams, which was scheduled by an administrator of the Commission.

Conducting a focus group discussion with EPCO staff allowed UMDI to include direct input of the individuals working within the CCC's Social Equity Program and better understand the staff's thoughts towards the delivery exclusivity period, and its impacts on participants. All participants were guaranteed confidentiality, allowing them to speak freely.

Interview questions were designed to better understand EPCO staff perspectives towards the main objectives for the Social Equity Program, the delivery exclusivity period, as well as examine related challenges and successes of both topics. See **Appendix B** for the full set of focus group interview questions. Perspectives from the focus group helped to inform data collection priorities and shaped the research methods used to assess the exclusivity period. The discussion also provided qualitative data for questions that could not be answered through quantitative data alone.

Survey of Delivery Licensees and Applicants

In collaboration with the CCC, UMDI designed a survey of delivery exclusivity license applicants and business operators. The team created a short web-based survey to better understand licensee and applicant experiences as participants of the delivery exclusivity period. The survey was designed specifically to elicit answers that speak to the goals outlined by the regulation. Questions for delivery exclusivity participants who are already in operation touched on business feasibility and sustainability, start-up costs, barriers to success, and policy impacts. Questions for delivery exclusivity applicants touched on the process of acquiring a license, barriers involved with acquiring a license, and improvements to the application process. Both operators and applicants who responded to the survey were asked questions about experiences with and benefits of the delivery exclusivity period as well as experiences with and benefits of the Social Equity Trust Fund.

Table 17: Survey Responses by DE Filter

DE Applicant or Operator	Count	Share
Yes	57	69%
No	26	31%
Total	**83**	**100%**

Respondents who answered “No” when asked whether they were applying for or currently operating a delivery exclusivity license were directed out of the survey. An additional 10 respondents who indicated being a DE applicant chose “None of the above” for an application type and were directed out of the survey. An additional 2 operators of non-delivery businesses indicated “None of the above” as their application type and were directed out of the survey. As a result, there are 45 complete responses, and the total N for the survey is therefore 45.

Table 18: Responses by License Type and Commence Operations Status

License Type by Operation Status	Count	Share
Operator	**20**	**100%**
Courier Only	6	30%
Delivery Operator only	4	20%
Other business with or applying for Courier License or Delivery Endorsement	10	50%
Applicant	**25**	**100%**
Courier and Delivery Operator	9	36%
Courier Only	2	8%
Delivery Operator only	10	40%
Other business with or applying for Courier License or Delivery Endorsement	4	16%
Total	**45**	**100%**

A copy of the survey instrument, including all questions and diagrams showing conditional flow, is provided with this report as a separate document entitled *Attachment 3: Survey of Delivery Licensees and Applicants*.

Analysis of Public Comments and Public Meeting Feedback

An additional source of data for this study was comprised of feedback submitted during the public comment period opened by the Massachusetts Cannabis Control Commission regarding the delivery exclusivity period. As part of the content review in Phase I of this project, UMDI designed a plan for the analysis of public feedback about the delivery exclusivity period provided to the Commission in late 2024. UMDI shared the plan with Cannabis Control Commission Research Department staff, who conducted the analysis of various forms of written feedback.

The written feedback that was analyzed, submitted through letters and emails, came from key stakeholders with direct experience with the delivery exclusivity period. Those offering written comment during the period included social equity business owners, equity advocacy organizations, and cannabis industry organizations. An additional source of feedback came from statements made at public meetings which provided additional opportunities for public comment on delivery exclusivity.

A thematic analysis of the source documents was conducted. Commission research staff provided a comprehensive qualitative analysis of seventy-four Commission documents containing public feedback and meeting minutes regarding the delivery exclusivity period. The analysis examined stakeholder perspectives on two independent dimensions: (1) support for the concept of delivery exclusivity licenses reserved for social equity participants, and (2) support for extending or maintaining the current two-year exclusivity period. The key findings from the

analysis were in four areas and are discussed in depth in a separate technical report which will be submitted with this report.[68]

Quantitative Methodology

UMDI utilized the statistical analysis software R to assess Goals A through G using quantitative data from the CCC, the Massachusetts Executive Office of Economic Development, and from external sources for benchmarking. Data from CCC was anonymized by Commission staff before use by UMDI. Publicly available CCC data was also downloaded and used by UMDI for minor portions of this analysis, including during the assessment of the Cannabis Social Equity Trust Fund and in analyzing the change in price of marijuana.

CCC Open Data Catalog

The Commission maintains public-facing datasets available for download through their Data Catalog website.[69] The *Marijuana Establishment License and Applications* dataset contains descriptive information on the complete list of all licensees. This dataset is used multiple times to construct data metrics for Goals A-G.

Useful variables available through the *Marijuana Establishment License and Applications* dataset include:

- *Employer Identification Number (EIN)*: the dataset includes several identification variables that will allow UMDI to merge several datasets together, including internal datasets obtained through the data sharing agreement. For instance, a company's EIN can be used to match employees to the company and create metrics such as sales per employee. License number is another field useful for matching records across databases. SEP and EEP applicants must supply an identification number associated with their SEP or EEP status; this number is useful as well as a connector across datasets.
- *License type*: such as marijuana delivery operator or courier, this allows the analysis to break down summary statistics for establishments that participate in delivery exclusivity against those that do not participate.
- *Applicant classification*: i.e. whether the applicant Is a Social Equity Participant, Economic Empowerment Participant, or a Disadvantaged Business Enterprise owner. This variable allows for counts of licensees by classification type.
- *Business address of the license applicant*: This allows for analysis of businesses operating in disproportionately impacted communities.
- *Application approval steps and dates*: This dataset includes data on the current stage of the approval process a license application is in, i.e. In Process, Approved, Commence Operations, etc. This dataset also includes the dates through which the license applicant progresses through the approval process. This allows for analysis of the application

[68] Qualitative Analysis of Public Feedback on Cannabis Delivery Exclusivity Policy. Cannabis Control Commission. November 2025.
[69] Commonwealth of Massachusetts Cannabis Control Commission, *Data Catalog.* https://masscannabiscontrol.com/open-data/data-catalog/. Accessed July 9, 2025.

pipeline, as well as understanding how many businesses are in the Commence Operations stage, a potential metric for financial feasibility.

CCC Internal Datasets

Several datasets were provided by Commission staff from internal CCC databases. These include:

- *Sales transactions data*: UMDI will aggregate sales data to the license-type level. This data is tracked in METRIC, and so is not publicly available and is provided by CCC staff. The data consists of a full 3 year time-series at the transaction-level and includes the entire universe of licensees. Measures of interest from this data include: sales; total taxes; deliveries; originator of sales; date/time of sales; and to-from zip codes.
- *Agent-level data:* as opposed to other datasets, including publicly available datasets, which are at the license-level, this data includes fields at the agent, or individual level, such as employees, social equity participants, and license holders. Measures include: Individual Identification Number (IIN); license types; roles (employment titles); SEP/EEP participation; zip code of home address; and other measures in the database.
- *SEP applicant data*: this data includes information from participants in SEP Cohorts I-III.

External Datasets

Massachusetts Executive Office of Labor and Workforce Development: ES-202
The Massachusetts Department of Economic Research produces annual counts of establishments, most recently for 2024 through its Municipal Employment and Wages Data product.[70] The ES-202 product is also available by NAICS industry. This dataset is used to compute the denominator of the Goal A participation rate; the proportion of licenses located within Areas of Disproportionate Impact is benchmarked to the proportion of retail establishments located within Areas of Disproportionate Impact. If licenses are equally as likely to be located in DIAs as compared to all retail establishments, the participation rate will be equal to one. If licenses are less likely to be located in DIAs, the participation rate will be between zero and one. If licenses are more likely to be located in DIAs, the participation rate will be greater than one.

U.S. Census Annual Business Survey Nonemployer Statistics
Business owner counts are available through the U.S. Census Annual Business Survey. Nonemployer Statistics (which provides data on both employer and nonemployer businesses). These statistics are available by county and by race and ethnicity and allow for comparison against CCC data for the assessment of Goal B.

[70] https://lmi.dua.eol.mass.gov/lmi/MunicipalEmploymentData%2FTown202Data

U.S. Census Population Estimates

The U.S. Census produces population counts for the intercensal years (the years between Decennial Censuses, i.e. between 2020 and 2030), including at the county level. This data is used to benchmark the number of licenses to the regional population.

Appendix G: Survey Responses Related to the Delivery Exclusivity Period

All survey respondents were asked a series of direct questions about their perceptions of the delivery exclusivity period. While these are valuable insights considered in our conclusions and recommendations, they pertain to the overarching research question and not an individual assessment goal. Therefore, the goal of this section is to provide a summary of these questions and responses from survey respondents.

Summary

The majority of respondents reported that the existence of the DE period either influenced or greatly influenced their decision to open a cannabis business (80%), and the overwhelming majority of respondents, applicants and operators, felt as if the DE period should be extended (87%), with only 11 percent of respondents disagreeing or feeling neutral about an extension. For those with a non-delivery license type, most felt as if the DE period enhanced the success of their current business (39%). For those who want the DE period to be extended, the primary reason was because the initial exclusionary period did not allow time for the first entrants into the market to flourish.

Respondents felt that the aspects of the DE period that have had the greatest impact on their businesses sustainability and feasibility was the opportunity to get a head start in building their business, the capital available through the cannabis social equity trust fund, and the ability to open a business with lower startup costs. Regarding owning and operating a cannabis business, respondents wanted to share sentiments of how difficult the conditions of the cannabis industry are, though positive sentiments shared were the most highly reported, as respondents wanted to highlight the positive role of the cannabis industry on the local economy.

Results and Analysis

Table 19: Q. To what degree did the existence of the delivery exclusivity period influence your decision to open a cannabis business?

License type	Not at all influenced		Somewhat influenced		Neutral		Influenced		Greatly influenced		Total
Courier and delivery operator	1	11%	1	11%	1	11%	2	22%	4	44%	9
Courier only		0%		0%		0%	3	38%	5	63%	8
Delivery operator only		0%	1	7%		0%	1	7%	12	86%	14
Other business with or applying for courier license or delivery endorsement	2	14%	2	14%	1	7%	2	14%	7	50%	14
Total	**3**	**7%**	**4**	**9%**	**2**	**4%**	**8**	**18%**	**28**	**62%**	**45**

The majority of respondents reported that the existence of the DE period greatly influenced their decision to open a cannabis business (62%), 80 percent indicated either influence or great influence

Table 20: Q. If you operate with non-delivery type licenses, has the delivery exclusivity period enhanced the success of your current operations?

License type	Yes		No		I am not currently operating a non-delivery type license		Total
Courier only	3	50%		0%	3	50%	6
Delivery operator only		0%		0%	4	100%	4
Other business with or applying for courier license or delivery endorsement	4	50%	3	38%	1	13%	8
Total	**7**	**39%**	**3**	**17%**	**8**	**44%**	**18**

For those with a non-delivery license type, most felt as if the DE period enhanced the success of their current business

Table 21: Q. Agree or Disagree: The delivery exclusivity period should be extended.

License Type	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total
Courier and Delivery Operator		0%	2	22%	1	11%		0%	6	67%	9
Courier Only		0%		0%		0%	1	13%	7	88%	8
Delivery Operator only		0%		0%		0%		0%	14	100%	14
Other business with or applying for Courier License or Delivery Endorsement	2	14%		0%		0%		0%	12	86%	14
Total	2	4%	2	4%	1	2%	1	2%	39	87%	45

The overwhelming majority of respondents, applicants and operators, felt as if the DE period should be extended (87%), with only 11 percent of respondents disagreeing or feeling neutral about an extension

Table 22: Q. What is the primary reason the delivery exclusivity period should be extended?

Primary reasons for extending DE period	Courier and Delivery Operator	Courier Only	Delivery Operator only	Other*	Total
The initial exclusionary period did not allow time for the first entrants into the market to flourish	5	4	10	7	**26**
MSOs would take over the market and push DE operators out	1	3	5	1	**10**
Two-driver rule was especially burdensome and businesses have not had enough time to capitalize on this change	1	1	3	3	**8**
The original goal of the delivery operator and courier license being reserved exclusively for social equity applicants has not been achieved	1		5	1	**7**
Challenges with accessing capital have prevented delivery operators from benefitting from the exclusivity period	1		4		**5**
Ending the exclusivity period will negatively impact on building equity in minority communities that were disenfranchised and marginalized	3			2	**5**
Have not received CSETF grant funding yet	1		3	1	**5**
HCA agreement processes have severely shortened the time left in the exclusionary period for businesses to capitalize	1		1	1	**3**
SE and EE operators would otherwise have no chance to compete with other, larger operations for other license types	1			2	**3**
It will continue to allow for opportunity without the industry cannibalizing opportunities for licensing			1	1	**2**
Exclusivity period limits ability to sell business	1				**1**
Exclusivity period limits potential partners and investors				1	**1**
Vertically integrated RMDs and MTCs			1		**1**

*Other = Other business with or applying for Courier License or Delivery Endorsement

For those who want the DE period to be extended, the primary reason was because the initial exclusionary period did not allow time for the first entrants into the market to flourish. Other concerns included MSOs taking over the market and pushing DE operators out, not having time to capitalize on the opportunity after the two-driver rule was removed, and those who felt the original goal of the delivery operator and courier license being reserved exclusively for social equity applicants has not been achieved.

Table 23: Q. What aspects of the delivery exclusivity period have had or do you expect to have the greatest impact on your business's feasibility and sustainability?

DE aspects impacting businesses	Courier and Delivery Operator	Courier Only	Delivery Operator only	Other business with or applying for Courier License or Delivery Endorsement	Total
A head start in building my business	4	5	6	10	**25**
Capital available through the c annabis social equity trust fund	1	6	9	7	**23**
Can open a business with lower startup costs	2	4	3	4	**13**
Training, technical assistance, and support from the SEP program	1	3	1	5	**10**
Having a peer group and netw ork in the industry across the s tate		3	2	3	**8**
Ongoing support from the SEP program		4		3	**7**
Potential to sell my business later	1	2			**3**

Other write in responses include: job creation for Minority Business Entity entrepreneur; creates a stable service industry within the industry; exclusivity creates opportunity to be in an industry that you wouldn't be in if not for exclusivity.

Respondents felt that the aspects of the DE period that have had the greatest impact on their businesses sustainability and feasibility was the opportunity to get a head start in building their business, the capital available through the cannabis social equity trust fund, and the ability to open a business with lower startup costs.

Unfortunately, most respondents who are going through or who have gone through the licensing process did not feel their business model was sustainable or feasible, do not have the funds to support it, and felt start-up costs were unexpectedly high.

Table 24: Q. Are there any other comments you'd like to leave regarding owning and operating a cannabis business?

Comments	Courier and Delivery Operator	Courier Only	Delivery Operator only	Other business with or applying for Courier License or Delivery Endorsement	Total
Difficult economic conditions of cannabis industry	2	2	3	1	**8**
Burdensome regulatory environment	0	2	4	2	**8**
Extending DE period	1	1	2	3	**7**
Positive role of cannabis industry on local economy	2	4	1	2	**9**
Better support from CCC	1	0	3	1	**5**
High licensing fees	0	1	1	0	**2**

Regarding owning and operating a cannabis business, respondents wanted to share sentiments of how difficult the conditions of the cannabis industry are, related to burdensome regulatory environment, the impending end of the delivery exclusivity period, lacking support from the CCC and high licensing fees. Positive sentiments shared were the most highly reported however, as respondents wanted to highlight the positive role of the cannabis industry on the local economy.

Regarding owning and operating a cannabis business, respondents wanted to share sentiments of how difficult the conditions of the cannabis industry are, though positive sentiments shared were the most highly reported, as respondents wanted to highlight the positive role of the cannabis industry on the local economy.

Cannabis Control Commission: Analysis Plan for Assessing Delivery Exclusivity

November 2025

UMassAmherst
Donahue Institute
Economic and
Public Policy Research

Cannabis Control Commission: Analysis Plan for Assessing Delivery Exclusivity

Prepared by the UMass Donahue Institute's Economic & Public Policy Research Group

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Background

The Massachusetts Cannabis Control Commission (CCC)[1] established the delivery exclusivity (DE)[2] period primarily to promote equity for communities historically harmed by the "war on drugs" by aiming to create a viable pathway into the cannabis market for those individuals. The policy states that delivery-type licenses, which provide a lower barrier of entry compared to more capital-intensive licenses such as retail and cultivation, will only be awarded to businesses with majority ownership comprised of Social Equity Program (SEP) or Economic Empowerment Program (EEP) participants. The three delivery license types–marijuana couriers, delivery operators, and microbusinesses with a delivery endorsement–are the primary targets of the delivery exclusivity policy. While home delivery was allowed under the Commonwealth's medical marijuana program, the first recreational-use Massachusetts delivery businesses were launched in July 2021. The original delivery exclusivity period was set for a three-year period starting on April 1, 2022 and concluding on April 1, 2025. The CCC voted in March 2025 to extend the exclusivity period for another 12 months, until April 1, 2026.[3]

During this extension of the delivery exclusivity period, over the summer and fall 2025, the UMass Donahue Institute supported an internal Delivery Exclusivity Working Group at the Cannabis Control Commission in a two-phase project to evaluate the progress toward the goals of this policy. While the delivery exclusivity program was set up with a general goal in mind, it was not initially set up with officially articulated goals nor a data collection plan and process for a traditional program evaluation. Phase one instructed UMDI, through key informant interviews and a review of relevant datasets, to design a conceptual analysis plan appropriate for assessing the specific, required questions in the regulation that allowed for delivery exclusivity and propose operationalized definitions for the criteria to be used in the assessment. Although the assessment topics are itemized in the legislation, measurement criteria and parameters for the assessment were unspecified. Therefore, developing effective criteria for the assessment was a primary requirement of this study and subsequent analysis.

The following table is the culmination of Phase I, which defines the specific criteria that were developed to provide answers for goals A-G, including a brief description of the formula or calculated required for each point. Each goal is answered by a number of criteria (i.e., four criteria are developed to provide an answer for the CCC's goal A). The calculation of these criteria in this analysis plan form the foundation of the **Analysis Results** section of the main report.

[1] In this report we will refer to the Cannabis Control Commission as 'the CCC' or 'the Commission,' interchangeably.

[2] In this report we will refer to delivery exclusivity and DE interchangeably.

[3] Massachusetts Cannabis Control Commission Extends Exclusivity for Delivery Licenses. Cannabis Control Commission Massachusetts. April 1, 2025. https://masscannabiscontrol.com/2025/04/massachusetts-cannabis-control-commission-extends-exclusivity-for-delivery-licenses/

Analysis Plan

Table 1: Phase I Analysis Plan for Goals A-G

Report Section Heading	***The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:***	Suggested Operationalized Criteria	Data Sources
Representation and Participation in the Industry	A. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law***	1) Participation Rate: proportion of applications from disproportionately impacted communities out of all applications. Benchmarked to Massachusetts Executive Office of Labor and Workforce Development ES-202 city/town level establishment data.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized). Massachusetts Executive Office of Labor and Workforce Development ES-202.
		2) Average number of days for applications between approval steps by license type (submitted to final licensure, final licensure to commence ops), for applicants in disproportionately impacted communities and applicants outside of disproportionately impacted communities.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized).
		3) Proportion of *Approved* licenses that are in *Commence Operations* approval step by license type, for applicants in disproportionately impacted communities and applicants outside of disproportionately impacted communities.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized).

		4) Proportion of Social Equity Trust Fund grants that are awarded to applicants in disproportionately impacted communities benchmarked to the overall proportion of licensees from disproportionately impacted communities	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog. Social Equity Trust Fund Awards data from Massachusetts Executive Office of Economic Development.
	B. Overall rates of participation in the regulated Marijuana industry by people of color****	1) a. Participation Rate: proportion of agents, persons with authority, and owners who are people of color out of all agents, persons with authority, and owners. Benchmarked to Massachusetts Executive Office of Labor and Workforce Development, ES-202. Proportion of licenses majority owned by people of color out of all licenses. Benchmarked to Census Annual Business Survey, Nonemployer Statistics.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized). Agent-level data for race/ethnicity detail (anonymized). CCC dataset on persons with authority. External benchmarking data: Massachusetts Executive Office of Labor and Workforce Development; U.S. Census 2022 Annual Business Survey Nonemployer Statistics
		2) Average number of days for applications between approval steps by license type(submitted to final licensure, final licensure to commence ops), for applicants of colors and all other applicants.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized). Agent-level data for race/ethnicity detail (anonymized).

		3) Proportion of *Approved* licenses that are in *Commence Operations* approval step by license type, for applicants of colors and all other applicants.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog. Agent-level data for race/ethnicity detail.
	C. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants	1) Count of licenses by license type for EEP and SEP businesses and percent of licenses with SEP or EEP status by license type.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized).
		2) Barriers to acquiring licensure: qualitative feedback from survey of delivery exclusivity licensees and applicants	*UMDI Survey* (see Attachment 3: Survey of Delivery Licensees and Applicants)
	D. Number of registered agents who are Social Equity Program Participants	2) Count of SEP participants by race/ethnicity	*Internal CCC dataset of SEP Cohorts I – III* (anonymized).
		3) Number of SEP participants by approved application year and cumulative participation	*Internal CCC dataset of SEP Cohorts I – III* (anonymized).
Delivery Exclusivity Business Performance and Success		1) Count of licensees by license type with the Commence Operations approval.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized).
		2) Count of licensees license type by geographic region (per 100,000 residents).	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized). Census population estimates data.
		3) Monthly total sales (in $) by delivery type (retail, delivery operator, and courier).	*Anonymized, internal sales* dataset from CCC.

	E. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments	3) a. Year-over-Year change in price of 1 oz of marijuana. Benchmarked to Producer Price Index inflation for retailers and transportat businesses.	*Average Monthly Price per Ounce for Adult-Use Cannabis* dataset from CCC. Producer Price Index dataset from U.S. Bureau of Labor Statistics
		3) b. Monthly total sales volumes (number of transactions) by delivery type (retail, delivery operator, and courier	*Anonymized, internal sales* dataset from CCC.
		4) Number of agents and percent growth by license type. Benchmarked to Massachusetts Executive Office of Labor and Workforce Development, ES-202.	*Internal agent-level* dataset from CCC. Benchmarked to Massachusetts Executive Office of Labor and Workforce Development.
		5) Average annual sales per establishment by license type.	*Internal license-level sales* dataset from CCC (anonymized). *Internal agent-level* dataset from CCC (anonymized).
Business Feasibility and Sustainability	F. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends	1) Start Up Cost Feasibility: qualitative feedback from survey of delivery exclusivity licensees and applicants	*UMDI Survey* (see Attachment 3: Survey of Delivery Licensees and Applicants)
		2) Average License fee amount and fee payment by license type.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized).
		3) Volume of applications by year and by license type.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized).

		4) Business Conditions and Future Plans: qualitative feedback from survey of delivery exclusivity licensees and applicants	*UMDI Survey* (see Attachment 3: Survey of Delivery Licensees and Applicants)
		5) Proportion of inactive licenses to active licenses by license type.	*Marijuana Establishment License and Applications* dataset from CCC Data Catalog (anonymized).
		6) Total Social Equity Trust Fund award amount by Tier	*Social Equity Trust Fund* Awards dataset from Massachusetts Executive Office of Economic Development.
Policy Impacts	G. Any other information the Commission determines relevant**	1) Understand the impact on the industry from the changes to the delivery licenses (e.g. 2 to 1 agents in a vehicle, expanded delivery hours, digitalization of records)	*UMDI Survey* (see Attachment 3: Survey of Delivery Licensees and Applicants)
		2) Examine the effect of the ongoing implementation of the HCA statutory and regulatory amendments	*UMDI Survey* (see Attachment 3: Survey of Delivery Licensees and Applicants)
		3) Examine the effect of cities' and towns' bylaws/ordinances derived from Chapter 180 and the corresponding Municipal Equity regulations	*UMDI Survey* (see Attachment 3: Survey of Delivery Licensees and Applicants)
		4) Assess the impact of the creation of the Cannabis Social Equity Trust Fund on Marijuana Establishments	*UMDI Survey* (see Attachment 3: Survey of Delivery Licensees and Applicants)

Qualitative Analysis of Public Feedback on Cannabis Delivery Exclusivity Policy

Cannabis Control Commission

November 2025

1. Executive Summary

This report presents a comprehensive qualitative analysis of 74 Cannabis Control Commission (CCC) public feedback and meeting minutes documents regarding the delivery exclusivity period. The analysis examined stakeholder perspectives on two independent dimensions: (1) support for the concept of delivery exclusivity licenses reserved for social equity participants, and (2) support for extending or maintaining the current two-year exclusivity period.

Key Findings:

- **Unanimous Support for Extension:** Among the 56 stakeholders who addressed the extension question, there was 100% support for extending the exclusivity period. Zero documents in this dataset opposed extension, representing a remarkable consensus across all stakeholder types.
- **Strong Support for Equity Licensing:** Among the 38 stakeholders who addressed the licensing concept, 73.7% supported the dedicated social equity license type, 10.5% opposed it, 15.8% expressed mixed or conditional support, and the remaining 36 documents did not address this dimension.
- **Diverse Stakeholder Representation:** Feedback came from social equity business owners/operators, equity advocacy organizations, industry associations, individual consumers, and other stakeholders, demonstrating broad engagement with the policy.
- **Core Themes:** Stakeholders emphasized equity and reparative value, operational barriers to sustainability, concerns about market consolidation by multi-state operators, and the need for additional time beyond three years to achieve profitability.

The analysis reveals strong stakeholder consensus favoring continued protection of the delivery exclusivity period. The complete absence of opposition to extension, combined with majority support for the equity licensing concept itself, suggests that stakeholders view the policy as serving important equity goals while requiring additional time to achieve its intended outcomes. These findings indicate that the policy has broad legitimacy among engaged stakeholders, though concerns about operational sustainability and timeline adequacy remain prominent.

2. AI Use Justification

This analysis employed artificial intelligence (AI) assistance to support the qualitative coding and thematic analysis of 74 public feedback documents. The use of AI was appropriate and beneficial for this project for several reasons.

Rationale for AI-Assisted Analysis:

Consistency and Scale: AI provided consistent application of coding criteria across all 74 documents, reducing the risk of coder drift or fatigue that can affect manual coding of large datasets. The deductive coding framework with clearly defined categories was well-suited to AI implementation.

Efficiency: The volume of documents (74 files totaling several hundred pages) would have required substantial manual coding time. AI assistance enabled timely analysis while maintaining systematic attention to each document.

Transparency: AI-assisted coding allows for explicit documentation of decision rules and coding logic, enhancing the reproducibility and transparency of the analysis compared to purely manual approaches where implicit judgments may not be fully documented.

Quality Control Measures:

To ensure rigor and accuracy, multiple quality control measures were implemented:

- **Two-Stage Coding Process:** Initial AI coding was followed by systematic review of all documents coded as unclear (34 documents total), with detailed reasoning documented for recoding decisions.
- **Human Oversight:** A portion of final coding decisions, particularly for ambiguous cases, were made after careful human review of document content and context.
- **Elimination of Unclear Categories:** Through the recoding process, all documents were classified into clear categories, ensuring that no documents remained in ambiguous coding states.
- **Documentation:** Complete records of coding decisions, including rationales for recoding, were maintained for verification and audit purposes.

Limitations: While AI assistance enhanced consistency and efficiency, human judgment remained essential for interpreting nuanced language, understanding contextual meaning, and making some final classification decisions. This hybrid approach leveraged the strengths of both AI (systematic processing, consistency) and human expertise (contextual understanding, judgment of ambiguous cases).

3. Types of Feedback Analyzed

This analysis examined 74 written feedback documents submitted to the Cannabis Control Commission during a concentrated period of public engagement on the delivery exclusivity policy. The documents represent diverse stakeholder perspectives on a policy decision with significant implications for the Massachusetts cannabis industry.

Data Collection Period:

Public comments were collected between November 25, 2024, and December 13, 2024, during an active regulatory review period when the CCC solicited public input on potential modifications to the delivery exclusivity regulations. This concentrated timeframe reflects heightened stakeholder engagement around pending policy decisions. The documents examined also included minutes from one Cannabis Advisory Board meeting and from Public Meetings in 2020, 2023, 2024, and 2025.

Document Formats:

The dataset included multiple format types:

- Written testimony submitted directly to the Commission
- Email correspondence from stakeholders
- Formal comment letters from organizations
- Public meeting and Cannabis Advisory Board meeting minutes and organizational commentary

Stakeholder Categories:

The feedback represented a cross-section of cannabis industry participants and advocacy groups:

- **Social Equity Business Owners/Operators** (approximately 14 documents): Budzee, Little Dog Delivery, KindRun, Garden Remedies, Zekes Buds, Causeway Cannabis, SafeTiva, Terpene Journey, Delivered Inc., Grassp Health, and others.
- **Equity Advocacy Organizations** (approximately 6 documents): Groups focused on equity and justice in cannabis policy, including Equitable Opportunities Now (EON) and BIPOC Cannabis Policy PAC.
- **Industry Organizations** (approximately 6 documents): Trade associations and larger industry participants commenting on licensing structure and market dynamics.
- **Individual Consumers and Advocates** (approximately 4 documents): Members of the public commenting on delivery access and equity considerations.
- **Other Stakeholders** (approximately 48 documents): Additional participants including legal representatives, consultants, and other interested parties.

Anonymization:

To protect individual privacy while enabling analysis, documents were assigned anonymous identifier codes (DOC_001 through DOC_074). Throughout this report, respondents are referenced by their stakeholder role or organizational affiliation (when relevant) rather than by personal names. This approach maintains the analytical integrity while respecting confidentiality.

Context: The feedback was collected during a critical juncture in Massachusetts cannabis policy development, as the Commission evaluated whether to extend, modify, or allow expiration of the delivery exclusivity period initially established to provide social equity participants with protected market access. The concentrated submission period reflects the policy urgency and stakeholder engagement with this decision.

4. Analysis Methods

This analysis employed a structured qualitative data analysis approach combining deductive thematic coding with AI-assisted text processing. The methodology was designed to systematically classify stakeholder positions while maintaining analytical rigor and transparency.

Methodological Framework:

The analysis used deductive thematic coding based on a predetermined coding framework with two independent dimensions:

- **Dimension 1 (Delivery Exclusivity License Type):** Whether respondents support the concept of reserving delivery licenses for social equity participants as a dedicated license category.
- **Dimension 2 (Extension of Exclusivity Period):** Whether respondents support extending the original exclusivity timeline versus allowing it to expire and opening delivery licenses to all operators.

These dimensions were treated as independent variables. A respondent could support the license type concept while opposing extension, or vice versa, allowing for nuanced capture of stakeholder positions.

Coding Categories:

For each dimension, documents were classified into one of four categories:

- **Supportive:** Clear advocacy for the policy position (equity licensing or extension).
- **Opposed:** Clear opposition to the policy position.
- **Mixed/Conditional:** Acknowledgment of merits on both sides without clear position, or conditional support dependent on specific circumstances.
- **Not Addressing:** Document does not take a position on or does not discuss this particular dimension.

Unit of Analysis:

Complete documents served as the primary unit of analysis. While documents varied in length from single-paragraph emails to multi-page testimony, each was analyzed holistically to capture the respondent's overall position on each dimension.

Coding Process:

The coding process was completed three times before the final version. With each iteration, the prompt used to initiate the analysis was refined and previous errors in the coding or caveats were addressed. The codebook was then revised with the new coding and re-applied to the data.

The coding process proceeded in three stages:

- **Stage 1 - Initial Coding:** All 74 documents were systematically coded on both dimensions using AI-assisted text extraction and classification based on explicit language and stated positions.
- **Stage 2 - Unclear Document Review:** Documents initially classified as unclear (34 total: 22 for Dimension 1, 12 for Dimension 2) underwent detailed manual review. Each was re-examined for implicit support, contextual clues, or organizational roles that indicated clear positions.
- **Stage 3 - Final Classification:** Following the review process, all documents were reclassified into clear categories. Detailed rationales for recoding decisions were documented, ensuring transparency and reproducibility.

A coding matrix was created that recorded the Dimension 1 and 2 coding for each file. This matrix did not record the coding for the six core themes identified during analysis.

Quality Assurance:

Multiple measures ensured coding reliability:

- Systematic review of all ambiguous cases with documented rationales
- Elimination of unclear categories through careful recoding
- Consistency checks across similar document types
- Preservation of coding decisions in master coding file for verification

Analytical Approach: Beyond frequency counts, the analysis identified recurring themes, arguments, and rationales within each coding category. Illustrative quotes were extracted to represent typical perspectives within each category, providing qualitative depth to complement quantitative distributions.

CCC staff review:

Multiple CCC staff reviewed the output produced by the AI, including this report, the frequency tables, the coding matrix, and the analysis documentation. While staff did not have the time necessary to check each decision recorded in the coding matrix, they did not find any errors or other inconsistencies upon reviewing of a portion of these decisions.

5. Results and Discussion

This section presents findings across both analytical dimensions, examining stakeholder positions on the delivery exclusivity license type and the extension of the exclusivity period. Results include quantitative frequencies, qualitative themes, and illustrative quotes demonstrating the range of perspectives in the dataset.

5.1 Dimension 1: Support for Delivery Exclusivity License Type

The first dimension examined whether respondents support the fundamental concept of reserving delivery licenses for social equity participants as a dedicated license category. This dimension captures attitudes toward the equity licensing mechanism itself, independent of questions about timeline or duration.

Frequency Distribution:

Code	Count	% of Total	% Among Addressers
Supportive	28	37.8%	73.7%
Opposed	4	5.4%	10.5%
Mixed/Conditional	6	8.1%	15.8%
Not Addressing	36	48.6%	—
TOTAL	**74**	**100%**	**100%**

Table 1. Distribution of positions on delivery exclusivity license type (n=74)

Key Findings:

Among the 38 stakeholders who explicitly addressed the equity licensing concept (51.4% of all documents), support was substantial at 73.7%. Only 10.5% of those addressing this dimension opposed the license type, with 6% expressing mixed or conditional views. Three out of the four instances of opposition to the license type were found in public meeting minutes from 2020; one was found in public meeting minutes from 2024.

Stakeholder Breakdown:

Support for the equity licensing concept came predominantly from:

- **Social Equity Business Owners:** All social equity business owners in the dataset supported the dedicated license type, emphasizing their role as pioneers of the business model and the policy's reparative value.
- **Equity Advocacy Organizations:** Groups like Equitable Opportunities Now (EON) and BIPOC Cannabis Policy PAC uniformly supported the license type, framing it as essential for addressing historical harms from prohibition.
- **Industry Organizations:** Approximately 80% of industry commenters supported the equity licensing structure, viewing it as compatible with broader market stability goals.

Opposition, while minimal, came from stakeholders who characterized the separate license category as market-distorting or discriminatory. Mixed responses typically acknowledged equity goals while questioning implementation specifics.

Illustrative Quotes - Supportive Position:

Equity and Justice Framing:

> *"Social equity businesses should have protected access to delivery licenses because these communities were harmed by prohibition and deserve a pathway to ownership."*

Pioneering Role:

> *"Those most harmed by the war on drugs have a chance to succeed in this license type. Social equity members have paved the way to prove the business model."*

Illustrative Quotes - Opposed Position:

Market Concerns:

> *"Creating a separate license category for one group is discriminatory and prevents qualified operators from accessing the market. This distorts normal market competition."*

Analysis: The strong majority support for equity licensing reflects broad stakeholder recognition of the policy's reparative purpose and value in addressing historical injustices. The relatively small opposition suggests that fundamental disagreement with the equity licensing concept is limited, though concerns about market dynamics persist among some stakeholders.

5.2 Dimension 2: Support for Extending the Exclusivity Period

The second dimension examined whether respondents support extending the two-year exclusivity period versus allowing it to expire and opening delivery licenses to all operators. This dimension captures attitudes toward policy duration and implementation timeline.

Frequency Distribution:

Code	Count	% of Total	% Among Addressers
Supportive	56	75.7%	**100%**
Opposed	0	0.0%	0%
Mixed/Conditional	0	0.0%	0%
Not Addressing	18	24.3%	—
TOTAL	**74**	**100%**	**100%**

Table 2. Distribution of positions on extending the exclusivity period (n=74)

Headline Finding: Unanimous Support

Among the 56 stakeholders who addressed the extension question (75.7% of all documents), support was unanimous at 100%. No documents in the entire dataset opposed extending the exclusivity period. This represents a remarkable consensus across all stakeholder types, including social equity operators, advocacy organizations, industry participants, and individual commenters.

Stakeholder Alignment:

Support for extension was consistent across all stakeholder categories:

- **Social Equity Business Owners:** 100% supported extension, citing operational barriers, capital constraints, and insufficient time to achieve profitability.
- **Equity Advocacy Organizations:** 100% supported extension, emphasizing reparative goals and the need for sustained protection.
- **Industry Organizations:** 100% supported extension, viewing it as promoting market stability and supporting small operator development.
- **Individual Consumers/Advocates:** 100% supported extension, often linking it to patient access and fairness to social equity participants.

Key Arguments for Extension:

1. Operational Barriers and Insufficient Time:

The most frequently cited rationale was that three years provides insufficient time for social equity businesses to overcome operational barriers and achieve sustainable profitability. Respondents detailed challenges including capital constraints, licensing delays, regulatory compliance costs, and difficulties securing competitive suppliers.

> *"These social equity businesses haven't had enough time to become sustainable. Two years is insufficient given the operational barriers they face. The exclusivity period should be extended."*
>
> *"Even with a well-funded team, our business cannot easily turn a profit. The Commission should extend the exclusivity period indefinitely until social equity businesses can demonstrate sustainable operations."*

2. Social Equity Participants Pioneered the Model:

Many respondents emphasized that social equity operators took on the risk of proving the delivery business model's viability. Extension was framed as fair recognition of this pioneering role and protection of their investment.

> *"Social equity members have paved the way to prove the business model works. They were the ones who advocated and fought for this change. They deserve the protection of an extended exclusivity period."*
>
> *"We beat out big law firms, multi-state operators, and larger entities pursuing a delivery license. We took on the risk of proving this model. We deserve more time to establish our businesses before facing larger competitors."*

3. Preventing Multi-State Operator Dominance:

Respondents expressed concern that ending exclusivity prematurely would allow well-capitalized multi-state operators to dominate the delivery market, undermining the policy's equity goals and leading to market consolidation.

> *"Allowing the exclusivity period to end would only allow for larger industry players to engage after it has been proven viable only by social equity participants. This would completely defeat the purpose of the equity licensing structure."*
>
> *"The exclusivity period is a significant advantage for small business ownership versus simply being employed by larger players who will inevitably dominate if licenses open to all operators."*

4. Reparative and Justice-Based Arguments:

Extension was also framed as necessary to fulfill the reparative purpose of the policy. Respondents argued that communities harmed by prohibition deserve sustained support, not merely symbolic initial access.

> *"Communities harmed by the war on drugs deserve more than two years to establish sustainable businesses. Extension is essential to honor the reparative purpose of this policy."*

Proposed Extension Timelines:

Respondents who specified extension durations proposed various timelines:

- Five-year extension (to seven years total)
- Seven-year reset from current date
- Indefinite extension until profitability metrics are met
- Extension tied to measurable success indicators

> *"The Commission should reset the exclusivity period to a full seven years, if not longer, to give social equity businesses a genuine opportunity to become sustainable."*

Analysis: The unanimous support for extension is the most striking finding in this analysis. The complete absence of opposition within this set of public comments suggests that extension has achieved broad legitimacy across diverse stakeholder perspectives (although this set of comments may not exactly reflect the views of the entire constituency). Arguments for extension consistently emphasized practical operational challenges, fairness to pioneering operators, and concerns about premature market opening to larger competitors. The consensus extends beyond social equity participants to include industry organizations and advocacy groups, indicating that extension is viewed as serving both equity and market stability goals.

5.3 Cross-Dimensional Analysis

Examining how positions on the two dimensions relate to each other reveals important patterns in stakeholder thinking about delivery exclusivity policy.

Consistency Across Dimensions:

Among stakeholders who addressed both dimensions, positions showed strong consistency. Most respondents (89%) who supported the equity licensing concept also expressed support for extension (the remainder did not address it) This suggests that stakeholders view the two dimensions as interconnected: if the equity licensing structure has merit, it requires adequate time to fulfill its purpose.

Differential Engagement:

More stakeholders addressed the extension question (56 documents, 75.7%) than the licensing concept question (38 documents, 51.4%). This pattern suggests that many commenters took the equity licensing structure as a given and focused their advocacy on the pressing timing question. The extension decision was more salient to stakeholders than relitigating the fundamental policy structure.

Thematic Connections:

Several themes appeared consistently across both dimensions:

- **Equity and Justice:** Respondents supporting the license type on equity grounds also argued that extension was necessary to honor those equity commitments.
- **Operational Sustainability:** Arguments about capital constraints and profitability challenges reinforced both the value of protected licenses and the need for extended timelines.
- **Market Structure:** Concerns about multi-state operator dominance appeared in both dimensions, linking license type support to extension advocacy.

Implications: The cross-dimensional patterns suggest that stakeholders view delivery exclusivity as a coherent policy package rather than separable components. Support for the equity licensing concept creates logical pressure for adequate implementation time. The absence of respondents supporting the license type while opposing extension indicates that stakeholders recognize the timeline as integral to the policy's success. This coherence strengthens the overall stakeholder mandate for continued protection.

5.4 Core Themes in Stakeholder Feedback

Beyond the dimensional coding, several recurring themes emerged across the feedback documents. These themes provide insight into stakeholder reasoning and priorities. As noted under Analysis Methods, the coding matrix produced by the AI did not record the coding of these themes, and therefore the decisions of the AI in determining their prevalence cannot be directly verified.

Theme 1: Equity and Reparative Value

Frequency: Present in approximately 24 documents

Many respondents framed delivery exclusivity in moral and justice terms, emphasizing the policy's role in addressing historical harms from cannabis prohibition. This theme connected the license type and extension through a reparative framework: communities harmed by the war on drugs deserve both protected access and sufficient time to benefit.

> *"Those most harmed by the war on drugs finally have a chance to succeed in this license type. This is about basic fairness and repairing decades of harm."*
>
> *"Social equity businesses deserve this protected pathway to ownership because their communities paid the highest price during prohibition. This policy begins to right historical wrongs."*

Theme 2: Operational Barriers and Sustainability Challenges

Frequency: Present in approximately 34 documents

The most frequently discussed theme involved detailed accounts of operational challenges facing social equity delivery businesses. Respondents described difficulties securing capital, navigating regulatory requirements, establishing supplier relationships, achieving profitability, and managing cash flow. These practical barriers were offered as evidence that two years provides insufficient runway for sustainability.

> *"Despite having a well-funded team and strong business planning, we struggle to achieve profitability after two years. The barriers are real and require more time to overcome."*
>
> *"Capital constraints, licensing delays, and supplier negotiations all take longer than expected. Two years is simply insufficient to build a sustainable business in this highly regulated environment."*

Theme 3: Market Protection and Multi-State Operator Concerns

Frequency: Present in approximately 20 documents

Stakeholders expressed concern that ending exclusivity would enable well-capitalized multi-state operators to dominate the delivery market, effectively nullifying the equity goals. This theme connected license type support (protecting against MSO advantages) with extension advocacy (maintaining protection until equity operators are established).

> *"Opening delivery to all operators now would simply allow large multi-state operators to take over a market that social equity businesses spent two years developing and proving viable."*
>
> *"The exclusivity period prevents immediate market consolidation by larger players. Without continued protection, small equity operators will be unable to compete with MSO resources and scale."*

Theme 4: Implementation and Timeline Mechanics

Frequency: Present in approximately 14 documents

Some respondents focused on specific implementation questions: How long should extension last? Should it be tied to profitability metrics? When should the exclusivity clock

start? These practical concerns reflected stakeholder desire for thoughtful policy design rather than rigid timelines.

> *"The Commission should consider extending exclusivity for five additional years, to seven years total, giving equity businesses a realistic timeframe for sustainability."*
>
> *"Extension should be tied to measurable success indicators. When social equity businesses demonstrate sustainable profitability, that's when the market can safely open to all operators."*

Theme 5: Regulatory and Operational Focus

Frequency: Present in approximately 12 documents

Some feedback focused on regulatory details such as driver requirements, packaging rules, bulk material repackaging, and operational compliance issues. While not directly addressing the extension question, these comments often implicitly supported continued equity operator protections by advocating for policies that would help small businesses succeed.

Theme 6: Patient Access and Public Health

Frequency: Present in approximately 8 documents

A smaller subset of feedback emphasized delivery's role in enabling patient access to cannabis, particularly for individuals with mobility limitations or transportation challenges. These respondents implicitly supported service continuation and by extension the mechanisms (including exclusivity) that enable delivery operations.

> *"Delivery services are essential for patient access. Policies that support these operators ultimately serve public health by ensuring patients can access medicine safely and conveniently."*

6. Conclusion

This qualitative analysis of 74 public feedback and meeting minutes documents reveals strong stakeholder consensus favoring continued delivery exclusivity protections for social equity participants. The findings demonstrate both the policy's broad legitimacy and persistent concerns about implementation adequacy.

Summary of Key Findings:

Among stakeholders who addressed the extension question, support was unanimous (100%, n=56). Zero documents expressed opposition to extending the exclusivity period, representing remarkable consensus across social equity operators, advocacy organizations, industry participants, and individual commenters. For the equity licensing concept itself, support was substantial at 73.7% among those addressing this dimension (n=38), with only 10.5% opposed and 6% expressing mixed views (and three out of four expressions of opposition were found in Public Meeting minutes from 2020, prior to the 2024 public comment period).

Core Stakeholder Arguments:

Respondents supporting extension emphasized four primary rationales: (1) Operational barriers requiring more than two years to overcome, (2) recognition that social equity participants pioneered the delivery model and deserve protection of their investment, (3) concern that premature market opening would enable multi-state operator dominance, and (4) the reparative purpose of the policy requiring sustained rather than symbolic support. These arguments appeared consistently across stakeholder types, contributing to the unanimous support finding.

Policy Implications:

The analysis suggests several implications for policy consideration. First, the complete absence of opposition to extension within this set of public comments indicates that allowing expiration on schedule would run counter to expressed stakeholder preferences across all categories. Second, the consistency between license type support and extension support suggests stakeholders view adequate implementation time as integral to the policy's legitimacy. Third, detailed accounts of operational barriers provide concrete evidence that the two-year timeline is perceived as insufficient for achieving sustainability. Fourth, concerns about market consolidation indicate that stakeholders view extension as serving both equity and market stability goals.

Limitations:

Several limitations should be noted in interpreting these findings. The public comments represent a specific time period (November 25 - December 13, 2024) during active regulatory review, potentially influencing which stakeholders chose to engage. The analysis examined written feedback only and did not include verbal testimony (except as reflected in public meeting minutes) or informal communications. Some stakeholders may have submitted multiple documents, potentially overrepresenting certain perspectives. The coding necessarily involved interpretive judgments, though quality controls were implemented to enhance reliability. Finally, stakeholders who support the status quo or oppose extension may be less motivated to submit formal feedback, potentially creating selection bias toward extension support.

Areas for Future Research:

This analysis raises several questions for future investigation. How do Massachusetts outcomes compare to delivery exclusivity policies in other jurisdictions? What is the relationship between extension duration and long-term market structure? How have social equity delivery businesses' financial performance and market position evolved since the

exclusivity period began? Systematic research on these questions would complement stakeholder feedback with empirical evidence about policy outcomes.

Final Observation: The unanimous support for extension among this group of engaged stakeholders represents a clear signal about policy preferences. While this analysis provides systematic documentation of stakeholder perspectives rather than policy recommendations, the findings indicate that the delivery exclusivity period has achieved broad legitimacy as an equity mechanism while generating concern about implementation adequacy. The complete absence of stakeholder opposition to extension within this set of public comments, combined with detailed rationales about operational challenges and market dynamics, provide the Cannabis Control Commission with substantial qualitative evidence about stakeholder views as it evaluates the policy's future.

Cannabis Control Commission: Survey of Delivery Licensees and Applicants

November 2025

UMassAmherst
Donahue Institute
Economic and
Public Policy Research

Cannabis Control Commission: Survey of Delivery Licensees and Applicants

Prepared by the UMass Donahue Institute's Economic & Public Policy Research Group

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Methodology: Survey of Delivery Licensees and Applicants

In collaboration with the CCC, UMDI designed a survey of delivery exclusivity license applicants and business operators. The team created a short, web-based questionnaire to gather information on licensee and applicant experiences and perspectives as participants of the delivery exclusivity period. The survey was designed specifically to elicit answers that speak to the goals outlined by the regulation. Questions for delivery exclusivity participants who are already in operation touched on business feasibility and sustainability, start-up costs, barriers to success, and policy impacts. Questions for delivery exclusivity applicants touched on the process of acquiring a license, barriers involved with acquiring a license, and improvements to the application process. Both operators and applicants who responded to the survey were asked questions about experiences with and benefits of the delivery exclusivity period as well as experiences with and benefits of the Social Equity Trust Fund.

Table 11: Survey Responses by DE Filter

DE Applicant or Operator	Count	Share
Yes	57	69%
No	26	31%
Total	**83**	**100%**

Respondents who answered “No” when asked whether they were applying for or currently operating a delivery exclusivity license were directed out of the survey. An additional 10 respondents who indicated being a DE applicant chose “None of the above” for an application type and were directed out of the survey. An additional 2 operators of non-delivery businesses indicated “None of the above” as their application type and were directed out of the survey. As a result, there are 45 complete responses, and the total N for the survey is therefore 45.

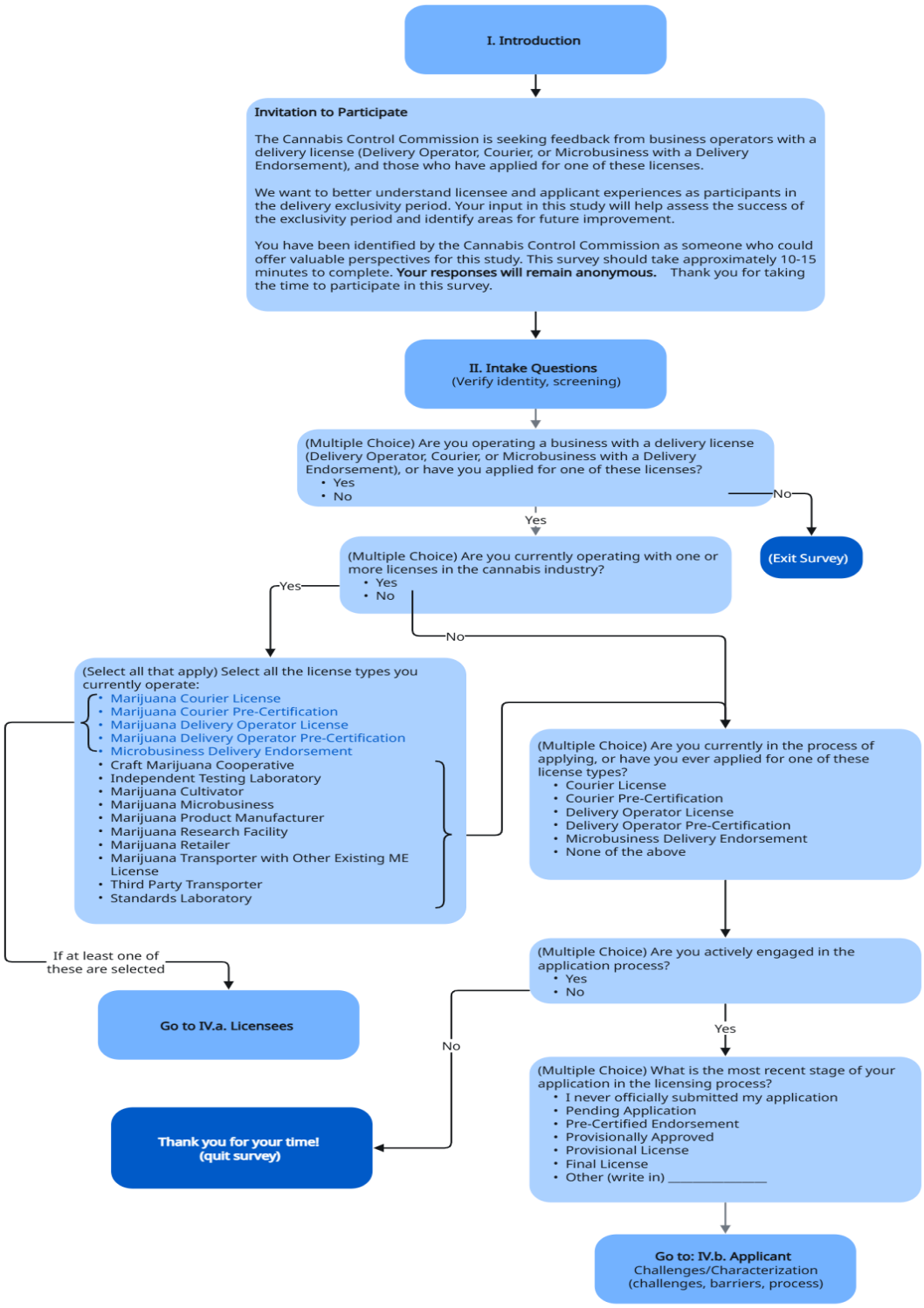
Table 22: Responses by License Type and Commence Operations Status

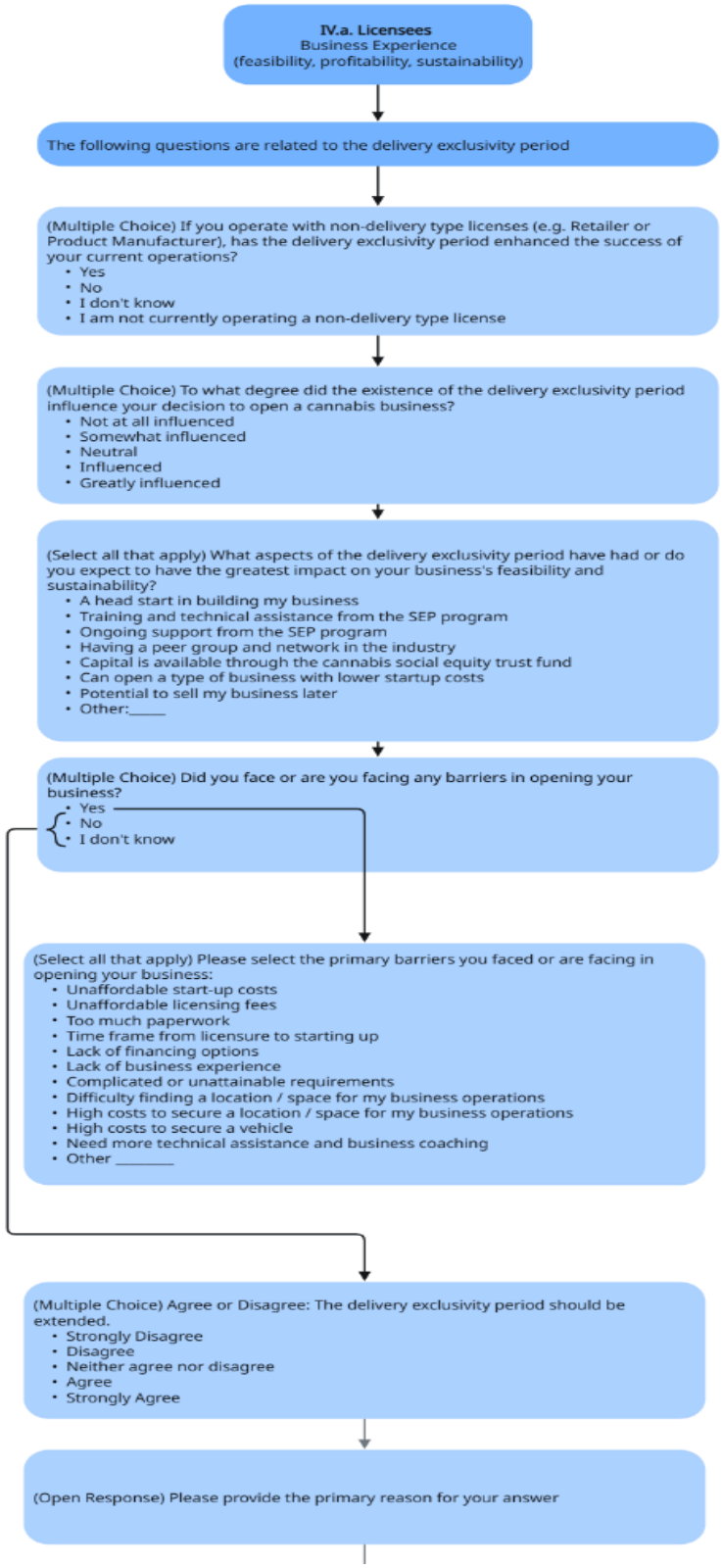
License Type by Operation Status	Count	Share
Operator	**20**	**100%**
Courier Only	6	30%
Delivery Operator only	4	20%
Other business with or applying for Courier License or Delivery Endorsement	10	50%
Applicant	**25**	**100%**
Courier and Delivery Operator	9	36%
Courier Only	2	8%
Delivery Operator only	10	40%
Other business with or applying for Courier License or Delivery Endorsement	4	16%
Total	**45**	**100%**

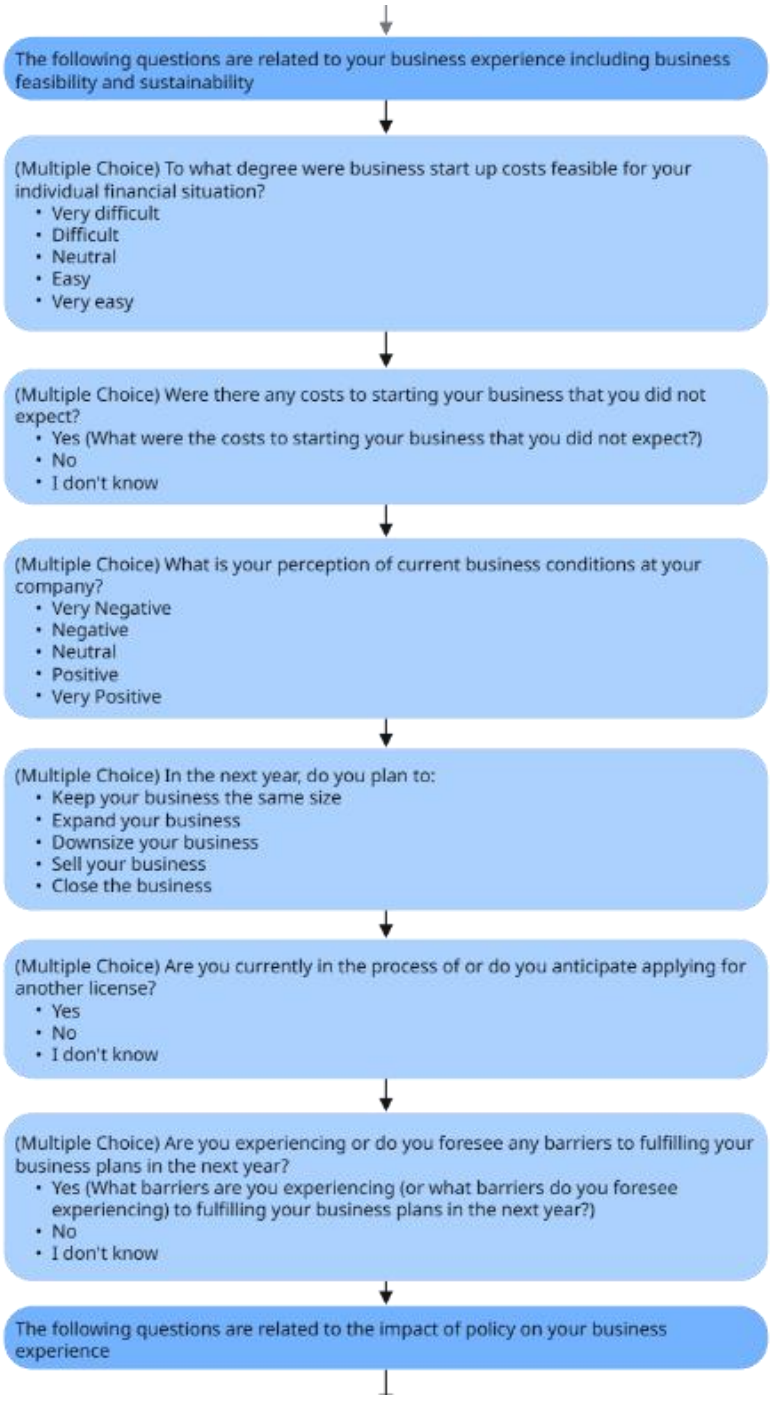
A copy of the survey instrument, including all questions and diagrams showing conditional flow, is provided with this report as a separate document entitled *Attachment 3: Survey of Delivery Licensees and Applicants*.

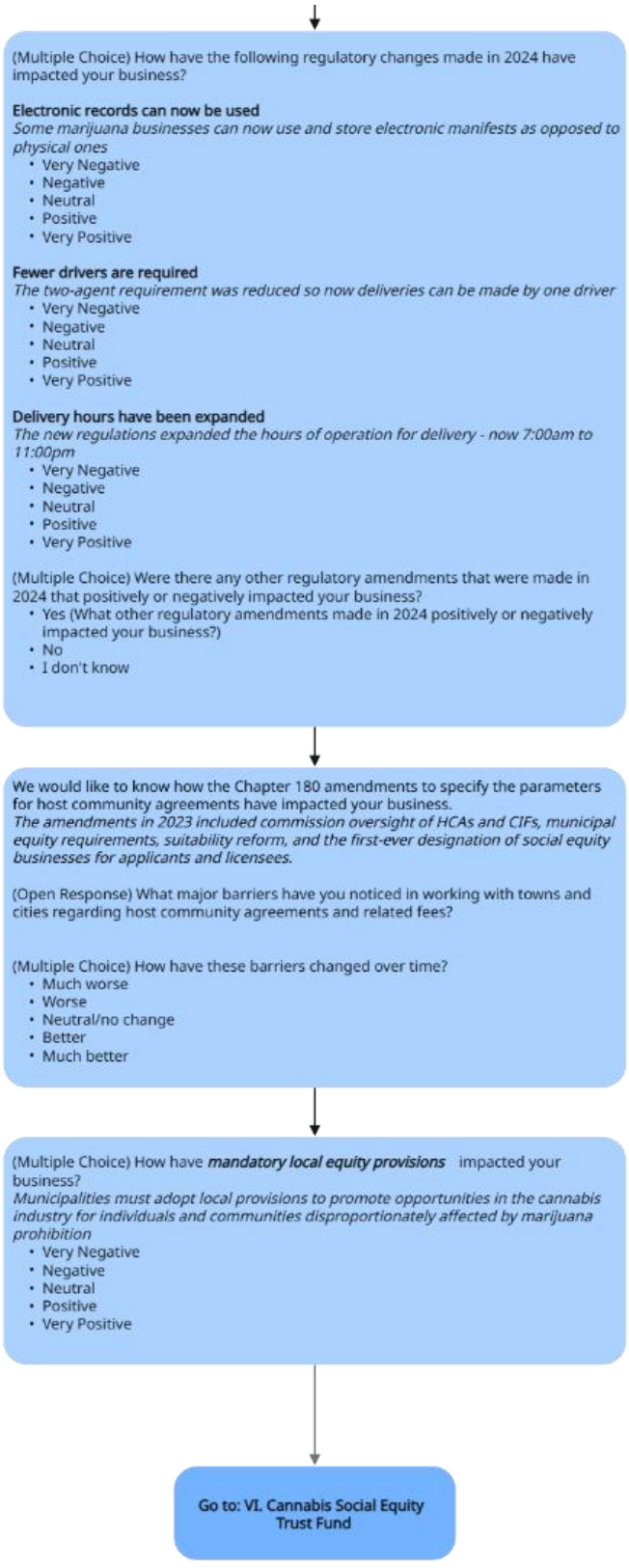
Diagram of the Survey Instrument

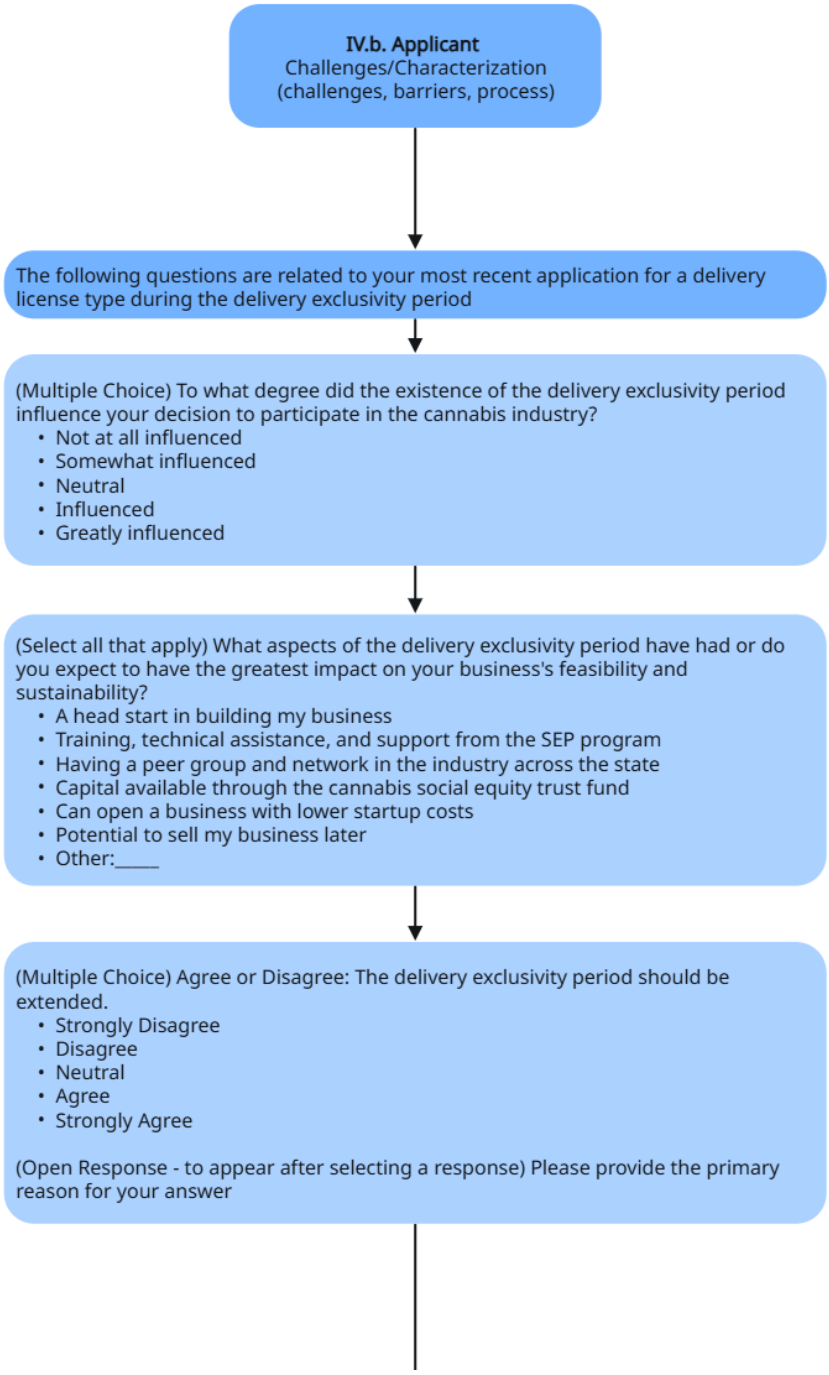
The diagram on the following pages provides a copy of the survey instrument that was programmed into Filestack for use by delivery licensee and applicant respondants. The diagram shows the introductory material used for each section of the survey, shows all questions that were used in the instrument, and provides a diagram of the conditional flow of the survey.

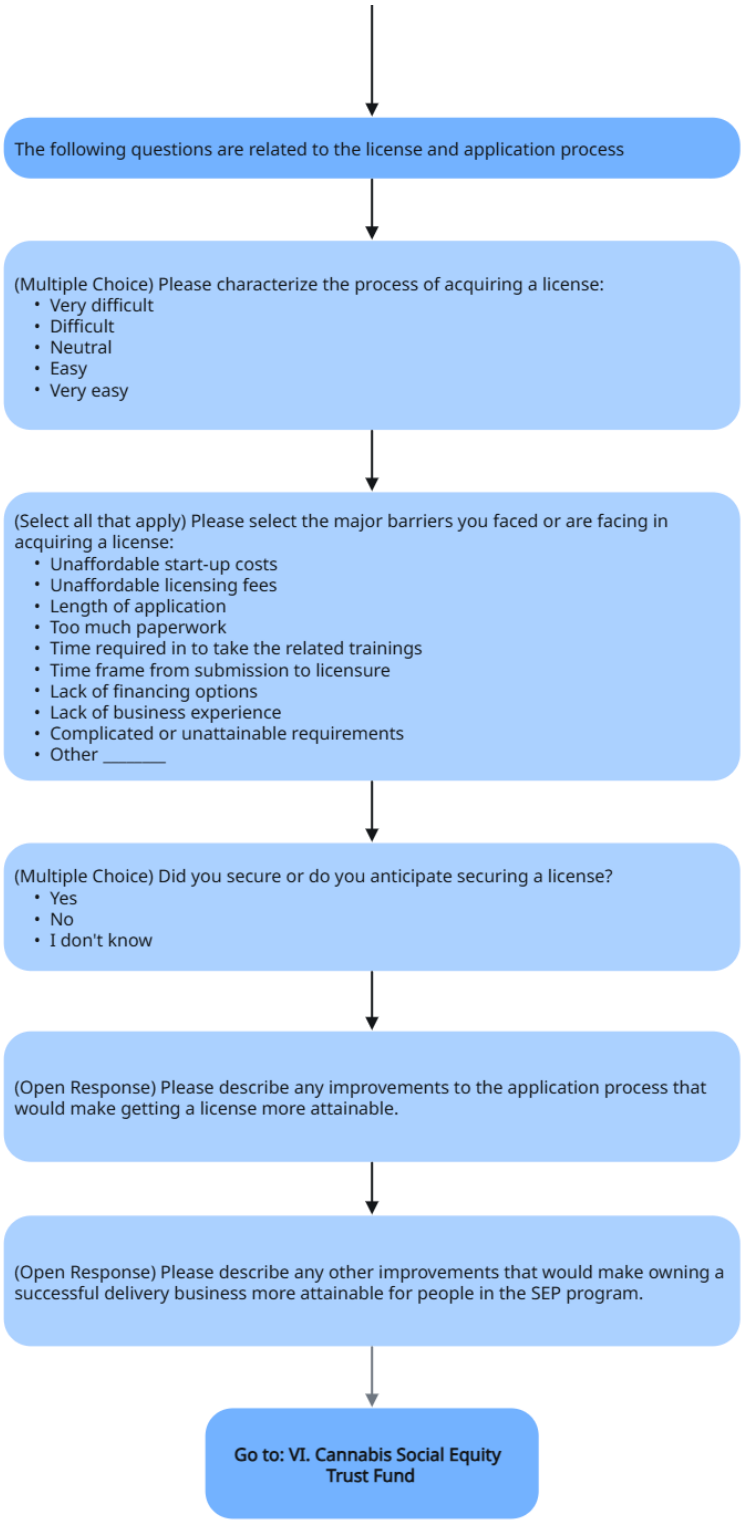

I. Introduction
Invitation to Participate
The Cannabis Control Commission is seeking feedback from business operators with a delivery license (Delivery Operator, Courier, or Microbusiness with a Delivery Endorsement), and those who have applied for one of these licenses.
We want to better understand licensee and applicant experiences as participants in the delivery exclusivity period. Your input in this study will help assess the success of the exclusivity period and identify areas for future improvement.
You have been identified by the Cannabis Control Commission as someone who could offer valuable perspectives for this study. This survey should take approximately 10-15 minutes to complete. Your responses will remain anonymous. Thank you for taking the time to participate in this survey.
II. Intake Questions
(Verify identity, screening)
(Multiple Choice) Are you operating a business with a delivery license (Delivery Operator, Courier, or Microbusiness with a Delivery Endorsement), or have you applied for one of these licenses?
Yes
No
No
(Exit Survey)
Yes
(Multiple Choice) Are you currently operating with one or more licenses in the cannabis industry?
Yes
No
Yes
No
(Select all that apply) Select all the license types you currently operate:
Marijuana Courier License
Marijuana Courier Pre-Certification
Marijuana Delivery Operator License
Marijuana Delivery Operator Pre-Certification
Microbusiness Delivery Endorsement
Craft Marijuana Cooperative
Independent Testing Laboratory
Marijuana Cultivator
Marijuana Microbusiness
Marijuana Product Manufacturer
Marijuana Research Facility
Marijuana Retailer
Marijuana Transporter with Other Existing ME License
Third Party Transporter
Standards Laboratory
(Multiple Choice) Are you currently in the process of applying, or have you ever applied for one of these license types?
Courier License
Courier Pre-Certification
Delivery Operator License
Delivery Operator Pre-Certification
Microbusiness Delivery Endorsement
None of the above
If at least one of these are selected
Go to IV.a. Licensees
(Multiple Choice) Are you actively engaged in the application process?
Yes
No
No
Yes
Thank you for your time! (quit survey)
(Multiple Choice) What is the most recent stage of your application in the licensing process?
I never officially submitted my application
Pending Application
Pre-Certified Endorsement
Provisionally Approved
Provisional License
Final License
Other (write in) _____
Go to: IV.b. Applicant
Challenges/Characterization
(challenges, barriers, process)

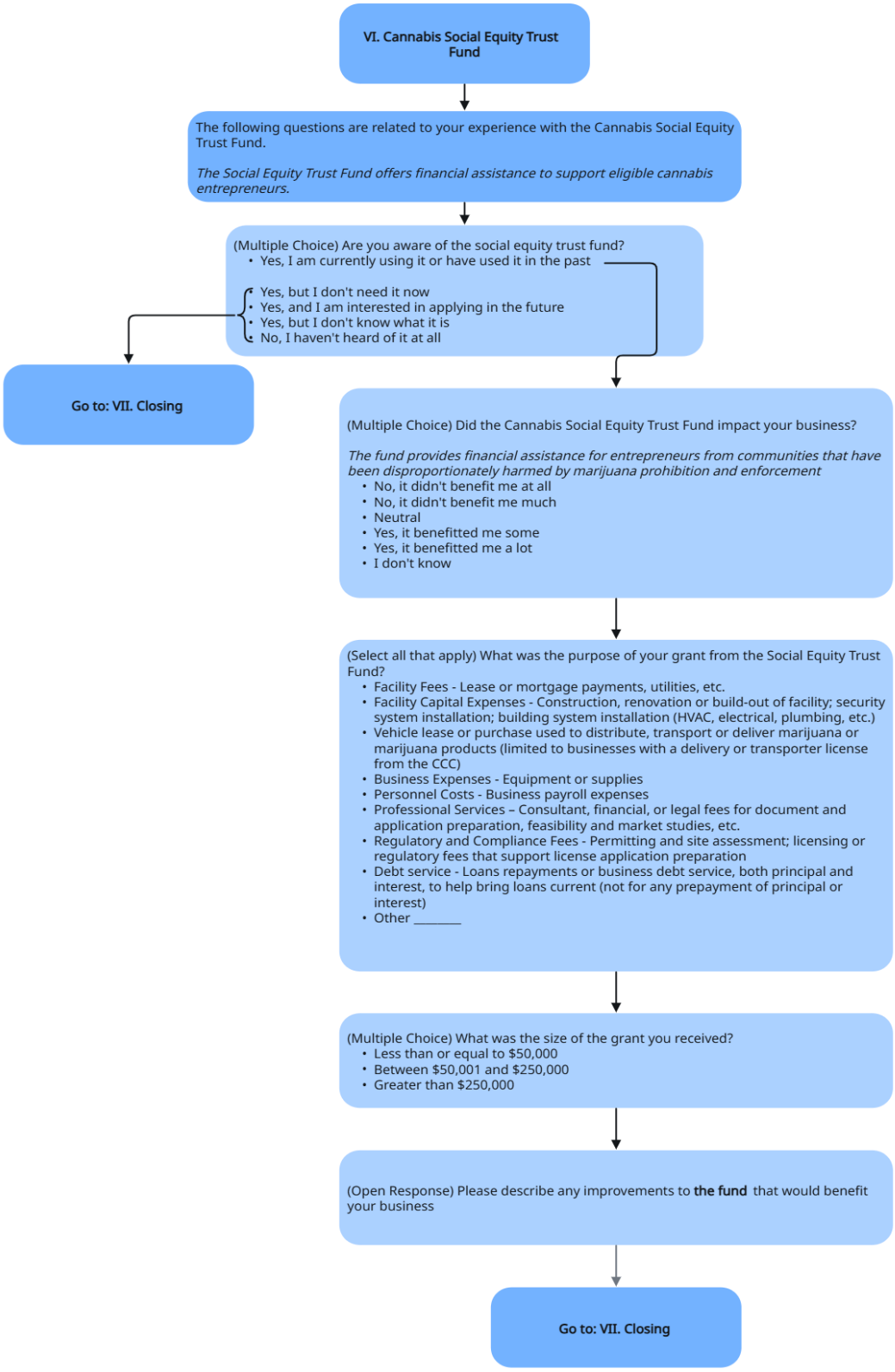

IV.a. Licensees
Business Experience
(feasibility, profitability, sustainability)
The following questions are related to the delivery exclusivity period
(Multiple Choice) If you operate with non-delivery type licenses (e.g. Retailer or Product Manufacturer), has the delivery exclusivity period enhanced the success of your current operations?
• Yes
• No
• I don't know
• I am not currently operating a non-delivery type license
(Multiple Choice) To what degree did the existence of the delivery exclusivity period influence your decision to open a cannabis business?
• Not at all influenced
• Somewhat influenced
• Neutral
• Influenced
• Greatly influenced
(Select all that apply) What aspects of the delivery exclusivity period have had or do you expect to have the greatest impact on your business's feasibility and sustainability?
• A head start in building my business
• Training and technical assistance from the SEP program
• Ongoing support from the SEP program
• Having a peer group and network in the industry
• Capital is available through the cannabis social equity trust fund
• Can open a type of business with lower startup costs
• Potential to sell my business later
• Other:____
(Multiple Choice) Did you face or are you facing any barriers in opening your business?
• Yes
• No
• I don't know
(Select all that apply) Please select the primary barriers you faced or are facing in opening your business:
• Unaffordable start-up costs
• Unaffordable licensing fees
• Too much paperwork
• Time frame from licensure to starting up
• Lack of financing options
• Lack of business experience
• Complicated or unattainable requirements
• Difficulty finding a location / space for my business operations
• High costs to secure a location / space for my business operations
• High costs to secure a vehicle
• Need more technical assistance and business coaching
• Other _____
(Multiple Choice) Agree or Disagree: The delivery exclusivity period should be extended.
• Strongly Disagree
• Disagree
• Neither agree nor disagree
• Agree
• Strongly Agree
(Open Response) Please provide the primary reason for your answer

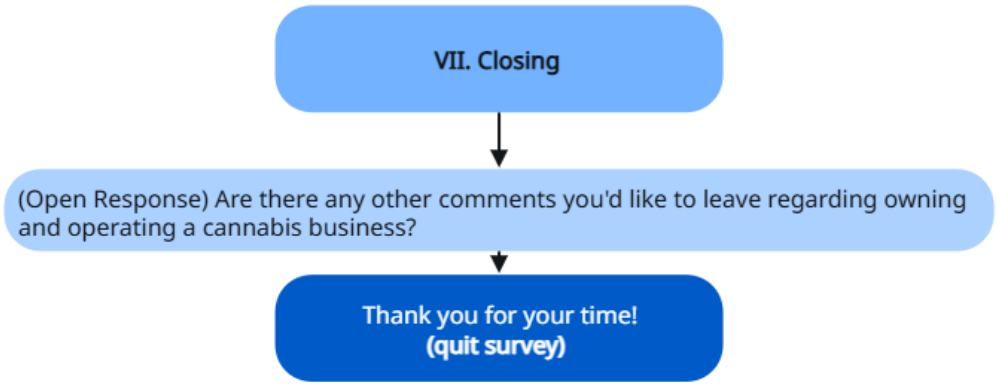

The following questions are related to your business experience including business feasibility and sustainability
(Multiple Choice) To what degree were business start up costs feasible for your individual financial situation?
• Very difficult
• Difficult
• Neutral
• Easy
• Very easy
(Multiple Choice) Were there any costs to starting your business that you did not expect?
• Yes (What were the costs to starting your business that you did not expect?)
• No
• I don't know
(Multiple Choice) What is your perception of current business conditions at your company?
• Very Negative
• Negative
• Neutral
• Positive
• Very Positive
(Multiple Choice) In the next year, do you plan to:
• Keep your business the same size
• Expand your business
• Downsize your business
• Sell your business
• Close the business
(Multiple Choice) Are you currently in the process of or do you anticipate applying for another license?
• Yes
• No
• I don't know
(Multiple Choice) Are you experiencing or do you foresee any barriers to fulfilling your business plans in the next year?
• Yes (What barriers are you experiencing (or what barriers do you foresee experiencing) to fulfilling your business plans in the next year?)
• No
• I don't know
The following questions are related to the impact of policy on your business experience


(Multiple Choice) How have the following regulatory changes made in 2024 have impacted your business?
Electronic records can now be used
Some marijuana businesses can now use and store electronic manifests as opposed to physical ones
Very Negative
Negative
Neutral
Positive
Very Positive
Fewer drivers are required
The two-agent requirement was reduced so now deliveries can be made by one driver
Very Negative
Negative
Neutral
Positive
Very Positive
Delivery hours have been expanded
The new regulations expanded the hours of operation for delivery - now 7:00am to 11:00pm
Very Negative
Negative
Neutral
Positive
Very Positive
(Multiple Choice) Were there any other regulatory amendments that were made in 2024 that positively or negatively impacted your business?
Yes (What other regulatory amendments made in 2024 positively or negatively impacted your business?)
No
I don't know
We would like to know how the Chapter 180 amendments to specify the parameters for host community agreements have impacted your business.
The amendments in 2023 included commission oversight of HCAs and CIFs, municipal equity requirements, suitability reform, and the first-ever designation of social equity businesses for applicants and licensees.
(Open Response) What major barriers have you noticed in working with towns and cities regarding host community agreements and related fees?
(Multiple Choice) How have these barriers changed over time?
Much worse
Worse
Neutral/no change
Better
Much better
(Multiple Choice) How have mandatory local equity provisions impacted your business?
Municipalities must adopt local provisions to promote opportunities in the cannabis industry for individuals and communities disproportionately affected by marijuana prohibition
Very Negative
Negative
Neutral
Positive
Very Positive
Go to: VI. Cannabis Social Equity Trust Fund


IV.b. Applicant
Challenges/Characterization
(challenges, barriers, process)
The following questions are related to your most recent application for a delivery license type during the delivery exclusivity period
(Multiple Choice) To what degree did the existence of the delivery exclusivity period influence your decision to participate in the cannabis industry?
• Not at all influenced
• Somewhat influenced
• Neutral
• Influenced
• Greatly influenced
(Select all that apply) What aspects of the delivery exclusivity period have had or do you expect to have the greatest impact on your business's feasibility and sustainability?
• A head start in building my business
• Training, technical assistance, and support from the SEP program
• Having a peer group and network in the industry across the state
• Capital available through the cannabis social equity trust fund
• Can open a business with lower startup costs
• Potential to sell my business later
• Other:____
(Multiple Choice) Agree or Disagree: The delivery exclusivity period should be extended.
• Strongly Disagree
• Disagree
• Neutral
• Agree
• Strongly Agree
(Open Response - to appear after selecting a response) Please provide the primary reason for your answer


The following questions are related to the license and application process
(Multiple Choice) Please characterize the process of acquiring a license:
• Very difficult
• Difficult
• Neutral
• Easy
• Very easy
(Select all that apply) Please select the major barriers you faced or are facing in acquiring a license:
• Unaffordable start-up costs
• Unaffordable licensing fees
• Length of application
• Too much paperwork
• Time required in to take the related trainings
• Time frame from submission to licensure
• Lack of financing options
• Lack of business experience
• Complicated or unattainable requirements
• Other _____
(Multiple Choice) Did you secure or do you anticipate securing a license?
• Yes
• No
• I don't know
(Open Response) Please describe any improvements to the application process that would make getting a license more attainable.
(Open Response) Please describe any other improvements that would make owning a successful delivery business more attainable for people in the SEP program.
Go to: VI. Cannabis Social Equity Trust Fund


VI. Cannabis Social Equity Trust Fund
The following questions are related to your experience with the Cannabis Social Equity Trust Fund.
The Social Equity Trust Fund offers financial assistance to support eligible cannabis entrepreneurs.
(Multiple Choice) Are you aware of the social equity trust fund?
• Yes, I am currently using it or have used it in the past
• Yes, but I don't need it now
• Yes, and I am interested in applying in the future
• Yes, but I don't know what it is
• No, I haven't heard of it at all
Go to: VII. Closing
(Multiple Choice) Did the Cannabis Social Equity Trust Fund impact your business?
The fund provides financial assistance for entrepreneurs from communities that have been disproportionately harmed by marijuana prohibition and enforcement
• No, it didn't benefit me at all
• No, it didn't benefit me much
• Neutral
• Yes, it benefitted me some
• Yes, it benefitted me a lot
• I don't know
(Select all that apply) What was the purpose of your grant from the Social Equity Trust Fund?
• Facility Fees - Lease or mortgage payments, utilities, etc.
• Facility Capital Expenses - Construction, renovation or build-out of facility; security system installation; building system installation (HVAC, electrical, plumbing, etc.)
• Vehicle lease or purchase used to distribute, transport or deliver marijuana or marijuana products (limited to businesses with a delivery or transporter license from the CCC)
• Business Expenses - Equipment or supplies
• Personnel Costs - Business payroll expenses
• Professional Services – Consultant, financial, or legal fees for document and application preparation, feasibility and market studies, etc.
• Regulatory and Compliance Fees - Permitting and site assessment; licensing or regulatory fees that support license application preparation
• Debt service - Loans repayments or business debt service, both principal and interest, to help bring loans current (not for any prepayment of principal or interest)
• Other _____
(Multiple Choice) What was the size of the grant you received?
• Less than or equal to $50,000
• Between $50,001 and $250,000
• Greater than $250,000
(Open Response) Please describe any improvements to the fund that would benefit your business
Go to: VII. Closing


VII. Closing
(Open Response) Are there any other comments you'd like to leave regarding owning and operating a cannabis business?
Thank you for your time!
(quit survey)

935 CMR 500.000 & 501.000 – **Draft Regulatory Amendments** – Pre Public Hearing

*For use at the January 14, 2026 Public Meeting

1. 500.050(10): Marijuana Courier & 500.050(11): Marijuana Delivery Operator
    - Page 37: 500.050(10)(b) / Page 39: 500.050(11)(f)
    - Page 38: 500.050(10)(b)2. / Pages 38-39: 500.050(11)(f)2.
        - Proposed Amendment
            - The Commission shall contemporaneously ~~in real time~~ collect and publicly report on data measuring the criteria throughout the exclusivity period every 6 months.
    - Page 38: 500.050(10)(b)3. / Page 39: 500.050(11)(f)3.
    - Proposed Amendment
        - Page 38: 500.050(10)(b)5. / Page 39: 500.050(11)(f)5.
            - The Commission reserves the authority to review and, where appropriate, amend the exclusivity period set forth in 935 CMR 500.050(10)(b) in the event of a change in federal law governing Marijuana, including but not limited to rescheduling under the federal Controlled Substances Act, following Commission vote and any required rulemaking.
2. 500.050(6)(g): Social Consumption Establishment
    - Page 36: 500.050(6)(g)2.
        - Proposed Amendment
            - The Commission shall contemporaneously ~~in real time~~ collect and publicly report on data measuring the criteria throughout the exclusivity period every 6 months.
3. 500.303 & 501.303: Unannounced Purchase for Purpose of Investigative Testing (Secret Shopper Program)
    - Page 136: 500.303(1) / Page 104: 501.303(1)
    - Proposed Amendment
        - Page 136: 500.303

        (1) Purpose. The Secret Shopper Program is established to enable the Commission to assess compliance with applicable statutes and regulations through unannounced, anonymous purchases of -Marijuana and Marijuana Products from licensed Marijuana Establishments.

        ~~(1)~~(2) Secret Shopper Program Authorized.
        (a) The Commission or a Commission Delegee may, at any time and without prior notice, authorize an employee, a Commission Delegee, or ~~other agent~~ an authorized Third-party Secret Shopper to pose as a customer and purchase Marijuana or Marijuana Products from any licensed Marijuana Establishment~~. The Commission or a Commission Delegee may authorize such purchase~~ for investigative purposes ~~that are~~ consistent with ~~St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, 935 CMR 500.000, or 935 CMR 501.000: *Medical Use of Marijuana* including, but not limited to, investigative testing for compliance with laboratory testing standards and identification check requirements. The purchasing employee or agent shall document the purchase, including the date, time, and place of purchase, type and amount of Marijuana or Marijuana Products, and any other information required by the~~

~~Commission.~~ M.G.L. c. 94G, M.G.L. c. 94I, St. 2016, c. 334, as amended, and 935 CMR 500.000.

(b) For purposes of 935 CMR 500.303, a Third-party Secret Shopper means:

1. An individual(s), non-profit organization, academic or research institution, or other legal entity that is not an employee of the Commission or another state agency;
2. That has entered into a written agreement with the Commission to perform secret shopper services under the direction and control of the Commission or a Commission Delegee; and
3. That meets any qualification, training, confidentiality, background check, and conflict-of-interest requirements established by the Commission.

(c) A Third-party Secret Shopper shall be deemed an agent of the Commission solely for purposes of conducting activities authorized under 935 CMR 500.303, including the purchase, handling, storage, transport, and transfer of Marijuana and Marijuana Products obtained pursuant to the Secret Shopper Program.

(d) The Commission may enter into memoranda of understanding, data-sharing agreements, or contracts with local, state, federal, academic, or non-governmental partners to facilitate the Secret Shopper Program, provided that such agreements preserve Commission control over investigative objectives, methods, and use of results.

(3) Conduct of Purchases and Documentation.

(a) An individual authorized under 935 CMR 500.303(2) shall document each purchase, including at minimum:

1. Date and time of purchase;
2. License number, name, and Premises address of the Marijuana Establishment;
3. Identification of the point-of-sale terminal or register, if known;
4. Type, strain or product name, batch or lot number, quantity, and form of each Marijuana Product purchased;
5. Observations regarding packaging, labeling, pricing, discounts, and promotional practices;
6. Observations regarding age-verification procedures and any other compliance checks conducted; and
7. Any other information required by the Commission.

(b) The Commission may prescribe standardized forms or electronic systems for documentation of secret shopper activities and may require their use by Third-party Secret Shoppers as a condition of authorization.

~~(2)~~(4) Custody ~~and Preservation of Purchases~~, Preservation, and Transport.

(a) ~~The~~ Marijuana and Marijuana Products purchased ~~as part of~~ under the Secret Shopper P~~p~~rogram shall be securely stored ~~during~~and transport~~ed~~ in a manner ~~to prevent~~that maintains sample integrity, prevents diversion, and avoids contamination or spoilage, consistent with 935 CMR 500.105 and any guidance issued by the Commission.

(b) The Commission or a Commission Delegee may authorize use of licensed Marijuana Transporters, including Third-party Transporters, to transport Secret Shopper purchases to an Independent Testing Laboratory or other secure facility, provided that all manifests, chain-of-custody records, and seed-to-sale tracking entries required by 935 CMR 500.000 are completed.

(c) Third-party Secret Shoppers and any Transporter involved shall maintain a documented chain of custody from the point of purchase through delivery to the designated facility, in a form and manner prescribed by the Commission.

(d) Any contamination, suspected tampering, loss, theft, or spoilage of purchases obtained under the Secret Shopper Program shall be promptly documented and reported to the Commission, and the Commission or a Commission Delegee may authorize disposal pursuant to 935 CMR 500.105(12).

~~(3) Contamination and Spoilage during Storage or Transport. Any contamination or spoilage of purchases under the Secret Shopper Program during storage or transport while under the control of the purchaser shall be promptly documented by the purchaser in writing and reported to the Commission. The Commission or a Commission Delegee may authorize the disposal of the contaminated or spoiled purchase, pursuant to 935 CMR 500.105(12).~~

~~(4)~~(5) Use of Secret Shopper Investigative Results.

(a) Results of investigations conducted under the Secret Shopper Program, including laboratory test results and investigative reports, shall be promptly submitted to the Commission in the form and manner specified by the Commission.

(b) All investigative results shall be retained as part of the records for the licensed Marijuana Establishment from which the purchase originated and may be used to determine compliance with M.G.L. c. 94G, M.G.L. c. 94I, and 935 CMR 500.000.

~~(b) The Marijuana Establishment may be notified of any investigative results determined to be noncompliant at a time and manner determined by the Commission.~~

(c) ~~After the Marijuana Establishment is notified of the~~Upon notice to the Marijuana Establishment, investigative results indicating non-compliance~~such results~~ may be used by the Commission to take action on the License of the Marijuana Establishment, including but not limited to administrative holds, plans of correction, fines, other civil penalties, license suspension, non-renewal, or revocation pursuant to 935 CMR 500.340, 500.360, 500.450, and 500.500~~, or assess fines or other civil penalties pursuant to 935 CMR 500.360~~.

(d) Without prior notice to the Marijuana Establishment, the Commission may share investigative results with any law enforcement, ~~or~~ regulatory authorities, or public health authority with jurisdiction, subject to applicable laws governing confidentiality and public records.

(e) The Commission may conduct further evaluation of investigative results at any time for verification or for other purposes reasonably related to sanitation, public health, equity, consumer protection, or public safety.

(6) Conditions for Third-party Participation.

(a) The Commission shall establish minimum standards for Third-party Secret Shoppers, which may include:

1. Training requirements regarding applicable laws, regulations, investigative protocols, and confidentiality;
2. Prohibitions on financial interests or other conflicts that could undermine the integrity or impartiality of the program; and
3. Requirements to promptly disclose any potential conflict of interest.

(b) Third-party Secret Shoppers shall execute confidentiality agreements approved by the Commission and shall be subject to all applicable laws and policies regarding the protection of confidential, personally identifiable, or law-enforcement-sensitive information.

(c) The Commission may revoke or suspend the authorization of any Third-party Secret Shopper or partner organization for failure to comply with 935 CMR 500.303, any applicable agreement, or any directive of the Commission or a Commission Delegee.

(7) Prohibition on Interference and Retaliation.

(a) A Licensee, Marijuana Establishment Agent, or any person acting on their behalf shall not interfere with, attempt to identify, intimidate, or retaliate against any individual reasonably believed to be participating in the Secret Shopper Program.

(b) Interference with or retaliation against participants in the Secret Shopper Program may constitute grounds for administrative or disciplinary action, up to and including license suspension or revocation and assessment of civil penalties.

(8) Obligation to Cooperate. The failure to cooperate with ~~provisions of 935 CMR 500.303~~ the Secret Shopper Program, including refusal to complete a transaction offered in compliance with applicable law, refusal to permit the exit of purchased products, or failure to provide receipts or other documentation customarily provided to customers, may result in administrative or disciplinary action against the Licensee pursuant to 935 CMR 500.301 and 500.303.

935 CMR 500.000: ADULT USE OF MARIJUANA

Section

500.001: Purpose
500.002: Definitions
500.003: Colocated Marijuana Operations (CMOs)
500.005: Fees
500.029: Registration and Conduct of Laboratory Agents
500.030: Registration of Marijuana Establishment Agents
500.031: Denial of a Marijuana Establishment Agent Registration Card
500.032: Revocation of a Marijuana Establishment Agent Registration Card
500.033: Void Registration Cards
500.040: Leadership Rating Program for Marijuana Establishments and Marijuana-related Businesses
500.050: Marijuana Establishments
500.100: Application for Licensing of Marijuana Establishments
500.101: Application Requirements
500.102: Action on Applications
500.103: Licensure and Renewal
500.104: Notification and Approval of Changes
500.105: General Operational Requirements for Marijuana Establishments
500.110: Security Requirements for Marijuana Establishments
500.120: Additional Operational Requirements for Indoor and Outdoor Marijuana Cultivators
500.130: Additional Operational Requirements for Marijuana Product Manufacturers
500.140: Additional Operational Requirements for Retail Sale
500.141: Additional Operational Requirements for Social Consumption Establishments
500.145: Additional Operational Requirements for Delivery of Marijuana, Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers and as Permitted, to Patients or Caregivers
500.146: Additional Operational Requirements for Marijuana Delivery Operators
500.147: Operational Requirements for Marijuana Research Facility Licensees and Research Permits
500.150: Edibles
500.160: Testing of Marijuana and Marijuana Products
500.170: Municipal Requirements
500.180: Host Community Agreement Requirements for License Applicants, Marijuana Establishments, and Host Communities
500.181: Minimum Acceptable Equity Standards Governing Municipalities and Host Communities
500.200: Counties of Dukes County and Nantucket
500.300: Complaints Process
500.301: Inspections and Compliance
500.302: Compliance Examination
500.303: Unannounced Purchase for Purpose of Investigative Testing (Secret Shopper Program)
500.310: Deficiency Statements
500.320: Plans of Correction
500.321: Administrative Hold
500.330: Limitation of Sales
500.335: Removal and Prohibition of Marijuana and Marijuana Products
500.340: Quarantine Order
500.350: Cease and Desist Order and Summary Suspension Order
500.360: Fines
500.370: Order to Show Cause
500.400: Marijuana Establishments: Grounds for Denial of Application for Licensure
500.415: Void Marijuana Establishment License
500.450: Marijuana Establishment License: Grounds for Suspension, Revocation and Denial of Renewal Applications
500.500: Hearings and Appeals of Actions on Licenses
500.800: Suitability Standard for Licensure and Registration
500.801: Suitability Standard for Licensure
500.802: Suitability Standard for Registration as a Marijuana Establishment Agent
500.803: Suitability Standard for Registration as a Laboratory Agent
500.820: Confidentiality
500.830: Petitions for the Adoption, Amendment or Repeal of Regulations
500.840: Non-conflict with Other Laws
500.850: Waivers
500.860: Notice
500.900: Severability

500.001: Purpose

The purpose of 935 CMR 500.000 is to implement St. 2017, c. 55, An Act to Ensure Safe Access to Marijuana, and M.G.L. c. 94G.

500.002: Definitions

For the purposes of 935 CMR 500.000, the following terms shall have the following meanings:

Administrative Hold means a hold requiring temporary isolation of Marijuana or Marijuana Products by a Licensee or Registrant pending further investigation.

Adult-use Cannabis or Marijuana means Marijuana that is cultivated, Processed, Transferred, tested or sold to adults 21 years of age or older pursuant to M.G.L. c. 94G.

Adult-use Cannabis or Marijuana Products means Marijuana Products that are Processed, Manufactured, Transferred, tested or sold to adults 21 years of age or older pursuant to M.G.L. c. 94G.

Advanced Core Curriculum means the advanced training curriculum taught by a Responsible Vendor Trainer that may be taken by Marijuana Establishment Agents after completing the Basic Core Curriculum under 935 CMR 500.105(2)(b).

Advertising means a form of marketing communication that employs a sponsored, non-personal message to sell or promote a Marijuana Establishment's Brand Name, Marijuana Establishment Branded Good, service, product or idea.

Affixed means the attachment of a label or other packaging material so that it is not easily removed or lost.

Agent Registration Card means an identification card currently and validly issued by the Commission to a Marijuana Establishment, MTC or Laboratory Agent. The Agent Registration Card allows access into Commission supported databases. The card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities of those individuals exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94G and 94I, and 935 CMR 500.000 and 501.000.

Area of Disproportionate Impact means a geographic area identified by the Commission for the purposes identified in M.G.L. c. 94G, § 4(a½)(iv), and which has had historically high rates of arrest, conviction, and incarceration related to Marijuana crimes.

Arming Station means a device that allows control of a security alarm system.

Assignment for the Benefit of Creditors means a contractual agreement with a third-party by which the Licensee assigns all of its assets and liabilities to such third-party in order to satisfy the Licensee's obligations to its creditors by liquidating the assets.

Automatic Identification Technology or AIT means technology that enables a Consumer to access information without manual data entry by scanning, tapping, or interacting with a code, tag, or similar marker, including but not limited to QR codes and RFID tags.

Basic Core Curriculum means the foundational training curriculum required of all Marijuana Establishment Agents taught by a Responsible Vendor Trainer under 935 CMR 500.105(2)(b).

Beverage means a non-alcoholic Marijuana-infused Product intended for drinking, which is manufactured, tested, packaged and labeled as a Marijuana Product prior to sale or service to a Consumer.

Bona Fide Healthcare Provider Patient Relationship means a relationship between a Certifying Healthcare Provider, acting in the usual course of their professional practice, and a Patient in which the healthcare provider has conducted a Clinical Visit, completed and documented a full assessment of the Patient's medical history and current medical condition, has explained the

potential benefits and risks of Marijuana use, and has a role in the ongoing care and treatment of the Patient.

Brand Name means a brand name (alone or in conjunction with any other word), registered trademark, logo, symbol, motto, selling message, recognizable pattern of colors, or any other identifiable marker associated with a Marijuana Establishment.

Brand Name Sponsorship means the payment by a Marijuana Establishment in exchange for use of a Brand Name:

(a) to sponsor an athletic, musical, artistic, or other social or cultural event; or

(b) to identify, advertise, or promote such event, or an entrant, or participant of such an event.

Cannabinoid means any of several compounds produced by Marijuana plants that have medical and psychotropic effects.

Cannabinoid Profile means the amounts, expressed as the dry-weight percentages, of delta-nine-tetrahydrocannabinol, cannabidiol, tetrahydrocannabinolic acid and cannabidiolic acid in a Marijuana Product. Amounts of other Cannabinoids may be required by the Commission.

Cannabis means Marijuana as defined herein.

Canopy means an area to be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain Flowering and/or Vegetative plants larger than eight inches tall and eight inches wide at any point in time, including all of the space(s) within the boundaries. Canopy may be noncontiguous, but each unique area included in the total Canopy calculations shall be separated by an identifiable boundary which includes, but is not limited to: interior walls, shelves, Greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If Flowering and/or Vegetative plants larger than eight inches tall and eight inches wide are being cultivated using a shelving system, the surface area of each level shall be included in the total Canopy calculation.

Card Holder means a Registered Qualifying Patient, Personal Caregiver, Marijuana Establishment Agent, Medical Marijuana Treatment Center (MTC) Agent, or Laboratory Agent who holds a valid Patient or Agent Registration Card.

Caregiver means a Personal Caregiver or Institutional Caregiver.

Caregiving Institution means a hospice program, long-term care facility, or hospital duly registered currently and validly by the Commission, providing care to a Registered Qualifying Patient on the premises of the facility or through a hospice program.

Cease and Desist Order means an order to stop or restrict operations including, but not limited to, cultivation, product manufacturing, Transfer, sale, delivery, or testing, of Marijuana, Marijuana Products or Marijuana-infused Products (MIPs) by a Licensee or Registrant to protect the public health, safety or welfare.

Ceases to Operate means a Marijuana Establishment, Medical Marijuana Treatment Center (MTC) or Independent Testing Laboratory that closes and does not transact business for a period greater than 60 days with no substantial action taken to reopen. The Commission may determine that a Marijuana Establishment has Ceased to Operate based on its actual or apparent termination of operations.

Certificate of Licensure means the certificate issued by the Commission that confirms that an MTC or Independent Testing Laboratory has met all applicable requirements pursuant to M.G.L. c. 94I, and 935 CMR 501.000, and is currently and validly licensed by the Commission. An MTC or Independent Testing Laboratory may be eligible for a provisional or final Certificate of Licensure.

Certificate of Registration means a certificate currently and validly issued by the Commission, that confirms an individual or entity has met all applicable requirements pursuant to M.G.L. c. 94I, and 935 CMR 501.000 and is registered by the Commission.

Certifying Certified Nurse Practitioner (CNP) means a Massachusetts licensed certified nurse practitioner licensed pursuant to 244 CMR 4.00: *Advanced Practice Registered Nursing*, who certifies that in their professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for a Qualifying Patient.

Certifying Healthcare Provider means a Certifying CNP, a Certifying Physician or a Certifying Physician Assistant.

Certifying Physician means a Massachusetts licensed physician (Medical Doctor or Doctor of Osteopathy) who certifies that in their professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for a Qualifying Patient.

Certifying Physician Assistant means a Massachusetts physician assistant licensed pursuant to 263 CMR 3.00: *Licensure of Individual Physician Assistants*, who certifies that in their professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for a Qualifying Patient.

Clinical Visit means an in-person or telehealth visit during which a Certifying Healthcare Provider establishes a *Bona Fide* Healthcare Provider Patient Relationship and conducts a full assessment of the Patient's medical history and current medical condition, including the Debilitating Medical Condition, and explains the potential benefits and risks of Marijuana use. A Clinical Visit for an initial Certificate of Registration shall be performed in-person or upon request of the patient, via a telehealth visit that includes a synchronous face-to-face encounter between the Certifying Healthcare Provider and patient. Synchronous telehealth happens in live, real-time settings where the patient interacts with a provider, usually via phone or video.

Clone means a clipping from a Cannabis or Marijuana plant that can be rooted and grown.

Close Associate means a Person who holds a relevant managerial, operational or financial interest in the business of an applicant or Licensee and, by virtue of that interest or power, is able to exercise a significant influence over the corporate governance of a Marijuana Establishment, an MTC or Independent Testing Laboratory licensed under 935 CMR 500.000 or 935 CMR 501.000. A Close Associate is deemed to be a Person or Entity Having Direct or Indirect Control. A Hospitality On-site Consumption Licensee may contract with a Non-Cannabis Entity to operate within the Non-Cannabis Entity's physical space and the Non-Cannabis Entity shall not be considered a Close Associate by virtue of this relationship alone. A Marijuana Event Organizer Licensee may contract with a Non-Cannabis Entity to operate within the Non-Cannabis Entity's physical space and the Non-Cannabis Entity shall not be considered a Close Associate by virtue of this relationship alone.

Colocated Marijuana Operations (CMO) means an MTC operating under a License pursuant to 935 CMR 501.000: *Medical Use of Marijuana* and a Marijuana Establishment operating under at least one License pursuant to 935 CMR 500.000 on the same Premises. Colocated Marijuana Operations pertain to cultivation, product manufacturing, and retail licenses, but not any other adult-use License.

Commission means the Massachusetts Cannabis Control Commission as established by M.G.L. c. 10, § 76, or its representatives. The Commission has authority to implement the state Marijuana laws which include, but are not limited to, St. 2016, c. 334, The Regulation and Taxation of Marijuana Act, as amended by St. 2017, c. 55, An Act to Ensure Safe Access to Marijuana; M.G.L. 10, § 76, M.G.L. c. 94G; M.G.L. c. 94I; 935 CMR 500.000 and 935 CMR 501.000: *Medical Use of Marijuana*.

Commission Delegee(s) means other state or local officials or agencies working in cooperation with the Commission by agreement, to carry out the Commission's responsibilities and to ensure compliance with the adult-use and medical-use, laws, and any other applicable federal or state laws.

Community Impact Fee (CIF) means impact fee(s) claimed by a Host Community in relation to the operations of a particular Marijuana Establishment or MTC which have been certified by the Commission or ruled upon by a court of competent jurisdiction as being Reasonably Related to the actual costs imposed on a Host Community by a Marijuana Establishment or

MTC's operations.

Confidential Application Materials means any electronic or written document, communication or other record pertaining to an application for licensure or registration that is required to be confidential or protected from disclosure by law which includes, but is not limited to, personally identifiable information concerning an applicant, Registrant, or Licensee; background check
information or Criminal Offender Record Information (CORI) as defined by 803 CMR 2.02: *Definitions*, or Criminal History Record Information (CHRI) as defined by 803 CMR 7.02: *Definitions*; and information that implicates security concerns.

Confidential Database means the Commission database that holds data concerning:

(a) Qualifying Patients issued a Registration Card for medical use of Marijuana;
(b) Healthcare professionals registered to issue Written Certifications;
(c) MTCs;
(d) Quantity of medical-use Marijuana dispensed to a Card Holder; and
(e) Any other pertinent information.

Confidential Information means information that is legally required to be kept confidential, or that is protected from disclosure by a legally recognized privilege. This includes, but is not limited to, M.G.L. c. 4, § 7, cl. 26 and M.G.L. c. 94I, §§ 2(e) and 3.

Confidential Investigatory Materials means any electronic or written document, communication or other record pertaining to an investigation, which concerns:

(a) A possible violation of a statute, regulation, rule, practice or procedure, or professional or industry standard, administered or enforced by the Commission;
(b) An ongoing investigation that could alert subjects to the activities of an investigation;
(c) Any details in witness statements, which if released create a grave risk of directly or indirectly identifying a private citizen who volunteers as a witness;
(d) Investigative techniques the disclosure of which would prejudice the Commission's future investigative efforts or pose a risk to the public health, safety or welfare; or
(e) The background of any person the disclosure of which would constitute an unwarranted invasion of personal privacy.

Confidential Records means any electronic or written record required to be kept confidential or protected from disclosure by law, which includes, but is not limited to, Confidential Application Materials, Confidential Social Equity Application Materials, Confidential Investigatory Materials, and Protected Patient Records (as defined in 935 CMR 501.002: *Protected Patient Records*).

Confidential Social Equity Application Materials means any electronic or written document, communication or other record pertaining to an application for the Social Equity Program that is required to be confidential or protected from disclosure by law which includes, but is not limited to, CORI as defined by 803 CMR 2.02: *Definitions*, or CHRI as defined in 803 CMR 7.02: Definitions.

Consumer means a person who is 21 years of age or older.

Consumption Area means a designated space approved by the Commission within a Social Consumption Establishment's Premises where Consumers may purchase and consume Marijuana or Marijuana Products. Consumption Areas may be considered an Indoor Smoking Consumption Area, an Indoor Non-Smoking Consumption Area, an Outdoor Smoking Consumption Area or an Outdoor Non-Smoking Consumption Area; provided however, that sales and service shall not occur in Indoor Smoking Consumption Areas or Outdoor Smoking Consumption Areas.

Court Appointee shall mean a person or entity appointed by a court of competent jurisdiction to exercise court oversight with respect to the property, assets, management, or operations of a Licensee or Person or Entity Having Direct or Indirect Control over a Licensee including, without limitation, a receiver, custodian, guardian, trustee, and executor or administrator of estate. This could include a person or entity preapproved or recommended by the Commission or its delegee appointed by the court.

Court Supervised Proceeding shall mean a proceeding where a court of competent jurisdiction

supervises the property, assets, management, or operations of a Licensee or Person or Entity Having Direct or Indirect Control over a Licensee through a Court Appointee.

Craft Marijuana Cooperative means a Marijuana Cultivator comprised of residents of the Commonwealth and organized as a limited liability company, limited liability partnership, or cooperative corporation under the laws of the Commonwealth. A cooperative is licensed to cultivate, obtain, Manufacture, Process, package, brand and Transfer Marijuana or Marijuana Products to Marijuana Establishments, but not to Consumers.

Criminal Offender Record Information (CORI) shall have the same meaning as defined by 803 CMR 2.02: *Definitions*.

Cultivation Batch means a collection of Cannabis or Marijuana plants from the same seed or plant stock that are cultivated and harvested together, and receive an identical Propagation and cultivation treatment including, but not limited to: growing media, ambient conditions, watering and light regimes and agricultural or hydroponic inputs. Clones that come from the same plant are one batch. The Licensee shall assign and record a unique, sequential alphanumeric identifier to each Cultivation Batch for the purposes of production tracking, product labeling and product recalls.

Debilitating means causing weakness, cachexia, wasting syndrome, intractable pain, or nausea, or impairing strength or ability, and progressing to such an extent that one or more of a patient's major life activities is substantially limited.

Debilitating Medical Condition means cancer, glaucoma, positive status for human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), hepatitis C, amyotrophic lateral sclerosis (ALS), Crohn's disease, Parkinson's disease, and multiple sclerosis (MS), when such diseases are debilitating, and other Debilitating conditions as determined in writing by a Qualifying Patient's healthcare provider.

Delivery Agreement means a contract between a licensed Marijuana Establishment and a Delivery Licensee or Marijuana Establishment with a Delivery Endorsement to deliver Marijuana or Marijuana Products from the Marijuana Establishment directly to Consumers and as permitted, Marijuana Couriers to Patients and Caregivers, under the provisions of a Delivery License.

Delivery Endorsement means authorization granted to Licensees in categories of Marijuana Establishments identified by the Commission to perform deliveries directly from the establishment to Consumers.

Delivery Items means Finished Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods.

Delivery License means either a Marijuana Courier License or a Marijuana Delivery Operator License.

Delivery Licensee means either a Marijuana Courier or a Marijuana Delivery Operator authorized to deliver Marijuana and Marijuana Products directly to Consumers and as permitted, Marijuana Couriers to Patients and Caregivers.

Department of Agricultural Resources (MDAR) means the Massachusetts Department of Agricultural Resources, unless otherwise specified. MDAR has jurisdiction over Hemp and Pesticides.

Department of Criminal Justice Information Services (DCJIS) means the Massachusetts Department of Criminal Justice Information Services, unless otherwise specified. DCJIS shall have the same meaning as defined in 803 CMR 2.02: *Definitions*.

Department of Public Health (DPH) means the Massachusetts Department of Public Health, unless otherwise specified. DPH is the agency that administered the Medical Use of Marijuana Program prior to 2019.

Department of Revenue (DOR) means the Massachusetts Department of Revenue, unless otherwise specified.

Department of Unemployment Assistance (DUA) means the Massachusetts Department of Unemployment Assistance, unless otherwise specified.

Diversion means the unauthorized or intentional removal of Marijuana or Marijuana Products from the Cannabis Control Commission's regulated market.

Duress Alarm means a silent security alarm signal generated by the entry of a designated code into an Arming Station that signals an alarm user is under duress and turns off the system.

Economic Empowerment Priority Applicant means an applicant who, as an entity or through an individual certified by the Commission in 2018, meets and continues to meet three or more of the following six criteria, at least one of which shall be a majority-equity-ownership criterion:

(a) Majority-equity-ownership Criteria:

1. A majority (more than 50%) of ownership belongs to people who have lived for five of the preceding ten years in an Area of Disproportionate Impact, as determined by the Commission.
2. A majority (more than 50%) of ownership has held one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities.
3. A majority (more than 50%) of the ownership is made up of individuals from Black, African American, Hispanic or Latino descent.

(b) Additional Criteria:

1. At least 51% of current employees or subcontractors reside in Areas of Disproportionate Impact and by the first day of business, the ratio will meet or exceed 75%.
2. At least 51% of employees or subcontractors have drug-related CORI and are otherwise legally employable in Cannabis enterprises.
3. Other significant articulable demonstration of past experience in or business practices that promote economic empowerment in Areas of Disproportionate Impact. This applicant has priority for the purposes of the review of its license application.

Edibles means a Marijuana Product that is to be consumed by humans by eating or drinking. These products, when created or sold by a Marijuana Establishment or an MTC, shall not be considered a food or a drug as defined in M.G.L. c. 94, § 1.

Electronic Certification means a document signed or executed electronically by a Certifying Healthcare Provider, stating that in the healthcare professional's professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for the Qualifying Patient. Such certification shall be made only in the course of a Bona Fide Healthcare Provider-patient Relationship and shall specify the Qualifying Patient's Debilitating Medical Condition. Electronic Certifications, on submission by a Certifying Healthcare Provider to the Commission, shall automatically generate a temporary registration.

Enclosed Area means an indoor or outdoor area equipped with locks or other security devices, which is accessible only to Consumers, Marijuana Establishment Agents, Registered Qualifying Patients, or Caregivers.

Enclosed Space means an area possessing walls, ceilings, or other barriers on all sides sufficient to prevent the free undirected flow of air, smoke, vapor, or particulate matter, except for that which occurs when entering or exiting the space. Such barriers may be removable, but the designated area shall not be considered an Enclosed Space when barriers are removed.

Equity Holder means a person or entity that holds, or may hold as a result of one or more of the following including, without limitation, vesting, conversion, exercising an option, a right of first refusal, or any agreement that would trigger an automatic transfer of or conversion to equity, any amount of equity in a Marijuana Establishment or an MTC.

Event Plan means a document, or series of documents, submitted by a Marijuana Event Organizer in accordance with 935 CMR 500.050(6)(f)3.g.

Executive means members of the board of directors, executive officers, executive director, manager, or their equivalent, of a Marijuana Establishment, MTC, or Independent Testing Laboratory.

Executive Office of Energy and Environmental Affairs (EOEEA) means the Massachusetts Executive Office of Energy and Environmental Affairs, unless otherwise specified.

Existing Licensee Transporter means an entity that is otherwise licensed by the Commission and also licensed to purchase, obtain, and possess Marijuana or Marijuana Products solely for the purpose of transporting, temporary storage, sale and distribution on behalf of other Marijuana Establishments or MTCs to other establishments, but not to Consumers.

Expedited Applicant means an applicant for a Marijuana Microbusiness, Marijuana Craft Cooperative, Independent Testing Laboratory, or Outdoor Marijuana Cultivator license; a Social Equity Participant; a minority, woman, and/or veteran-owned business; eligible for expedited review prior to other General Applicants.

Fingerprint-based Background Check Trust Fund means a fund established under M.G.L. c. 29,
§ 2HHHH, in which fees for fingerprint background checks are deposited.

Finished Marijuana means Usable Marijuana, Cannabis resin or Cannabis concentrate.

Finished Marijuana Product means a Marijuana Product that is completely manufactured and ready for retail sale and shall include Finished Marijuana that has been separated into individual packages or containers for sale.

Flowering means the gametophytic or reproductive state of Cannabis or Marijuana in which the plant produces flowers, trichomes, and Cannabinoids characteristic of Marijuana.

Food and Drug Administration (FDA) means the United States Food and Drug Administration.

General Applicant means an applicant that has not been certified as an Economic Empowerment Priority Applicant or an MTC Priority Applicant; and is not eligible to be an Expedited Applicant.

Greenhouse means a structure or thermally isolated Enclosed Area of a building that maintains a specialized sunlit environment used for and essential to the cultivation, protection or maintenance of plants.

Gross Annual Sales means the total revenue generated by an ME or MTC under an individual license pertaining to the sale of Marijuana, Marijuana Products, Marijuana Accessories and Marijuana Establishment or MTC Branded Goods or the provision of services used by the Commission to calculate limits under M.G.L. c. 94G, § 3(d)(2)(i) regarding the Community Impact Fee amount properly due and payable to a Host Community.

Hardship Cultivation Registration means a registration issued to a Registered Qualifying Patient under the requirements of 935 CMR 501.027: *Hardship Cultivation Registration*.

Healthcare Clinician or Provider means a Certifying Physician, Certifying Certified Nurse Practitioner or Certifying Physician Assistant qualified under 935 CMR 501.000: *Medical Use of Marijuana*, to issue Written Certifications for the medical use of Marijuana.

Hemp means the plant of the genus Cannabis or any part of the plant, whether growing or not, with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3% on a dry weight basis of any part of the plant of the genus Cannabis, or per volume or weight of Marijuana Product, or the combined percent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus Cannabis, regardless of moisture content. MDAR has jurisdiction over Hemp.

Holdup Alarm means a silent alarm signal generated by the manual activation of a device that signals a robbery in progress.

Horticultural Lighting Equipment (HLE) means any lighting equipment (*e.g.*, fixtures, bulbs, ballasts, controls, *etc*.) that uses energy for the cultivation of plants, at any stage of growth (*e.g*., germination, cloning/Mother Plants, Propagation, Vegetation, Flowering, and harvest).

Horticulture Lighting Square Footage (HLSF) means an area to be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain plants at any point in time, at any stage of growth, including all of the space(s) within the boundaries. HLSF may be noncontiguous, but each unique area included in the total HLSF calculations shall be separated by an identifiable boundary which includes, but is not limited to: interior walls, shelves, Greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If plants are being cultivated using a shelving system, the surface area of each level shall be included in the total HLSF calculation.

Hospitality On-site Consumption means a type of license within the Social Consumption Establishment license classes where an eligible applicant or licensee may establish a new business or operate within a Non-Cannabis Entity to sell Marijuana or Marijuana Products to Consumers for consumption within the Social Consumption Establishment's Premises and in designated Consumption Areas.

Host Community means a municipality in which a Marijuana Establishment or Independent Testing Laboratory is located or in which a License Applicant has proposed locating an establishment.

Host Community Agreement (HCA) means an agreement entered into and executed between a Host Community and a License Applicant or between a Host Community and a Marijuana Establishment or MTC pursuant to M.G.L. c. 94G, § 3(d).

Host Community Agreement (HCA) Waiver means a written statement executed by a Host Community and a License Applicant, or by a Host Community and a Marijuana Establishment or MTC, which expresses the parties' mutual intent to waive the regulatory requirement to have a Host Community Agreement.

Immature Plant means a rooted plant in the Vegetation stage of development that is no taller than eight inches, no wider than eight inches, and is in a growing/cultivating container.

Immediate Family Member means a spouse, parent, child, grandparent, grandchild, or sibling, including in-laws.

Impassible Barrier means, for the purposes of determining the 500 feet buffer zone, a highway, public or private way or path, inaccessible structure, body of water, or other obstruction that renders any part of the 500-foot straight-line distance between a Marijuana Establishment Entrance and a School Entrance inaccessible by a pedestrian or automobile.

Independent Testing Laboratory means a laboratory that is licensed or registered by the Commission and is:

(a) Currently and validly licensed under 935 CMR 500.101, or formerly and validly registered by the Commission;

(b) Accredited to ISO 17025: 2017 or the International Organization for Standardization 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission;

(c) Independent financially from any MTC Marijuana Establishment or Licensee; and

(d) Qualified to test Marijuana and Marijuana Products, including MIPs, in compliance with

M.G.L. c. 94C, § 34; M.G.L c. 94G, § 15; 935 CMR 500.000; 935 CMR 501.000: *Medical Use of Marijuana*; and Commission protocol(s).

Individual Order means a delineated amount of Finished Marijuana Products to be delivered by a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement to an individual Consumer and as permitted, a Marijuana Courier to a Patient or Caregiver, and not to exceed the individual possession amount limits as determined by statute.

Indoor Non-Smoking Consumption Area means an Enclosed Space on the Premises of a Social Consumption Establishment where Consumers may consume Marijuana or Marijuana Products in the form of Edibles, MIPs, and Beverages; provided however, Consumers may not consume Marijuana or Marijuana Products through combustion, heat, vaporization, or aerosolization. Tobacco shall not be sold or consumed in any Indoor Non-Smoking Consumption Area.

Indoor Smoking Consumption Area means an Enclosed Space on the Premises of a Social Consumption Establishment where Consumers may consume Marijuana or Marijuana Products through combustion, heat, vaporization, or aerosolization, in addition to Edibles, MIPs, and Beverages. Tobacco shall not be sold or consumed in any Indoor Non-Smoking Consumption Area.

Inducement means money or any other thing of substantial value intended to persuade or influence a person or entity to take an action or refrain from taking an action.

Informed Consent means the consent obtained by a Research Licensee from potential participants in a research project that explains to potential participants the risks and potential benefits of a study, and the rights and responsibilities of the parties involved.

Informed Consent Form means the document provided to potential participants in a research project that explains to potential participants the risks and potential benefits of a study, and the rights and responsibilities of the parties involved.

Institutional Caregiver means an employee of a hospice program, long-term care facility, or hospital providing care to a Registered Qualifying Patient on the Premises of a long-term care facility, hospital or through a hospice program.

Institutional Review Board means a specifically constituted administrative body established or designated by a Marijuana Research Facility Licensee to review and oversee the design and methods of a research project and, where human or animal subject are a component of the research, to protect the rights and welfare of persons recruited to participate in research.

Inversion means the unauthorized insertion of Marijuana or Marijuana Products cultivated or produced by an individual or entity not licensed by the Cannabis Control Commission into the regulated market.

Known Allergen means milk, egg, fish, crustacean shellfish, tree nuts, wheat, peanuts, and soybeans, or such other allergen identified by the U.S. Food and Drug Administration (FDA).

Laboratory Agent means an employee of an Independent Testing Laboratory registered in accordance with 935 CMR 500.029, who transports, possesses or tests Cannabis or Marijuana in compliance with 935 CMR 500.000.

Law Enforcement Authorities means local law enforcement including, but not limited to, the local police and fire departments within the municipality where the Licensee is sited, unless otherwise indicated.

License means the certificate issued by the Commission that confirms that a Marijuana Establishment or an Independent Testing Laboratory has met all applicable requirements pursuant to St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR500.000. A Marijuana Establishment or Independent Testing Laboratory may hold a provisional or final License.

License Applicant means a person or entity pursuing a license to operate a Marijuana Establishment or MTC who has submitted or intends to submit a license application to the Commission. A License Applicant may also be considered a prospective Marijuana Establishment.

Licensee means a person or entity on the application and licensed by the Commission to operate a Marijuana Establishment or Independent Testing Laboratory under St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.000. Any person or entity that solely provides initial capital to establish or operate the establishment and to whom, in

return for the initial capital, requires only repayment of the loan and does not have any ownership or direct or indirect authority to control the Marijuana Establishment or Independent Testing Laboratory, will not be a Licensee.

Life-limiting Illness means a Debilitating Medical Condition that does not respond to curative treatments, where reasonable estimates of prognosis suggest death may occur within two years.

Lighting Power Density (HLPD) means a measure of total watts of Horticultural Lighting Equipment per total Horticulture Lighting Square Footage, (HLE / HLSF = HLPD) expressed as number of watts per square foot.

Limitation on Sales means a limitation on the sales of Marijuana or Marijuana Products by a Marijuana Establishment Licensee or Registrant arising from the regulations and until substantial compliance by a Licensee or Registrant with a law, regulation, guidance or other requirement for licensure or registration.

Limited Access Area means an indoor or outdoor area on the Premises of a Marijuana Establishment where Marijuana or Marijuana Products, or their byproducts are cultivated, stored, weighed, packaged, Processed, or disposed, under the control of a Marijuana Establishment, with access limited to only those Marijuana Establishment or Laboratory Agents designated by the Establishment after receipt of a Final License.

Local Approval Process means the steps required by a Host Community in order for a License Applicant to operate as an ME or MTC in the Host Community, including, but not limited to, zoning, all associated fees, deadlines, and meeting schedules for local bodies involved in such processes.

Local Authorities means local municipal authorities, unless otherwise indicated.

Manufacture means to compound, blend, extract, infuse or otherwise make or prepare a Marijuana Product.

Marijuana (or Cannabis) means all parts of any plant of the genus Cannabis, not excepted in 935 CMR 500.002(a) through (c) and whether growing or not; the seeds thereof; and resin extracted from any part of the plant; Clones of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin, including tetrahydrocannabinol as defined in M.G.L. c. 94G, § 1; provided that Cannabis shall not include:

(a) The mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil, or cake made from the seeds of the plant or the sterilized seed of the plant that is incapable of germination;
(b) Hemp; or
(c) The weight of any other ingredient combined with Cannabis or Marijuana to prepare topical or oral administrations, food, drink or other products.

Marijuana Accessories (or Cannabis Accessories) means equipment, products, devices or materials of any kind that are intended or designed for use in planting, Propagating, cultivating, growing, harvesting, Manufacturing, compounding, converting, producing, Processing, preparing, testing, analyzing, packaging, Repackaging, storing, containing, ingesting, inhaling or otherwise introducing Cannabis or Marijuana into the human body.

Marijuana Courier means an entity licensed to deliver Finished Marijuana Products, Marijuana Accessories and Branded Goods directly to Consumers from a Marijuana Retailer, or directly to Registered Qualifying Patients or Caregivers from an MTC, but is not authorized to sell Marijuana or Marijuana Products directly to Consumers, Registered Qualifying Patients or Caregivers and is not authorized to Wholesale, Warehouse, Process, Repackage, or White Label. A Marijuana Courier is an additional license type under M.G.L. c. 94G, § 4(b)(1) that allows for limited delivery of Marijuana or Marijuana Products to Consumers; and shall not be considered to be a Marijuana Retailer under 935 CMR 500.002 or 500.050 and shall be subject to 935 CMR 500.050(1)(b).

Marijuana Cultivator means an entity licensed to cultivate, Process and package Marijuana, and to Transfer Marijuana to other Marijuana Establishments, but not to Consumers. A Craft Marijuana Cooperative is a type of Marijuana Cultivator.

Marijuana Delivery Operator or Delivery Operator means an entity licensed to purchase at Wholesale and Warehouse Finished Marijuana Products acquired from a Marijuana Cultivator, Label, Repackage, sell and deliver Finished Marijuana Products, Marijuana Accessories and Marijuana Branded Goods directly to Consumers. A Delivery Operator is an additional license type under M.G.L. c. 94G, § 4(b)(1) that allows for limited delivery of Marijuana or Marijuana Products to Consumers; and shall not be considered to be a Marijuana Retailer under 935 CMR 500.002 or 500.050 and shall be subject to 935 CMR 500.050(1)(b).

Marijuana Establishment (ME) means a Marijuana Cultivator (Indoor or Outdoor), Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Microbusiness, Independent Testing Laboratory, Standards Laboratory, Marijuana Retailer, Marijuana Transporter, Delivery Licensee, Marijuana Research Facility Licensee (as defined in 935 CMR 500.002: *Marijuana Research Facility Licensee*) Social Consumption Establishment (as defined in 935 CMR 500.002: *Social Consumption Establishment*) or any other type of licensed Marijuana-related business, except a Medical Marijuana Treatment Center (MTC).

Marijuana Establishment Agent means any Owner, employee, Executive, or volunteer of a Marijuana Establishment, who shall be 21 years of age or older. Employee includes a consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of Marijuana.

Marijuana Establishment Branded Good or Branded Good means a merchandise item offered for sale by a Marijuana Establishment, and identifiable as being of a particular Marijuana Establishment, distinct from those of other entities, by having the Marijuana Establishment's Brand Name. A Marijuana Establishment Branded Good does not include Marijuana, Marijuana Products, or Marijuana Accessories. It may include apparel, water bottles or other similar non-edible merchandise.

Marijuana Establishment Entrance means the entrance or entrances that provides ingress and egress to Consumers, Registered Qualifying Patients and Caregivers to the Marijuana Establishment.

Marijuana Event Organizer means a type of license within the Social Consumption Establishment license classes where an eligible applicant or Licensee may coordinate Temporary Consumption Events by submitting an Event Plan for approval by the Commission.

Marijuana-infused Product (MIP) means a Marijuana Product infused with Marijuana that is intended for use or consumption including, but not limited to, Edibles, ointments, aerosols, oils, and Tinctures. A Marijuana-infused Product (MIP), when created or sold by a Marijuana Establishment or an MTC, shall not be considered a food or a drug as defined in M.G.L. c. 94, § 1. MIPs are a type of Marijuana Product.

Marijuana Products (or Cannabis Products) means Marijuana and its products, unless otherwise indicated. Marijuana Products includes products that have been Manufactured and contain Cannabis, Marijuana, or an extract from Cannabis or Marijuana, including concentrated forms of Marijuana and products composed of Marijuana and other ingredients that are intended for use or consumption, including Edibles, Beverages, topical products, ointments, oils and Tinctures. Marijuana Products include Marijuana-infused Products (MIPs) defined in 935 CMR 500.002.

Marijuana Product Manufacturer means an entity licensed to obtain, Manufacture, Process and package Marijuana or Marijuana Products and to Transfer these products to other Marijuana Establishments, but not to Consumers.

Marijuana Regulation Fund means the fund established under M.G.L. c. 94G, § 14, in which fees, fines, and other monies collected by the Commission are deposited, except for fees collected by the Commission on behalf of other state agencies.

Marijuana Research Facility means the Premises at which a Marijuana Research Facility Licensee is approved to conduct research.

Marijuana Research Facility Licensee or Research Licensee means an academic institution,

nonprofit corporation or domestic corporation or entity authorized to do business in the Commonwealth, including a licensed Marijuana Establishment or MTC, that is licensed to conduct research.

Marijuana Retailer means an entity licensed to purchase, Repackage, White Label, and transport and Transfer Marijuana or Marijuana Products to and from Marijuana Establishments and to sell to Consumers. Unless licensed, retailers are prohibited from offering Marijuana or Marijuana Products for the purposes of on-site social consumption on the Premises of a Marijuana Establishment.

Marijuana Transporter means an entity that is licensed to possess Marijuana Products solely for the purpose of transporting, temporary storage, sale and distribution to Marijuana Establishments or MTCs, but not to Consumers. Marijuana Transporters may be an Existing Licensee Transporter or Third-party Transporter.

Marijuana Vaporizer Device means a product containing concentrated marijuana oil that is converted into inhalable marijuana aerosolized vapors.

Massachusetts Resident means a person whose primary Residence is in Massachusetts.

Medical Marijuana Treatment Center (MTC), (formerly known as a Registered Marijuana Dispensary (RMD)), means an entity licensed under 935 CMR 501.101: *Application Requirements* that acquires, cultivates, possesses, Processes (including development of related products such as Edibles, MIPs, Tinctures, aerosols, oils, or ointments), Repackages, transports, sells, distributes, delivers, dispenses, or administers Marijuana, products containing Marijuana, related supplies, or educational materials to Registered Qualifying Patients or their Personal Caregivers for medical use. Unless otherwise specified, MTC refers to the site(s) of dispensing, cultivation, and preparation of Marijuana for medical use.

Medical-use Marijuana (or Medical-use Cannabis) means Marijuana that is cultivated, Processed, Transferred, tested or sold in compliance with M.G.L. c. 94I, and 935 CMR 501.000: *Medical Use of Marijuana*.

Medical-use Marijuana or Marijuana Products means Marijuana Products that are Manufactured, Transferred, tested or sold in compliance with M.G.L. c. 94I, and 935 CMR 501.000: Medical Use of Marijuana.

Member means a member of a nonprofit entity incorporated pursuant to M.G.L. c. 180.

Microbusiness means an entity that can be either a Tier 1 Marijuana Cultivator or Marijuana Product Manufacturer or both, in compliance with the operating procedures for each License type as applicable and, if in receipt of a Delivery Endorsement issued by the Commission, may deliver Marijuana or Marijuana Products produced at the licensed location directly to Consumers in compliance with established regulatory requirements for retail sale as it relates to delivery.

Model Host Community Agreement means a template published by the Commission to illustrate a compliant Host Community Agreement. Host Community Agreements that conform to the model Host Community Agreement are presumed compliant and must be executed by the parties.

Mother Plant means a marijuana plant that is grown or maintained for the purpose of generating Clones, and that will not be used to produce plant material for sale to another Marijuana Establishment or Medical Marijuana Treatment Center.

MTC Agent means any Owner, employee, Executive, or volunteer of an MTC, who shall be 21 years of age or older. Employee includes a consultant or contractor who provides on-site services to an MTC related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of Marijuana or Marijuana Products for medical purposes.

MTC Priority Applicant means a Medical Marijuana Treatment Center (MTC) (previously, Registered Marijuana Dispensary (RMD)) certified by the Commission as an MTC Priority Applicant in 2018 upon demonstrating that it had at least a provisional Certification of Registration prior to April 1, 2018. This applicant has priority for the purposes of the review

of its license application.

Mycotoxin means a secondary metabolite of a microfungus that is capable of causing death or illness in humans and other animals. For purposes of 935 CMR 500.000, and 501.000: *Medical Use of Marijuana*, Mycotoxin shall include aflatoxin B1, aflatoxin B2, aflatoxin G1, aflatoxin

Non-Cannabis Entity means an entity not licensed by the Commission who may house a Hospitality On-site Consumption Licensee, or host a Temporary Consumption Event for a Marijuana Event Organizer Licensee.

Open Bill means an arrangement in which a Consumer maintains a single ongoing account for the sale of Marijuana, Marijuana Products, Marijuana Accessories, or other items permitted by the Commission while patronizing a Social Consumption Establishment, regardless of whether payment is tendered at the time of each Point-of-Service or upon conclusion of patronage.

Order to Show Cause means an order issued by the Commission or Commission Delegee on a determination that there are grounds to suspend or revoke a License or registration.

Other Jurisdiction means the United States, another state, or foreign jurisdiction, or a military, territorial or Native American tribal authority.

Outdoor Cultivation means the cultivation of mature Cannabis without the use of artificial lighting in the Canopy area at any point in time. Artificial lighting is permissible only to maintain Immature or Vegetative Mother Plants.

Outdoor Non-Smoking Consumption Area means an outdoor space on the Premises of a Social Consumption Establishment where Consumers may consume Marijuana or Marijuana Products in the form of Edibles, MIPs, and Beverages; provided however, Consumers may not consume Marijuana or Marijuana Products through combustion, heat, vaporization, or aerosolization. Tobacco shall not be sold or consumed in any Outdoor Non-Smoking Consumption Area.

Outdoor Smoking Consumption Area means an outdoor space on the Premises of a Social Consumption Establishment where Customers may consume Marijuana or Marijuana Products through combustion smoke, heat, vaporization, or aerosolization, in addition to Edibles, MIPs, and Beverages. Tobacco shall not be sold or consumed in any Outdoor Smoking Consumption Area.

Owner means any Equity Holder that possesses 10% equity or more in a Marijuana Establishment, MTC or Independent Testing Laboratory.

Panic Alarm means an audible security alarm signal generated by the manual activation of a device that signals a life threatening or emergency situation and calls for a law enforcement response.

Paraphernalia means "drug paraphernalia" as defined in M.G.L. c. 94C, § 1.

Patient Registration Card means a temporary or an annual Registration Card currently and validly issued by the Commission to a Registered Qualifying Patient. The Patient Registration Card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities, of those individuals who are exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94I, and 935 CMR 501.000: *Medical Use of Marijuana* through Commission-supported databases. A Temporary Patient Registration issued to a Qualifying Patient shall be deemed a Registration Card.

Person means an individual or entity under the laws of the Commonwealth.

Personal Caregiver means a person, registered by the Commission, who shall be 21 years of age or older, who has agreed to assist with a Registered Qualifying Patient's medical use of Marijuana, and is not the Registered Qualifying Patient's Certifying Healthcare Provider. A visiting nurse, personal care attendant, or home health aide providing care to a Registered Qualifying Patient may serve as a Personal Caregiver, including as a second Personal Caregiver to patients younger than 18 years old.

Personal Caregiver Registration Card means a temporary or an annual Registration Card currently and validly issued by the Commission to a Personal Caregiver. The Registration Card allows access into Commission supported databases. The Registration Card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities of those individuals who are exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94I, and 935 CMR 501.000: *Medical Use of Marijuana*. A temporary registration issued to a Personal Caregiver shall be deemed a Registration Card.

Person or Entity Having Direct Control means any person or entity having direct control over the operations of a Marijuana Establishment, which satisfies one or more of the following criteria:

(a) An Owner that possesses a financial interest in the form of equity of 10% or greater in a Marijuana Establishment;

(b) A Person or Entity that possesses a voting interest of 10% or greater in a Marijuana Establishment or a right to veto significant events;

(c) A Close Associate;

(d) A Person or Entity that has the right to control or authority, through contract or otherwise including, but not limited to:

1. To make decisions regarding operations and strategic planning, capital allocations, acquisitions and divestments;
2. To appoint more than 50% of the directors or their equivalent;
3. To appoint or remove Corporate-level officers or their equivalent;
4. To make major marketing, production, and financial decisions;
5. To execute significant (in aggregate of $10,000 or greater) or exclusive contracts; or
6. To earn 10% or more of the profits or collect more than 10% of the dividends.

(e) A Court Appointee or assignee pursuant to an agreement for a general assignment or Assignment for the Benefit of Creditors; or

(f) A Third-party Technology Platform Provider that possesses any financial interest in a Delivery Licensee including, but not limited to, a Delivery Agreement or other agreement for services.

Person or Entity Having Indirect Control means any person or entity having indirect control over operations of a Marijuana Establishment. It specifically includes any Person or Entity Having Direct Control over a holding or parent company of the applicant, the chief executive officer and executive director of those companies, or any person or entity in a position to control the decision-making of a Marijuana Establishment indirectly. A Hospitality On-site Consumption Licensee may contract with a Non-Cannabis Entity to operate within the Non-Cannabis Entity and the Non-Cannabis Entity shall not be considered a Person or Entity Having Indirect Control by virtue of this relationship alone. A Marijuana Event Organizer Licensee may contract with a Non-Cannabis Entity to operate within the Non-Cannabis Entity's physical space and the Non-Cannabis Entity shall not be considered a Person or Entity Having Indirect Control by virtue of this relationship alone.

Pesticide means a substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, and any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant; provided that Pesticide shall not include any article that is a "new animal drug" within the meaning of § 201(v) of the Federal Food, Drug and Cosmetic Act (21 U.S.C. § 321(v)), or that has been determined by the Secretary of the United States Department of Health and Human Services not to be a new animal drug by a regulation establishing conditions of use for the article, or that is an animal feed within the meaning of § 201(w) of such act (21 U.S.C. § 321(w)).

Point-of-Service means the act of a Marijuana Establishment Agent serving Marijuana or Marijuana Products to a Consumer at a bar, table, counter, or other service location within a Social Consumption Establishment, regardless of whether payment occurs at that time or through an Open Bill.

Preapproved Court Appointee means a person or entity preapproved by the Commission pursuant to 935 CMR 500.104(3)(c) to serve as a Court Appointee over a Licensee or its delegee which may be recommended to a court of competent jurisdiction.

Pre-certification Application means an application reviewed by the Commission for pre-

certification prior to provisional licensure. The Pre-certification Application may be available in a form and manner determined by the Commission.

Pre-verification means the process of a Marijuana Establishment examining the identification presented by an individual Consumer to confirm that the identification is valid and matches the individual presenting it and collecting the information required by 935 CMR 500.000 prior to that Consumer being able to receive deliveries of Marijuana or Marijuana Products to the Consumer's Residence. A Marijuana Establishment may not acquire or record personal information about Consumers other than information typically required in a retail transaction.

Pre-verification or Verification of Eligibility as a Social Equity Business means the process through which the Commission confirms whether an applicant is a Social Equity Business.

Premises means any indoor or outdoor location over which a Marijuana Establishment or Independent Testing Laboratory or its agents may lawfully exert substantial supervision or control over entry or access to the property or the conduct of persons.

Principal Place of Business means the primary location where a Licensee manages its licensed operations.

Priority Applicant means an MTC Priority Applicant (formerly a Registered Marijuana Dispensary or RMD Priority Applicant) or an Economic Empowerment Priority Applicant.

Process or Processing means to harvest, dry, cure, trim and separate parts of the Cannabis or Marijuana plant by manual or mechanical means, except it shall not include Manufacture as defined in 935 CMR 500.002.

Product Database means a Commission-operated technology platform displaying information about Marijuana Products produced by licensed Marijuana Product Manufacturers and sold by a licensed Marijuana Retailer or Delivery Operator pursuant to 935 CMR 500.000 or an MTC pursuant to 935 CMR 501.000: *Medical Use of Marijuana*.

Production Area means a Limited Access Area within the Marijuana Establishment where Cannabis or Marijuana is handled or produced in preparation for sale.

Production Batch means a batch of finished plant material, Cannabis resin, Cannabis concentrate, or Marijuana-infused Product made at the same time, using the same methods, equipment and ingredients. The Licensee shall assign and record a unique, sequential alphanumeric identifier to each Production Batch for the purposes of production tracking, product labeling and product recalls. All Production Batches shall be traceable to one or more Cannabis or Marijuana Cultivation Batches.

Program Transfer means the transfer of the medical use of Marijuana program pursuant to St. 2017, c. 55, §§ 64 through 71, and 82, and M.G.L. c. 94I.

Propagation means the reproduction of Cannabis or Marijuana plants by seeds, cuttings, or grafting.

Protected Patient Records means any document, record or electronic or written communication related to their care provided by a medical-use Marijuana Licensee or establishment or by a Certifying Healthcare Provider that is required to be confidential or protected from disclosure by law.

Provisional Marijuana Establishment License means a License issued by the Commission confirming that a Marijuana Establishment has completed the application process and satisfied the qualifications for initial licensure.

Qualifying Patient means:

(a) a Massachusetts Resident or a non-Massachusetts Resident receiving end-of-life or palliative care or cancer treatment in Massachusetts as determined by a Certifying Healthcare Provider, who is 18 years of age or older who has been diagnosed by a Certifying Healthcare Provider as having a Debilitating Medical Condition; or

(b) a Massachusetts Resident, or a non-Massachusetts Resident receiving end-of-life or palliative care or cancer treatment in Massachusetts as determined by a Certifying

Healthcare Provider, who is younger than 18 years old who has been diagnosed by two Massachusetts licensed Certifying Physicians, at least one of whom is a board-certified pediatrician, pediatric subspecialist, oncologist, neurologist, or family physician as having a Debilitating Medical Condition that is also a Life-limiting Illness, subject to 935 CMR 501.010(11).

Quality Control Sample means a sample of Marijuana or Marijuana Product developed by a Marijuana Cultivator, a Marijuana Product Manufacturer, a Microbusiness, or a Craft Marijuana Cooperative that is provided internally to employees for purposes of ensuring product quality and making determinations about whether to sell the Marijuana or Marijuana Product.

Quarantine Order means an order to quarantine or otherwise restrict the sales or use of Marijuana, Marijuana Products, or MIPs by a Licensee or Registrant to protect the public health, safety, or welfare.

Reasonably Related means a demonstrable nexus between the actual operations of a Marijuana Establishment or MTC and an enhanced need for a Host Community's goods or services in order to offset the impact of operations. Fees customarily imposed on other non-marijuana businesses operating in a Host Community shall not be considered Reasonably Related.

Registered Qualifying Patient or Patient means a Qualifying Patient who is currently and validly issued a temporary or an annual Registration Card by the Commission.

Registrant means the holder of a Registration Card currently and validly registered with the Commission.

Registration Card means an identification card currently and validly issued by the Commission, to a Registered Qualifying Patient, Personal Caregiver, Institutional Caregiver, Marijuana Establishment or Laboratory Agent. The Registration Card allows access into Commission supported databases. The Registration Card facilitates verification of an individual Registrant's status including, but not limited to, the identification by the Commission and Law Enforcement Authorities of those individuals who are exempt from Massachusetts criminal and civil penalties under St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94I, and 935 CMR 501.000: *Medical Use of Marijuana*.

Removal of Product means an order issued against a Marijuana Establishment to remove and prohibit sales of categories of products, product types, specific product types or specific brands of products after notice and on a determination that the Marijuana or Marijuana Product poses a substantial risk to the public health, safety or welfare including, but not limited to, when the product is especially appealing to persons younger than 21 years old.

Repackage means to uniformly wrap or seal Marijuana that has already been wrapped or sealed, into a ready-made product for retail sale, without combining, infusing, or changing the chemical composition of the Marijuana.

Research Permit means a certificate indicating Commission approval to conduct a specified research project over a specified and finite period. To the extent that a Research Licensee is subject to other IRB, institutional, industry, or professional standards, they shall demonstrate compliance with those standards.

Residence means a house, condominium or apartment, and excludes, unless otherwise authorized by law, dormitories or other on-campus college or university housing; bed-and-breakfast establishments, hotels, motels or other commercial hospitality operations; and federal public housing identified at https://resources.hud.gov/, shelters or residential programs.

Residual Solvent means a volatile organic chemical used in the Manufacture of a Marijuana Product that is not completely removed by practical manufacturing techniques.

Responsible Vendor means a Marijuana Establishment that the Commission has determined to have completed the initial training requirements and has maintained its training requirement under 935 CMR 500.105(2).

Responsible Vendor Trainer means an independent business entity certified by the

Commission to provide Responsible Vendor Training Program courses. No owner, manager, or employee of a Responsible Vendor Trainer may be a Person or Entity Having Direct or Indirect Control of a Marijuana Establishment.

Responsible Vendor Training (RVT) Program means a mandatory program that provides training courses taught by a Responsible Vendor Trainer for Marijuana Establishment Agents in order to satisfy the minimum training hours required under 935 CMR 500.105(2).

School Entrance means the entrance(s) that provide ingress and egress to students of the preexisting public or private or private school providing education in kindergarten or any grades 1 through 12 at the time of the newspaper publication of the proposed Marijuana Establishment's community outreach meeting under 935 CMR 500.101(1)(a)9.a.

SDO means the Supplier Diversity Office of the Massachusetts Operational Services Division (OSD).

Second Confirmatory Test means a second full panel of tests performed for reanalysis of a sample of Marijuana or Marijuana Products that failed an initial test for contaminants.

Seed-to-sale Electronic Tracking System means a system designated by the Commission as the system of record (Seed-to-sale SOR) or a secondary electronic tracking system used by a Marijuana Establishment or an MTC or an Independent Testing Laboratory. This system shall capture everything that happens to an individual Marijuana plant, from seed and cultivation, through growth, harvest and Manufacture of Marijuana Products and MIPs, including transportation, if any, to final sale of finished products. Seed-to-sale Electronic Tracking System shall utilize a unique-plant identification and unique-batch identification. It will also be able to track agents' and Registrants' involvement with the Marijuana Product. Any secondary system used by the Marijuana Establishment or an MTC or an Independent Testing Laboratory shall integrate with the SOR in a form and manner determined by the Commission.

Seed-to-sale System of Record (Seed-to-sale SOR) means the electronic tracking system designated and required by the Commission to perform a process.

Shelf-stable means able to be safely stored at room temperature in a sealed container. Shelf-stable does not include food that must have certain Time/Temperature Control for Safety in accordance with 105 CMR 590.000.

Small Business means, for the purposes of 935 CMR 500.005(1)(b), an applicant or Licensee that

(a) currently employs a combined total of 50 or fewer full-time equivalent employees in all locations or employees work less than a combined total of 2,600 hours per quarter; and
(b) has gross revenues of $5 million or less, as reported to the Massachusetts Department of Revenue the year prior to the date of the Licensee's renewal application or as otherwise demonstrated in a form and manner determined by the Commission.

Social Consumption Establishment means an entity licensed to sell Marijuana or Marijuana Products to Consumers for consumption on its Premises and in a Consumption Area approved by the Commission. A Social Consumption Establishment may be either a Supplemental On-site Consumption, a Hospitality On-site Consumption, or a Marijuana Event Organizer Licensee. Social Consumption Establishments may allow Consumption Areas to be Indoor Non-Smoking, Indoor Smoking, Outdoor Non-Smoking or Outdoor Smoking.

Social Equity Business (SEB) means a Marijuana Establishment comprised of at least 51% (majority) ownership of individuals who are Social Equity Program Participants, or who have been certified as meeting the Commission's criteria for designation as an Economic Empowerment Priority Applicant, or both.

Social Equity Program Participant means an individual who qualified to participate in the Social Equity Program and is designated as a program participant by the Commission.

Substantial Modification means a material change to a term of a contract that a reasonable person would understand alters the relationship between the parties. A Substantial Modification shall include, but is not limited to, shifting responsibility for the performance of a contract term or increasing or decreasing the amount of consideration being paid for

performance of the contract above an amount that is de minimis.

Summary Suspension means the suspension of any License or registration issued under 935 CMR 500.000, and the cessation of all operations in order to protect the public health, safety and welfare.

Supplemental On-site Consumption means a type of license within the Social Consumption Establishment license classes where an eligible Retailer, Cultivator, Product Manufacturer, Microbusiness, Craft Marijuana Cooperative, Third-party Transporter, Delivery Operator or Courier may sell Marijuana or Marijuana Products to Consumers to consume in a designated Consumption Area within the Marijuana Establishment's Premises.

Temporary Consumption Event means an event that a Marijuana Event Organizer facilitates after obtaining approval from the Commission and the municipality where the Temporary Consumption Event is to be located.

Temporary Patient Registration means an interim registration document for patients and their Personal Caregivers generated automatically upon the Commission's receipt of a Certifying Healthcare Provider's Electronic Certification. The temporary registration document shall constitute a Registration Card for patients and their Personal Caregivers to access an MTC. Temporary registration shall expire 14 days after the Commission issues the Registration Card or on the issuance and receipt of an annual Registration Card, whichever occurs first.

Third-party Technology Platform Provider means an individual or entity that provides or hosts an internet-based application or group of applications developed for the facilitation of ordering and delivering Finished Marijuana Products, Marijuana Accessories and Branded Goods for sale or delivery by a Marijuana Retailer, Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement to a Consumer. A proprietary application developed by a Licensee exclusively for that Licensee's use shall not be considered to be a Third-party Technology Platform Provider. A Third-party Technology Platform Provider may not be an investor in a Delivery Licensee.

Tincture means a Cannabis-infused alcohol or oils concentrate administered orally in small amounts using a dropper or measuring spoon. Tinctures are not considered an Edibles under 935 CMR 500.000 and are not subject to the dosing limitations applicable to Edibles.

Tobacco means a product containing, made or derived from tobacco or nicotine that is intended for human consumption, whether smoked, chewed, absorbed, dissolved, inhaled, snorted, sniffed or ingested by any other means including, but not limited to, cigarettes, cigars, little cigars, chewing tobacco, pipe tobacco, snuff, electronic cigarettes, electronic cigars, electronic pipes, electronic nicotine delivery systems or any other similar products that rely on vaporization or aerosolization; provided however, that "tobacco product'" shall also include any component, part or accessory of a tobacco product; and provided further, that "'tobacco product'" shall not include a product that has been approved by the United States Food and Drug Administration for the sale of or use as a tobacco cessation product and is marketed and sold exclusively for the approved purpose.

Transfer means the sale of Marijuana or Marijuana Products from a Marijuana Establishment to a separate Marijuana Establishment, Independent Testing Laboratory or MTC (but not to Consumers) subject to entry of the transaction in the Commission's Seed-to-sale SOR.

United States (U.S.) means the United States of America.

Unreasonably Impracticable means that the measures necessary to comply with the regulations, ordinances or bylaws adopted pursuant to St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, 935 CMR 500.000, or 501.000: *Medical Use of Marijuana* subject Licensees to unreasonable risk or require such a high investment of risk, money, time or any other resource or asset that a reasonably prudent businessperson would not operate a Marijuana Establishment.

Usable Marijuana means the fresh or dried leaves and flowers of the female Marijuana plant and any mixture or preparation thereof, including Marijuana, Marijuana Products or MIPs, but does not include the seedlings, seeds, stalks, roots of the plant, or Marijuana rendered unusable in accordance with 935 CMR 500.105(12)(c).

Vault means a secured, limited access storage room within a Marijuana Establishment that is outfitted with adequate security features for the purposes of storing Marijuana or Marijuana Products or cash. A vault must be adequately sized to store inventory that is not being actively handled for purposes of dispensing, packaging, processing or transportation.

Vegetation means the sporophytic state of the Cannabis or Marijuana plant, which is a form of asexual reproduction in plants during which plants do not produce resin or flowers and are bulking up to a desired production size for Flowering.

Vegetative Plant means a plant in a stage of Vegetation.

Vendor Sample means a sample of Marijuana or Marijuana Product developed by a Marijuana Cultivator or a Marijuana Product Manufacturer licensed under the provisions of 935 CMR500.000 that is provided to a Marijuana Product Manufacturer, a Marijuana Retailer or a Delivery Operator to promote product awareness.

Verified Financial Hardship means that an individual is a recipient of MassHealth, or Supplemental Security Income, or the individual's income does not exceed 300% of the federal poverty level, adjusted for family size.

Veteran means a person who served in the active military, naval air, or space service of the United States and who was discharged or released under conditions other than dishonorable.

Visitor means an individual, other than a Marijuana Establishment Agent or Laboratory Agent, authorized by the Marijuana Establishment or Independent Testing Laboratory to be on the Premises of an Establishment for a purpose related to its operations and consistent with the objectives of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.000; provided, however, that no such individual shall be younger than 21 years old.

Visitor Identification Badge means a badge issued by an MTC, Marijuana Establishment or the Commission to be used at all times while on the Premises of a Marijuana Establishment or an MTC or Independent Testing Laboratory. These identification badges shall be issued in a form and manner determined by the Commission.

Waiver of Consent means the document signed by potential participants or the legal guardians of potential participants that waives one or more elements of consent.

Warehouse means an indoor structure or a portion of the structure on the Licensee's Premises used by a Marijuana Establishment for the on-site storage of Marijuana and Marijuana Products in compliance with the regulatory requirements of 935 CMR 500.000, including the requirements for security, storage and disposal. For Delivery Operators and Marijuana Event Organizers, the location of the Warehouse shall be the Licensee's Principal Place of Business in the Host Community.

Warehousing means the on-site storage of Marijuana and Marijuana Products that have been purchased at wholesale for eventual resale.

White Labeling means to affix a product label that includes the branding, including the name and logo, of a specific Marijuana Establishment Licensee to a Finished Marijuana Product that was previously produced and packaged by a licensed Product Manufacturer, Cultivator, Microbusiness or Craft Marijuana Cooperative for sale to Consumers. Vaporizer Devices shall not be white labeled. White labeled products shall be required to comply with 935 CMR 500.105(5), and (6), 935 CMR 500.130(6) and 935 CMR 500.146(7).

Wholesale means the Transfer of Marijuana or Marijuana Product between Marijuana Establishments.

Wholesale Agreement means a contract between Marijuana Establishments defining the terms of Transfer of Marijuana or Marijuana Products between the Marijuana Establishments.

Written Certification means a form submitted to the Commission by a Massachusetts licensed Certifying Healthcare Provider describing the Qualifying Patient's pertinent symptoms, specifying the patient's Debilitating Medical Condition, and stating that in the physician's

professional opinion the potential benefits of the medical use of Marijuana would likely outweigh the health risks for the patient.

14-day Supply means that amount of Marijuana, or equivalent amount of Marijuana in MIPs, that a Registered Qualifying Patient would reasonably be expected to need over a period of 14 calendar days for the Patient's personal medical use, which is 2.5 ounces, subject to 935 CMR 501.010(10), unless otherwise determined by a Certifying Healthcare Provider.

60-day Supply means that amount of Marijuana, or equivalent amount of Marijuana in MIPs, that a Registered Qualifying Patient would reasonably be expected to need over a period of 60 calendar days for his or her personal medical use, which is ten ounces, subject to 935 CMR 501.010(10), unless otherwise determined by a Certifying Healthcare Provider.

500.003: Colocated Marijuana Operations (CMOs)

An adult-use Marijuana Cultivator, Product Manufacturer or Retailer also be licensed as an MTC as defined in to 935 CMR 501.002. No other adult-use license type qualifies to be a CMO. Unless otherwise specified, a CMO shall comply with the requirements of each of the adult-use and medical-use license located on the Premises of the CMO.

500.005: Fees

(1) Marijuana Establishment Application and License Fees.

(a) Each applicant for licensure as a Marijuana Establishment shall pay to the Commission a nonrefundable application fee, annual license fee, and to the Seed-to-sale SOR provider, a monthly Seed-to-sale licensing fee. These fees do not include the costs associated with the Seed-to-sale licensing system, which includes a monthly program fee and fees for plant and package tags. These fees do not include the costs associated with criminal background checks as required under 935 CMR 500.030 or 935 CMR 500.101(1)(b)

(b) Waiver of Fees.

1. Application fees are waived for:
   a. Applicants for Microbusinesses;
   b. Businesses controlled by and with majority ownership comprised of Social Equity Program Participants and/or Economic Empowerment Priority Applicants; and
   c. Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises (WBE), or Veteran Business Enterprises (VBE) with valid certification from the SDO and which are also considered to be Small Businesses as defined by the Commission.

This does not include the costs associated with background checks.

2. For Annual License Fees, a 50% reduction in the fee associated with an application for:
   a. Businesses controlled by and with majority ownership comprised of Social Equity Program Participants and/or Economic Empowerment Priority Applicants; and
   b. Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Veteran Business Enterprises (VBE) with valid certification from the SDO and which are also considered to be Small Businesses as defined by the Commission.
3. For Annual Delivery Licensee Fees, a 100% reduction for businesses controlled by and with majority ownership comprised of Social Equity Program Participants and/or Economic Empowerment Priority Applicants for the initial license fee payment. Upon renewal, and each year thereafter, there shall be a 50% reduction in the annual license fee for Delivery Licensees pursuant to 935 CMR 500.005(1)(b)2.
4. A Marijuana Microbusiness shall be responsible for the following annual license fees:
   a. A Marijuana Microbusiness engaged in cultivation activities shall pay an annual license fee equal to 50% of the annual license fee for a Tier 1 Marijuana Cultivator;
   b. A Marijuana Microbusiness engaged in product manufacturing activities shall pay an annual license fee equal to 50% of the annual license fee for a Marijuana Product Manufacturer; or
   c. A Marijuana Microbusiness engaged in cultivation and product manufacturing activities shall pay an annual license fee equal to 50% of the annual license fee for a Tier 1 Marijuana Cultivator and Marijuana Product Manufacturer.

5. Seed-to-sale SOR monthly program fees are waived for:
   a. Craft Marijuana Cooperatives;
   b. Microbusiness Licenses;
   c. Businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants and/or Social Equity Program Participants; and
   d. Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Veteran Business Enterprises (VBE) with valid certification from the SDO and which are also considered to be Small Businesses as defined by the Commission.

   This waiver does not include other costs associated with the Seed-to-sale licensing system, specifically the fees for plant and package tags.

6. All other applicants are responsible for the payment of fees in accordance with 935 CMR 500.005(1)(a) and may not waive their obligation pursuant to 935 CMR 500.850, Waivers.

(c) Each applicant shall choose the tier at which it will be initially licensed.

(d) Application and Annual License Fee Schedule.

License Types	Application Fees (Indoor/Outdoor)	Annual License Fee (Indoor/Outdoor)
Marijuana Cultivator (Indoor or Outdoor)		
Tier 1: up to 5,000 square feet	$200 (I)/$100 (O)	$1,250 (I)/$625 (O)
Tier 2: 5,001 to 10,000 sq. ft.	$400 (I)/$200 (O)	$2,500 (I)/$1,250 (O)
Tier 3: 10,001 to 20,000 sq. ft.	$600 (I)/$300 (O)	$5,000 (I)/$2,500 (O)
Tier 4: 20,001 to 30,000 sq. ft.	$2,000 (I)/$1,500 (O)	$20,000 (I)/$10,000 (O)
Tier 5: 30,001 to 40,000 sq. ft.	$2,000 (I)/$1,500 (O)	$22,500 (I)/$11,250 (O)
Tier 6: 40,001 to 50,000 sq. ft.	$2,000 (I)/$1,500 (O)	$25,000 (I)/$12,500 (O)
Tier 7: 50,001 to 60,000 sq. ft.	$2,000 (I)/$1,500 (O)	$30,000 (I)/$15,000 (O)
Tier 8: 60,001 to 70,000 sq. ft.	$2,000 (I)/$1,500 (O)	$35,000 (I)/$17,500 (O)
Tier 9: 70,001 to 80,000 sq. ft.	$2,000 (I)/$1,500 (O)	$40,000 (I)/$20,000 (O)
Tier 10: 80,001 to 90,000 sq. ft.	$2,000 (I)/$1,500 (O)	$45,000 (I)/$22,500 (O)
Tier 11: 90,0001 to 100,000 sq. ft.	$2,000 (I)/$1,500 (O)	$50,000 (I)/$25,000 (O)
Craft Marijuana Cooperative	Total fees for its Canopy. If more than six locations, add $200 (I)/$100(O) per additional location.	Total fees for its Canopy. If more than six locations, add $1,250(I)/$625(O) per additional location.
Marijuana Product Manufacturing	$1,500	$10,000
Marijuana Microbusiness	$0	50% of all applicable license fees
Independent Testing Laboratory	$1,500	$10,000
Marijuana Retailer (brick-and-mortar)	$1,500	$10,000
Social Consumption Establishment: Supplemental On-site Consumption	$1,500	$5,000
Social Consumption Establishment: Hospitality On-site Consumption	$1,500	$5,000
Social Consumption Establishment: Marijuana Event Organizer	$1,000	$5,000
Marijuana Transporter: Existing Licensee Transporter	$1,000	$5,000
Marijuana Courier	$1,500	$5,000
Marijuana Delivery Operator	$1,500	$10,000
Marijuana Establishment with a Delivery Endorsement	$500	$5,000
Marijuana Research Facility	$300	$1,000

Marijuana Research Permit	$1,000	$1,000

(e) Other Fees (cost per License).

Change in Name Fee	$1,000
Change in Location Fee	50% of applicable License Fee
Change in Building Structure Fee	$1,000
Change in Ownership or Control Fee (involving at least one entity gaining ownership/control)	$5,000 per entity, per License
Change in Ownership or Control Fee (involving individuals, *e.g.*, change of Board Member)	$500 per person
Architectural Review Request Fee	$1,500
Architectural Review Request Fee	$250
Packaging and Labeling Preapproval Application Fee	$50 per product

(2) Registration Card Holder Fees.

(a) An applicant for a Registration Card as a Marijuana Establishment Agent, a Laboratory Agent, or any other position designated as an agent by the Commission shall pay a nonrefundable application fee of $115 with any such application.

(b) An applicant for a renewal of a Registration Card as a Marijuana Establishment Agent, a Laboratory Agent, or any other position designated as an agent by the Commission shall pay a fee of $115.

(3) Fingerprint-based Criminal Background Checks Fees.

(a) All persons required to submit fingerprints shall pay a fee to be established by the Massachusetts Secretary of Administration and Finance, in consultation with Massachusetts Secretary of Public Safety and Security and the Commission, to offset the costs of operating and administering a Fingerprint-based criminal background-check system.

(b) The Commission may pay the fee on behalf of applicants or reimburse applicants for all or part of the fee on the grounds of financial hardship.

(c) Any fees collected from fingerprinting activity under 935 CMR 500.000 shall be deposited into the Fingerprint-based Background Check Trust Fund, established in M.G.L. c. 29, § 2HHHH.

(4) For CMOs, an applicant or Licensee shall pay the applicable fees for each Marijuana Establishment set forth in 935 CMR 500.005 and MTC set forth in 935 CMR 501.005: *Fees*.

(5) Preapproved Court Appointees.

(a) Each applicant seeking to be Preapproved Court Appointee shall pay a nonrefundable application fee of $500 for any such application.

(b) A Preapproved Court Appointee seeking to renew its designation shall pay a renewal fee of at least $400.

500.029: Registration and Conduct of Laboratory Agents

(1) 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(7), or 501.029: *Registration of Independent Testing Laboratory Agents*, 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 an Other Jurisdiction;

(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 an Other Jurisdiction; and

(d) Be determined to be suitable for registration consistent with the provisions of 935 CMR 500.800, 500.801 or 500.803.

(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) Written acknowledgment signed by the applicant of the limitations on his or her authorization to possess, test, Transfer, or Process Marijuana or Marijuana Products in the Commonwealth;

(d) 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;

(e) An attestation signed by the applicant that the applicant will not engage in the Diversion or Inversion of Marijuana and Marijuana Products;

(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; and

(g) Background information including, as applicable:

1. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, 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 or an Other Jurisdiction, 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 Other Jurisdictions;

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 an Other Jurisdiction, with regard to any professional license or registration held by the applicant;

(h) A nonrefundable application fee paid by the Independent Testing Laboratory with which the Independent Testing Laboratory Agent will be associated; and

(i) Any other information required by the Commission.

(3) An Independent Testing Laboratory Person Having Direct Control registered with the Massachusetts DCJIS pursuant to 803 CMR 2.04: iCORI Registration shall submit to the Commission a CORI 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 calendar days prior to submission; provided however, that a CORI shall not be required when one was already completed within the previous calendar year for a Laboratory Agent working within and between Licensees who share the same Persons or Entities Having Direct and Indirect Control in accordance with 803 CMR 2.11(7).

(4) The Commission shall conduct fingerprint-based checks of state and national criminal history databases, as authorized by M.G.L. c. 94G, §§ 15 and 21, and Public Law 92-544, to determine the suitability of Laboratory Agents. As part of these checks, fingerprints are used to check the national criminal history records of the Federal Bureau of Investigation (FBI). The Independent Testing Laboratory shall pay a nonrefundable fee in a form and manner determined by 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 thereafter on a triennial basis on a determination by the Commission that the applicant for renewal continues to be suitable for registration.

(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 always carry the Registration Card associated with the

appropriate Independent Testing Laboratory while in possession of Marijuana Products, including at all times while at an Independent Testing Laboratory, or while transporting Marijuana or 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.

(11) Laboratory Agents may not be employed by other types of Marijuana Establishments while employed as a Laboratory Agent at one or more Independent Testing Laboratories.

500.030: Registration of Marijuana Establishment Agents

(1) A Marijuana Establishment shall apply for registration for all its employees, Owners, Executives and volunteers who are associated with that Marijuana Establishment. The Commission shall issue an Agent Registration Card to each individual determined to be suitable for registration. All such individuals shall:

(a) Be 21 years of age or older;

(b) Have not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of Other Jurisdictions; and

(c) Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 935 CMR 500.801 or 935 CMR 500.802.

(2) An application for registration of a Marijuana Establishment Agent 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 that the individual will not engage in the Diversion or Inversion of Marijuana or Marijuana Products;

(e) Written acknowledgment by the applicant of any limitations on his or her authorization to cultivate, harvest, prepare, package, possess, transport, and dispense Marijuana in the Commonwealth;

(f) Background information, including, as applicable:

1. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, 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, or an Other Jurisdiction, 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 an Other Jurisdiction, with regard to any professional license or registration held by the applicant;

(g) A nonrefundable application fee paid by the Marijuana Establishment with which the Marijuana Establishment Agent will be associated; and

(h) Any other information required by the Commission.

(3) A Marijuana Establishment Executive registered with DCJIS pursuant to 803 CMR 2.04: *iCORI Registration*, shall submit to the Commission a CORI report and any other background check information required by the Commission for each individual for whom the Marijuana Establishment seeks a Marijuana Establishment Agent registration, obtained within 30

calendar days prior to submission; provided however, that a CORI shall not be required when one was already completed within the previous calendar year for an employee transferring to, or working within and between Licensees who share the same Persons or Entities having Direct and Indirect Control in accordance with 803 CMR 2.11(7).

(a) The CORI report obtained by the Marijuana Establishment shall provide information authorized under Required Access Level 2 pursuant to 803 CMR 2.05(3)(b)2.

(b) The Marijuana Establishment's collection, storage, dissemination and usage of any CORI report or background check information obtained for Marijuana Establishment Agent registrations shall comply with 803 CMR 2.00: *Criminal Offender Record Information (CORI)* and all other applicable state and local laws and regulations.

(4) A Marijuana Establishment shall notify the Commission no more than one business day after a Marijuana Establishment Agent ceases to be associated with the establishment. The registration shall be immediately void when the agent is no longer associated with the establishment.

(5) An Agent Registration Card shall be valid for one year from the date of issue and may be renewed thereafter on a triennial basis on a determination by the Commission that the applicant for renewal continues to be suitable for registration.

(6) After obtaining a Registration Card for a Marijuana Establishment Agent, a Marijuana Establishment 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 establishment was previously required to submit to the Commission or after discovery that a Registration Card has been lost or stolen.

(7) A Marijuana Establishment Agent shall always carry a Registration Card associated with the appropriate Marijuana Establishment while in possession of Marijuana or Marijuana Products, including at all times while at the establishment or while transporting Marijuana or Marijuana Products.

(8) A Marijuana Establishment Agent may be issued a single Agent Registration card covering all licenses held by the same Persons or Entities Having Direct or Indirect Control.

(9) An Agent working in a CMO may only perform tasks and duties permitted by the license under which they are registered and may only perform both medical- and adult-use tasks and duties if registered under both 935 CMR 500.000 and 501.000: *Medical Use of Marijuana*.

500.031: Denial of a Marijuana Establishment Agent Registration Card

Each of the following, in and of itself, constitutes full and adequate grounds for denial of an agent Registration Card for a Marijuana Establishment Agent, including Laboratory Agents:

(1) Failure to provide the information required in 935 CMR 500.029 or 500.030.

(2) Provision of information on the application that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure;

(3) Failure to meet the requirements set forth in 935 CMR 500.029 or 500.030;

(4) Revocation or suspension of an agent Registration Card in the previous six months;

(5) Failure by the Marijuana Establishment to pay all applicable fees; or

(6) Other grounds, as the Commission may determine in the exercise of its discretion, that are directly related to the applicant's ability to serve as a Marijuana Establishment Agent, or that make the applicant unsuitable for registration; however, the Commission will provide notice to the applicant of the grounds prior to the denial of the agent Registration Card and a reasonable opportunity to correct these grounds.

(a) The Commission may delegate Registrants' suitability determinations to the Executive Director, who may appoint a Suitability Review Committee, in accordance with 935 CMR 500.800. Suitability determinations shall be based on credible and reliable information.

(b) The Executive Director may institute a suitability review based on a recommendation

from Enforcement staff that background check information would result in or could support an adverse suitability determination. All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800.

500.032: Revocation of a Marijuana Establishment Agent Registration Card

(1) Each of the following, in and of itself, constitutes full and adequate grounds for revocation of an agent Registration Card issued to a Marijuana Establishment Agent, including Laboratory Agents:

(a) Submission of information in the application or renewal application that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure;

(b) Violation of the requirements of the state Marijuana laws, including 935 CMR 500.000.

(c) Fraudulent use of a Marijuana Establishment Agent Registration Card including, but not limited to, tampering, falsifying, altering, modifying, duplicating, or allowing another person to use, tamper, falsify, alter, modify, or duplicate an agent Registration Card;

(d) Selling, Transferring, distributing, or giving Marijuana to any unauthorized person;

(e) Failure to notify the Commission within five business days after becoming aware that the agent Registration Card has been lost, stolen, or destroyed;

(f) Failure to notify the Commission within five business days after a change in the registration information contained in the application or required by the Commission to have been submitted in connection with the application an agent Registration Card, including open investigations or pending actions as delineated in 935 CMR 500.802 as applicable, that may otherwise affect the status of the suitability for registration of the Marijuana Establishment Agent;

(g) Conviction, guilty plea, plea of nolo contendere, or admission to sufficient facts of a drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of an Other Jurisdiction; or

(h) Conviction, guilty plea, plea of nolo contendere or admission to sufficient facts in the Commonwealth, or a like violation of the laws of another state, to an offense as delineated in 935 CMR 500.801: *Table A: Marijuana Establishment Licensees* or 935 CMR 500.803: *Table E: Registration as a Laboratory Agent*, as applicable, that may otherwise affect the status of the suitability for registration of the Marijuana Establishment Agent.

(2) In addition to the grounds in 935 CMR 501.032(1), a conviction of a felony drug offense in the Commonwealth, or a like violation of the laws of an Other Jurisdiction shall be adequate grounds for the revocation of a Marijuana Establishment Agent Registration Card for individuals or entities subject to 935 CMR 500.801: Table A: Marijuana Establishment Licensees or 935 CMR 500.803: *Table E: Registration as a Laboratory Agent*.

(3) Other grounds as the Commission may determine in the exercise of its discretion, that are directly related to the applicant's ability to serve as a Marijuana Establishment Agent, that make the Registrant unsuitable for registration. The Commission will provide notice to the Registrant of the grounds prior to the revocation of an agent Registration Card and a reasonable opportunity to correct these grounds.

(a) The Commission may delegate Registrants' suitability determinations to the Executive Director, who may appoint a Suitability Review Committee, in accordance with 935 CMR 500.800. Suitability determinations shall be based on credible and reliable information.

(b) The Executive Director may institute a suitability review based on a recommendation from Enforcement staff that background check information would result in or could support an adverse suitability determination. All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800.

500.033: Void Registration Cards

(1) An agent Registration Card issued to a Marijuana Establishment Agent, including a Laboratory Agent, shall be void when:

(a) The agent has ceased to be associated with the Marijuana Establishment or Independent Testing Laboratory that applied for and received the agent's Registration Card;

(b) The card has not been surrendered on the issuance of a new agent Registration Card based on new information; or

(c) The agent is deceased.

(2) A void agent Registration Card is inactive and invalid.

500.040: Leadership Rating Program for Marijuana Establishments and Marijuana-related Businesses

(1) Leadership Rating Categories. In a time and manner to be determined by the Commission, Licensees will be eligible to earn leadership ratings in the following categories:
(a) Social Justice Leader;
(b) Local Employment Leader;
(c) Energy and Environmental Leader; and
(d) Compliance Leader.

(2) Leadership Rating Application.
(a) Marijuana Establishments annually submit information, in a time and manner determined by the Commission, demonstrating their eligibility for the applicable leadership rating.
(b) All information submitted is subject to verification and audit by the Commission prior to the award of a leadership rating.
(c) Award of a leadership rating in one year does not entitle the applicant to a leadership rating for any other year.

(3) Leadership Rating Criteria.
(a) Social Justice Leader. In the year preceding the date of application for a leadership rating, a Licensee satisfies at least two of the following:
1. Upon the Legislature's establishment of a dedicated Social Equity or Technical Assistance Fund (Fund) or a similar fund, one percent of the Marijuana Establishment's gross revenue is donated to the Fund;
2. The Licensee has conducted 50 hours of educational seminars targeted to residents of Areas of Disproportionate Impact in one or more of the following: Marijuana cultivation, Marijuana Product manufacturing, Marijuana retailing, or Marijuana business training.
3. The Licensee can demonstrate that a majority of employees have a conviction or continuance without a finding for an offense under M.G.L. c. 94C or an equivalent conviction in Other Jurisdictions;
4. 66% or more of the Licensees employees are people of color, women, Veterans, persons with disabilities, and LGBTQ+ people;
5. The Licensee has developed, and can demonstrate execution of, a Diversity Plan or Positive Impact Plan recognized as exemplary by the Commission in its discretion; or
6. The Licensee can demonstrate that in a year, at least one percent of its gross revenue or a minimum of 20 hours of each staff member's paid time is contributed to supporting persons from communities disproportionately harmed by marijuana prohibition or an Area of Disproportionate Impact as determined by the Commission.

A Social Justice Leader may use a logo or symbol created by the Commission to indicate its leadership status.
(b) Local Employment Leader. In the year preceding the date of application for a leadership rating:
1. 51% or more of the Licensee's employees have been a Massachusetts Resident for 12 months or more, as determined by the Commission;
2. 51% or more of the Licensee's Executives have been a Massachusetts Resident for 12 months or more, as determined by the Commission; and
3. 51% or more of ancillary business service expenditures purchased by the Licensee have been from businesses with its primary place of businesses within Massachusetts.
(c) Energy and Environmental Leader. In the year preceding the date of application for a leadership rating, the Licensee has met the energy and environmental goals in one or more subcategories in compliance with criteria published as Appendix B in the Energy & Environment Compiled Guidance:
1. Energy;
2. Recycling and Waste Disposal;
3. Transportation;
4. Delivery;
5. Water Usage; or
6. Soil Sampling.
(d) Compliance Leader. In the year preceding the date of application for a leadership rating:

1. All Licensee employees have completed all required trainings for their positions within 90 days of hire;
2. The Licensee has no unresolved written deficiency statements;
3. The Licensee has not been the subject of a Cease and Desist Order or a Quarantine Order;
4. The Licensee has not had its license suspended; and
5. The Licensee has met all timelines required by the Commission.

(e) Leadership ratings will be taken into consideration by the Commission in assessing fines pursuant to 935 CMR 500.360 and disciplinary action pursuant to 935 CMR 500.450.

500.050: Marijuana Establishments

(1) General Requirements.

(a) A Marijuana Establishment is required to be registered to do business in the Commonwealth as a domestic business corporation or another domestic business entity in compliance with 935 CMR 500.000 and to maintain the corporation or entity in good standing with the Secretary of the Commonwealth, DOR, and DUA.

(b) Control Limitations.

1. No Person or Entity Having Direct or Indirect Control shall be granted, or hold, more than three licenses in a particular class, except as otherwise specified in 935 CMR 500.000.
2. An Independent Testing Laboratory or Standards Laboratory Licensee, or any associated Person or Entity Having Direct or Indirect Control, may not have a License in any other class.
3. To the extent that persons or entities seek to operate a testing facility in the Counties of Dukes County and Nantucket, 935 CMR 500.200 applies.
4. The Commission shall receive notice of any such interests as part of the application pursuant to 935 CMR 500.101.
5. Licensees and Persons or Entities Having Direct or Indirect Control holding Licenses that allow them to cultivate Marijuana are limited to a maximum Canopy of 100,000 square feet distributed across all applicable Licenses, inclusive of MTC Licenses.
6. Limitations on the Number and Control of Delivery Licenses.
   a. No Third-party Technology Platform Provider shall be a Licensee, or a Person or Entity with Direct or Indirect Control of a Delivery Licensee.
   b. A contract between a Delivery Licensee and a Third-party Technology Platform Provider shall be negotiated and entered into on an arm's length basis. A Delivery Licensee may not accept any investment in the Delivery Licensee by a Third-party Technology Platform Provider with which they have a contract.
   c. No Person or Entity Having Direct or Indirect Control shall be granted or hold more than a total of three Delivery Operator and three Marijuana Courier Licenses at any time.
   d. No Delivery Licensee may share its profits of the sale of Marijuana or Marijuana Products with a Third-party Technology Platform Provider, or otherwise provide a percentage or portion of the sale of Marijuana or Marijuana Products to the Third-party Technology Platform Provider.
7. Limitations on the Number and Control of Microbusiness Licenses.
   a. Cultivating Microbusiness Licensees shall have the Microbusiness license count towards the total limit on Marijuana Cultivation licenses granted or held for any Person or Entity Having Direct or Indirect Control.
   b. Manufacturing Microbusiness Licensees shall have the Microbusiness license count towards the total limit on Marijuana Product Manufacturing licenses granted or held for any Person or Entity Having Direct or Indirect Control.
8. Limitations on the Number and Control of Craft Marijuana Cooperatives. A Craft Marijuana Cooperative Licensee shall be limited to one license and a total of 100,000 square feet of Canopy; provided, however, that a Craft Marijuana Cooperative Licensee may apply for additional Licenses in accordance with 935 CMR 500.050(3)(i).
9. Limitations on the Number and Control of Social Consumption Establishments.
   a. No Person or Entity Having Direct or Indirect Control shall be granted or hold more than three Supplemental On-site Consumption licenses, three Hospitality On-site Consumption licenses, and three Marijuana Event Organizer licenses.
   b. A Hospitality On-site Consumption Licensee and a Marijuana Event Organizer Licensee shall not:
      i. Convey an ownership or control interest in the license as a condition of being

housed or hosted by a Non-Cannabis Entity; provided however, this provision shall not apply where the Non-Cannabis Entity and a Hospitality On-site Consumption Licensee or Marijuana Event Organizer Licensee share the same Persons or Entities with Direct and Indirect Control.

ii. Provide a set percentage or a set portion of sales to the Non-Cannabis Entity. A Hospitality On-site Consumption Licensee and a Marijuana Event Organizer Licensee may pay a fee or rent to the Non-Cannabis Entity for housing or hosting the Social Consumption Establishment; provided however, this provision shall not apply where the Non-Cannabis Entity and a Hospitality On-site Consumption Licensee or Marijuana Event Organizer Licensee share the same Persons or Entities with Direct and Indirect Control.

(c) License Classes are as follows:

1. Marijuana Cultivator (Indoor or Outdoor):
   a. Tier 1: up to 5,000 square feet of Canopy;
   b. Tier 2: 5,001 to 10,000 square feet of Canopy;
   c. Tier 3: 10,001 to 20,000 square feet of Canopy;
   d. Tier 4: 20,001 to 30,000 square feet of Canopy;
   e. Tier 5: 30,001 to 40,000 square feet of Canopy;
   f. Tier 6: 40,001 to 50,000 square feet of Canopy;
   g. Tier 7: 50,001 to 60,000 square feet of Canopy;
   h. Tier 8: 60,001 to 70,000 square feet of Canopy;
   i. Tier 9: 70,001 to 80,000 square feet of Canopy;
   j. Tier 10: 80,001 to 90,000 square feet of Canopy; or
   k. Tier 11: 90,001 to 100,000 square feet of Canopy.
2. Craft Marijuana Cooperative;
3. Marijuana Product Manufacturer;
4. Marijuana Microbusiness;
5. Independent Testing Laboratory and Standards Laboratory;
6. Marijuana Retailer;
7. Social Consumption Establishment:
   a. Supplemental On-site Consumption;
   b. Hospitality On-site Consumption; and
   c. Marijuana Event Organizer;
8. Marijuana Transporter:
   a. Existing Licensee Transporter;
   b. Third-party Transporter;
9. Delivery Licensee;
   a. Marijuana Courier;
   b. Marijuana Delivery Operator; and
10. Marijuana Research Facility Licensee.
    a. A Marijuana Establishment shall operate all activities authorized by the License only at the address(es) reported to the Commission for that license.
    b. All Marijuana Establishment Agents of the Marijuana Establishment shall be registered with the Commission pursuant to 935 CMR 500.030.

(2) Marijuana Cultivator (Indoor or Outdoor).

(a) A Marijuana Cultivator may cultivate, Process and package Marijuana, to transport Marijuana to Marijuana Establishments and to Transfer Marijuana to other Marijuana Establishments, but not to Consumers.

(b) Marijuana Cultivators shall select a cultivation tier. Cultivation tiers are based on the square footage of Canopy:

1. Tier 1: up to 5,000;
2. Tier 2: 5,001 to 10,000;
3. Tier 3: 10,001 to 20,000;
4. Tier 4: 20,001 to 30,000;
5. Tier 5: 30,001 to 40,000;
6. Tier 6: 40,001 to 50,000;
7. Tier 7: 50,001 to 60,000;
8. Tier 8: 60,001 to 70,000;
9. Tier 9: 70,001 to 80,000;
10. Tier 10: 80,001 to 90,000; or
11. Tier 11: 90,001 to 100,000.

(c) Tier Expansion. A Marijuana Cultivator may submit an application, in a time and manner determined by the Commission, to change the tier in which it is classified. A

Marijuana Cultivator may change tiers to either expand or reduce production. If a Marijuana Cultivator is applying to expand production, it shall demonstrate that while cultivating at the top of its production tier, it has sold 85% of its product consistently over the six months preceding the application for expanded production for an indoor cultivator, or during the harvest season prior to the application for expanded production for an outdoor cultivator.

(d) Tier Relegation. In connection with the license renewal process for Marijuana Cultivators, the Commission will review the records of the Marijuana Cultivator during the six months prior to the application for renewal for an indoor cultivator or during the harvest season prior to the application for renewal for an outdoor cultivator. The Commission may reduce the Licensee's maximum Canopy to a lower tier if the Licensee sold less than 70% of what it produced during the six months prior to the application for renewal for an indoor cultivator or during the harvest season prior to the application for renewal for an outdoor cultivator.

(e) Tier Factors. When determining whether to allow expansion or relegate a Licensee to a different tier, the Commission may consider factors including, but not limited to:

1. Cultivation and production history, including whether the plants/inventory suffered a catastrophic event during the licensing period;
2. Transfer, sales, and excise tax payment history;
3. Existing inventory and inventory history;
4. Sales contracts; and
5. Any other factors relevant to ensuring responsible cultivation, production, and inventory management.

(f) An eligible Marijuana Cultivator may operate a Supplemental On-site Consumption license within its existing Marijuana Establishment Premises.

(3) Craft Marijuana Cooperative.

(a) A Craft Marijuana Cooperative may be organized as a limited liability company, limited liability partnership, or a cooperative corporation under the laws of the Commonwealth.

(b) The Members or shareholders of the cooperative shall be residents of the Commonwealth for the 12 months immediately preceding the filing of an application for a license.

(c) The Craft Marijuana Cooperative shall have:

1. One Member that has filed a Schedule F (Form 1040), Profit or Loss from Farming, within the five years prior to application for licensure; or
2. An agreement to lease land wholly owned by a person or entity that has filed a Schedule F (Form 1040), Profit or Loss from Farming, within the five years prior to application for licensure.

(d) Where the agreement to lease land in 935 CMR 500.050(3)(c)2. renders the individual or entity filing a Schedule F (Form 1040) a Person or Entity Having Direct or Indirect Control, the Craft Marijuana Cooperative shall report the individual or entity and submit the agreement, as required by 935 CMR 500.101(1)(a)1.

(e) The Craft Marijuana Cooperative shall operate consistently with the Seven Cooperative Principles established by the International Cooperative Alliance in 1995.

(f) The cooperative license authorizes it to cultivate, obtain, Manufacture, Process, package, brand and Transfer Marijuana Products and to deliver Marijuana to Marijuana Establishments, but not to Consumers.

(g) The Craft Marijuana Cooperative is limited to one license, under which it may cultivate Marijuana, subject to the limitations of 935 CMR 500.050. The cooperative's total locations are limited to cultivating 100,000 square feet of Canopy. A cooperative is not limited in the number of cultivation locations it may operate, provided that for each location over six locations, additional application and licensing fees shall apply pursuant to 935 CMR 500.005(1)(d). The cooperative may also conduct activities authorized for Marijuana Product Manufacturers at up to three locations.

(h) For the Seed-to-sale SOR, a cooperative that designates a system administrator will pay one licensing program fee on a monthly basis for Seed-to-sale tracking software.

(i) Members of a cooperative may not be a Person or Entity Having Direct or Indirect Control in any other Marijuana Establishment. Such restriction may not be construed to prohibit a Craft Marijuana Cooperative for applying for a Marijuana Retailer, Marijuana Existing Licensee Transporter, Marijuana Research or Social Consumption Establishment License.

(j) Tier Expansion. A Craft Marijuana Cooperative may submit an application, in a time and manner determined by the Commission, to change the tier in which it is classified. A

cooperative may change tiers to either expand or reduce production. If a cooperative is applying to expand production, it shall demonstrate that while cultivating at the top of its production tier, it has sold 85% of its product consistently over the six months preceding the application for expanded production for an indoor cultivator, or during the harvest season prior to the application for expanded production for an outdoor cultivator.

(k) Tier Relegation. In connection with the license renewal process for Craft Marijuana Cooperatives, the Commission will review the records of the cooperative during the six months prior to the application for renewal for an indoor cultivator or during the harvest season prior to the application for renewal for an outdoor cultivator. The Commission may reduce the Licensee's maximum Canopy to a lower tier if the Licensee sold less than 70% of what it produced during the six months prior to the application for renewal for an indoor cultivator or during the harvest season prior to the application for renewal for an outdoor cultivator.

(l) Tier Factors. When determining whether to allow expansion or relegate a Licensee to a different tier, the Commission may consider factors including, but not limited to:

1. Cultivation and production history, including whether the plants/inventory suffered a catastrophic event during the licensing period;
2. Transfer, sales, and excise tax payment history;
3. Existing inventory and inventory history;
4. Sales contracts; and
5. Any other factors relevant to ensuring responsible cultivation, production, and inventory management.

(m) An eligible Craft Marijuana Cooperative may operate a Supplemental On-site Consumption license within its existing Marijuana Establishment Premises.

(4) Marijuana Product Manufacturer. A Marijuana Product Manufacturer may obtain, Manufacture, Process and package Marijuana Products, to transport Marijuana Products to Marijuana Establishments and to Transfer Marijuana Products to other Marijuana Establishments, but not to Consumers. An eligible Marijuana Product Manufacturer may operate a Supplemental On-site Consumption license within its existing Marijuana Establishment Premises.

(5) Marijuana Microbusiness.

(a) A Microbusiness is an entity that can be either a Tier 1 Marijuana Cultivator or Marijuana Product Manufacturer or both and, if in receipt of a Delivery Endorsement issued by the Commission, may deliver Marijuana or Marijuana Products produced at the licensed location directly to Consumers in compliance with established regulatory requirements for retail sale as it relates to delivery.

(b) A Microbusiness engaged in product manufacturing operations may purchase a maximum of 2,000 pounds of Marijuana or its dry-weight equivalent in raw concentrate per year from other Marijuana Establishments or MTCs.

(c) A Microbusiness shall comply with all operational requirements imposed by 935 CMR 500.105 through 500.140 on Marijuana Cultivators and Marijuana Product Manufacturers, and Retailers, to the extent the Licensee engages in such activities.

(d) A Person or Entity Having Direct Control or a Person or Entity Having Indirect Control in an existing Marijuana Establishment or MTC License that is not a Social Equity Program Participant, Social Equity Business or Economic Empowerment Priority Applicant shall not be eligible to apply for a Marijuana Microbusiness license. A majority of the Microbusiness' Executives or Members shall have been residents of Massachusetts for no less than 12 months prior to application.

(e) Delivery Endorsements shall be subject to the exclusivity provisions for Delivery Licensees established in 935 CMR 500.050(10)(b).

(f) An eligible Marijuana Microbusiness may operate a Supplemental On-site Consumption license within its existing Marijuana Establishment Premises.

(6) Social Consumption Establishment.

(a) A municipality may authorize the sale and on-site consumption of Marijuana and Marijuana Products at a Social Consumption Establishment in accordance with M.G.L. c. 94G, § 3.

(b) A Social Consumption Establishment may sell Marijuana or Marijuana Products to Consumers and allow consumption of Marijuana or Marijuana Products by Consumers on a Premises approved by the Commission and in a designated Consumption Area.

(c) Social Consumption Establishments may portion servings of Marijuana and Marijuana Products to Consumers, and White Label, Repackage, Transfer, Waste, Wholesale and

Warehouse Finished Marijuana or Marijuana Products acquired from a Marijuana Establishment.

(d) A Marijuana Establishment shall not allow the consumption of Marijuana or Marijuana Products on its Premises without obtaining a Social Consumption Establishment License from the Commission and approval of an Event Plan, if applicable.

(e) Social Consumption Establishments shall operate all Marijuana-related activities solely at the address identified in the license and at the address or location of the Temporary Consumption Event Premises, if applicable.

(f) Social Consumption Establishment Classes. A Social Consumption Establishment is permitted to select one of the following classes:

1. Supplemental On-site Consumption.

   a. A Supplemental On-site Consumption license is not granted as of right to a Marijuana Establishment holding another license type. An eligible Marijuana Establishment must separately apply for and obtain a Supplemental On-site Consumption License in accordance with M.G.L c. 94G, § 3, and 935 CMR 500.000.

   b. Eligible Marijuana Retailers, Marijuana Cultivators, Marijuana Product Manufacturers, Marijuana Delivery Operators, Microbusinesses, Craft Marijuana Cooperatives, Third-party Transporters, or Marijuana Couriers may apply for a Supplemental On-site Consumption License.

   c. A Supplemental On-site Consumption Licensee shall be located within an approved Marijuana Establishment's Premises that has the same Persons or Entities Having Direct or Indirect Control.

2. Hospitality On-site Consumption.

   a. Eligible applicants and eligible Marijuana Establishments may apply for a Hospitality On-site Consumption License.

   b. A Hospitality On-site Consumption Licensee or eligible applicant may be located within a new or existing Non-Cannabis Entity.

3. Marijuana Event Organizer.

   a. Eligible applicants and eligible Marijuana Establishments may apply for a Marijuana Event Organizer License.

   b. In accordance with 935 CMR 500.180, a Marijuana Event Organizer must obtain a Host Community Agreement at its Principal Place of Business.

   c. A Marijuana Event Organizer shall obtain all the necessary local permitting required where the Temporary Consumption Event is proposed to be located prior to the Commission's approval of an Event Plan.

   d. A Marijuana Event Organizer shall provide the Commission with all documentation and permitting that demonstrates the Licensee obtained municipal approval for the Temporary Consumption Event.

   e. A Marijuana Event Organizer shall conduct a pre-event public safety briefing(s) with representatives from local law enforcement, fire services, and emergency medical services prior to any Temporary Consumption Event. The Marijuana Event Organizer shall maintain a pre-event public safety report summarizing the topics discussed, the date and time of the briefing(s), the names, titles and affiliations of all participating representatives, and any recommendations, conditions, or operational requirements issued by such representatives. The public safety briefing shall include, at a minimum, discussion of:

      1. Traffic control and parking management;
      2. Crowd management and ingress and egress procedures;
      3. Emergency egress routes and evacuation procedures;
      4. Access for emergency responders and staging areas;
      5. Communication protocols between on-site security, event staff, and first responders; and
      6. Procedures for managing public safety concerns, including but not limited to Consumer intoxication or medical emergencies.

   f. A Marijuana Event Organizer shall conduct no more than 30 single days of permitted sales and consumption activity per municipality each calendar year.

   g. A Marijuana Event Organizer shall submit a single Event Plan for a single or multi-day Temporary Consumption Event no later than 90 days prior to the first scheduled date of the Temporary Consumption Event. No Temporary Consumption Event may be held without an Event Plan approved by the Commission. The Event Plan shall include, at a minimum, the following:

      1. A diagram of sufficient detail to identify the Temporary Consumption Event's location and Premises, including designated areas for sales and service

areas, Consumption Areas, and waste, locked receptacle(s), and storage of Marijuana and Marijuana Products, Limited Access Areas, points of entry and egress, identification checkpoints, and the planned use of each area;

2. The address of the Premises or location of the Temporary Consumption Event;

3. A list of Marijuana Establishments, including their license numbers, participating in the Temporary Consumption Event;

4. An attestation by the Marijuana Establishment(s) participating in the Temporary Consumption Event which states that the entity shall comply with all Commission regulations, and conditions, including but not limited to the requirements set forth in 935 CMR 500.105(2)(b)8. and 935 CMR 500.141;

5. A copy of the pre-event public safety report; and

6. Any other information requested by the Commission.

h. The Commission shall not approve a Licensee for participation in a Temporary Consumption Event if the proposed participant has an active Enforcement Action, Summary Suspension Order, or Limitation of Sales Order.

i. Marijuana Event Organizers are responsible for all licensed activities at a Temporary Consumption Event, including but not limited to security, age verification, waste, operation of consumption areas, and incident reporting.

j. Only Social Consumption Establishments, Marijuana Retailers, and Marijuana Delivery Operators may sell Marijuana or Marijuana Products at a Temporary Consumption Event.

k. If the list of participating Marijuana Establishments changes after the Event Plan is submitted, or after Commission approval is issued, the Marijuana Event Organizer shall provide notice to the Commission of the change, with an updated list of participating Marijuana Establishments for approval by the Commission no less than 14 days prior to the Temporary Consumption Event. Failure to provide timely notice as required shall result in the newly added Marijuana Establishment not participating in the Temporary Consumption Event and other potential enforcement actions.

l. A Marijuana Event Organizer shall inform the Commission within 24 hours if the Marijuana Event Organizer or a Marijuana Establishment should fail to appear at a Temporary Consumption Event as anticipated in the Event Plan for any reason.

m. Within 7 days prior to the commencement of a Temporary Consumption Event, the Marijuana Event Organizer shall confirm with the representatives from local law enforcement, fire services, and emergency medical services identified in 935 CMR 500.050(6)(f)3.e., that all safety measures, operational plans, and event logistics remain accurate and effective. If any material changes occur to the Temporary Consumption Event, including but not limited to the layout, schedule, staffing, capacity, security plan, or emergency response procedures, after such confirmation, the Marijuana Event Organizer shall promptly notify the same representatives and the Commission, and provide updated information reflecting such changes.

n. An Event Plan shall not be approved by the Commission where there is the planned sale or consumption of alcohol or Tobacco during the same time, and within the same Premises.

o. A Marijuana Event Organizer Licensee shall maintain a clearly legible sign not less than 11 inches by 17 inches in size, reading "No Persons Under 21 Allowed" at or near each public entrance to any space or Consumption Area where the sale or consumption of Marijuana or Marijuana Products will occur.

p. A Marijuana Event Organizer Licensee shall ensure that the sale and storage of Marijuana or Marijuana Products is not visible from any public place or non-age-restricted area.

q. The Commission may require a Marijuana Event Organizer and participating Marijuana Establishments to cease operations and sales without delay if the Commission or other governmental authorities determine it is necessary to protect the public health and safety of Consumers or others.

r. Upon notification from the Commission or discovery by the Marijuana Event Organizer, the Marijuana Event Organizer shall immediately expel any person selling Marijuana or Marijuana Products without a license at the Temporary Consumption Event. The Marijuana Event Organizer shall ensure that security is adequate to escort the individual(s) off the Premises.

s. A Marijuana Event Organizer shall inform the Commission as soon as possible, but no later than 24 hours if law enforcement or the municipality orders the

Temporary Consumption Event to alter operations before the planned closing of the event.

t. A Marijuana Event Organizer shall designate a Limited Access Area(s) that can only be accessed by the Licensee, the Licensee's Agents, participating Marijuana Establishments and its Agents, or the Commission.

u. A Marijuana Event Organizer or participating Marijuana Establishment may temporarily store Marijuana and Marijuana Products at a Temporary Consumption Event for the purposes of sale to Consumers. A Marijuana Event Organizer or participating Marijuana Establishment temporarily storing product at the Temporary Consumption Event shall keep the Marijuana and Marijuana Products in a locked storage compartment or container approved by the Commission. All remaining unsold Marijuana or Marijuana Products shall be returned to its Marijuana Establishment of origin at the end of each day of the Temporary Consumption Event.

v. Notwithstanding 935 CMR 500.110(5) and 935 CMR 500.110(6), a Marijuana Event Organizer shall not be required to install a security alarm for a Temporary Consumption Event. Nothing in this subsection shall be construed to otherwise exempt a Marijuana Event Organizer from compliance with security requirements set forth in 935 CMR 500.110 and 935 CMR 500.050(6)(f)3.

w. Notwithstanding 935 CMR 500.110(2)(b) and 935 CMR 500.110(2)(c), if a Marijuana Event Organizer submits an Alternative Security Provision for an Event Plan, the Commission shall request that the chief municipal law enforcement officer review the request and alternative security provision requested within 10 days and if no response is received from the chief law enforcement officer or a delegee within 10 days, the Commission shall proceed with a determination.

x. Violations of the requirements applicable to Temporary Consumption Events may result in disciplinary action against the Marijuana Event Organizer and any other Marijuana Establishment participating in the Temporary Consumption Event.

y. For sales conducted at a Temporary Consumption Event, Community Impact Fees authorized pursuant to M.G.L. c. 94G, § 3(d) and any applicable marijuana local tax option amount due on Marijuana or Marijuana Products pursuant to M.G.L. c. 64N, shall be allocated to the Host Community of the Marijuana Establishment that conducts the sale. Community Impact Fees shall be remitted consistent with the terms of that Host Community Agreement of the Marijuana Establishment that conducts the sale. The Massachusetts sales tax and marijuana excise tax shall remain payable to the Commonwealth in accordance with M.G.L. c. 64H and M.G.L. c. 64N, respectively.

(g) Social Consumption Establishment licenses shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants; or Microbusinesses and Craft Marijuana Cooperatives, for a period of 36 months beginning on the date on which at least one licensee in each Social Consumption Establishment license class, Supplemental On-site Consumption, Hospitality On-site Consumption, and Marijuana Event Organizer, has received a notice to commence operations, provided, however, that the Commission may, by vote, decide to extend that period following a determination that the goal of the exclusivity period to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law, by farmers, and by businesses of all sizes, has not been met.

1. The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met which shall include, but not be limited to:

a. Overall rates of participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law, by farmers, and by businesses of all sizes;

b. Overall rates of participation in the regulated Marijuana industry by people of color;

c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants; Microbusinesses; and Craft Marijuana Cooperatives;

d. Number of registered agents who are Social Equity Program Participants;

e. Number of Social Consumption Establishments in operation and

business performance relative to other Marijuana Establishments;

f. Financial feasibility of continued participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law, by farmers, and by businesses of all sizes if exclusivity period ends; and

g. Any other information the Commission determines relevant.

2. The Commission shall, in real time, collect and publicly report on data measuring the criteria throughout the exclusivity period every 6 months. The Commission shall begin evaluating whether the goals of the exclusivity period have been met at least 12 months before the end of the 36-month period to provide adequate time to consider whether an extension of the 36-month period is necessary prior to the conclusion of that time period.

3. The licenses may be made available to any qualifying applicants after the 36-month period, unless the Commission affirmatively votes to extend the period of exclusivity by a period of 24 months after the first 36-month period. Any subsequent extension of the exclusivity period would require the Commission affirmatively to find that the goals and objectives of the exclusivity period as set forth in 935 CMR 500.050(6)(g)1., have not been met.

(h) No person or entity other than those disclosed in the application shall be a Person or Entity Having Direct or Indirect Control in a Social Consumption Establishment license.

(i) A Social Consumption Establishment is not considered to be a Marijuana Retailer as defined under 935 CMR 500.002, but is authorized to sell Finished Marijuana Products directly to Consumers.

(j) A Social Consumption Establishment shall register as a vendor with the Department of Revenue and collect and remit marijuana retail taxes in accordance with 830 CMR 64N.1.1: *Marijuana Retail Taxes*.

(7) Independent Testing Laboratory.

(a) Prior to final licensure an Independent Testing Laboratory shall be:

1. Accredited to the most current International Organization for Standardization (ISO) 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement; or

2. Certified, registered, or accredited by an organization approved by the Commission.

(b) An Executive or Member of a Marijuana Establishment is prohibited from being a Person or Entity Having Direct or Indirect Control in an Independent Testing Laboratory providing testing services for any Marijuana Establishment, except as otherwise provided in 935 CMR 500.200.

(c) No individual employee of a laboratory providing testing services for Marijuana Establishments may receive direct or indirect financial compensation from any Marijuana Establishment, except as otherwise provided in 935 CMR 500.200.

(d) Standards Laboratory. A laboratory meeting the requirements of the Independent Testing Laboratory may be licensed as a Standards Laboratory to ensure consistent and compliant testing by the Independent Testing Laboratories. An Independent Testing Laboratory may not serve as a Standards Laboratory.

1. On request by the Commission, a Standards Laboratory shall test samples of Marijuana Products in a time and manner to be determined by the Commission.

2. Testing shall be performed in a manner determined by the Commission so as not to reveal to the laboratory the source of the Marijuana Products.

3. The Standards Laboratory shall submit the results of testing to the Commission for review.

4. The Standards Laboratory shall retain the Marijuana Products tested pursuant to 935 CMR 500.050(7)(d)1., until directed to Transfer or dispose of them by the Commission. Any disposal shall take place in compliance with 935 CMR 500.105(12).

(8) Marijuana Retailer.

(a) General Requirements.

1. A Marijuana Retailer may purchase, transport, sell, Repackage, or otherwise Transfer Marijuana or Marijuana Products to Marijuana Establishments and sell to Consumers. Marijuana Retailers may sell Marijuana Accessories and Branded Goods. A Marijuana Retailer can deliver Marijuana or Marijuana Products to Consumers in accordance with 935 CMR 500.000. A Marijuana Retailer may not allow consumption by Consumers on the Premises of the Marijuana Establishment unless the Marijuana

Retailer obtained a Supplemental On-site Consumption License, and the Consumption Area is approved by the Commission.

2. A retailer shall operate all Marijuana-related activities solely at the address identified in the license.

3. No Person or Entity Having Direct or Indirect Control in a Marijuana Retailer license shall be granted or hold more than a combined total of three Marijuana Retailer Licenses and shall be subject to the limitations in 935 CMR 500.050(1)(b)6.

(b) A Marijuana Retailer shall provide a retail location accessible to Consumers 21 years of age or older, or, if colocated with an MTC, Registered Qualifying Patients with the Medical Use of Marijuana Program in possession of a Medical Registration Card.

(c) An eligible Marijuana Retailer may operate a Supplemental On-site Consumption license within its existing Marijuana Establishment Premises.

(9) Marijuana Transporter.

(a) An entity may only transport Marijuana Products when such transportation is not already authorized under a Marijuana Establishment license if it is licensed as a Marijuana Transporter:

1. Third-party Transporter. A Third-party Transporter is permitted to transport Marijuana and Marijuana Products between Marijuana Establishments and between MTCs. An eligible Third-party Transporter may operate a Supplemental On-site Consumption license within its existing Marijuana Establishment Premises.

2. Existing Licensee Transporter. A Marijuana Establishment that wishes to contract with other Marijuana Establishments to transport their Marijuana Products to other Marijuana Establishments.

(b) All Marijuana Transporter, their agents and employees, who contract with a Marijuana Establishment to transport Marijuana Products shall comply with M.G.L. c. 94G, and 935 CMR 500.000.

(c) Marijuana Transporters will be allowed to Warehouse Marijuana Products in a form and manner determined by the Commission.

(10) Marijuana Courier.

(a) A Marijuana Courier may deliver Marijuana or Marijuana Products directly to Consumers from a Marijuana Retailer or to Patients or Caregivers from an MTC with which the Marijuana Courier has a Delivery Agreement. A Marijuana Courier may be an Owner of or have a controlling interest in a Cultivation, Product Manufacturing, Social Consumption Establishment, Research, Retail or Transportation license. An eligible Marijuana Courier may operate a Supplemental On-site Consumption license within its existing Marijuana Establishment Premises.

(b) A Marijuana Courier shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants until April 1, 2031, notwithstanding the date on which the first Delivery Operator Licensee received a notice to commence operations~~for a period of 36 months from the date the first Delivery Operator Licensee receives a notice to commence operations~~; provided, however, that the Commission may vote to extend that period following a determination that the goal of the exclusivity period to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law has not been met; and the Commission may vote to expand eligibility for Delivery Licenses during the exclusivity period pursuant to 935 CMR 500.050(10)(b)4.

1. The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:

a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law;

b. Overall rates of participation in the regulated Marijuana industry by people of color;

c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants;

d. Number of registered agents who are Social Equity Program Participants;

e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments;

f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends; and

g. Any other information the Commission determines relevant.

2. The Commission shall, in real time, collect and publicly report on data measuring the criteria throughout the exclusivity period every 6 months. The Commission shall begin evaluating whether the goals of the exclusivity period have been met at least ~~eight~~ 12 months before April 1, 2031~~the end of the 36-month period~~ to provide adequate time to consider whether an extension of the exclusivity~~36-month~~ period is necessary prior to the conclusion of that time period.

3. The licenses shall generally be available to applicants after the exclusivity~~36-month~~ period unless the Commissioners affirmatively votes to extend the period of exclusivity by a period of 24~~12~~ months after April 1, 2031~~the first 36-month period~~. Any subsequent extension of the exclusivity period would require the Commission affirmatively to find that the goals and objectives of the exclusivity period as set forth in 935 CMR 500.050(10)(b)1. have not been met.

4. If data collected by the Commission demonstrates progress toward the goals and objectives of the exclusivity period as set forth in 935 CMR 500.050(10)(b)1. and that demand for Consumer delivery is likely to exceed the supply that could be provided by businesses that meet the exclusivity requirements during the exclusivity period, the Commission may vote during the exclusivity period to allow the following additional businesses to own Delivery Licenses:

a. Worker-owned cooperatives organized to operate consistently with the Seven Cooperative Principles established by the International Cooperative Alliance in 1995; or

b. Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Veteran Business Enterprises (VBE) with valid certification from the SDO.

c. No person or entity other than those disclosed in the application shall be a Person or Entity Having Direct or Indirect Control in a Delivery License.

d. No Person or Entity with Direct or Indirect Control shall possess, or be granted, more than three Marijuana Courier Licenses.

e. After January 8, 2021, any application or license classified as a Delivery-only license pursuant to previously adopted regulations shall be converted to a Delivery Courier application or license governed by 935 CMR 500.050(10).

(11) Marijuana Delivery Operator.

(a) A Delivery Operator may Wholesale and Warehouse Finished Marijuana and Finished Marijuana Products acquired from a Marijuana Establishment, except an Independent Testing Laboratory and deliver, sell, White Label, Repackage, or otherwise Transfer Marijuana or Marijuana Products to Consumers. A Delivery Operator may be an Owner of or have a controlling interest in a Cultivation, Product Manufacturing, Social Consumption Establishment, Research, Transportation or Retail license, subject to the limitations stated in 935 CMR 500.050(11)(e).

(b) A Delivery Operator Licensee shall operate a Warehouse for the purpose of storing Finished Marijuana Products.

(c) A Delivery Operator License does not authorize the Licensee to operate a retail storefront.

(d) Notwithstanding that a Delivery Operator is not considered to be a Marijuana Retailer as defined under 935 CMR 500.002 or authorized to engage in permitted activities under 935 CMR 500.050(8), but is authorized to sell Finished Marijuana Products directly to consumers, a Delivery Operator shall register as a vendor with the Department of Revenue and collect and remit marijuana retail taxes in accordance with 830 CMR 64N.1.1: *Marijuana Retail Taxes*.

(e) A Delivery Operator shall comply with the labeling and packaging requirements contained in 935 CMR 500.105(5) and 935 CMR 500.105(6) and Requirements for Handling of Marijuana pursuant to 935 CMR 500.105(3)(a) and (b).

(f) Delivery Operator Licenses shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants until April 1, 2031, notwithstanding the date on which the first Delivery Operator Licensee received a notice to commence operations~~for a period of 36 months from the date the first Delivery Operator Licensee receives a notice to commence operations~~; provided, however, that the Commission may vote to extend that period following a determination that the goal of the exclusivity period to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law has not been met; and the Commission may vote to expand eligibility for Delivery Licenses during the exclusivity period pursuant to 935 CMR 500.050(11)(f)4.

1. The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:

a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law;

b. Overall rates of participation in the regulated Marijuana industry by people of color;

c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants;

d. Number of registered agents who are Social Equity Program Participants;

e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments;

f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends; and

g. Any other information the Commission determines relevant.

2. The Commission shall, in real time, collect and publicly report on data measuring the criteria throughout the exclusivity period every 6 months. The Commission shall begin evaluating whether the goals of the exclusivity period have been met at least ~~eight~~12 months before April 1, 2031~~the end of the 36-month period~~ to provide adequate time to consider whether an extension of the exclusivity~~36-month~~ period is necessary prior to the conclusion of that time period.

3. The licenses shall generally be available to applicants after the exclusivity~~36-month~~ period unless the Commissioners affirmatively votes to extend the period of exclusivity by a period of 24~~12~~ months after April 1, 2031~~the first 36-month period~~. Any subsequent extension of the exclusivity period would require the Commission affirmatively to find that the goals and objectives of the exclusivity period as set forth in 935 CMR 500.050(11)(d)1. have not been met.

4. If data collected by the Commission demonstrates progress toward the goals and objectives of the exclusivity period as set forth in 935 CMR 500.050(11)(d)1. and that demand for Consumer delivery is likely to exceed the supply that could be provided by businesses that meet the exclusivity requirements during the exclusivity period, the Commission may vote during the exclusivity period to allow the following additional businesses to own Delivery Licenses:

a. Worker-owned cooperatives organized to operate consistently with the Seven Cooperative Principles established by the International Cooperative Alliance in 1995; or

b. Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Veteran Business Enterprises (VBE) with valid certification from the SDO.

(g) No person or entity other than those disclosed in the application shall be a Person or Entity Having Direct or Indirect Control in a Delivery Operator License.

(h) No Person or Entity Having Direct or Indirect Control in a Delivery Operator License shall obtain, or be granted, more than a total of three Delivery Operator Licenses.

(i) Two years from the date the first Delivery Operator Licensee receives a notice to commence operations, the Commission or its designee shall commence an evaluation of the development of the Cannabis delivery market in the Commonwealth of Massachusetts, which may include assessing the competitiveness and concentration of the market, the repackaging and white labeling requirements, and any other matter as determined by the Commission. The Commission shall complete its evaluation within four months, unless the Commission determines that there is a reasonable basis for an extension. The Commission may take any action including, but not limited to, issuing regulations or guidance, it deems necessary to address issues with market development.

(j) An eligible Delivery Operator may operate a Supplemental On-site Consumption License within its existing Marijuana Establishment Premises.

(12) Marijuana Research Facility Licensee.

(a) A Marijuana Research Facility Licensee may conduct research after receiving approval from the Commission. A license to operate a Marijuana Research Facility shall be separate from receipt of a Research Permit to conduct a specific research project at the Marijuana Research Facility.

(b) A Marijuana Research Facility Licensee may be an academic institution, nonprofit corporation or domestic corporation or entity authorized to do business in the Commonwealth, including a licensed Marijuana Establishment or MTC.

(c) Unless otherwise authorized by law, any Marijuana Research Facility Licensee that is not licensed pursuant to 935 CMR 500.050 or 935 CMR 501.050: *Medical Marijuana Treatment Centers (MTCs)* to engage in the cultivation, production or retail sale of Marijuana or Marijuana Products shall acquire all Marijuana or Marijuana Products used in research from a Marijuana Establishment or MTC licensed to engage in such activity except:

1. A Marijuana Research Facility Licensee may engage in cultivation or product

manufacturing of Marijuana or Marijuana Products if the cultivation or product manufacturing process is the subject of its research; or

2. As otherwise determined by the Commission.

(d) A Marijuana Research Facility may be colocated with another Marijuana Establishment or MTC license provided that the Marijuana Research Facility and the colocated licensed Marijuana Establishment or MTC are:

1. Commonly owned; and
2. Clearly physically separated.

(e) A Marijuana Research Facility Licensee may not Transfer Marijuana or Marijuana Products to another Marijuana Establishment, other than for testing, or sell to a Consumer, Registered Qualifying Patient or Caregiver Marijuana or Marijuana Products that has been acquired for a research project under its Marijuana Research Facility License.

500.100: Application for Licensing of Marijuana Establishments

500.101: Application Requirements

(1) New Applicants. An applicant in any category of Marijuana Establishment shall file, in a form and manner specified by the Commission, an application for licensure as a Marijuana Establishment. The application shall consist of three sections: Application of Intent; Background Check; and Management and Operations Profile, except as otherwise provided. The applicant may complete any section of the application in any order. Once all sections of the application have been completed, the application may be submitted. Application materials, including attachments, may be subject to release pursuant to the Public Records Law, M.G.L. c. 66, § 10 and M.G.L. c. 4, § 7, cl. 26.

(a) Application of Intent. An applicant for licensure as a Marijuana Establishment shall submit the following as part of the Application of Intent:

1. Documentation that the Marijuana Establishment is an entity registered to do business in Massachusetts and a list of all Persons or Entities Having Direct or Indirect Control. In addition, the applicant shall submit any contractual, management, or other written document that explicitly or implicitly conveys direct or indirect control over the Marijuana Establishment to the listed person or entity pursuant to 935 CMR 500.050(1)(b);
2. A disclosure of an interest of each individual named in the application in any Marijuana Establishment application for licensure or Licensee in Massachusetts;
3. Documentation disclosing whether any individual named in the application have past or present business interests in Other Jurisdictions;
4. Documentation detailing the amounts and sources of capital resources available to the applicant from any individual or entity that will be contributing capital resources to the applicant for purposes of establishing or operating the identified Marijuana Establishment for each license applied for. If any person or entity contributing initial capital, either in cash or in kind, would be classified as a Person or Entity Having Direct or Indirect Control, in exchange for the initial capital, they shall also be listed pursuant to 935 CMR 500.101(1)(a)1. Information submitted shall be subject to review and verification by the Commission as a component of the application process. Required documentation shall include:
   a. The proper name of any individual or registered business name of any entity;
   b. The street address, provided, however that the address may not be a post office box;
   c. The primary telephone number;
   d. Electronic mail;
   e. The amount and source of capital provided or promised;
   f. A bank record dated within 60 days of the application submission date verifying the existence of capital;
   g. Certification that funds used to invest in or finance the Marijuana Establishment were lawfully earned or obtained; and
   h. Any contractual or written agreement pertaining to a loan of initial capital, if applicable.
5. Documentation of a bond or an escrow account in an amount set by 935 CMR 500.105(16);
6. Identification of the proposed address for the license;
7. Documentation of a property interest in the proposed address. The proposed Marijuana Establishment shall be identified in the documentation as the entity that has the property interest. Interest may be demonstrated by one of the following:
   a. Clear legal title to the proposed site;
   b. An option to purchase the proposed site;
   c. A legally enforceable agreement to give such title; or

d. Documentation evidencing permission to use the Premises.

8. Documentation in the form of the most current, executed HCA or HCA Waiver entered into between a License Applicant and a Host Community that complies with 935 CMR 500.180;

9. Documentation that the applicant has conducted a community outreach meeting consistent with the Commission's Guidance for License Applicants on Community Outreach within the six months prior to the application. Documentation shall include:

a. Copy of a notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, that was published in a newspaper of general circulation in the city or town at least 14 calendar days prior to the meeting;

b. Copy of the meeting notice filed with the city or town clerk, the planning board, the contracting authority for the municipality and local cannabis licensing authority, if applicable;

c. Attestation that at least one meeting was held within the municipality where the establishment is proposed to be located;

d. Attestation that at least one meeting was held after normal business hours;

e. Attestation that notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such Owner is located in another city or town;

f. Information presented at the community outreach meeting, which shall include, but not be limited to:

i. The type(s) of Marijuana Establishment to be located at the proposed address;

ii. Information adequate to demonstrate that the location will be maintained securely;

iii. Steps to be taken by the Marijuana Establishment to prevent Diversion to minors;

iv. A plan by the Marijuana Establishment to positively impact the community;

v. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law; and

vi. An attestation that community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.

10. A description of plans to ensure that the Marijuana Establishment is or will be compliant with local codes, ordinances, and bylaws for the physical address of the Marijuana Establishment which shall include, but not be limited to, the identification of all local licensing requirements for the adult use of Marijuana;

11. A plan by the Marijuana Establishment to positively impact Areas of Disproportionate Impact, as defined by the Commission, for the purposes established in M.G.L. c. 94G, § 4(a½)(iv). The plan shall outline the goals, programs, and measurements the Marijuana Establishment will pursue once licensed. A Licensee may satisfy their positive impact plan requirement, in part, by donating to the Cannabis Social Equity Trust Fund at any time once licensed.

12. In addition to donating to the Cannabis Social Equity Trust Fund, a Licensee may satisfy the remainder of their positive impact plan by complying with one or more of the following:

a. The Licensee has conducted 50 hours of educational seminars targeted to residents of Areas of Disproportionate Impact in one or more of the following: Marijuana cultivation, Marijuana Product manufacturing, Marijuana retailing, or Marijuana business training;

b. The Licensee can demonstrate that a majority of employees have a conviction or continuance without a finding for an offense under M.G.L. c. 94C or an equivalent conviction in Other Jurisdictions; or

c. The Licensee can demonstrate that in a year, at least one percent of its gross revenue or a minimum of 20 hours of each staff member's paid time is contributed to supporting persons from communities disproportionately harmed by Marijuana prohibition or an Area of Disproportionate Impact as determined by the Commission.

13. The requisite nonrefundable application fee pursuant to 935 CMR 500.005; and

14. Any other information required by the Commission.

(b) Background Check. Prior to an application being considered complete, each applicant for licensure shall submit the following information:

1. The list of individuals and entities in 935 CMR 500.101(1)(a)1.;
2. Information for each individual identified in 935 CMR 500.101(1)(a)1. which shall include:
   a. The individual's full legal name and any aliases;
   b. The individual's address;
   c. The individual's date of birth;
   d. A photocopy of the individual's driver's license or other government-issued identification card;
   e. A CORI Acknowledgment Form, pursuant to 803 CMR 2.09: *Requirements for Requestors to Request CORI*, provided by the Commission, signed by the individual and notarized;
   f. Authorization to obtain a full set of fingerprints, in accordance with M.G.L. c. 94G, § 21, and Public Law 92-544, submitted in a form and manner as determined by the Commission; and
   g. Any other authorization or disclosure deemed necessary by the Commission, for the purposes of conducting a background check.
3. Relevant Background Check Information. All Persons and Entities Having Direct or Indirect Control, and those individuals and entities contributing 10% or more in the form of a loan, shall provide information detailing involvement in any of the following criminal, civil, or administrative matters:
   a. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, whether for a felony or misdemeanor including, but not limited to, action against any health care facility or facility for providing Marijuana for medical- or adult-use purposes, in which those individuals either owned shares of stock or served as board member, Executive, officer, director or member, and which resulted in conviction, or guilty plea, or plea of *nolo contendere*, or admission of sufficient facts;
   b. A description and the relevant dates of any civil action under the laws of the Commonwealth, or an Other Jurisdiction including, but not limited to, a complaint relating to any professional or occupational or fraudulent practices;
   c. A description and relevant dates of any past or pending legal or disciplinary actions in the Commonwealth or any other state against an entity whom the applicant served as a Person or Entity Having Direct or Indirect Control, related to the cultivation, Processing, distribution, or sale of Marijuana for medical- or adult-use purposes;
   d. A description and the relevant dates of any administrative action with regard to any professional license, registration, or certification, including any complaint, order, stipulated agreement or settlement, or disciplinary action, by the Commonwealth, or like action in an Other Jurisdiction including, but not limited to, any complaint or issuance of an order relating to the denial, suspension, or revocation of a license, registration, or certification;
   e. A description and relevant dates of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth, or a like action by an Other Jurisdiction with regard to any professional license, registration, or certification, held by any Person or Entity Having Direct or Indirect Control, if any;
   f. A description and relevant dates of actions against a license to prescribe or distribute controlled substances or legend drugs held by any Person or Entity Having Direct or Indirect Control that is part of the applicant's application, if any; and
   g. Any other information required by the Commission.

(c) Management and Operations Profile. Each applicant shall submit, with respect to each application, a response in a form and manner specified by the Commission, which includes:

1. Detailed information regarding its business registration with the Commonwealth, including the legal name, a copy of the articles of organization and bylaws as well as the identification of any doing-business-as names;
2. A certificate of good standing, issued within the previous 90 days from submission of an application, from the Corporations Division of the Secretary of the Commonwealth;
3. A certificate of good standing or certificate of tax compliance issued within the previous 90 days from submission of an application, from the DOR;
4. A certificate of good standing, issued within the previous 90 days from submission of an application, from the DUA, if applicable. If not applicable, a written statement to this effect is required;
5. A proposed timeline for achieving operation of the Marijuana Establishment and evidence that the Marijuana Establishment will be ready to operate within the proposed timeline after notification by the Commission that the applicant qualifies for licensure;
6. A description of the Marijuana Establishment's plan to obtain a liability insurance

policy or otherwise meet the requirements of 935 CMR 500.105(10).

7. A detailed summary of the business plan for the Marijuana Establishment;

8. A detailed summary of operating policies and procedures for the Marijuana Establishment which shall include, but not be limited to, provisions for:

a. Security;
b. Prevention of Diversion and Inversion;
c. Storage of Marijuana;
d. Transportation of Marijuana;
e. Inventory procedures;
f. Procedures for quality control and testing of product for potential contaminants;
g. Personnel policies;
h. Dispensing procedures;
i. Recordkeeping procedures;
j. Maintenance of financial records; and
k. Diversity plans to promote equity among people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, Veterans, persons with disabilities, and LGBTQ+ people, in the operation of the Marijuana Establishment. The plan shall outline the goals, programs, and measurements the Marijuana Establishment will pursue once licensed.

9. A detailed description of qualifications and intended training(s) for Marijuana Establishment Agents who will be employees;

10. The Management and Operation Profile submitted in accordance with 935 CMR 500.101(1)(c) shall demonstrate compliance with the operational requirements set forth in 935 CMR 500.105 through 500.145 as applicable;

11. Disclosure of the proposed hours of operation, and the names and contact information for individuals that will be the emergency contacts for the Marijuana Establishment; and

12. Any other information required by the Commission.

(2) License Pre-certification Application Process for Economic Empowerment Priority Applicants and Social Equity Program Participants.

(a) License Applicants controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants may file a Pre-certification Application. The Pre-certification Application for licensure shall be in a form and manner specified by the Commission. After receiving pre-certification by the Commission pursuant to 935 CMR 500.101(2), an applicant may submit a Provisional License Application. After a License Applicant receives a Provisional License, the License Applicant shall comply with the requirements of 935 CMR 500.103.

(b) Pre-certification Application. The Pre-certification Application shall consist of three sections: Application of Intent; Background Check; and Management and Operations Profile.

1. A License Applicant may complete any section of the application in any order. Once all sections of the application have been completed, the application may be submitted.

2. The Commission may determine a License Applicant to be pre-certified upon finding a License Applicant has submitted responsive documentation demonstrating a propensity to successfully operate under a Marijuana Establishment License.

3. Once deemed complete, the Commission reserves the right to approve or deny the Pre-certification Application.

4. On approval of the Pre-certification Application, a License Applicant shall be given a dated notice of such approval along with a copy of the Pre-certification Application to the extent permitted by law.

5. Application materials, including attachments, may be subject to release pursuant to the Public Records Law, M.G.L. c. 66, § 10 and c. 4, § 7, cl. 26.

(c) Application of Intent. An applicant for pre-certification under 935 CMR 500.101(2)(c) shall submit the following as part of the Application of Intent:

1. Documentation that the Marijuana Establishment is an entity registered to do business in Massachusetts and a list of all Persons or Entities Having Direct or Indirect Control;

2. A disclosure of an interest of each individual named in the application in any Marijuana Establishment for licensure in Massachusetts;

3. Documentation disclosing whether any individual named in the application have past or present business interests in Other Jurisdictions;

4. The requisite nonrefundable application fee pursuant to 935 CMR 500.005; and

5. Any other information required by the Commission.

(d) Background Check. Each License Applicant for pre-certification shall submit the following information:

1. The list of individuals and entities in 935 CMR 500.101(1)(a)1;

2. Relevant Background Check Information. All Persons and Entities Having Direct or Indirect Control listed in the Pre-certification Application shall provide information detailing involvement in any of the following criminal, civil, or administrative matters:

a. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or Other Jurisdictions, whether for a felony or misdemeanor including, but not limited to, action against any health care facility or facility for providing Marijuana for medical- or adult-use purposes, in which those individuals either owned shares of stock or served as board member, Executive, officer, director or member, and which resulted in conviction, or guilty plea, or plea of *nolo contendere*, or admission of sufficient facts;

b. A description and the relevant dates of any civil action under the laws of the Commonwealth, or Other Jurisdictions including, but not limited to, a complaint relating to any professional or occupational or fraudulent practices;

c. A description and relevant dates of any past or pending legal or disciplinary actions in the Commonwealth or any Other Jurisdiction against an entity whom the applicant served as a Person or Entity Having Direct or Indirect Control, related to the cultivation, Processing, distribution, or sale of Marijuana for medical- or adult-use purposes;

d. A description and the relevant dates of any administrative action including any complaint, order, stipulated agreement or settlement, or disciplinary action, by the Commonwealth, or like action in an Other Jurisdiction including, but not limited to:

i. The denial, suspension, or revocation, or other action with regard to of a professional or occupational license, registration, or certification or the surrender of a license;

ii. Administrative actions with regard to unfair labor practices, employment discrimination, or other prohibited labor practices; and

iii. Administrative actions with regard to financial fraud, securities regulation, or consumer protection.

e. A description and relevant dates of actions against a license to prescribe or distribute controlled substances or legend drugs held by any Person or Entity Having Direct or Indirect Control that is part of the applicant's application, if any; and

f. Any other information required by the Commission.

3. Individuals and entities seeking pre-certification may submit to a Commission initiated background check upon request in a form and manner determined by the Commission.

(e) Management and Operations Profile. Each applicant for pre-certification shall submit, with respect to each application, a response in a form and manner specified by the Commission, which includes:

1. A description of the Marijuana Establishment's plan to obtain a liability insurance policy or otherwise meet the requirements of 935 CMR 500.105(10);

2. A detailed summary of the business plan for the Marijuana Establishment;

3. A detailed summary of operating policies and procedures for the Marijuana Establishment which shall include, but not be limited to, provisions for:

a. Security, including specific plans for securing entrances and that all Finished Marijuana and Finished Marijuana Products are kept out of plain sight and not visible from a public place;

b. Prevention of Diversion and Inversion;

c. Where applicable to Delivery Licensees, procedures to ensure the safe delivery of Finished Marijuana Products to Consumers and as permitted, to Patients and Caregivers;

d. Storage of Marijuana including, but not limited to, disposal procedures for unsold and unconsumed Marijuana Products;

e. Transportation of Marijuana;

f. Inventory procedures, including procedures for reconciling undelivered Individual Orders at the close of the business day;

g. Procedures for quality control and testing of product for potential contaminants;

h. Personnel policies;

i. Dispensing procedures, including the process for how Individual Orders will be filled;

j. Procedures to ensure that Consumers are not overserved or that individual order delivery limits are adhered to;

k. procedures to educate Consumers about risk of impairment and penalties for operating under the influence;

l. Recordkeeping procedures;

m. Maintenance of financial records;

n. Sanitary practices in compliance with 105 CMR 590.000: *State Sanitary Code Chapter X - Minimum Sanitation Standards for Food Establishments*; and

o. A detailed description of qualifications and intended training(s) for Marijuana Establishment Agents who will be employees;

4. The Management and Operation Profile submitted in accordance with 935 CMR 500.101(1)(c) shall demonstrate compliance with the operational requirements set forth by incorporation in 935 CMR 500.105 through 500.145 as applicable;

5. Disclosure of the proposed hours of operation, and the names and contact information for individuals that will be the emergency contacts for the Marijuana Establishment; and

6. Any other information required by the Commission.

(f) Provisional License Application. The provisional license application shall consist of the three sections of the application, the Application of Intent, Background Check, and Management and Operations Profile.

1. An applicant may submit a provisional license application within 24 months of the date of the applicant's pre-certification approval pursuant to 935 CMR 500.101(2)(b)3.

2. If there has been a material change of circumstances after the submission of these sections as part of the Pre-certification Application, the applicant shall revise this information and attest in a form and manner determined by the Commission.

3. Once all information has been entered into each section of the application, the application may be submitted. Following Commission review, the License Applicant will be notified if the application has been deemed complete or if additional information may be necessary.

4. Once the Provisional License application has been submitted, it will be reviewed in the order it was received pursuant to 935 CMR 500.102(2).

5. The Pre-certification and Provisional License application combined will be reviewed in accordance with 935 CMR 500.102(1) and 935 CMR 500.102(2).

6. Application materials, including attachments, may be subject to release pursuant to the Public Records Law, M.G.L. c. 66, § 10 and c. 4, § 7, cl. 26.

(g) Application of Intent. An applicant for licensure under 935 CMR 500.101(2)(g) shall submit the following as part of the Application of Intent:

1. A list of all Persons or Entities Having Direct or Indirect Control currently associated with the proposed establishment. In addition, the applicant shall submit any contractual, management, or other written document that explicitly or implicitly conveys direct or indirect control over the Marijuana Establishment to the listed person or entity pursuant to 935 CMR 500.050(1)(b);

2. A disclosure of an interest of each individual named in the application in any Marijuana Establishment or MTC application in Massachusetts;

3. Documentation disclosing whether any individual named in the application have past or present business interests in Other Jurisdictions;

4. Documentation of a bond or an escrow account in an amount set by 935 CMR 500.105(16);

5. Identification of the proposed address for the license;

6. Documentation of a property interest in the proposed address. The proposed Marijuana Establishment shall be identified in the documentation as the entity that has the property interest. Interest may be demonstrated by one of the following:

a. Clear legal title to the proposed site;

b. An option to purchase the proposed site

c. A legally enforceable agreement to give such title; or

d. Documentation from the Owner evidencing permission to use the Premises.

7. Disclosure and documentation detailing the amounts and sources of capital resources available to the applicant from any individual or entity that will be contributing capital resources to the applicant for purposes of establishing or operating the identified Marijuana Establishment for each license applied for. If any person or entity contributing initial capital, either in cash or in kind, would be classified as a Person or Entity Having Direct or Indirect Control, in exchange for the initial capital, they shall also be listed pursuant to 935 CMR 500.101(1)(a)1. Information submitted shall be subject to review and verification by the Commission as a component of the application process. Required documentation shall include:

a. The proper name of any individual or registered business name of any entity;

b. The street address; provided, however that the address may not be a post office box;

c. The primary telephone number;

d. Electronic mail;

e. The amount and source of capital provided or promised;

f. A bank record dated within 60 days of the application submission date verifying

the existence of capital;

g. Certification that funds used to invest in or finance the Marijuana Establishment were lawfully earned or obtained; and

h. Any contractual or written agreement pertaining to a loan of initial capital, if applicable.

8. Documentation that the applicant has conducted a community outreach meeting consistent with the Commission's Guidance for License Applicants on Community Outreach within the six months prior to the application. Documentation shall include:

a. Copy of a notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, that was published in a newspaper of general circulation in the city or town at least 14 calendar days prior to the meeting;

b. Copy of the meeting notice filed with the city or town clerk;

9. Attestation that notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such Owner is located in another city or town;

a. Information presented at the community outreach meeting, which shall include, but not be limited to:

i. The type(s) of Marijuana Establishment to be located at the proposed address;

ii. Information adequate to demonstrate that the location will be maintained securely;

iii. Steps to be taken by the Marijuana Establishment to prevent Diversion to minors;

iv. A plan by the Marijuana Establishment to positively impact the community;

v. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law; and

vi. An attestation that community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.

b. Documentation in the form of the most current, executed HCA or HCA Waiver entered into between a License Applicant and a Host Community that complies with 935 CMR 500.180. In addition to this requirement, the Host Community shall state that they have accepted the Social Consumption Establishment applicant's plans to:

i. Mitigate noise;

ii. Mitigate odor; and

iii. Comply with applicable laws, ordinances, or bylaws.

c. A description of plans to ensure that the Marijuana Establishment is or will be compliant with local codes, ordinances, and bylaws for the physical address of the Marijuana Establishment, which shall include, but not be limited to, the identification of any local licensing requirements for social consumption of the adult use of marijuana;

d. A Licensee may satisfy their positive impact plan requirement, in part, by donating to the Cannabis Social Equity Trust Fund at any time once licensed.

e. In addition to donating to the Cannabis Social Equity Trust Fund, a Licensee may satisfy the remainder of their positive impact plan by complying with one or more of the following:

i. The Licensee has conducted 50 hours of educational seminars targeted to residents of Areas of Disproportionate Impact in one or more of the following: Marijuana cultivation, Marijuana Product manufacturing, Marijuana retailing, or Marijuana business training;

ii. The Licensee can demonstrate that a majority of employees have a conviction or continuance without a finding for an offense under M.G.L. c. 94C or an equivalent conviction in Other Jurisdictions; or

iii. The Licensee can demonstrate that in a year, at least one percent of its gross revenue or a minimum of 20 hours of each staff member's paid time is contributed to supporting persons from communities disproportionately harmed by Marijuana prohibition or an Area of Disproportionate Impact as determined by the Commission.

f. Any other information required by the Commission.

(h) Background Check. Each applicant for licensure shall submit complete background check application information in compliance with the provisions of 935 CMR 500.101(2)(d);

1. Each applicant for licensure shall submit the list of individuals and entities in

935 CMR 500.101(1)(b)2. and 500.101(2)(d)1.

2. The applicant shall resubmit the information required under 935 CMR 500.101(1)(b) if there has been a material change of circumstances including, but not limited to, a change in the list of individuals and entities identified above.

(i) Management and Operations Profile. Each applicant for licensure shall submit, with respect to each application, a response in a form and manner specified by the Commission, which includes:

1. Detailed information regarding its business registration with the Commonwealth, including the legal name, a copy of the articles of organization and bylaws as well as the identification of any doing-business-as names;

2. A certificate of good standing, issued within the previous 90 days from submission of an application, from the Corporations Division of the Secretary of the Commonwealth;

3. A certificate of good standing or certificate of tax compliance issued within the previous 90 days from submission of an application, from the DOR;

4. A certificate of good standing, issued within the previous 90 days from submission of an application, from the DUA, if applicable. If not applicable, a written statement to this effect is required;

5. A proposed timeline for achieving operation of the Marijuana Establishment and evidence that the Marijuana Establishment will be ready to operate within the proposed timeline after notification by the Commission that the applicant qualifies for licensure;

6. A diversity plan to promote equity among people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, Veterans, persons with disabilities, and LGBTQ+ people, in the operation of the Marijuana Establishment. The plan shall outline the goals, programs, and measurements the Marijuana Establishment will pursue once licensed.

(j) The Executive Director of the Commission may approve, provided the Executive Director gives the Commission timely notice of his decision:

1. Applications for Delivery Pre-Certification;

2. Applications and authorization to commence operations for Delivery Endorsements pursuant to 935 CMR 500.050(5) for licensed Marijuana Microbusinesses that have complied with Commission requirements pertaining to delivery operations.

(3) Additional Specific Requirements.

(a) Additional Requirements for Cultivators. In addition to the requirements for the Management and Operations Profile set forth in 935 CMR 500.101(1)(c), applicants for a license to operate Marijuana Establishment for cultivation shall also provide as part of the Management and Operation Profile packet an operational plan for the cultivation of Marijuana, including a detailed summary of the policies and procedures for cultivation, consistent with state and local law including, but not limited to, the Commission's Guidance on Integrated Pest Management.

(b) Additional Requirements for Craft Marijuana Cooperatives. In addition to the requirements for the Application of Intent and the Management and Operations Profile set forth in 935 CMR 500.101(1)(a) and (c), applicants for a license to operate a Marijuana Establishment as a Craft Marijuana Cooperative shall provide:

1. As part of the Application of Intent:

a. Evidence of residency within the Commonwealth for a period of 12 consecutive months prior to the date of application;

b. Evidence of the cooperative's organization as a limited liability company or limited liability partnership, or a cooperative corporation under the laws of the Commonwealth;

c. Evidence that one Member has filed a Schedule F (Form 1040), Profit or Loss from Farming, within the past five years; and

d. Evidence that the cooperative is organized to operate consistently with the Seven Cooperative Principles established by the International Cooperative Alliance in 1995.

2. As part of the Management and Operations Profile:

a. The plan required of Cultivators pursuant to 935 CMR 500.101(3)(a); and

b. The plan(s) and documentation required of Marijuana Product Manufacturers pursuant to 935 CMR 500.101(3)(c), as applicable.

(c) Additional Requirements for Marijuana Product Manufacturers. In addition to the requirements for the Management and Operations Profile set forth in 935 CMR 500.101(1)(c), applicants for a license to operate a Marijuana Establishment for Product Manufacturing shall also provide, as part of the Management and Operation Profile packet:

1. A description of the types, forms and shapes, colors, and flavors of Marijuana Products that the Marijuana Establishment intends to produce;

2. The methods of production;

3. A safety plan for the Manufacture and production of Marijuana Products including, but not limited to, sanitary practices in compliance with 105 CMR 590.000: *State Sanitary Code Chapter X - Minimum Sanitation Standards for Food Establishments*.

4. A sample of any unique identifying mark that will appear on any product produced by the applicant as a branding device; and

5. A detailed description of the Marijuana Establishment's proposed plan for obtaining Marijuana from a licensed Marijuana Establishment(s).

(d) Additional Requirements for Microbusinesses. In addition to the requirements for the Application of Intent and the Management and Operations Profile set forth in 935 CMR 500.101(1)(a) and (c), applicants for a license to operate a Marijuana Establishment as a Microbusiness shall also provide:

1. As part of the Application of Intent, evidence of residency within the Commonwealth for a period of 12 consecutive months prior to the date of application;

2. As part of the Management and Operations Profile, the same plans required of Marijuana Cultivators pursuant to 935 CMR 500.101(3)(a), Marijuana Product Manufacturers pursuant to 935 CMR 500.101(3)(c), and in the case of a Delivery Endorsement, Retailers pursuant to 935 CMR 500.101(3)(e) to the extent that these requirements implicate retail sales involving delivery.

(e) Additional Requirements for Retailers. In addition to the requirements for the Management and Operations Profile set forth in 935 CMR 500.101(1)(c), applicants for a license to operate a Marijuana Establishment for retail shall also provide, as part of the Management and Operation Profile packet, a detailed description of the Marijuana Establishment's proposed plan for obtaining Marijuana Products from a licensed Marijuana Establishment(s).

(f) Additional Requirements for Independent Testing Laboratories. In addition to the requirements for the Management and Operations Profile set forth in 935 CMR 500.101(1)(c), applicants for a license to operate an Independent Testing Laboratory may provide, as part of the Management and Operations Profile packet, documentation demonstrating accreditation that complies with 935 CMR 500.050(7)(a). If unable to demonstrate accreditation prior to provisional licensure, the applicant shall demonstrate accreditation prior to final licensure.

(g) Additional Requirements for Marijuana Courier Applicants. In addition to the requirements set forth in 935 CMR 500.101(2) applicants to operate under a Marijuana Courier license shall also provide the following:

1. As part of the Pre-certification application, a delivery plan that demonstrates compliance with 935 CMR 500.145.

2. As part of the Provisional License application, information and documentation regarding any agreement, and the agreement if applicable, with a Marijuana Retailer or MTC and/or Third-party Technology Platform pursuant to 935 CMR 500.145(1)(g).

(h) Additional Requirements for Delivery Operator Applicants. In addition to the requirements set forth in 935 CMR 500.101(2), applicants to operate under a Delivery Operator License shall also provide the following:

1. As part of the Pre-certification application, a delivery plan that demonstrates compliance with 935 CMR 500.145 and 500.146.

2. As part of the Pre-certification application, a plan to obtain Marijuana and Marijuana Products.

3. As part of the Provisional License application, information and documentation regarding any agreements with Third-party Technology Platforms pursuant to 935 CMR 500.145(1)(g).

4. As part of the Provisional License application, a detailed plan for White Labeling, if applicable, which shall include:

a. An image of the logo and name to be used as part of the label;

b. An indication of whether the applicant intends the label to be Affixed by the Applicant or by Marijuana Establishments with which the Applicant intends to enter into Wholesale Agreements; and

c. Identification of the Marijuana Establishments from which the Applicant anticipates entering into Wholesale Agreements, if known. If unknown at the time of Provisional License application, the Applicant shall be required to identify the Marijuana Establishments prior to Final Licensure.

5. Applicants for Delivery Operator Licenses shall comply with the requirements of 935 CMR 500.103(1)(h).

(i) Additional Requirements for Social Consumption Establishment Applicants.

1. Applicants for a Social Consumption Establishment License shall indicate in the Management and Operations Profile which Social Consumption Establishment License class it has selected. The applicant for a Social Consumption Establishment License may select either a Supplemental On-site Consumption License, a Hospitality On-site Consumption License, or a Marijuana Event Organizer License.

2. Applicants for a Social Consumption Establishment License, except for Marijuana Event Organizers, shall indicate in the Management and Operations Profile whether the Social Consumption Establishment will allow Indoor Non-Smoking Consumption Areas, Indoor Smoking Consumption Areas, Outdoor Non-Smoking Consumption Areas or Outdoor Smoking Consumption Areas. Applicants for a Marijuana Event Organizer License shall submit this information in an Event Plan no later than 90 days before the proposed Temporary Consumption Event. Marijuana Event Organizers shall select in the Management and Operations Profile whether it will Warehouse Marijuana and Marijuana Products or will partner with other Marijuana Establishments to conduct sales for the Marijuana Event Organizer at a Temporary Consumption Event.

3. Applicants for a Social Consumption Establishment License shall submit an attestation to the Commission that it is in compliance with all local laws.

4. Applicants for a Marijuana Event Organizer License shall create procedures for managing the sale of Marijuana and Marijuana Products and the storage of cash at a Temporary Consumption Event. These procedures shall include the use of locked compartments to secure cash and Marijuana and Marijuana Products during the Temporary Consumption Event and plans to transport Marijuana and Marijuana Products to the Temporary Consumption Event and return unsold Marijuana and Marijuana Products to its point of origin.

5. Marijuana Establishments applying for a Supplemental On-site Consumption License with the same Persons or Entities with Direct or Indirect Control shall not be required to submit financial information and background documentation of owners in its application.

6. Notwithstanding 935 CMR 500.005(1)(e); 935 CMR 500.103(1); 935 CMR 500.103(4)(d); and 935 CMR 500.120(11)(f), Marijuana Establishments applying for Supplemental On-site Consumption who are not altering any structural element of the Marijuana Establishment and do not allow Indoor Smoking Consumption Areas or Outdoor Smoking Consumption Areas shall not require an architectural review or structural change.

7. In addition to the requirements set forth in 935 CMR 500.101(1) and 935 CMR 500.101(2), applicants for a license to operate a Social Consumption Establishment shall also provide plans of all policies and procedures set forth in 935 CMR 500.141(2) as a part of their Pre-certification application.

8. Applicants for a Social Consumption Establishment license shall submit a copy of the express written permission of the Host Community or municipality for the sale of other items as authorized in 935 CMR 500.141(3)(d)6., if applicable.

(4) MTC Priority Applicants. An MTC Priority Applicant shall be granted priority review of its application for a Marijuana Establishment license that is colocated with and for the same type of licensed activity (Marijuana Cultivator, Product Manufacturer or Retailer) as the MTC (formerly, RMD) license which was the basis for its priority review status certified by the Commission.

(a) The MTC license, for which priority review status was certified by the Commission, shall be active at the time the Marijuana Establishment application is submitted in order to receive priority review for that application.

(b) An MTC Priority Applicant shall be eligible for priority review of only its application for a Marijuana Establishment license that is:

1. Colocated with the MTC whose Certificate of Registration was the basis for its priority review status previously certified by the Commission in 2018; and

2. For the same type of licensed activity (Marijuana Cultivator, Product Manufacturer or Retailer) for which the MTC received a provisional Certificate of Registration or final Certificate of Registration that formed the basis of its priority review status certified by the Commission in 2018.

(5) Expedited Applicants. Following the review of applications submitted by priority applicants, applications submitted by Expedited Applicants shall be reviewed.

(a) The following applicants are eligible to be considered Expedited Applicants:

1. Social Equity Participants;
2. Marijuana Microbusiness applicants;
3. Marijuana Craft Marijuana Cooperative applicants;
4. Independent Testing Laboratory applicants;
5. Outdoor Marijuana Cultivator applicants; or
6. Minority, women, and veteran-owned businesses.

(b) Eligibility Criteria

1. Applicants for Marijuana Microbusinesses, Craft Marijuana Cooperatives, Independent Testing Laboratories, and Outdoor Marijuana Cultivators are only eligible for expedited review for those specific applications only and no other type of license

application.

2. A Social Equity Participant shall possess 10% or more of equity in a proposed ME for the application to receive expedited review.

3. A minority, woman, and/or veteran-owned business shall:

a. Disclose this designation in their license application and either be certified as that specific type of business with the SDO or submit documentation in a time and manner determined by the Commission to demonstrate that they have signed up for the SDO's required business class.

b. Receive certification as minority, women, and/or veteran-owned business by the SDO prior to obtaining a final license.

(6) CMO License Requirements. Marijuana Establishment applicants seeking to operate as an MTC shall also comply with the application requirements in 935 CMR 501.000: *Medical Use of Marijuana*.

(7) Pre-verification and Verification of Social Equity Businesses.

(a) Pre-verification of Eligibility as a Social Equity Business is applicable to individuals and entities who, as a business entity, have not been licensed as a Marijuana Establishment.

1. An individual or entity may file, in a form and manner specified by the Commission, an application for Pre-verification of Eligibility as a Social Equity Business. Once the Commission has confirmed that the application is complete, Commission staff will review the application to determine whether the individual or entity is eligible as a Social Equity Business. After making this determination, the Commission will notify the individual or entity whether it has been determined to be a pre-verified Social Equity Business.

2. The Commission shall act on an application for Pre-verification of Eligibility as a Social Equity Business within 30 days of receipt.

3. Pre-verified Social Equity Businesses certified by the Commission may request that the Commission provide confirmation of pre-verified status to a Host Community.

(b) Verification of Eligibility as a Social Equity Business is applicable to individuals and entities who, as a business entity, are licensed as a Marijuana Establishment.

1. A Marijuana Establishment may file, in a form and manner specified by the Commission, an application for Verification of Eligibility as a Social Equity Business. Once the Commission has confirmed that the application is complete, Commission staff will review the application to determine whether the Marijuana Establishment is a Social Equity Business or is eligible as a Social Equity Business. After making this determination, the Commission will notify the Marijuana Establishment whether it has been determined to be a verified Social Equity Business.

2. The Commission shall act on an application for Verification of Eligibility as a Social Equity Business within 30 days of receipt.

(c) If there has been a change in qualifying criteria after the submission of an application, or after receiving pre-verification, the individual or entity pre-verified or verified as a Social Equity Business shall revise this information and attest to the change in a form and manner determined by the Commission. The individual or entity shall also notify the Host Community of a change in qualifying criteria to its application or its pre-verified status as a Social Equity Business, as applicable.

(d) List to be provided to the Department of Revenue. The Commission shall provide the Department of Revenue with a list of Social Equity Businesses 30 days within pre-verification or Verification of Eligibility as a Social Equity Business by the Commission.

500.102: Action on Applications

(1) Action on Each Application. The Commission shall grant licenses with the goal of ensuring that the needs of the Commonwealth are met regarding access, quality, and community safety.

(a) License applications shall be evaluated based on the applicant's:

1. Demonstrated compliance with the laws and regulations of the Commonwealth;

2. Suitability for licensure based on the provisions of 935 CMR 500.101(1), 500.800 and 500.801; and

3. Evaluation of the thoroughness of the applicant's responses to the required criteria. The Commission shall consider each license application submitted by an applicant on a rolling basis.

(b) The Commission shall notify each applicant in writing that:

1. The application has been deemed complete. Once deemed complete, the Commission reserves the right to approve or deny the license application;

2. The application has been deemed incomplete, and include the grounds for which it has been deemed incomplete; or

3. The Commission requires further information within a specified period of time before the packet is determined to be complete.

(c) Failure of the applicant to adequately address all required items in its application in the time required under 935 CMR 500.102 will result in evaluation of the application as submitted. Nothing in 935 CMR 500.101 is intended to confer a property or other right or interest entitling an applicant to a meeting before an application may be denied.

(d) On determination that the application is complete, a copy of the completed application, to the extent permitted by law, will be forwarded to the municipality in which the Marijuana Establishment will be located.

1. For all License Applicants not subject to 935 CMR 500.102(1)(d)2., the Commission shall request that the municipality respond within 60 days of the date of the correspondence that the applicant's proposed Marijuana Establishment complies with municipal bylaws or ordinances.

2. On determination that the application submitted by a Social Equity Business or a business controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants is complete, a copy of the completed application, to the extent permitted by law, will be forwarded to the Host Community. The Host Community shall respond within 30 days of the date of the correspondence that the applicant's proposed Marijuana Establishment complies or does not comply with municipal bylaws or ordinances. If a Host Community does not respond to the Commission's correspondence within 30 days, the Commission will consider the requirement to be satisfied without any further action by the Host Community or applicant.

(e) The applicant shall keep current all information required by 935 CMR 500.000, or otherwise required by the Commission. The applicant shall report any changes in or additions to the content of the information contained in the application to the Commission within five business days after such change or addition. If a material change occurs to an application deemed complete, the Commission may deem the application incomplete pending further review. If an application is initially deemed complete, and later deemed incomplete, a notice will be provided to the applicant. An incomplete application must be fully evaluated pursuant to 935 CMR 500.102(1)(a) prior to being deemed complete again and submitted to the Commission pursuant to M.G.L. c. 94G, § 5(a).

(2) Action on Completed Applications.

(a) Priority application review will be granted to existing MTC Priority Applicants and Economic Empowerment Priority Applicants.

(b) The Commission shall review applications from Priority Applicants on an alternating basis, beginning with the first-in-time-application received from either an MTC Priority Applicant or Economic Empowerment Priority Applicant as recorded by the Commission's electronic license application tracking system. Where no completed application is available for review by the Commission from either of the priority groups defined in 935 CMR 500.102(2)(a), the Commission shall review the next complete application from either group.

(c) The Commission shall grant or deny a provisional license not later than 90 days following notification to the applicant that all required packets are considered complete. Applicants shall be notified in writing that:

1. The applicant shall receive a provisional license which may be subject to further conditions as determined by the Commission; or

2. The applicant has been denied a license. Denial shall include a statement of the reasons for the denial.

(d) Failure of the applicant to complete the application process within the time specified by the Commission in the application instructions shall be grounds for denial of a license.

500.103: Licensure and Renewal

(1) Provisional License. On selection by the Commission, an applicant shall submit the required license fee and subsequently be issued a provisional license to develop a Marijuana Establishment, in the name of the entity. Such provisional license shall be subject to reasonable conditions specified by the Commission, if any.

(a) The Commission shall review architectural plans for the building or renovation of a Marijuana Establishment. Construction or renovation related to such plans may not begin until the Commission has granted approval. Submission of such plans shall occur in a manner and form established by the Commission including, but not limited to, a detailed floor plan of the Premises of the proposed Marijuana Establishment that identifies the square footage available and describes the functional areas of the Marijuana Establishment, including areas for any preparation of Marijuana Products, and, if applicable, such information for the single allowable off-Premises location in Massachusetts where

Marijuana will be cultivated or Marijuana Products will be prepared; and a description of plans to ensure that the Marijuana Establishment will be compliant with requirements of the Americans with Disabilities Act (ADA) Accessibility Guidelines.

(b) To demonstrate compliance with 935 CMR 500.120(11), a Marijuana Cultivator applicant shall also submit an energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation. For a Microbusiness or Craft Marijuana Cooperative with a cultivation location sized as Tier 1 or Tier 2, compliance with any of the requirements of 935 CMR 500.120(11) may be demonstrated through an energy compliance letter prepared by one or more of the following energy professionals:

1. A Certified Energy Auditor certified by the Association of Energy Engineers;
2. A Certified Energy Manager certified by the Association of Energy Engineers;
3. A Massachusetts Licensed Professional Engineer; or
4. A Massachusetts Licensed Registered Architect.

(c) A Marijuana Establishment shall construct its facilities in accordance with 935 CMR 500.000, conditions set forth by the Commission in its provisional license and architectural review, and any applicable state and local laws, regulations, permits or licenses.

(d) The Commission may conduct inspections of the facilities, as well as review all written materials required in accordance with 935 CMR 500.000.

(e) The applicable license fee shall be paid within 90 days from the date the applicant was approved for a provisional license by the Commission. Failure to pay the applicable license fee within the required time frame shall result in the license approval expiring. If this occurs, a new license application will need to be completed pursuant to 935 CMR 500. 101 and will require Commission approval.

(f) To the extent updates are required to the information provided for initial licensure, the Marijuana Cultivator shall submit an updated energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation, together with a renewal application submitted under 935 CMR 500.103(4).

(g) Prior to the issuance of a final license, an Independent Testing Laboratory shall demonstrate compliance with 935 CMR 500.050(7)(a) and provide to the Commission documentation relating to its accreditation.

(h) To the extent that an Applicant for a Delivery Operator License decides, following the submission of the Application for Provisional Licensure, but prior to receiving Final Licensure, that the Applicant will engage in White Labeling, the Applicant shall submit the information required by 935 CMR 500.101(3)(h)4. to the Commission. The Executive Director shall determine whether the submission satisfies the requirements of 935 CMR 500.101(3)(h)4.

(i) To demonstrate compliance with 935 CMR 500.141(10), a Social Consumption Establishment applicant that intends to include an Indoor Smoking Consumption Area shall also submit a ventilation and filtration compliance letter, bearing the stamp and signature of a Massachusetts Licensed Mechanical Engineer in accordance with M.G.L. c. 112, § 81M, together with supporting documentation, including but not limited to plans, computations, and specifications demonstrating system design and performance.

(2) Final License. On completion of all inspections required by the Commission, a Marijuana Establishment is eligible for a final license. All information described in 935 CMR 500.000 that is not available at the time of submission shall be provided to and approved by the Commission before Marijuana Establishment may receive a final license. Such final licenses shall be subject to reasonable conditions specified by the Commission, if any.

(a) No person or entity shall operate a Marijuana Establishment without a final license issued by the Commission.

(b) A provisional or final license may not be assigned or transferred without prior Commission approval.

(c) A provisional or final license shall be immediately void if the Marijuana Establishment Ceases to Operate or if, without the permission of the Commission, it relocates.

(d) Acceptance of a provisional or final license constitutes an agreement by the Marijuana Establishment that it will adhere to the practices, policies, and procedures that are described in its application materials, as well as all relevant laws, regulations, and any conditions imposed by the Commission as part of licensure.

(e) The Marijuana Establishment shall post the final license in a conspicuous location on the Premises at each Commission-approved location.

(f) The Marijuana Establishment shall conduct all activities authorized by 935 CMR 500.000 at the address(es) identified on the final license issued by the Commission.

(g) Unless authorized by the Commission, a Marijuana Establishment may not sell any service or good other than Marijuana and Marijuana Products, including MIPs and Marijuana Seeds, Branded Goods, and Marijuana Accessories; provided however, that a

Social Consumption Establishment may sell other items in accordance with 935 CMR 500.141(3)(d)6.

(3) The Marijuana Establishment shall be operational within the time indicated in 935 CMR 500.101(1)(c)5. or as otherwise amended through the application process and approved by the Commission through the issuance of a final license.

(4) Expiration and Renewal of Licensure. The Marijuana Establishment's license, as applicable, shall expire one year after the date of issuance of the provisional license and annually thereafter, and may be renewed as follows, unless an action has been taken based on the grounds set forth in 935 CMR 500.450.

(a) No later than 90 calendar days prior to the expiration date, a Marijuana Establishment shall submit a completed renewal application to the Commission in a form and manner determined by the Commission, as well as the required license fee.

(b) The Marijuana Establishment shall submit as a component of the renewal application a report or other information demonstrating the establishment's efforts to comply with the plans required under 935 CMR 500.101(1), including 935 CMR 500.101(1)(a)11. and 935 CMR 500.100(1)(c)8.k., as applicable. The report shall, at a minimum, have detailed, demonstrative, and quantifiable proof of the establishment's efforts, progress, and success of said plans.

(c) A Marijuana Cultivator engaged in indoor cultivation shall include a report of the Marijuana Cultivator's energy and water usage over the 12-month period preceding the date of the application.

(d) To the extent updates are required to the information provided for initial licensure, the Marijuana Cultivator shall submit an updated energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation, together with a renewal application submitted under 935 CMR 500.103(4).

(e) The Marijuana Establishment shall submit as a component of the renewal application certification of good standing from the Secretary of the Commonwealth, the DOR, and the DUA. Certificates of good standing will be valid if issued within 90 days of the submittal of the renewal application.

(f) The Marijuana Establishments shall update as needed, and ensure the accuracy of, all information that it submitted on its initial application for a license.

(g) The Marijuana Establishment shall comply with the requirements of 935 CMR 500.104(1) in accordance with that section separately from the renewal application.

(h) Commission shall issue a renewal license within 30 days of receipt of a renewal application and renewal license fee to a Licensee in accordance with M.G.L. c. 94G, § 6, if the Licensee:

1. Is in good standing with the Secretary of Commonwealth, DOR, and DUA;
2. Provided documentation demonstrating substantial effort or progress towards achieving its goals submitted as part of its plans required under 935 CMR 500.101(1), including 935 CMR 500.101(1)(a)11. and 500.101(1)(c)8.k., as applicable; and
3. No new information submitted as part of the renewal application, or otherwise obtained, presents suitability issues for any individual or entity listed on the application or license.

(i) All Economic Empowerment Priority Applicants shall submit, as part of its renewal application, an attestation in a form and manner determined by the Commission, executed by the individuals who, through ownership, qualify an applicant or licensee as an Economic Empowerment Priority Applicant certifying that:

1. Is in good standing with the Secretary of Commonwealth, DOR, and DUA;
2. Provided documentation demonstrating substantial effort or progress towards achieving its goals submitted as part of its plans required under 935 CMR 500.101(1), including 935 CMR 500.101(1)(a)11. and 500.101(1)(c)8.k., as applicable; and
3. No new information submitted as part of the renewal application, or otherwise obtained, presents suitability issues for any individual or entity listed on the application or license.

(j) CMO Marijuana Retailers shall submit the following information pertaining to patient supply of Marijuana:

1. The licensee's policy and the procedures (*e.g.*, data points, formulas) relied on to determine what constitutes a sufficient quantity and variety of Marijuana Products consistent with 935 CMR 500.140(15); and
2. The licensee's policy and procedures for determining what qualifies as a reasonable substitution for a medical Marijuana Product under 935 CMR 500.140(15) and its policy for communicating reliance on the substitution to patients.

(k) To the extend updates are required to the information provided for initial licensure, a Social Consumption Establishment with an Indoor Smoking Consumption Area shall

submit an updated ventilation and filtration compliance letter, bearing the stamp and signature of a Massachusetts Licensed Mechanical Engineer in accordance with M.G.L. c. 112, § 81M, together with supporting documentation, including but not limited to plans, computations, and specifications, and a renewal application submitted under 935 CMR 500.103(4).

(5) The Commission shall maintain a publicly available and searchable source of information about all operating licensees, including Delivery Licensees, on its website.

500.104: Notification and Approval of Changes

(1) Prior to making the following changes, the Marijuana Establishment shall submit a request for such change to the Commission and pay the appropriate fee. No such change shall be permitted until approved by the Commission or in certain cases, the Commission has delegated authority to approve changes to the Executive Director. Failure to obtain approval of such changes may result in a license being suspended, revoked, or deemed void.

(a) Location Change. Prior to changing its location, a Marijuana Establishment shall submit a request for such change to the Commission.

(b) Ownership or Control Change.

1. Ownership Change. Prior to any change in ownership, where an Equity Holder acquires or increases its ownership to 10% or more of the equity or contributes 10% or more of the initial capital to operate the Marijuana Establishment, including capital that is in the form of land or buildings, the Marijuana Establishment shall submit a request for such change to the Commission.

2. Control Change. Prior to any change in control, where a new Person or Entity Having Direct or Indirect Control should be added to the license, the Marijuana Establishment shall submit a request for such change to the Commission prior to effectuating such a change. An individual, corporation, or entity shall be determined to be in a position to control the decision-making of a Marijuana Establishment if the individual, corporation, or entity falls within the definition of Person or Entity Having Direct or Indirect Control.

3. Priority Applicants Change in Ownership or Control.

a. Economic Empowerment Priority Applicants shall notify the Commission of any change in ownership or control, regardless of whether such change would require the applicant to seek approval pursuant to 935 CMR 500.104(1)(b)1. and 2.

b. When an Economic Empowerment Priority Applicant notifies the Commission of any change in ownership or control, the Commission shall review anew the applicant's eligibility for economic empowerment certification status.

c. When an Economic Empowerment Priority Applicant implicates the approval process established in 935 CMR 500.104(1)(b)1. and 2., the applicant shall seek approval by the Commission of a change in ownership or control, and shall undergo the approval process provided therein prior to making a change in ownership or control.

i. In order to maintain its status as an Economic Empowerment Priority Applicant, the Economic Empowerment Priority Applicant in its submission shall demonstrate that it continues to qualify as an Economic Empowerment Priority Applicant, as defined in 935 CMR 500.002.

ii. If the qualifications are no longer met subsequent to the approved change, the applicant will no longer be certified as an Economic Empowerment Priority Applicant and will no longer receive any benefits stemming from that designation.

iii. The applicant may still seek approval of a change of ownership or control.

(c) Structural Change. Prior to any modification, remodeling, expansion, reduction or other physical, non-cosmetic alteration of the Marijuana Establishment, the establishment shall submit a request for such change to the Commission.

(d) Name Change. Prior to changing its name, the Marijuana Establishment shall submit a request for such change to the Commission. Name change requests, and prior approval, shall apply to an establishment proposing a new or amending a current doing-business-as name.

(e) Court Supervised Proceedings. Notification and approval requirements with respect to Court Appointees and Court Supervised Proceedings are detailed in 935 CMR 500.104(3).

(2) The Executive Director of the Commission may approve, provided the Executive Director gives the Commission timely notice of his decision:

(a) A Location Change;

(b) A Name Change;

(c) Any new equity owner, provided that the equity acquired is below 10%;

(d) Any new Executive or Director, provided that the equity acquired is below 10%;
(e) A reorganization, provided that the ownership and their equity does not change; or
(f) Court Appointees, as detailed in 935 CMR 500.104(3).

(3) Court Supervised Proceedings.
(a) Commission Petition.
1. The Commission or its delegee may seek to file a petition where there is an imminent threat or danger to the public health, safety or welfare, which may include one or more of the following:
a. Notice of violations of state or federal criminal statutes including, but not limited to, M.G.L. c. 94C, §§ 32 and 34;
b. Noncompliance with or violations of its statute or regulations such that the imposition of fines or other disciplinary actions would not be sufficient to protect the public;
c. Conditions that pose a substantial risk of Diversion or Inversion of Marijuana or Marijuana Products to or from the illicit market or to individuals younger than 21 years of age, who do not possess a valid pediatric Patient Registration Card issued by the Commission;
d. Conditions that pose a substantial risk to Patients including, but not limited to, patient supply;
e. Violations of testing or inventory and transfer requirements such that the Commission cannot readily monitor Marijuana and Marijuana Products cultivated, manufactured, transported, delivered, transfer, or sold by a Licensee; or
f. Other circumstance that the Commission or its delegee determines poses an imminent threat or danger to public health, safety, or welfare.
2. The Commission or its delegee may seek to file a petition, intervene, or otherwise participate in a Court Supervised Proceeding or any other proceeding to secure its rights under M.G.L. c. 94G, § 19.
3. Nothing in 935 CMR 500.104(3) shall limit the Commission's authority under M.G.L. c. 94G, § 4(a)(v).
(b) Delegation. In accordance with M.G.L. c. 10, § 76(j), the Commission may delegate to the Executive Director the authority to appear on its behalf in Court Supervised Proceedings or any other proceeding, and to administer and enforce its regulations relative to such proceedings or Court Appointees which includes, but it not limited to, the following:
1. To determine the form and manner of the application process for a Preapproved Court Appointee;
2. To preapprove, recommend, disqualify, or discipline Court Appointees;
3. To approve the distribution of escrow funds under 935 CMR 500.105(10) or bond funds under 935 500.105(16) including, but not limited to, to cover the cost of a Court Appointee or the operations of a Marijuana Establishment under supervision subject to the receipt of a court order prior to the expenditure of such funds;
4. To approve the use of additional funds subject to the receipt of a court order prior to the expenditure of such funds;
5. To preapprove or approve certain transactions; provided, however, any change in the ownership or control under 935 CMR 500.104(1) shall be considered by the Commission; or
6. To impose fines or other disciplinary action under 935 CMR 500.500, however, any suspension or revocation of a License under 935 CMR 500.450 shall be considered by the Commission.
(c) Notice to the Commission.
1. A Licensee or Person or Entity Having Direct or Indirect Control over a Licensee shall provide notice to the Commission of a petition or Court Supervised Proceeding or any other proceeding implicating these regulations:
a. Five business days prior to the Licensee or Person or Entity Having Direct or Indirect Control filing a petition; or
b. On receipt of notice that a petition was filed or an imminent threat of litigation was received.
2. Notice to the Commission shall include a copy of the relevant communications, petition, pleadings and supporting documents, and shall be sent electronically to Commission@CCCMass.Com and by mail to the Cannabis Control Commission at:
Cannabis Control Commission,
ATTN: General Counsel - Court Appointees
Union Station
2 Washington Square
Worcester, MA 01604
3. As soon as practicable, the Licensee or Person or Entity Having Direct or Indirect

Control over a Licensee shall provide electronic and written notice to the Commission if the circumstances giving rise to the petition pose or may pose a threat to the public health, safety or welfare.

4. As soon as practicable, the Licensee or Person or Entity Having Direct or Indirect Control over a Licensee shall provide notice to the court that it is licensed by the Commission and of the regulations relative to Court Supervised Proceedings and Court Appointees including, but not limited to, the qualifications for a Court Appointee established in 935 CMR 500.104(3)(d)1.; and the list of Preapproved Court Appointees.

5. A Licensee or Person or Entity Having Direct or Indirect Control over a Licensee that fails to comply with the requirements of 935 CMR 500.104(3) may be subject to disciplinary action including, but not limited to, revocation or suspension of any license or registration under 935 CMR 500.450.

(d) Commission Qualifications for Court Appointees.

1. Qualifications. The Commission deems the following qualifications essential in a Court Appointee, subject to the court's discretion. At a minimum, an individual or entity seeking to be a Preapproved Court Appointee shall demonstrate the following qualifications consistent with the regulatory requirements for licensees. An applicant may seek a waiver of these qualifications under 935 CMR 500.850. The failure to maintain these qualifications may be a basis for disqualification.

a. Suitability. An applicant must demonstrate suitability under 935 CMR 500.801 and *Table A*.

b. Ownership and Control Limits. A person or entity named as a Court Appointee shall, prior to and as a result of being a Court Appointee, be in compliance with the control limitations set forth in 935 CMR 500.050(1)(b) or any other limitations on licensure set forth in 935 CMR 500.000.

2. Application Process for Preapproved Court Appointees. The Commission or its delegee may preapprove, recommend, disqualify, or discipline Preapproved Court Appointees. A person or entity seeking to be a Preapproved Court Appointee shall pay a fee established in 935 CMR 500.005(5)(a) and submit the following information and make the necessary disclosures:

a. Qualifications. An applicant shall demonstrate the qualifications set forth in 935 CMR 500.104(3)(d)1.

b. Credentials. An applicant shall demonstrate sufficient training, knowledge and experience, to ensure a Licensee under supervision shall comply with Commissions statutory and regulatory requirements.

c. Affiliated Individuals or Entities. An applicant shall identify any person or entity that may exert control or influence over the Preapproved Court Appointee, whether or not such individuals or entities can exercise the authority of a Court Appointee.

d. Engaged Individuals or Entities. An applicant shall identify any person or entity that the applicant intends to engage in conducting the work of a Court Appointee, whether or not such individuals or entities are exercising the authority of a Court Appointee.

e. Financial Information. An applicant shall make such financial disclosures necessary to determine its ability to serve as a Court Appointee.

f. Licenses. The applicant shall submit any professional or occupational licenses and represent that these licenses are in good standing.

g. Good Standing. If the applicant is an entity, it shall submit a valid Certificate of Good Standing issued by each the Secretary of the Commonwealth and the Department of Revenue.

h. Limitations. The applicant shall identify any limitations on the ability to serve as a Court Appointee including, but not limited to, capacity, qualifications, credentials, conflicts of interest, and financial requirements.

i. An applicant shall submit any additional information the Commission or its delegee may request, in its sole discretion.

j. Suitability. An applicant shall demonstrate suitability to operate a Licensee. If the applicant is an entity, each individual exercising the authority of a Court Appointee shall demonstrate suitability as provided herein. An applicant shall demonstrate suitability by:

i. Submitting to a criminal background check in accordance with 935 CMR 500.030, 500.101, and 500.105; or

ii. If authorized by the Commission, submitting an attestation under the pains and penalties of perjury that the applicant is suitable to operate a Licensee.

3. Application requirements in this 935 CMR 500.104(3)(d)2. shall apply only to persons and entities acting as a Court Appointee.

4. Renewal. In order to remain as Preapproved Court Appointee, each

Preapproved Court Appointee, on the anniversary of their preapproval, shall annually attest to the Commission under the pains and penalties of perjury that there has been no material change to the information and disclosures submitted as part of the initial application or provide updated information and disclosures with respect to those that have changed, and pay the fee identified in 935 CMR 500.005(5)(b).

(e) Licensee's Obligations. A Licensee placed under the oversight or a Court Appointee shall:

1. Continue to comply with all legal and regulatory requirements applicable to a Licensee, except as otherwise determined pursuant a court order or a waiver granted pursuant to 935 CMR 500.850.
2. Provide the Commission with any documents requested by the Commission.
3. Cooperate with the Commission's efforts to intervene as an interested party in any proceeding pursuant to which a Court Appointee is sought.
4. Comply with the requirements of 935 CMR 500.104(1) upon final disposition of the License(s) subject to oversight by a Court Appointee.
5. When a Licensee files a petition, it shall propose in such petition a Court Appointee with the qualifications identified in 935 CMR 500.104(3)(d)1. or identify a Preapproved Court Appointee.

(f) Applicability of 935 CMR 104(3).

1. All Licensees and Persons or Entities having Direct or Indirect Control shall comply with the notice requirements established in 935 CMR 500.104(3)(c).
2. A Person or Entity Having Direct or Indirect Control that has its ownership or control interest placed under the oversight of a Court Appointee shall be exempt from the requirements of 935 CMR 500.104(3)(b) and (d) through (f); provided however, that upon final disposition of the interest in question, the Licensee shall comply with the requirements of 935 CMR 500.104(1), as applicable.
3. Any Economic Empowerment Priority Applicant or any other Licensee subject to regulatory benefits provided for in 935 CMR 500.005(1)(b), 500.050(6), (10), and (11), 500.101(5) that is placed under the oversight of a Court Appointee shall have such status suspended until such time as the Court Appointee's work is deemed complete pursuant to a court order, at which time, such status will go back into effect, provided the Licensee continues to satisfy all requisite criteria.

(4) Assignment for the Benefit of Creditors. A Licensee must seek Commission approval, in a form or manner determined by the Commission, prior to effectuating an Assignment for the benefit of Creditors. The Commission may delegate authority to approve such agreements to the Executive Director; provided however, that any transfer of a License shall be subject to Commission Approval.

(5) The Marijuana Establishment shall keep current all information required by 935 CMR 500.000 or otherwise required by the Commission. The Marijuana Establishment shall report any changes in or additions to the content of the information contained in any document to the Commission within five business days after such change or addition.

500.105: General Operational Requirements for Marijuana Establishments

(1) Written Operating Procedures. Every Marijuana Establishment shall have and follow a set of detailed written operating procedures. If the Marijuana Establishment has an additional location, it shall develop and follow a set of such operating procedures for that facility. A CMO shall have written operating procedures that comply with both 935 CMR 500.105(1) and 501.105(1): *Written Operating Procedures,* and may do so by having two sets of written operating procedures applicable to each medical-use and adult-use operations or having one set of written operating procedures, provided it complies with both medical-use and adult-use requirements. Operating procedures shall include, but need not be limited to, the following:

(a) Security measures in compliance with 935 CMR 500.110;

(b) Employee security policies, including personal safety and crime prevention techniques;

(c) A description of the Marijuana Establishment's hours of operation and after-hours contact information, which shall be provided to the Commission, made available to Law Enforcement Authorities on request, and updated pursuant to 935 CMR 500.000;

(d) Storage and waste disposal of Marijuana in compliance with 935 CMR 500.105(11) and (12);

(e) Description of the various strains of Marijuana to be cultivated, Processed or sold, as applicable, and the form(s) in which Marijuana will be sold;

(f) Price list for Marijuana and Marijuana Products and any other available products, and alternate price lists for patients with documented Verified Financial Hardship, as defined

in 935 CMR 501.002: *Verified Financial Hardship*, as required by 935 CMR 501.105(1)(f);

(g) Procedures to ensure accurate recordkeeping, including inventory protocols for Transfer and inventory in compliance with 935 CMR 500.105(8) and (9);

(h) Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;

(i) A staffing plan and staffing records in compliance with 935 CMR 500.105(9)(d);

(j) Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;

(k) Alcohol, smoke, and drug-free workplace policies;

(l) A plan describing how Confidential Information and other records required to be maintained confidentially will be maintained;

(m) A policy for the immediate dismissal of any Marijuana Establishment Agent who has:

1. Diverted Marijuana, which shall be reported to Law Enforcement Authorities and to the Commission;

2. Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or

3. Been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of any Other Jurisdiction.

(n) A list of all board of directors, members and Executives of a Marijuana Establishment, and Members, if any, of the Licensee shall be made available on request by any individual. This requirement may be fulfilled by placing this required information on the Marijuana Establishment's website;

(o) Policies and procedure for the handling of cash on Marijuana Establishment Premises including, but not limited to, storage, collection frequency, and transport to financial institution(s), to be available on inspection.

(p) Policies and procedures to prevent the Diversion of Marijuana to individuals younger than 21 years old;

(q) Policies and procedures for energy efficiency and conservation that shall include:

1. Identification of potential energy use reduction opportunities (including, but not limited to, natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;

2. Consideration of opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;

3. Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and

4. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

(r) Policies and procedures to promote workplace safety consistent with the standards set forth under the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651, *et seq*., including the general duty clause under 29 U.S.C. § 654, whereby each employer:

1. shall furnish to each of its employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to its employees;

2. shall comply with occupational safety and health standards promulgated under this act. Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to 29 U.S.C. § 651, *et seq.*, which are applicable to the employee's own actions and conduct. All current and updated regulations and references at 29 CFR Parts 1903, 1904, 1910, 1915, 1917, 1918, 1926, 1928 and 1977 are incorporated by reference, and applicable to all places of employment covered by 935 CMR 500.000.

All current and updated regulations and references at 29 CFR Parts 1903, 1904, 1910, 1915, 1917, 1918, 1926, 1928, and 1977 are incorporated by reference, and applicable to all places of employment covered by 935 CMR 500.000.

(2) Marijuana Establishment Agent Training.

(a) Marijuana Establishments, including Independent Testing Laboratories, shall ensure that all Marijuana Establishment Agents complete minimum training requirements prior to performing job functions.

1. At a minimum, Marijuana Establishment Agents shall receive a total of eight hours of training annually. The eight-hour total training requirement shall be tailored to the roles and responsibilities of the job function of each Marijuana Establishment Agent.

2. A minimum of four hours of training shall be from Responsible Vendor Training Program courses established under 935 CMR 500.105(2)(b). Any additional RVT

hours over the four-hour RVT requirement may count toward the eight-hour total training requirement.

3. Non-RVT training may be conducted in-house by the Marijuana Establishment or by a third-party vendor engaged by the Marijuana Establishment. Basic on-the-job training Marijuana Establishments provide in the ordinary course of business may be counted toward the eight-hour total training requirement.

4. Agents responsible for tracking and entering product into the Seed-to-sale SOR shall receive training in a form and manner determined by the Commission. At a minimum, staff shall receive eight hours of on-going training annually.

5. Marijuana Establishments shall maintain records of compliance with all training requirements noted above. Such records shall be maintained for four years and Marijuana Establishments shall make such records available for inspection on request.

6. An individual who is both a Marijuana Establishment Agent and MTC Agent at a CMO location shall receive the training required for each license under which the agent is registered including, without limitation, with respect to patient privacy and confidentiality requirements, which may result in instances that would require such an agent to participate in more than eight hours of training.

(b) Responsible Vendor Training.

1. All current Marijuana Establishment Agents, including Laboratory Agents, involved in the handling or sale of Marijuana for adult use at the time of licensure or renewal of licensure, as applicable, shall have attended and successfully completed a Responsible Vendor Training Program to be designated a "Responsible Vendor".

a. Marijuana Establishment Agents shall first take the Basic Core Curriculum.

b. On completing the Basic Core Curriculum, a Marijuana Establishment Agent is eligible to take the Advanced Core Curriculum.

c. Exception for Administrative Employees. Marijuana Establishment Agents who serve as administrative employees and do not handle or sell Marijuana are exempt from the four-hour RVT requirement, but may take a Responsible Vendor Training Program course on a voluntary basis as part of fulfilling the eight-hour total training requirement.

2. Once a Marijuana Establishment is designated a Responsible Vendor, all Marijuana Establishment Agents employed by the Marijuana Establishment that are involved in the handling or sale of Marijuana for adult use shall successfully complete the Basic Core Curriculum within 90 days of hire.

3. After successful completion of the Basic Core Curriculum, each Marijuana Establishment Agent involved in the handling or sale of Marijuana for adult use shall fulfill the four-hour RVT requirement every year thereafter for the Marijuana Establishment to maintain designation as a Responsible Vendor. Failure to maintain Responsible Vendor status is grounds for action by the Commission.

4. Responsible Vendor Trainer Certification.

a. No owner, manager or employee of a Responsible Vendor Trainer may be a Person Or Entity Having Direct Or Indirect Ownership or Control of a Marijuana Establishment.

b. Responsible Vendor Trainers shall submit their program materials to the Commission prior to offering courses, every two years following for Commission certification of the Responsible Vendor Trainer and Responsible Vendor Training Program curriculum, and on request. The process for certification will be in a form and manner determined by the Commission.

c. Responsible Vendor Training Program courses shall consist of at least two hours of instruction time.

d. Except as provided in 935 CMR 500.105(2)(b)4.e., Responsible Vendor Training Program courses shall be taught in a real-time, interactive, virtual or in-person classroom setting in which the instructor is able to verify the identification of each individual attending the program and certify completion of the program by the individual.

e. Responsible Vendor Training Program courses may be presented in a virtual format that is not taught in a real-time, provided that the Responsible Vendor Trainer, as part of its application for certification, can demonstrate means:

i. To verify the identification of each trainee participating in the program course and certify completion by the individual;

ii. To track trainees' time needed to complete the course training;

iii. To allow for the trainees to ask questions of the Responsible Vendor Trainer, for example, by email, virtual discussion board, or group/class discussion; and

iv. To evaluate each trainee's proficiency with course material.

f. Responsible Vendor Trainers shall seek certification for each Basic Core Curriculum and Advanced Core Curriculum. Applications for Advanced Core

Curriculum certification will be open on or before July 1, 2022.

g. Responsible Vendor Trainers shall maintain its training records at its Principal Place of Business for four years.

h. Responsible Vendor Trainers shall make the records available for inspection by the Commission and any other applicable licensing authority on request during normal business hours.

i. Responsible Vendor Trainers shall provide to the appropriate Marijuana Establishment and Marijuana Establishment Agent written documentation of attendance and successful evaluation of proficiency, such as passage of a test on the knowledge of the required curriculum for each attendee.

j. Trainees who can speak and write English fluently shall successfully demonstrate proficiency, such as passing a written test with a score of 70% or better.

k. Marijuana Establishment Agents who cannot speak or write English may be offered a verbal evaluation or test, provided that the same questions are given as are on the written test and the results of the verbal test are documented with a passing score of 70% or better.

l. Responsible Vendor Trainers shall solicit effectiveness evaluations from Marijuana Establishment Agents who have completed their program(s).

5. Basic Core Curriculum. The Basic Core Curriculum shall cover the following subject matter:

a. Marijuana's effect on the human body, including:

i. Scientifically based evidence on the physical and mental health effects based on the type of Marijuana Product;

ii. The amount of time to feel impairment;

iii. Visible signs of impairment; and

iv. Recognizing the signs of impairment.

b. Diversion and Inversion prevention and prevention of sales to minors, including best practices.

c. Compliance with all tracking requirements.

d. Acceptable forms of identification. Training shall include:

i. How to check identification;

ii. Spotting and confiscating fraudulent identification;

iii. Patient registration cards currently and validly issued by the Commission;

iv. Common mistakes made in identification verification.

v. Prohibited purchases and practices, including purchases by persons younger than 21 years of age in violation of M.G.L. c. 94G, § 13.

e. Other key state laws and rules affecting Marijuana Establishment Agents, which shall include:

i. Conduct of Marijuana Establishment Agents;

ii. Permitting inspections by state and local licensing and enforcement authorities;

iii. Local and state licensing and enforcement, including registration and license sanctions;

iv. Incident and notification requirements;

v. Administrative, civil, and criminal liability;

vi. Health and safety standards, including waste disposal;

vii. Patrons prohibited from bringing Marijuana and Marijuana Products onto licensed premises;

viii. Permitted hours of sale;

ix. Licensee responsibilities for activities occurring within licensed premises;

x. Maintenance of records, including confidentiality and privacy; and

f. Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.

6. Advanced Core Curriculum.

a. Each Advanced Core Curriculum class shall be approved by the Commission prior to being offered. The curriculum shall build on the knowledge, skills, and practices covered in the Basic Core Curriculum.

b. An Advanced Core Curriculum class shall include standard and best practices in one or more of the following areas

i. Cultivation;

ii. Product Manufacturing;

iii. Retail;

iv. Transportation;

v. Laboratory Science;

vi. Energy and Environmental Best Practices;

vii. Social Justice and Economically Reparative Practices;

viii. Implicit Bias and Diversity Training;
ix. Worker Safety;
x. Food Safety and Sanitation;
xi. Confidentiality and Privacy;
xii. In depth coverage of any topic(s) taught in the Basic Core Curriculum; or
xiii. Such other topic as the Commission may approve in its sole discretion.

7. Delivery Core Curriculum. In addition to the Basic Core Curriculum, all Marijuana Establishment Agents acting as delivery employees of a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall have attended and successfully completed Delivery Core Curriculum prior to making a delivery, which shall, to the extent not covered in Basic Core Training include, without limitation, training on:
a. Safely conducting deliveries;
b. Safe cash handling practices;
c. Strategies for de-escalating potentially dangerous situations;
d. Securing product following any instance of Diversion or Inversion, theft or loss of Finished Marijuana Products pursuant to 935 CMR 500.110(1)(m);
e. Collecting and communicating information to assist in investigations;
f. Procedures for checking identification;
g. Indications of impairment;
h. Notification to Consumers of use of mandatory recording devices; and
i. Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.

8. Social Consumption Core Curriculum. In addition to the Basic Core Curriculum, all Marijuana Establishment Agents acting as employees of a Social Consumption Establishment Licensee shall attend and successfully complete Social Consumption Core Curriculum prior to performing job functions in a Social Consumption Establishment, which shall, to the extent not covered in Basic Core Curriculum include, without limitation, training on:
a. Strategies for de-escalating potentially dangerous situations;
b. Procedures for addressing medical or public safety emergencies;
c. Collecting and communicating information to assist in investigations;
d. Procedures for checking identification;
e. Recognizing signs of impairment from alcohol or cannabis use;
f. Regulation requirements for licensed Social Consumption Establishment licensees; and
g. Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.

(3) Requirements for the Handling of Marijuana.

(a) A Marijuana Establishment authorized to Process Marijuana shall do so in a safe and sanitary manner. A Marijuana Establishment shall Process the leaves and flowers of the female Marijuana plant only, which shall be:
1. Well cured and free of seeds and stems;
2. Free of dirt, sand, debris, and other foreign matter;
3. Free of contamination by mold, rot, other fungus, pests and bacterial diseases and satisfying the sanitation requirements in 105 CMR 500.000, and if applicable, 105 CMR 590.000: *State Sanitary Code Chapter X – Minimum Sanitation Standards for Food Establishments*;
4. Prepared and handled on food-grade stainless steel tables with no contact with Licensees' or Marijuana Establishment Agents' bare hands; and
5. Packaged in a secure area.

(b) All Marijuana Establishments, including those that develop, Repackage, or Process non-Edible Marijuana Products, shall comply with the following sanitary requirements:
1. Any Marijuana Establishment Agent whose job includes contact with Marijuana or non-Edible Marijuana Products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*;
2. Any Marijuana Establishment Agent working in direct contact with preparation of Marijuana or non-Edible Marijuana Products shall conform to sanitary practices while on duty, including:
a. Maintaining adequate personal cleanliness; and
b. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
3. Hand-washing facilities shall be adequate and convenient and shall be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the Marijuana Establishment in Production Areas and where good sanitary practices

require Employees to wash and sanitize their hands, and shall provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;

4. There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;

5. Litter and waste shall be properly removed, disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12);

6. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair;

7. There shall be adequate safety lighting in all Processing and storage areas, as well as areas where equipment or utensils are cleaned;

8. Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition;

9. All contact surfaces, including utensils and equipment, shall be maintained in a clean and sanitary condition. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the U.S. Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable;

10. All toxic items shall be identified, held, and stored in a manner that protects against contamination of Marijuana Products. Toxic items may not be stored in an area containing products used in the cultivation of Marijuana. The Commission may require a Marijuana Establishment to demonstrate the intended and actual use of any toxic items found on the Premises;

11. A Marijuana Establishment's water supply shall be sufficient for necessary operations. Any private water source shall be capable of providing a safe, potable, and adequate supply of water to meet the Marijuana Establishment's needs;

12. Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Marijuana Establishment. Plumbing shall properly convey sewage and liquid disposable waste from the Marijuana Establishment. There shall be no cross-connections between the potable and wastewater lines;

13. A Marijuana Establishment shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;

14. Products that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms;

15. Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers; and

16. All vehicles and transportation equipment used in the transportation of Marijuana Products or Edibles requiring temperature control for safety shall be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the Marijuana Products or Edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).

(c) All Marijuana Establishments, including those that develop or Process Edibles, shall comply with sanitary requirements. All Edibles shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*.

(d) Unless otherwise authorized by the Commission, a CMO shall comply with 935 CMR 500.105(3) and 501.105(3): *Handling of Marijuana*.

(e) Marijuana Establishments shall report any occurrence or suspected occurrence of illness believed to have been due to the consumption of Marijuana, Marijuana Products, or non-infused food or drink to the Commission as required by 935 CMR 500.110(9)(a)10., and to the Department of Public Health as required by 105 CMR 300.131: *Illnesses Believed to Be Due to Food Consumption*. Marijuana Establishment Agents shall cooperate with any disease investigation activities being performed by the Department of Public Health, and the applicable Board of Health or Local Board of Health as defined by 105 CMR 300.020.

(4) Advertising Requirements.

(a) Permitted Practices. The following Advertising activities are permitted:

1. A Marijuana Establishment may develop a Brand Name to be used in labeling, signage, and other materials; provided however, that use of medical symbols, images of Marijuana or Marijuana Products or related Paraphernalia images that are appealing to persons younger than 21 years old, and colloquial references to Marijuana and

Cannabis are prohibited from use in the Brand Name

2. Brand Name Sponsorship of a charitable, sporting or similar event, so long as the following conditions are met.

a. Sponsorship of the event is limited to the Brand Name.

b. Any Advertising at or in connection with such an event is prohibited, unless such Advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit Advertising from targeting or otherwise reaching entrants or participants reasonably expected to be younger than 21 years old, as determined by reliable, current audience composition data;

3. Brand Name Sponsorship of a charitable, cultural or similar event both held and organized by the city or town in which the sponsoring Marijuana Establishment or CMO is licensed to conduct business, so long as the following conditions are met:

a. Sponsorship of said event shall be included in its Positive Impact Plan submitted in accordance with 935 CMR 500.101(1)(a)11;

b. Sponsorship of the event is limited to the Brand Name;

c. Any Advertising at or in connection with such an event is prohibited, unless such Advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit Advertising from targeting or otherwise reaching entrants or participants reasonably expected to be younger than 21 years old, as determined by reliable, current audience composition data;

4. A Marijuana Establishment engaging in Brand Name Sponsorship under 935 CMR 500.105(4)(a)2. and 3. shall retain documentation of reliable, reasonable audience composition data that is the basis for allowing any such Advertising or branding for a period of one year, or longer if otherwise required by the Commission, or a court or agency with jurisdiction.

5. A Marijuana Establishment may display, in secure, locked cases, samples of each product offered for sale and subject to the requirements of 935 CMR 500.110. These display cases may be transparent. An authorized Marijuana Establishment Agent may remove a sample of Marijuana from the case and provide it to the Consumer for inspection, provided the Consumer may not consume or otherwise use the sample, unless otherwise authorized herein;

6. The Marijuana Establishment may post prices in the store and may respond to questions about pricing. The Marijuana Establishment shall provide a catalogue or a printed list of the prices and strains of Marijuana available at the Marijuana Establishment to Consumers and may post the same catalogue or printed list on its website and in the retail store;

7. A Marijuana Establishment may engage in reasonable Advertising practices that are not otherwise prohibited in 935 CMR 500.105(4)(b) that do not jeopardize the public health, welfare or safety of the general public or promote the Diversion or Inversion of Marijuana or Marijuana use in individuals younger than 21 years old or otherwise promote practices inconsistent with the purposes of M.G.L. c. 94G or 94I. Any such Advertising created for viewing by the public shall include the statement "Please Consume Responsibly", in a conspicuous manner on the face of the advertisement and shall include a minimum of two of the following warnings in their entirety in a conspicuous manner on the face of the advertisement:

a. "This product may cause impairment and may be habit forming.";

b. "Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug.";

c. "There may be health risks associated with consumption of this product.";

d. "For use only by adults 21 years of age or older. Keep out of the reach of children."; or

e. "Marijuana should not be used by women who are pregnant or breastfeeding."

8. All Advertising produced by or on behalf of a Marijuana Establishment for Marijuana or Marijuana Products shall include the following warning, including capitalization, in accordance with M.G.L. c. 94G, § 4(a½)(xxvi):

"This product has not been analyzed or approved by the Food and Drug Administration (FDA). There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN. There may be health risks associated with consumption of this product. Marijuana can impair concentration, coordination, and judgment. The impairment effects of Edibles may be delayed by two hours or more. In case of accidental ingestion,

contact poison control hotline 1-800-222-1222 or 9-1-1. This product may be illegal outside of MA."

9. A Licensee may utilize employee discounts as part of the Marijuana Establishment's operating policy and procedure for prevention of Diversion of Inversion pursuant to 935 CMR 500.101(1)(c)8.b. Institution of an employee discount program under 500.101(1)(c)8.b. shall not be considered a prohibited practice under 935 CMR 500.105(4)(b).

(b) Prohibited Practices. The following Advertising activities are prohibited:

1. Advertising in such a manner that is deemed to be is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly or by omission or ambiguity;

2. Advertising by means of television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor Advertising, or print publication, unless at least 85% of the audience is reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data;

3. Advertising that utilizes statements, designs, representations, pictures or illustrations that portray anyone younger than 21 years old;

4. Advertising including, but not limited to, mascots, cartoons, and celebrity endorsements, that is deemed to appeal to a person younger than 21 years old;

5. Brand sponsorship including, but not limited to, mascots, cartoons, and celebrity endorsements, that is deemed to appeal to a person younger than 21 years old;

6. Advertising, including statements by a Licensee, that makes any false or statements concerning other Licensees and the conduct and products of such other Licensees that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly or by omission or ambiguity;

7. Advertising by a Licensee that asserts that its products are safe, or represent that its products have curative or therapeutic effects, other than labeling required pursuant to M.G.L. c. 94G, § 4(a½)(xxvi), unless supported by substantial evidence or substantial clinical data with reasonable scientific rigor as determined by the Commission;

8. Advertising on any billboards, or any other public signage, which fails to comply with all state and local ordinances and requirements;

9. Use of any illuminated or external signage beyond the period of 30 minutes before sundown until closing; provided, however, that the Commission may further specify minimum signage requirements;

10. The use of vehicles equipped with radio or loudspeakers for the Advertising of Marijuana or Marijuana Products;

11. The use of radio or loudspeaker equipment in any Marijuana Establishment for the purpose of Advertising the sale of Marijuana or Marijuana Products;

12. Brand Name Sponsorship of a charitable, sporting or similar event, unless such Advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit Advertising from targeting or otherwise reaching entrants or participants reasonably expected to be under 21 years of age, as determined by reliable, current audience composition data;

13. Operation of any website of a Marijuana Establishment that fails to verify that the entrant is 21 years of age or older;

14. Any Advertising, including the use of Brand Names, of an improper or objectionable nature including, but not limited to, the use of language or images offensive or disparaging to certain groups;

15. Any Advertising, solely for the promotion of Marijuana or Marijuana Products on Marijuana Establishment Branded Goods including, but not limited to, clothing, cups, drink holders, apparel accessories, electronic equipment or accessories, sporting equipment, novelty items and similar portable promotional items;

16. Advertising on or in public or private vehicles and at bus stops, taxi stands, transportation waiting areas, train stations, airports, or other similar transportation venues including, but not limited to, vinyl-wrapped vehicles or signs or logos on transportation vehicles not owned by the Marijuana Establishment;

17. The display of signs or other printed material Advertising any brand or any kind of Marijuana or Marijuana Products that are displayed on the exterior of any licensed Premises;

18. Advertising of the price of Marijuana or Marijuana Products, except as permitted above pursuant to 935 CMR 500.105(4)(a)6.;

19. Display of Marijuana or Marijuana Products so as to be clearly visible to a person from the exterior of a Marijuana Establishment; and

20. Advertising through the marketing of free promotional items including, but not limited to, gifts, giveaways, discounts, points-based reward systems, customer loyalty programs, coupons, and "free" or "donated" Marijuana, except as otherwise permitted

by 935 CMR 500.105(4)(a)9. and except for the provision of Brand Name take-away bags by a Marijuana Establishment for the benefit of customers after a retail purchase is completed.

(c) Nothing in 935 CMR 500.105(4) prohibits a Marijuana Establishment from using a mark provided by the Commission which uses images of Marijuana or Marijuana Products. CMOs shall comply with the requirements of each 935 CMR 500.105(4) and 501.105(4) with respect to the applicable license. A CMO may develop a single marketing campaign; provided, however, it shall apply the most restrictive requirements applicable under either license.

(5) Labeling of Marijuana and Marijuana Products.

(a) Labeling of Marijuana Not Sold as a Marijuana Product. Prior to Marijuana being sold or Transferred, a Marijuana Establishment shall ensure the placement of a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size on each package of Marijuana that it makes available for retail sale containing at a minimum the following information:

1. The name and registration number, telephone number and email address of the Licensee that produced the Marijuana, together with the retail Licensee's business telephone number, email address, and website information, if any;
2. The date that the Marijuana Establishment packaged the contents and a statement of which Licensee performed the packaging;
3. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
4. Net weight or volume in U.S. customary and metric units, listed in that order;
5. The full Cannabinoid Profile of the Marijuana contained within the package, including THC and other Cannabinoid levels;
6. A statement and a seal certifying that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
7. This statement, including capitalization;

"This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. "KEEP THIS PRODUCT AWAY FROM CHILDREN.";

8. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:

9. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

10. 935 CMR 500.105(5)(a) shall apply to Marijuana packaged as a Finished Marijuana Product for purposes of Wholesale to a Delivery Operator for delivery to Consumers, provided that the Marijuana Cultivator, Microbusiness or Craft Marijuana Cooperative is responsible for compliance with 935 CMR 500.105(5) for all Marijuana intended to be wholesaled for delivery to Consumers by a Delivery Operator. White labeling of Finished Marijuana Products wholesaled from a Marijuana Cultivator, Microbusiness or Craft Marijuana Cooperative for delivery to Consumers by a Delivery Operator may be performed by either Licensee, provided that white labeling is explicitly authorized by the Commission under the specific Delivery Operator License and reflected in any Wholesale Agreement.

11. 935 CMR 500.105(5)(a) shall not apply to Marijuana packaged for transport of

wholesale cultivated Marijuana in compliance with 935 CMR 500.105(8); provided however, that the Marijuana Retailer is responsible for compliance with 935 CMR 500.105(5) for all Marijuana sold or displayed to Consumers.

(b) Labeling of Edibles. Prior to Edibles being sold or Transferred, the Marijuana Product Manufacturer shall place a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size on each Edible that it prepares for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with the Marijuana Product Manufacturer's business telephone number, e-mail address, and website information, if any;
2. The name of the Marijuana Product;
3. Refrigeration of the product is required, as applicable;
4. Total net weight or volume in U.S. customary and metric units, listed in that order, of the Marijuana Product;
5. The number of servings within the Marijuana Product based on the limits provided in 935 CMR 500.150(3) and the specific weight in milligrams of a serving size;
6. The type of Marijuana used to produce the product, including what, if any, Processing technique or solvents were used;
7. A list of ingredients, including the full Cannabinoid Profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol (Δ9-THC) and other Cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume;
8. The amount, in grams, of sodium, sugar, carbohydrates and total fat per serving;
9. The date of creation and the recommended "use by" or expiration date which may not be altered or changed;
10. A batch number, sequential serial number and bar codes when used, to identify the batch associated with manufacturing and Processing;
11. Directions for use of the Marijuana Product;
12. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
13. A warning if nuts or other Known Allergens are contained in the product; and
14. This statement, including capitalization: "The impairment effects of edible products may be delayed by two hours or more. This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";
15. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:

16. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

17. 935 CMR 500.105(5)(b) shall apply to Edibles produced by a Marijuana Product Manufacturer for transport to a Licensee in compliance with 935 CMR 500.105(8) and shall be in addition to any regulation regarding the appearance of Edibles under 935 CMR 500.150.
18. The White Labeling of Edibles to be sold and delivered by a Delivery Operator may be conducted by the licensed Microbusiness or Product Manufacturer of the Edible

at the Microbusiness's or Product Manufacturer's Premises or by the Delivery Operator at the Warehouse of the Delivery Licensee, provided that White Labeling is explicitly authorized by the Commission under the specific Delivery Operator License and reflected in any Wholesale Agreement.

(c) Labeling of Marijuana Concentrates and Extracts. Prior to Marijuana concentrates or extracts being sold or Transferred, the Marijuana Product Manufacturer shall place a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size on each Marijuana concentrate container that it prepares for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with the Marijuana Product Manufacturer's business telephone number, e-mail address, and website information, if any;
2. The name of the Marijuana Product;
3. Product identity including the word "concentrate" or "extract" as applicable;
4. Total net weight or volume expressed in U.S. customary units and metric units, listed in that order, of the Marijuana Product;
5. If applicable, the number of servings in the Marijuana Product based on the limits provided in 935 CMR 500.150(4) and the specific weight in milligrams of a serving size;
6. The type of Marijuana used to produce the product including what, if any, Processing technique or solvents were used;
7. A list of ingredients including, but not limited to, the full Cannabinoid Profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol (Δ9-THC) and other Cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume, and the amount of specific additives infused or incorporated during the manufacturing process, whether active or inactive including, but not limited to, thickening agents, thinning agents, and specific terpenes, expressed in absolute terms and as a percentage of volume.
   a. For Marijuana Vaporizer Devices, identification of specific additives shall include, but not be limited to, any additives identified on the FDA's Inactive Ingredient Database for "Respiratory (inhalation)" or "Oral" routes of administration and based on dosage form as an aerosol product or inhalant. The FDA Inactive Ingredient Database is available at https://www.fda.gov/media/72482/download. If the FDA database or its equivalent is no longer available, licensees shall use the database identified by the Commission.
   b. For Marijuana Vaporizer Devices produced using only cannabis-derived terpenes, the following statement: "This product was produced using only cannabis-derived terpenes."
   c. For Marijuana Vaporizer Devices produced using terpenes other than cannabis-derived terpenes, the following statement: "This product was produced using terpenes derived from sources other than cannabis."
8. The date of creation and the recommended "use by" or expiration date;
9. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
10. Directions for use of the Marijuana Product;
11. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
12. A warning if nuts or other Known Allergens are contained in the product;
13. This statement, including capitalization: "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";
14. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:

15. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

16. 935 CMR 500.105(5)(c) shall apply to Marijuana concentrates and extracts produced by a Marijuana Product Manufacturer for transport to a Marijuana Retailer in compliance with 935 CMR 500.105(13).

(d) Labeling of Marijuana Infused Tinctures and Topicals. Prior to Marijuana infused Tinctures or topicals being sold or Transferred the Marijuana Product Manufacturer shall place a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size on each container of Marijuana infused Tincture or topical that it prepares for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with the Marijuana Product Manufacturer's business telephone number, e-mail address, and website information, if any;
2. The Marijuana Product's identity;
3. The type of Marijuana used to produce the product, including what, if any, Processing technique or solvents were used;
4. A list of ingredients, including the full Cannabinoid Profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol (Δ9-THC) and other Cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume;
5. Total net weight or volume as expressed in U.S. customary units and metric units, listed in that order, of the Marijuana Product;
6. If applicable, the number of servings in the Marijuana Product based on the limits provided in 935 CMR 500.150(4) and the specific weight in milligrams of a serving size;
7. The date of product creation;
8. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
9. Directions for use of the Marijuana Product;
10. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
11. A warning if nuts or other Known Allergens are contained in the product; and
12. This statement, including capitalization: "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";

13. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:

14. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

15. 935 CMR 500.105(5)(d) shall apply to Marijuana-infused Tinctures and topicals produced by a Marijuana Product Manufacturer for transport to a Licensee in compliance with 935 CMR 500.105(8).

(e) Labeling of Repackaged Marijuana. Prior to Repackaged Marijuana being sold, the Retailer shall place a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size on each container of Marijuana that it prepares for retail sale,

1. The Affixed label shall contain at a minimum the following information:
   a. The name and registration number of the Cultivator that produced the Marijuana;
   b. Business or trade name of licensee that packaged the product, if different from the Cultivator;
   c. Date of Harvest;
   d. Type of Marijuana or name of strain;
   e. The full Cannabinoid Profile of the Marijuana contained within the Repackaged Product, including the amount of delta-nine-tetrahydrocannabinol (Δ9-THC) and other Cannabinoids in the package;
   f. The net weight or volume as expressed in U.S. customary units or metric units;
   g. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
   h. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
   i. This statement, including capitalization: "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";
   j. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:

   k. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

(f) In circumstances where the labeling of the Marijuana Product is unreasonable or impractical, the Marijuana Establishment may include the labeling information on a peel-back label or may place the product in a take-away bag with an insert or additional, easily readable label placed within that bag.

(g) CMOs shall comply with the labeling requirements in 935 CMR 500.105(5) for all adult-use sales and 935 CMR 501.105(5): *Labeling of Marijuana and Marijuana Products* for all medical-use sales.

(6) Packaging of Marijuana and Marijuana Products.

(a) Child-resistant Packaging. Licensees licensed subject to 935 CMR 500.050(4) shall ensure that all Marijuana Products that are provided for sale to Consumers by a Licensee shall be sold in child-resistant packaging. Licensees licensed subject to 935 CMR 500.050(2) shall ensure that all Finished Marijuana Products provided at wholesale for delivery to Consumers by a Marijuana Delivery Operator shall be sold in child-resistant packaging. To comply with 935 CMR 500.105(6), Licensees shall ensure:

1. That to the extent it is not Unreasonably Impracticable for the specific type of product, Marijuana Products are packaged in containers that are:

a. Opaque and plain in design;

b. Do not use bright colors, cartoon characters and other features designed to appeal to minors;

c. Resealable for any marijuana product intended for more than a single use or containing multiple servings; and

d. Certified by a qualified child-resistant packaging testing firm that the packaging complies with the most recent poison prevention packaging regulations of the U.S. Consumer Product Safety Commission as included at 16 CFR 1700: *Poison Prevention Packaging*.

2. That where compliance with the requirements of child-resistant packaging is deemed to be Unreasonably Impracticable, Marijuana or Marijuana Products shall be placed in an exit package that is:

a. Capable of being resealed and made child-resistant resistant again after it has been opened;

b. Includes the following statement, including capitalization, in at least ten-point Times New Roman, Helvetica or Arial font: "KEEP OUT OF REACH OF CHILDREN."; and

c. Is certified by a qualified third-party child-resistant packaging testing firm that the packaging complies the most recent poison prevention packaging regulations of the U.S. Consumer Product Safety Commission as included at 16 CFR 1700: *Poison Prevention Packaging*.

(b) Limits on Packaging Design. Packaging for Marijuana or Marijuana Products sold or displayed for Consumers, including any label or imprint affixed to any packaging containing Marijuana, Marijuana Products or any exit packages, may not be attractive minors. Packaging is explicitly prohibited from:

1. Using bright colors, defined as colors that are "neon" in appearance;

2. Imitating or having a semblance to any existing branded consumer products, including foods and drinks, that do not contain marijuana;

3. Featuring cartoons;

4. Featuring a design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;

5. Featuring symbols or celebrities that are commonly used to market products to minors;

6. Featuring images of minors; and

7. Featuring words that refer to products that are commonly associated with minors or marketed to minors.

(c) Packaging of Multiple Servings.

1. Packaging for Marijuana Products sold or displayed for Consumers in multiple servings shall include the following statement on the exterior of the package in a printed font that is no smaller than ten-point Times New Roman, Helvetica or Arial, including capitalization: "INCLUDES MULTIPLE SERVINGS".

2. Packaging for Marijuana Products in solid form sold or displayed for Consumers in multiple servings shall allow a Consumer to easily perform the division into single servings.

a. Edibles in a solid form shall be easily and permanently scored to identify individual servings.

b. Notwithstanding 935 CMR 500.105(6)(c)2.a., where a product is unable, because of its form, to be easily and permanently scored to identify individual servings, the product shall be packaged in a single serving size. The determination of whether a product can be easily and permanently scored shall be decided by the Commission consistent with sub-regulatory guidelines established by the Commission and provided to Licensees.

c. Packaging for Marijuana Product Beverages shall be packages solely in a single serving size. Except as otherwise provided in 935 CMR 500.141(3), multiple-serving Beverages are strictly prohibited for sale to Consumers.

(d) Each single serving of an Edibles contained in a multiple-serving package shall be marked, stamped or otherwise imprinted with the symbol issued by the Commission under 935 CMR 500.105(5) that indicates that the single serving is a Marijuana Product.

(e) Serving size shall be determined by the processor, but in no instance shall an individual serving size of any Marijuana Product contain more than five milligrams of delta-nine-tetrahydrocannabinol (Δ9-THC) subject to the testing variance specified in 935 CMR 500.160(12).

(f) CMOs shall comply with the packaging requirements in 935 CMR 500.105(6) for adult use sales or 935 CMR 501.105(6) for medical use sales.

(7) Packaging and Labeling Preapproval. Prior to Marijuana or Marijuana Product being sold at a Marijuana Establishment, a CMO, a Licensee or License Applicant may submit an

application for packaging and label approval to the Commission. An application for preapproval may be submitted at any time prior to Marijuana or Marijuana Product being sold or at any time a substantive change is made to the packaging or labeling of Marijuana or Marijuana Product. The Commission shall charge a fee for packaging and labeling preapproval pursuant to 935 CMR 500.005.

(a) Packaging and labeling preapproval review shall be limited to the physical attributes of, and statutorily required warnings on, the packaging and label including, but not limited to, legibility, but shall not include a review of specific Independent Testing Laboratory test results required pursuant to 935 CMR 500.105(5) and (6). The packaging and labeling preapproval process shall be in addition to the requirements of 935 CMR 500.105(4) through (6).

(b) In addition to an application for packaging and labeling preapproval in a form and manner determined by the Commission, an applicant for preapproval shall submit electronic files of the following to the Commission:

1. For packaging preapproval, two images of the packaging, one depicting the front of the packaging and one depicting the back of the packaging. Photographs shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.

2. For labeling preapproval, one image of each label requested for review. Photographs shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.

(c) The Commission shall make every effort to make a preapproval determination based on information submitted. In the event that a preapproval determination is unable to be made conclusively based on submitted photographs, the Commission may request to view the packaging or label in person or through a video conference. Any such request by the Commission shall be made to the applicant electronically or in writing.

(8) Inventory and Transfer.

(a) Subject to Marijuana or Marijuana Products being entered into the Seed-to-sale SOR, a Marijuana Establishment may Transfer product to an MTC; and an MTC may Transfer product to a Marijuana Establishment as long as there is no violation of the dosing limitations set forth in 935 CMR 500.150(4) or the limitations on total MTC inventory as set forth in 935 CMR 501.105(8)(m)1. Such Transfers cannot violate provisions protecting patient supply under 935 CMR 500.140(15). An MTC shall limit its Transfer of inventory of seeds, plants, and Usable Marijuana to reflect the projected needs of Registered Qualifying Patients.

(b) Real-time inventory shall be maintained as specified by the Commission and in 935 CMR 500.105(8)(c) and (d) including, at a minimum, an inventory of Marijuana plants; Marijuana plant-seeds and Clones in any phase of development such as Propagation, Vegetation, and Flowering; Marijuana ready for dispensing; all Marijuana Products; and all damaged, defective, expired, or contaminated Marijuana and Marijuana Products awaiting disposal.

(c) A Marijuana Establishment shall:

1. Establish inventory controls and procedures for the conduct of inventory reviews, and comprehensive inventories of Marijuana Products in the process of cultivation, and finished, stored Marijuana;

2. Conduct a monthly inventory of Marijuana in the process of cultivation and finished, stored Marijuana;

3. Conduct a comprehensive annual inventory at least once every year after the date of the previous comprehensive inventory; and

4. Promptly transcribe inventories if taken by use of an oral recording device.

(d) The record of each inventory shall include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory.

(e) A Marijuana Establishment shall attach plant tags to all Marijuana, Clones, and plants and attach package tags to all Finished Marijuana and Marijuana Products, and track all Marijuana seeds, Clones, plants, and Marijuana Products, using a Seed-to-sale methodology in a form and manner to be approved by the Commission.

(f) The failure to enter inventory into the Seed-to-sale SOR may result in the suspension or revocation of a Marijuana Establishment License.

(g) Any distribution and acquisition of Marijuana and Marijuana Products shall be tracked in the Seed-to-sale SOR in a form and manner determined by the Commission. Any distribution of Marijuana and Marijuana Products that is not tracked in the Seed-to-sale SOR may result in the suspension or revocation of a Marijuana Establishment License or other administrative action.

(h) No Marijuana Product, including Marijuana, may be sold or otherwise marketed for

adult use that has not first been tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000: Adult Use of Marijuana.

(i) A CMO shall implement procedures for electronic separation of medical and adult use Marijuana, MIPs, and Marijuana Products in the Seed-to-sale SOR.

(j) A CMO shall designate whether Marijuana or MIPs, or Marijuana Products are intended for sale for adult use or medical use through the SOR. Products shall be transferred to the appropriate license within the Seed-to-sale SOR prior to sale. After the point of sale, there shall be a reconciliation of that inventory in the SOR.

(9) Recordkeeping. Records of a Marijuana Establishment shall be available for inspection by the Commission, on request. The financial records of a Marijuana Establishment shall be maintained in accordance with generally accepted accounting principles. Written records that are required and are subject to inspection include, but are not necessarily limited to, all records required in any section of 935 CMR 500.000, in addition to the following:

(a) Written Operating Procedures as required by 935 CMR 500.105(1);

(b) Inventory Records as required by 935 CMR 500.105(8);

(c) Seed-to-sale SOR Electronic Tracking System records for all Marijuana Products as required by 935 CMR 500.105(8)(e);

(d) The following personnel records:

1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;

2. A personnel record for each Marijuana Establishment Agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the marijuana establishment and shall include, at a minimum, the following:

a. All materials submitted to the commission pursuant to 935 CMR 500.030(2);

b. Documentation of verification of references;

c. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;

d. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;

e. Documentation of periodic performance evaluations;

f. A record of any disciplinary action taken; and

g. Notice of completed Responsible Vendor Training Program and in-house training for Marijuana Establishment Agents required under 935 CMR 500.105(2).

3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;

4. Personnel policies and procedures, including, at a minimum, the following:

a. Code of ethics;

b. Whistle-blower policy; and

c. A policy which notifies persons with disabilities of their rights under https://www.mass.gov/service-details/about-employment-rights or a comparable link, and includes provisions prohibiting discrimination and providing reasonable accommodations; and

5. All background check reports obtained in accordance with M.G.L c. 6 § 172, 935 CMR 500.029, 935 CMR 500.030, and 803 CMR 2.00: *Criminal Offender Record Information (CORI)*.

(e) Business records, which shall include manual or computerized records of:

1. Assets and liabilities;

2. Monetary transactions;

3. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;

4. Sales records, including the quantity, form, and cost of marijuana products; and

5. Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over the marijuana establishment.

(f) Waste disposal records as required under 935 CMR 500.105(12); and

(g) Following closure of a Marijuana Establishment, all records shall be kept for at least two years at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission.

(10) Liability Insurance Coverage or Maintenance of Escrow.

(a) A Marijuana Establishment shall obtain and maintain general liability insurance coverage for no less than $1,000,000 per occurrence and $2,000,000 in aggregate, annually, and product liability insurance coverage for no less than $1,000,000 per occurrence and $2,000,000 in aggregate, annually, except as provided in 935 CMR 500.105(10)(b) or

otherwise approved by the Commission. The deductible for each policy shall be no higher than $5,000 per occurrence.

(b) A Marijuana Establishment that documents an inability to obtain minimum liability insurance coverage as required by 935 CMR 500.105(10)(a) may place in escrow a sum of no less than $250,000 or such other amount approved by the Commission, to be expended for coverage of liabilities.

(c) The escrow account required pursuant to 935 CMR 500.105(10)(b) shall be replenished within ten business days of any expenditure.

(d) Reports documenting compliance with 935 CMR 500.105(10) shall be made in a manner and form determined by the Commission pursuant to 935 CMR 500.000.

(e) A CMO shall maintain the insurance coverage or escrow account required under 500.105(10) or 934 CMR 501.105(10): *Liability Insurance Coverage or Maintenance of Escrow* per location.

(11) Storage Requirements.

(a) A Marijuana Establishment shall provide adequate lighting, ventilation, temperature, humidity, space, and equipment, in accordance with applicable provisions of 935 CMR 500.105 and 500.110.

(b) A Marijuana Establishment shall have separate areas for storage of Marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached, until such products are destroyed.

(c) Marijuana Establishment storage areas shall be maintained in a clean and orderly condition.

(d) Marijuana Establishment storage areas shall be free from infestation by insects, rodents, birds, and pests of any kind.

(e) Marijuana Establishment storage areas shall be maintained in accordance with the security requirements of 935 CMR 500.110.

(12) Waste Disposal.

(a) All recyclables and waste, including organic waste composed of or containing Finished Marijuana and Marijuana Products, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations. All exterior waste receptacles located on the Marijuana Establishment's Premises shall be locked and secured to prevent unauthorized access, and the potential for Diversion, theft, or loss.

(b) Liquid waste containing Marijuana or by-products of Marijuana Processing shall be disposed of in compliance with all applicable state and federal requirements, including but not limited to, for discharge of pollutants into surface water or groundwater (Massachusetts Clean Waters Act, M.G.L. c. 21, §§ 26 through 53; 314 CMR 3.00: *Surface Water Discharge Permit Program*; 314 CMR 5.00: *Groundwater Discharge Permit Program*; 314 CMR 12.00: *Operation Maintenance and Pretreatment Standards for Wastewater Treatment Works* and *Indirect Dischargers*; Federal Clean Water Act, 33 U.S.C. 1251 *et seq*., National Pollutant Discharge Elimination System Permit Regulations at 40 CFR Part 122: *EPA Administered Permit Programs: The National Pollutant Discharge Elimination System*; 314 CMR 7.00: *Sewer System Extension and Connection Permit Program*), or stored pending disposal in an industrial wastewater holding tank in accordance with 314 CMR 18.00: *Industrial Wastewater Holding Tanks and Containers, Construction, Operation, and Record Keeping Requirements*.

(c) Organic material, recyclable material and solid waste generated at a Marijuana Establishment shall be redirected or disposed of as follows:

1. Organic and recyclable material shall be redirected from disposal in accordance with the waste disposal bans described at 310 CMR 19.017: *Waste Bans*.
2. To the greatest extent feasible:
   a. Licensees shall recycle any material classified as recyclable in 310 CMR 16.02: *Definitions*; and
   b. Any Marijuana containing organic material as defined in 310 CMR 16.02: *Definitions* shall be ground up and mixed with other organic material as defined in 310 CMR 16.02: *Definitions* such that the resulting mixture renders any Marijuana unusable for its original purpose. Once such Marijuana has been rendered unusable, the organic material may be composted or digested at an aerobic or anaerobic digester at an operation that complies with the requirements of 310 CMR 16.00: *Site Assignment Regulations for Solid Waste Facilities*.
3. Solid waste containing Marijuana generated at a Marijuana Establishment shall be rendered unusable for its original purpose. Once such Marijuana has been rendered unusable, the resulting solid waste may be brought to a solid waste transfer facility or a solid waste disposal facility that holds a valid permit issued by the Department of Environmental Protection or by the appropriate agency in the jurisdiction in which the

facility is located.

(d) A Marijuana Establishment Agent shall witness and document how the solid waste or organic material containing Marijuana is rendered unusable on-site including, but not limited to, the grinding up, mixing, storage and removal from the Marijuana Establishment in accordance with 935 CMR 500.105(12). When Marijuana Products or waste is disposed or handled, the Marijuana Establishment shall create and maintain an electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the name of the Marijuana Establishment Agent present during the disposal or other handling, with their signature. A Marijuana Establishment shall keep these records for at least three years. This period shall automatically be extended for the duration of any disciplinary action and may be extended by an order of the Commission.

(13) Transportation between Marijuana Establishments.

(a) General Requirements.

1. A licensed Marijuana Establishment shall be licensed to transport its Marijuana and Marijuana Products to other licensed establishments, including MTC's, except as otherwise provided herein.

2. Marijuana Products may only be transported between licensed Marijuana Establishments by registered Marijuana Establishment Agents.

3. A licensed Marijuana Transporter may contract with a licensed Marijuana Establishment to transport that Licensee's Marijuana Products to other licensed Marijuana Establishments.

4. The originating and receiving licensed Marijuana Establishments shall ensure that all transported Marijuana Products are linked to the Seed-to-sale SOR. For the purposes of tracking, seeds and Clones shall be properly tracked and labeled in a form and manner determined by the Commission.

5. Any Marijuana Product that is undeliverable or is refused by the destination Marijuana Establishment shall be transported back to the originating establishment.

6. All vehicles transporting Marijuana Products shall be staffed with a minimum of two Marijuana Establishment Agents. At least one agent shall always remain with the vehicle when the vehicle contains Marijuana or Marijuana Products.

a. Notwithstanding 935 CMR 500.105(13)(a)6., an Independent Testing Laboratory shall ensure that all vehicles operated by the Independent Testing Laboratory or a Marijuana Transporter used solely for transporting Marijuana or Marijuana Products for testing purposes in accordance with 935 CMR 500.160 that contain Marijuana and Marijuana Products with a total Wholesale value in excess of $5,000 in the vehicle are staffed with a minimum of two Marijuana Establishment Agents.

b. Notwithstanding 935 CMR 500.105(13)(a)6., for all vehicles transporting Marijuana or Marijuana Products solely for testing purposes in accordance with 935 CMR 500.160 that contain Marijuana and Marijuana Products with a total Wholesale value of $5,000 or less in the vehicle, an Independent Testing Laboratory or Marijuana Transporter may use one Marijuana Establishment Agent.

7. Prior to leaving a Marijuana Establishment for the purpose of transporting Marijuana Products, the originating Marijuana Establishment shall weigh or count, inventory, and account for, on video, all Marijuana Products to be transported.

8. Within eight hours after arrival at the destination Marijuana Establishment, the destination Marijuana Establishment shall re-weigh or re-count inventory, and account for, on video, all Marijuana Products transported.

9. When videotaping the weighing, counting, inventorying and accounting of Marijuana Products before transportation or after receipt the video shall show the product being weighed or counted, the actual final weight or count, and the manifest.

10. Marijuana Products shall be packaged in sealed, labeled, and tamper or child-resistant packaging prior to and during transportation.

11. In the case of an emergency stop during the transportation of Marijuana Products, a log shall be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. Licensees shall comply with applicable requirements of 935 CMR 500.110(9).

12. A Marijuana Establishment or a Marijuana Transporter transporting Marijuana Products shall ensure that all transportation times and routes are randomized.

13. A Marijuana Establishment or a Marijuana Transporter transporting Marijuana Products shall ensure that all transport routes remain within the Commonwealth.

14. All vehicles and transportation equipment used in the transportation of Marijuana Products or Edibles requiring temperature control for safety shall be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the Marijuana Products or Edibles from becoming unsafe during transportation,

consistent with applicable requirements pursuant to 21 CFR 1.908(c).

15. All vehicles shall be equipped with a video system that includes one or more video cameras in the storage area of the vehicle and one or more video cameras in the driver area of the vehicle and which shall remain operational at all times during the entire transportation process and which shall have:

a. The ability to produce a clear color still photo whether live or recorded; and

b. A date and time stamp embedded in all recordings which shall always be synchronized and set correctly and may not significantly obscure the picture.

(b) Reporting Requirements.

1. Marijuana Establishment Agents shall document and report any unusual discrepancy in weight, count, or inventory to the Commission and Law Enforcement Authorities not more than 24 hours of the discovery of such a discrepancy.

2. Marijuana Establishment Agents shall report to the Commission and Law Enforcement Authorities any vehicle accidents, Diversion, Inversion, losses, or other reportable incidents that occur during transport, not more than 24 hours of such accidents, Diversion, Inversion, losses, or other reportable incidents.

(c) Vehicles.

1. A vehicle used for transporting Marijuana Products shall be:

a. Owned or leased by the Marijuana Establishment or the Marijuana Transporter;

b. Properly registered, inspected, and insured in the Commonwealth (documentation of such status shall be maintained as records of the Marijuana Establishment or the Marijuana Transporter, and shall be made available to the Commission on request);

c. Equipped with an alarm system approved by the Commission; and

d. Equipped with functioning heating and air conditioning systems appropriate for maintaining correct temperatures for storage of Marijuana Products.

2. Marijuana Products may not be visible from outside the vehicle.

3. Any vehicle used to transport or deliver Marijuana or Marijuana Products shall comply with applicable Massachusetts Registry of Motor Vehicles (RMV) requirements, but may not include any additional external marking that indicate the vehicle is being used to transport or deliver Marijuana or Marijuana Products.

4. When transporting Marijuana Products, no other products may be transported or stored in the same vehicle.

5. No firearms may be located within the vehicle or on a Marijuana Establishment Agent.

(d) Storage Requirements.

1. Marijuana Products shall be transported in a secure, locked storage compartment that is a part of the vehicle transporting the Marijuana Products.

2. The storage compartment shall be sufficiently secure that it cannot be easily removed.

3. If a Marijuana Establishment, pursuant to a Marijuana Transporter License, or a Marijuana Transporter is transporting Marijuana Products for more than one Marijuana Establishment at a time, the Marijuana Products for each Marijuana Establishment shall be kept in a separate locked storage compartment during transportation and separate manifests shall be maintained for each Marijuana Establishment.

4. If a Marijuana Establishment is transporting Marijuana Products to multiple other Marijuana Establishments, it may seek the Commission's permission to adopt reasonable alternative safeguards.

(e) Communications.

1. Any vehicle used to transport Marijuana Products shall contain a global positioning system (GPS) monitoring device that is:

a. Not a mobile device that is easily removable;

b. Attached to the vehicle at all times that the vehicle contains marijuana products;

c. Monitored by the Marijuana Establishment or Marijuana Transporter during transport of Marijuana Products; and

d. Inspected by the commission prior to initial transportation of Marijuana Products, and after any alteration to the locked storage compartment.

2. Each Marijuana Establishment Agent transporting Marijuana Products shall always have access to a secure form of communication with personnel at the originating location when the vehicle contains Marijuana and Marijuana Products.

3. Secure types of communication include, but are not limited to:

a. Two-way digital or analog radio (UHF or VHF);

b. Cellular phone; or

c. Satellite phone.

4. When choosing a type of secure communications, the following shall be taken into consideration:

a. Cellular signal coverage;

b. Transportation area;
c. Base capabilities;
d. Antenna coverage; and
e. Frequency of transportation.

5. Prior to, and immediately after leaving the originating location, the Marijuana Establishment Agents shall use the secure form of communication to contact the originating location to test communications and GPS operability.

6. If communications or the GPS system fail while on route, the Marijuana Establishment Agents transporting Marijuana Products shall return to the originating location until the communication system or GPS system is operational.

7. The Marijuana Establishment Agent or Agents transporting Marijuana Products shall contact the originating location when leaving any scheduled location, or making any unscheduled stops.

8. The originating location shall have a Marijuana Establishment Agent assigned to monitoring the GPS unit and secure form of communication, who shall log all official communications with Marijuana Establishment Agents transporting Marijuana Products.

(f) Manifests.

1. A Marijuana Establishment shall complete a manifest prior to transporting Marijuana or Marijuana Products between Marijuana Establishments or an MTC. A Marijuana Establishment may utilize a physical or electronic manifest during the transportation of Marijuana or Marijuana Products.

2. Prior to transport, the manifest shall be securely transmitted to the destination Marijuana Establishment by facsimile or email.

3. On arrival at the destination Marijuana Establishment, a Marijuana Establishment Agent at the destination Marijuana Establishment shall compare the manifest produced by the agents who transported the Marijuana Products to the copy transmitted by facsimile or email. This manifest shall, at a minimum, include:

a. The originating Marijuana Establishment name, address, and registration number;
b. The names and registration numbers of the Marijuana Establishment Agents who transported the Marijuana Products;
c. The name and registration number of the Marijuana Establishment Agent who prepared the manifest;
d. The destination Marijuana Establishment name, address, and registration number;
e. A description of the Marijuana Products being transported, including the weight and form or type of product;
f. The mileage of the transporting vehicle at departure from originating Marijuana Establishment and mileage on arrival at destination Marijuana Establishment, as well as mileage on return to originating Marijuana Establishment;
g. The date and time of departure from originating Marijuana Establishment and arrival at destination Marijuana Establishment for each transportation;
h. A signature line for the Marijuana Establishment Agent who receives the Marijuana Products;
i. The inventory weight or count before departure and on receipt;
j. The date and time that the transported products were reweighed and re-inventoried;
k. The name of the Marijuana Establishment Agent at the destination Marijuana Establishment who reweighed and re-inventoried products; and
l. The vehicle make, model, and license plate number.

4. The manifest shall be maintained within the vehicle during the entire transportation process, until the delivery is completed.

a. If utilizing a physical copy of the manifest, the licensed Marijuana Establishment Agent must be able to access the physical copy at any time during transportation.
b. If utilizing an electronic manifest, the licensed Marijuana Establishment Agent must be able to access the electronic manifest at any time during transportation.

5. A Marijuana Establishment shall retain all transportation manifests for no less than one year and make them available to the Commission on request.

(g) Requirements for Agents.

1. Each employee or agent transporting or otherwise handling Marijuana Products for a Marijuana Transporter shall be registered as a Marijuana Establishment Agent and have a driver's license in good standing issued by the Massachusetts Registry of Motor Vehicles for all classes of vehicle the Marijuana Establishment Agent will operate for the Marijuana Transporter prior to transporting or otherwise handling Marijuana Products.

2. A Marijuana Establishment Agent shall carry his or her Agent Registration Card at all times when transporting Marijuana Products and shall produce his or her Agent Registration Card to the Commission or Law Enforcement Authorities on request.

(h) Marijuana Transporters shall use best management practices to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts.

(i) A CMO can transport adult use and medical use Marijuana and Marijuana Products if it is appropriately licensed to do so. Where a CMO is transporting both adult use and medical use Marijuana, MIPs and Marijuana Products, the CMO shall comply with the more restrictive security provisions.

(14) Access to the Commission, Emergency Responders and Law Enforcement.

(a) The following individuals shall have access to a Marijuana Establishment or Marijuana Establishment transportation vehicle:

1. Representatives of the Commission in the course of responsibilities authorized by St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.000;
2. Representatives of other state agencies of the Commonwealth; and
3. Emergency responders in the course of responding to an emergency.

(b) 935 CMR 500.000 shall not be construed to prohibit access by authorized law enforcement personnel or local public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction.

(15) Energy Efficiency and Conservation. A Marijuana Establishment shall demonstrate consideration of the following factors as part of its operating plan and application for licensure:

(a) Identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities;

(b) Consideration of opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;

(c) Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and

(d) Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

(16) Bond.

(a) Prior to commencing operations, a Marijuana Establishment shall provide proof of having obtained a surety bond in an amount equal to its licensure fee payable to the Marijuana Regulation Fund to ensure payment of the cost incurred for:

1. The destruction of Cannabis goods necessitated by a violation of M.G.L. c. 94G or 935 CMR 500.000;
2. The costs and compensation of a Court Appointee;
3. The cessation of operation of the Marijuana Establishment; or
4. Such other uses that the Commission may authorize to ensure public health, safety and welfare.

(b) All bonds required under 935 CMR 500.000 shall be issued by a corporate surety licensed to transact surety business in the Commonwealth.

(c) If the Marijuana Establishment is unable to secure a surety bond, as required by 935 CMR 500.105(16)(a), it may place in escrow a sum of no less than $5,000 or such other amount approved by the Commission, to be expended for coverage of liabilities.

(d) The escrow account required pursuant to 935 CMR 500.105(16)(c) shall be replenished within ten business days of any expenditure required under 935 CMR 500.105, unless the Marijuana Establishment has ceased operations. Documentation of the replenishment shall be promptly sent to the Commission.

(17) Social Equity Program.

(a) There shall be a Social Equity Program established by the Commission to provide training and technical assistance to eligible applicants and Licensees which may include, but may not be limited to:

1. Management, recruitment and employee trainings;
2. Accounting and sales forecasting;
3. Tax prediction and compliance;
4. Legal compliance;
5. Business plan creation and operational development;
6. Marijuana industry best practices; and
7. Assistance with identifying or raising funds or capital.

(b) Eligibility for the Social Equity Program shall be met if applicants or Licensees satisfy one or more of the following criteria:

1. Income does not exceed 400% of Area Median Income and Residency in an Area of Disproportionate Impact, as defined by the Commission, for at least five of the preceding ten years, as established by:
    a. A Massachusetts driver's record or Massachusetts ID card record;
    b. A signed lease agreement that includes the subject's name;
    c. Residential property deed that includes the subject's name;
    d. School records;
    e. Housing authority records;
    f. Banking records;
    g. Utility bills, which identifies energy and water use; or
    h. Dated notices or correspondence from a local or state government entity that includes the subject's name.
2. Residency in Massachusetts for at least the preceding 12 months and a conviction or continuance without a finding for an offense under M.G.L. c. 94C or an equivalent conviction in Other Jurisdictions; or
3. Residency in Massachusetts for at least the preceding 12 months and proof that the individual was either married to or the child of an individual convicted or continuance without a finding for a M.G.L. c. 94C offense or an equivalent conviction in Other Jurisdictions.
4. Any individual listed as an Owner on the original certification of an Economic Empowerment Priority Applicant who satisfies one or more the following criteria:
    a. Lived for five of the preceding ten years in an Area of Disproportionate Impact, as determined by the Commission;
    b. Experience in one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities;
    c. Black, African American, Hispanic or Latino descent; or
    d. Other significant articulable demonstration of past experience in or business practices that promote economic empowerment in Areas of Disproportionate Impact.
5. The Commission may, in consideration of new information and data, broaden the categories of eligibility for the Social Equity Program by a vote of the Commission.

(c) The Social Equity Program is not a licensing program. Completion of the Social Equity Program will not result in, or guarantee participants' receipt of a License.

500.110: Security Requirements for Marijuana Establishments

(1) General Requirements. A Marijuana Establishment shall implement sufficient security measures to deter theft of Marijuana and Marijuana Products, prevent unauthorized entrance into areas containing Marijuana and Marijuana Products and ensure the safety of Marijuana Establishment employees, Consumers and the general public. Security measures taken by the Licensee to protect the Premises, employees, Marijuana Establishment Agents, Consumers and general public shall include, but not be limited to, the following:

(a) Positively identifying individuals seeking access to the Premises of the Marijuana Establishment or to whom or Marijuana Products are being transported pursuant to 935 CMR 500.105(13) or delivered pursuant to 935 CMR 500.145 to limit access solely to individuals 21 years of age or older;

(b) Adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication permitted by 935 CMR 500.000 and its enabling statute are allowed to remain on the Premises;

(c) Disposing of Marijuana in accordance with 935 CMR 500.105(12) in excess of the quantity required for normal, efficient operation as established within 935 CMR 500.105;

(d) Securing all entrances to the Marijuana Establishment to prevent unauthorized access;

(e) Establishing Limited Access Areas pursuant to 935 CMR 500.110(4), which, after receipt of a final License, shall be accessible only to specifically authorized personnel, limited to include only the minimum number of employees essential for efficient operation;

(f) Storing all Finished Marijuana Products in a secure, locked safe or vault in such a manner as to prevent Diversion, Inversion, theft and loss;

(g) Keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, Processing or storage, including prior to disposal, of Marijuana or Marijuana Products securely locked and protected from entry, except for the actual time required to remove or replace Marijuana;

(h) Keeping all locks and security equipment in good working order;

(i) Prohibiting keys, if any, from being left in the locks or stored or placed in a location accessible to persons other than specifically authorized personnel;

(j) Prohibiting accessibility of security measures, such as combination numbers,

passwords or electronic or biometric security systems, to persons other than specifically authorized personnel;

(k) Ensuring that the outside perimeter of the Marijuana Establishment is sufficiently lit to facilitate surveillance, where applicable;

(l) Ensuring that all Marijuana and Marijuana Products are kept, sold or stored out of plain sight and are not visible from a public place, outside of the Marijuana Establishment, without the use of binoculars, optical aids or aircraft;

(m) Developing emergency policies and procedures for securing all product following any instance of Diversion, Inversion, theft or loss of Marijuana, and conduct an assessment to determine whether additional safeguards are necessary;

(n) Developing sufficient additional safeguards as required by the Commission for Marijuana Establishments that present special security concerns;

(o) At Marijuana Establishments where transactions are conducted in cash, establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public;

(p) Sharing the Marijuana Establishment's floor plan or layout of the facility with Law Enforcement Authorities, and in a manner and scope as required by the municipality and identifying when the use of flammable or combustible solvents, chemicals or other materials are in use at the Marijuana Establishment; and

(q) Sharing the Marijuana Establishment's security plan and procedures with Law Enforcement Authorities, police and fire departments, if the plans or procedures are modified in a material way, including the addition of plans to deliver directly to Consumers in the case of a Marijuana Retailer or Marijuana Establishment with a Delivery Endorsement.

(2) Alternative Security Provisions.

(a) Notwithstanding the requirements specified in 935 CMR 500.110(1), (5) through (7), if a Marijuana Establishment has provided other, specific safeguards that may be regarded as an adequate substitute for those requirements, such measures may be taken into account by the Commission in evaluating the overall required security measures. For purposes of cash handling and cash transportation, only alternative safeguards that comply with the requirements of 935 CMR 500.110(7)(b) shall be considered to be adequate substitutes.

(b) The applicant or Licensee shall submit a request for an alternative security provision to the Commission on a form as determined and made available by the Commission. On receipt of the form, the Commission shall submit the request to the chief law enforcement officer in the municipality where the Marijuana Establishment is located or will be located. The Commission shall request that the chief law enforcement officer review the request and alternative security provision requested and, within 30 days;

1. certify the sufficiency of the requested alternate security provision; or
2. provide the Commission with a statement of reasons why the alternative security provision is not sufficient in the opinion of the chief law enforcement officer.

(c) The Commission shall take the chief law enforcement officer's opinion under consideration in determining whether to grant the alternative security provision, provided that it shall not be determinative. If no response is received from the chief law enforcement officer or a delegee within 30 days of submitting the request to the chief law enforcement officer, the Commission shall proceed with a determination.

(3) Buffer Zone. A Marijuana Establishment Entrance may not be closer than 500 feet from the nearest School Entrance, unless a city or town adopts an ordinance or bylaw that reduces the distance requirement.

(a) The buffer zone distance of 500 feet shall be measured in a straight line from the geometric center of the Marijuana Establishment Entrance to the geometric center of the nearest School Entrance, unless there is an Impassable Barrier within those 500 feet; in these cases, the buffer zone distance shall be measured along the center of the shortest publicly-accessible pedestrian travel path from the geometric center of the Marijuana Establishment Entrance to the geometric center of the nearest School Entrance.

(b) The buffer zone distance of 500 feet may be reduced if a city or town adopts an ordinance or bylaw that reduces the distance requirement.

(4) Limited Access Areas.

(a) All Limited Access Areas shall be identified by the posting of a sign that shall be a minimum of 12" x 12" and which states: "Do Not Enter - Limited Access Area - Access Limited to Authorized Personnel Only" in lettering no smaller than one inch in height.

(b) All Limited Access Areas shall be clearly described by the filing of a diagram of the licensed Premises, in the form and manner determined by the Commission, reflecting entrances and exits, including loading areas, walls, partitions, counters, Propagation, Vegetation, Flowering, Processing, production, storage, disposal and retail sales areas.

(c) At all times following receipt of a final License, access to Limited Access Areas shall be restricted to employees, agents, or volunteers specifically permitted by the Marijuana Establishment, agents of the Commission, Commission Delegees, and state and local Law Enforcement Authorities acting within their lawful jurisdictions, police and fire departments, and emergency medical services acting in the course of their official capacity.

(d) Employees of the Marijuana Establishment shall visibly display an employee identification badge issued by the Marijuana Establishment at all times while at the Marijuana Establishment or transporting Marijuana.

(e) Following receipt of a final License, all outside vendors, contractors, and Visitors shall obtain a Visitor Identification Badge prior to entering a Limited Access Area and shall be escorted at all times by a Marijuana Establishment Agent authorized to enter the Limited Access Area. The Visitor Identification Badge shall be visibly displayed at all times while the Visitor is in any Limited Access Area. All Visitors shall be logged in and out and that log shall be available for inspection by the Commission at all times. All Visitor Identification Badges shall be returned to the Marijuana Establishment on exit.

(f) A Marijuana Establishment conducting operations under multiple license types on a single Premise may establish Limited Access Areas for each licensed activity that overlap in shared hallways and access points, provided that operations under each license type are segregated and a Marijuana Establishment Agent has access only to the areas where activities are conducted pursuant to the license under which the Marijuana Establishment Agent is registered.

(5) Security and Alarm Requirements for Marijuana Establishments Operating Enclosed Areas.

(a) A Marijuana Establishment located, in whole or in part, in a building, Greenhouse, Warehouse, or other Enclosed Area shall have an adequate security system to prevent and detect Diversion, Inversion, theft or loss of Marijuana or unauthorized intrusion, utilizing commercial grade equipment which shall, at a minimum, include:

1. A perimeter alarm on all building entry and exit points and perimeter windows, if any;
2. A failure notification system that provides an audible, text or visual notification of any failure in the security system. The failure notification system shall provide an alert to designated employees of the Marijuana Establishment within five minutes after the failure, either by telephone, email or text message;
3. A Duress Alarm, Panic Alarm or Holdup Alarm connected to local public safety or Law Enforcement Authorities;
4. Video cameras in all areas that may contain Marijuana or vaults or safes for the purpose of securing cash, at all points of entry and exit and in any parking lot which shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed at all safes, vaults, sales areas and areas where Marijuana is cultivated, harvested, Processed, prepared, stored, handled or dispensed, or where cash is kept and processed. Cameras shall be angled so as to allow for the capture of clear and certain identification of any Person entering or exiting the Marijuana Establishment or area;
5. Recordings from all video cameras which shall be enabled to record 24 hours each day and be available for immediate viewing by the Commission on request for at least the preceding 90 calendar days or the duration of a request to preserve the recordings for a specified period of time made by the Commission, whichever is longer. Video cameras may use motion detection sensors to begin recording, so long as the motion detection sensor system provides an alert to designated employees of the Marijuana Establishment in a manner established in the Marijuana Establishment's written security procedures and approved by the Commission or a Commission Delegee. If a Marijuana Establishment receives notice that the motion detection sensor is not working correctly, it shall take prompt action to make corrections and document those actions. Recordings may not be destroyed or altered, and shall be retained as long as necessary if the Marijuana Establishment is aware of a pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information;
6. The ability to immediately produce a clear, color still image whether live or recorded;
7. A date and time stamp embedded in all recordings, which shall be synchronized and set correctly at all times and may not significantly obscure the picture;
8. The ability to remain operational during a power outage for a minimum of four hours and, if it appears likely that the outage will last for more than four hours, the Marijuana Establishment takes sufficient steps to ensure security on the Premises in consultation with the Commission; and
9. A video recording that allows for the exporting of still images in an industry

standard image format, including .jpg, .bmp and .gif. Exported video shall have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. Exported video shall also have the ability to be saved in an industry standard file format that may be played on a standard computer operating system. All recordings shall be erased or destroyed prior to disposal.

(b) All security system equipment and recordings shall be maintained in a secure location so as to prevent theft, loss, destruction and alterations.

(c) In addition to the requirements listed in 935 CMR 500.110(5)(a) and (b), the Marijuana Establishment shall have a back-up alarm system, with all the capabilities of the primary system, provided by a company supplying commercial grade equipment, which may not be the same company supplying the primary security system, or shall demonstrate to the Commission's satisfaction alternate safeguards to ensure continuous operation of a security system.

(d) Access to surveillance areas shall be limited to Persons that are essential to surveillance operations, Law Enforcement Authorities acting within their lawful jurisdictions, security system service personnel and the Commission.

(e) A current list of authorized employees and service personnel that have access to the surveillance room shall be available to the Commission on request. If the surveillance room is on-site of the Marijuana Establishment, it shall remain locked and may not be used for any other function.

(f) All security equipment shall be in good working order and shall be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test.

(g) Trees, bushes and other foliage outside of the Marijuana Establishment shall be maintained so as to prevent a Person or Persons from concealing themselves from sight.

(6) Security and Alarm Requirements for Marijuana Establishments Operating Outdoors.

(a) A Marijuana Establishment that is outdoors shall implement adequate security measures to ensure that outdoor areas are not readily accessible to unauthorized individuals and to prevent and detect Diversion, Inversion, theft or loss of Marijuana which shall, at a minimum, include:

1. A perimeter security fence designed to prevent unauthorized entry to the cultivation facility with signs notifying observers that it is a Limited Access Area;
2. Commercial-grade, nonresidential locks;
3. A security alarm system that shall:
   a. be continuously monitored, whether electronically, by a monitoring company or other means determined to be adequate by the Commission; and
   b. provide an alert to designated employees of the Marijuana Establishment within five minutes after a notification of an alarm or a system failure, either by telephone, email or text message.
4. Video cameras at all points of entry and exit and in any parking lot which shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed at all safes, vaults, sales areas, and areas where Marijuana is cultivated, harvested, Processed, prepared, stored, handled, Transferred or dispensed and for the purpose of securing cash. Cameras shall be angled so as to allow for the capture of clear and certain identification of any Person entering or exiting the Marijuana Establishment or area;
5. 24-hour recordings from all video cameras that are available immediate viewing by the Commission on request and that are retained for at least 90 calendar days. Recordings may not be destroyed or altered, and shall be retained as long as necessary if the Marijuana Establishment is aware of a pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information;
6. The ability to immediately produce a clear, color still image whether live or recorded;
7. A date and time stamp embedded in all recordings, which shall be synchronized and set correctly at all times and may not significantly obscure the picture;
8. The ability to remain operational during a power outage; and
9. A video recording that allows for the exporting of still images in an industry standard image format, including .jpg, .bmp and .gif. Exported video shall have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. Exported video shall also have the ability to be saved in an industry standard file format that may be played on a standard computer operating system. All recordings shall be erased or destroyed prior to disposal.

(b) All security system equipment and recordings shall be maintained in a secure location so as to prevent theft, loss, destruction and alterations.

(c) In addition to the requirements listed in 935 CMR 500.110(6)(a) and (b), the Marijuana Establishment shall have a back-up alarm system, with all capabilities of the primary system, provided by a company supplying commercial grade equipment, which may not be the same company supplying the primary security system, or shall demonstrate to the Commission's satisfaction alternate safeguards to ensure continuous operation of a security system.

(d) Access to surveillance areas shall be limited to Persons that are essential to surveillance operations, Law Enforcement Authorities acting within their lawful jurisdiction, police and fire departments, security system service personnel and the Commission. A current list of authorized employees and service personnel that have access to the surveillance room shall be available to the Commission on request. If the surveillance room is on-site of the Marijuana Establishment, it shall remain locked and may not be used for any other function.

(e) All security equipment shall be in good working order and shall be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test.

(f) Security plans and procedures shared with Law Enforcement Authorities pursuant to 935 CMR 500.110(1)(o) shall include:

1. A description of the location and operation of the security system, including the location of the central control on the Premises;
2. A schematic of security zones;
3. the name of the security alarm company and monitoring company, if any;
4. A floor plan or layout of the facility in a manner and scope as required by the municipality; and
5. A safety plan for the Manufacture and production of Marijuana Products as required pursuant to 935 CMR 500.101(3)(c)3.

(7) Cash Handling and Transportation Requirements.

(a) A Marijuana Establishment with a contract to deposit funds with a financial institution that conducts any transaction in cash shall establish and implement adequate security measures and procedures for safe cash handling and cash transportation to financial institutions or DOR facilities to prevent theft and loss, and to mitigate associated risks to the safety of employees, customers and the general public. Adequate security measures shall include:

1. An on-site secure locked safe or vault maintained in an area separate from retail sales areas used exclusively for the purpose of securing cash;
2. Video cameras directed to provide images of areas where cash is kept, handled and packaged for transport to financial institutions or DOR facilities, provided that the cameras may be motion-sensor activated cameras and provided, further, that all cameras be able to produce a clear, still image whether live or recorded;
3. A written process for securing cash and ensuring transfers of deposits to the Marijuana Establishment's financial institutions and DOR facilities on an incremental basis consistent with the requirements for deposit by the financial institution or DOR facilities; and
4. Use of an armored transport provider that is licensed pursuant to M.G.L. c. 147, § 25 (watch, guard or patrol agency) and has been approved by the financial institution or DOR facility.

(b) Notwithstanding the requirement of 935 CMR 500.110(7)(a)4., a Marijuana Establishment may request an alternative security provision under 935 CMR 500.110(2) for purposes of cash transportation to financial institutions and DOR facilities. Any approved alternative security provision shall be included in the security plan shared with law enforcement in the municipality in which the Marijuana Establishment is licensed and periodically updated as required under 935 CMR 500.110(1)(q). To be determined to provide a sufficient alternative, any such alternative safeguard shall include, but may not be limited to:

1. Requiring the use of a locked bag for the transportation of cash from a Marijuana Establishment to a financial institution or DOR facility;
2. Requiring any transportation of cash be conducted in an unmarked vehicle;
3. Requiring two registered Marijuana Establishment Agents employed by the Licensee to be present in the vehicle at all times during transportation of deposits;
4. Requiring real-time GPS tracking of the vehicle at all times when transporting cash;
5. Requiring access to two-way communications between the transportation vehicle and the Marijuana Establishment;
6. Prohibiting the transportation of Marijuana or Marijuana Products at the same time that cash is being transported for deposit to a financial institution or DOR facility; and
7. Approval of the alternative safeguard by the financial institution or DOR facility.

(c) All written safety and security measures developed under 935 CMR 500.110(7) shall

be treated as security planning documents, the public disclosure of which would jeopardize public safety.

(8) Security Requirements for Delivery Licensee or a Marijuana Establishment with Delivery Endorsement Operations.

(a) A Marijuana Establishment licensed as a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall implement adequate security measures to ensure that each vehicle used for transportation of Marijuana and Marijuana Products is not readily accessible to unauthorized individuals and to prevent and detect Diversion, Inversion, theft or loss of Marijuana. Security measures shall, at a minimum, include for each operational delivery vehicle:

1. A vehicle security system that includes an exterior alarm;
2. A secure, locked storage compartment in each vehicle and not easily removable for the purpose of transporting the Marijuana or Marijuana Products;
3. A secure, locked storage compartment in each vehicle that is not easily removable for the purpose of transporting and securing cash used as payment for deliveries of Marijuana or Marijuana Products;
4. A means of secure communication between each vehicle and the Marijuana Establishment's dispatching location which shall be capable of being monitored at all times that a vehicle is performing a delivery route. Means of communication shall include:
    a. Two-way digital or analog radio (UHF or VHF);
    b. Cellular phone; or
    c. Satellite phone.
5. A global positioning system (GPS) monitoring device that is:
    a. Not a mobile device and that is attached to the vehicle at all times that the vehicle contains Marijuana or Marijuana Products; and
    b. Monitored by the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement at a fixed location during the transportation of Marijuana or Marijuana Products for the purpose of Consumer delivery with location checks occurring at least every 30 minutes. The Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement may delegate monitoring of the GPS to the Third-party Technology Platform Provider with which the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement has a contract, provided that the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall be responsible for ensuring that monitoring occurs as required under 935 CMR 500.110(8).
6. A video system that includes one or more video cameras in the storage area of the vehicle and one or more video cameras in the driver area of the vehicle and which shall remain operational at all times during the entire transportation process and which shall have:
    a. The ability to produce a clear color still photo whether live or recorded; and
    b. A date and time stamp embedded in all recordings which shall be synchronized and set correctly at all times and may not significantly obscure the picture.
7. All security equipment in each vehicle shall be in good working order and shall be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test.

(b) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement Agents engaged in the delivery of Marijuana or Marijuana Products to a Consumer shall have on their person an operational body camera during all times that the Marijuana Establishment Agent is outside of the delivery vehicle for the purpose of transacting a delivery.

1. The body camera shall record all deliveries.
2. Consumers shall be notified of the use of body cameras to record delivery transactions at the time of order, on the proof of order and by the Marijuana Establishment agent on arrival at the Residence.
3. In addition to providing notice, body cameras shall be displayed conspicuously on the Marijuana Establishment Agent's person.
4. A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall maintain video from body cameras confidentially and protected from disclosure to the full extent allowed by law. The Licensee shall implement data security, records retention, and record destruction policies for body camera video in compliance with applicable federal and state privacy laws including, but not limited to, the Driver Privacy Protection Act, 18 USC § 2721, the Massachusetts Identify Theft Act, M.G.L. c. 93H, 201 CMR 17.00: *Standards for the Protection of Personal Information of Residents of the Commonwealth,* and the Fair Information Practices Act, M.G.L. c. 66A.

5. Video of deliveries shall be retained for a minimum of 30 days, or, with notice to the Delivery Licensee or Marijuana Establishment with a Delivery Endorsement, for the duration of an investigation by the Commission or by law enforcement, whichever is longer. To obtain video from a Licensee as part of an investigation, Commission staff shall consult with the Executive Director and to the extent possible, view the video at the place of storage.

6. A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement may not share or disclose any portion of the information or video footage collected as the result of the use of a body camera pursuant to 935 CMR 500.110(8)(b) to any third-party not explicitly authorized by 935 CMR 500.000 to have access to that video footage, subject to the exceptions in 935 CMR 500.110(8)(b)6.a. and b.

a. A Licensee or Marijuana Establishment shall make video footage available to law enforcement officers acting in his or her official capacity pursuant to a validly issued court order or search warrant demonstrating probable cause.

b. Nothing in 935 CMR 500.110(8)6. shall prohibit law enforcement from performing a constitutionally valid search or seizure including, but not limited to, circumstances that present an imminent danger to safety, and other exceptional or emergency circumstances where time or opportunity to apply for a warrant is lacking.

7. Unless retained for investigative purposes, the Licensee shall erase or otherwise destroy videos after the 30-day retention period.

(c) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsements transporting Marijuana and Marijuana Products for Consumer delivery shall ensure that all vehicles used for deliveries are staffed with a minimum of one Marijuana Establishment Agent. The Agent or Agents shall remain inside the vehicle at all times that the vehicle contains Marijuana or Marijuana Products, unless completing a Consumer delivery.

(d) Marijuana Establishment Agent or Agents shall take all necessary steps to secure the vehicle at all times when Marijuana or Marijuana Products are in the vehicle.

(f) A Marijuana Establishment Agent shall document and report any unusual discrepancy in inventory to the Commission and the local Law Enforcement Authorities in which the establishment is licensed within 24 hours of the discovery of such a discrepancy.

(g) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall report to the Commission and local law enforcement any vehicle accidents, Diversion, Inversion, losses, or other reportable incidents that occur during transport immediately and, under no circumstances, more than 24 hours of becoming aware of any accidents, Diversion, Inversion, losses, or other reportable incidents and shall otherwise comply with the incident reporting requirements set forth under 935 CMR 500.110(9).

1. Representatives of the Commission in the course of responsibilities authorized by M.G.L. c. 94G or 935 CMR 500.000;

2. Representatives of other state agencies acting within their jurisdiction; and

3. Law Enforcement Authorities and emergency medical services in the course of responding to an emergency.

(i) 935 CMR 500.000 shall not be construed to prohibit access to authorized state or local Law Enforcement Authorities or public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction.

(j) All vehicles used by the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement for Consumer delivery are subject to inspection and approval by the Commission prior being put into use. It shall be the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsements responsibility to make the Commission aware of its intent to introduce a new vehicle into operation and ensure an inspection of the vehicle prior to commencing operation.

(k) Firearms are strictly prohibited from Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement vehicles and from Marijuana Establishment Agents performing home deliveries.

(9) Incident Reporting.

(a) A Marijuana Establishment shall notify appropriate Law Enforcement Authorities and the Commission of any breach of security or other reportable incident defined in 935 CMR 500.110(9) immediately and, in no instance, more than 24 hours following discovery of the breach or incident. Notification shall occur, but not be limited to, during the following occasions:

1. Discovery of inventory discrepancies;

2. Diversion, Inversion, theft or loss of any Marijuana Product;

3. Any criminal action involving or occurring on or in the Marijuana Establishment Premises or Licensee or agent;

4. Any suspicious act involving the sale, cultivation, distribution, Processing or production of Marijuana by any Person;

5. Unauthorized destruction of Marijuana;
6. Any loss or unauthorized alteration of records related to Marijuana;
7. An alarm activation or other public safety event that requires response by federal, state or local personnel;
8. The failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last more than eight hours;
9. A significant motor vehicle crash that occurs while transporting or delivering Marijuana or Marijuana Products and would require the filing of a Motor Vehicle Crash Operator Report pursuant to M.G.L. c. 90 § 26; provided however that a motor vehicle crash that renders the Licensee's vehicle inoperable shall be reported immediately to state and local law enforcement so that Marijuana or Marijuana Products may be adequately secured;
10. Any medical event or health and safety emergency that requires response by federal, state or local personnel;
11. Any notice issued to the Licensee from federal, state or local officials indicating to the Licensee a received complaint or cited violation related to the Licensee's operation; or
12. Any other breach of security.

(b) A Marijuana Establishment shall, within ten calendar days, provide notice to the Commission of any incident described in 935 CMR 500.110(9)(a) by submitting an incident report in the form and manner determined by the Commission which details the circumstances of the event, any corrective action taken, and confirmation that the appropriate Law Enforcement Authorities were notified.

(c) All documentation related to an incident that is reportable pursuant to 935 CMR 500.110(9)(a) shall be maintained by a Marijuana Establishment for not less than one year or the duration of an open investigation, whichever is longer, and made available to the Commission and Law Enforcement Authorities within their lawful jurisdiction on request.

(10) Security Audits. A Marijuana Establishment shall, on an annual basis, obtain at its own expense, a security system audit by a vendor approved by the Commission. A report of such audit shall be submitted, in a form and manner determined by the Commission, no later than 30 calendar days after the audit is conducted. If the audit identifies concerns related to the establishment's security system, the Marijuana Establishment shall also submit a plan to mitigate those concerns within ten business days of submitting the audit.

500.120: Additional Operational Requirements for Indoor and Outdoor Marijuana Cultivators

(1) In addition to the general operational requirements for Marijuana Establishments required under 935 CMR 500.105 and security requirements provided in 935 CMR 500.110, Marijuana Cultivators shall comply with additional operational requirements required under 935 CMR 500.120.

(2) A Marijuana Cultivator may cultivate its own Marijuana or acquire Marijuana from other Marijuana Establishments for the purposes of Propagation. Prior to commencing operations, Marijuana Cultivators shall disclose all growing media and plant nutrients intended to be used during the cultivation process. In all instances, Marijuana Cultivators shall disclose all growing media and plant nutrients used for cultivation upon request.

(3) Only a licensed Marijuana Cultivator or Microbusiness is permitted to cultivate Marijuana for adult use for sale to Marijuana Establishments.

(4) All phases of the cultivation, Processing, and packaging of Marijuana by a Marijuana Cultivator shall take place in a designated Limited Access Area where Marijuana is not visible from a public place without the use of binoculars, aircraft or other optical aids. Marijuana is not visible if it cannot be reasonably identified.

(5) Application of Pesticides shall be performed in compliance with M.G.L. c. 132B and the regulations promulgated at 333 CMR 2.00 through 14.00. Any testing results indicating noncompliance shall be immediately reported to the Commission, who may refer any such result to the MDAR.

(6) A Marijuana Cultivator selling or otherwise transferring Marijuana to another Marijuana Establishment shall provide documentation of its compliance, or lack thereof, with the testing requirements of 935 CMR 500.160.

(7) A Marijuana Cultivator may label Marijuana and Marijuana Products with the word "organic" only if all cultivation is consistent with US Department of Agriculture organic

requirements at 7 CFR 205: *National Organic Program* and consistent with MDAR requirements for Pesticide usage;

(8) Soil for cultivation shall meet federal standards identified by the Commission including, but not limited to, the U.S. Agency for Toxic Substances and Disease Registry's Environmental Media Evaluation Guidelines for residential soil levels.

(9) The cultivation process shall use best practices to limit contamination including, but not limited to, mold, fungus, bacterial diseases, rot, pests, Pesticides not in compliance with 935 CMR 500.120(5) for use on Marijuana, mildew, and any other contaminant identified as posing potential harm. Best practices shall be consistent with state and local law including, but not limited to, the Commission's Guidance on Integrated Pest Management.

(10) Any application of plant nutrient to land used for the cultivation of Marijuana shall comply with St. 2012, c. 262, as amended by St. 2013, c. 118, § 26, and 330 CMR 31.00: *Plant Nutrient Application Requirements for Agricultural Land and Non-agricultural Turf and Lawns*.

(11) A Marijuana Cultivator shall satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals including, but not limited to, those related to water quality and quantity, wastewater, solid and hazardous waste management, and air pollution control, including prevention of odor and noise pursuant to 310 CMR 7.00: *Air Pollution Control* as a condition of obtaining a final license under 935 CMR 500.103(2) and as a condition of renewal under 935 CMR 500.103(4). A Marijuana Cultivator shall adopt and use additional best management practices as determined by the Commission, in consultation with the working group established under St. 2017, c. 55, § 78(b) or applicable departments or divisions of the EOEEA, to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and shall provide energy and water usage reporting to the Commission in a form determined by the Commission. Each license renewal application under 935 CMR 500.103(4) shall include a report of the Marijuana Cultivator's energy and water usage over the 12-month period preceding the date of application. Marijuana Cultivators shall be subject to the following minimum energy efficiency and equipment standards:

(a) The building envelope for all facilities, except Greenhouses, shall meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: *Massachusetts Amendments to the International Building Code 2009*), International Energy Conservation Code (IECC) Section C402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Standard 90.1 Sections 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: *Massachusetts Amendments to the International Building Code 2009*, except that facilities using existing buildings may demonstrate compliance by showing that the envelope insulation complies with code minimum standards for Type Factory Industrial F-1, as further defined in guidelines issued by the Commission.

(b) Lighting used for Cannabis cultivation shall meet one of the following compliance requirements:

1. Horticulture Lighting Power Density may not exceed 36 watts per square foot, except for Tier 1 and Tier 2 which may not exceed 50 watts per square foot; or
2. All horticultural lighting used in a facility is listed on the current Design Lights Consortium Solid-state Horticultural Lighting Qualified Products List ("Horticultural QPL") or other similar list approved by the Commission as of the date of license application, and lighting Photosynthetic Photon Efficacy (PPE) is at least 15% above the minimum Horticultural QPL threshold rounded up to the nearest 0.1 µmol/J (micromoles per joule).
3. A facility seeking to use horticultural lighting not included on the Horticultural QPL or other similar list approved by the Commission shall seek a waiver pursuant to 935 CMR 500.850 and provide documentation of third-party certification of the energy efficiency features of the proposed lighting. All facilities, regardless of compliance path, shall provide third-party safety certification by an OSHA NRTL or SCC-recognized body, which shall certify that products meet a set of safety requirements and standards deemed applicable to horticultural lighting products by that safety organization.

(c) Heating Ventilation and Air Condition (HVAC) and dehumidification systems shall meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: *Massachusetts Amendments to the International Building Code 2009*), IECC Section C403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: *Massachusetts Amendments to the International Building Code 2009*). As part of the documentation required under 935 CMR 500.120(11)(b), a Marijuana Cultivator shall provide a certification from a Massachusetts Licensed Mechanical Engineer that the HVAC and dehumidification systems meet Massachusetts building code as specified in 935 CMR

500.120(11)(c) and that such systems have been evaluated and sized for the anticipated loads of the facility.

(d) Safety protocols shall be established and documented to protect workers, Consumers, or Visitors (*e.g.*, eye protection near operating Horticultural Lighting Equipment).

(e) Requirements in 935 CMR 500.120(11)(b) and (c) shall not be required if an indoor Marijuana Cultivator is generating 80% or more of the total annual on-site energy use for all fuels (expressed on a MWh basis) from an on-site clean or renewable generating source, or renewable thermal generation, as provided in M.G.L. c. 25A § 11F and 11F½. Additionally, the Marijuana Establishment shall document that renewable energy credits or alternative energy credits representing the portion of the Licensee's energy usage not generated onsite have been purchased and retired on an annual basis.

(f) Prior to final licensure, a Marijuana Cultivator Licensee shall demonstrate compliance with 935 CMR 500.120(11), by submitting an energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation, together with submission of building plans under 935 CMR 500.103. For a Microbusiness or Craft Marijuana Cooperative with a cultivation location sized as Tier 1 or Tier 2, or such other Marijuana Cultivators that have been granted a waiver under 935 CMR 500.850, compliance with any of the requirements of 935 CMR 500.120(11) may be demonstrated through an energy compliance letter or updated energy compliance letter prepared by one or more of the following energy professionals:

1. A Certified Energy Auditor certified by the Association of Energy Engineers;
2. A Certified Energy Manager certified by the Association of Energy Engineers;
3. A Massachusetts Licensed Professional Engineer; or
4. A Massachusetts Licensed Registered Architect.

(g) A CMO with a final Certificate of Licensure issued before November 1, 2019 shall have until July 1, 2020 to comply with 935 CMR 500.120(11), except that any additions to or renovations to a facility shall comply with 935 CMR 500.120(11). A CMO subject to 935 CMR 500.120(11)(g) may apply for an additional six-month extension if it agrees to install meters to monitor energy usage, water usage and other data determined by the Commission as necessary in order to provide reports on energy usage, water usage, waste production and other data in a form and manner determined by the Commission.

(h) For purposes of 935 CMR 500.120(11), the following terms shall have the following meanings:

1. Horticultural Lighting Equipment (HLE) means any lighting equipment (*e.g.*, fixtures, bulbs, ballasts, controls, *etc*.) that uses energy for the cultivation of plants, at any stage of growth (*e.g*., germination, cloning/Mother Plants, Propagation, Vegetation, Flowering, and harvest).
2. Horticulture Lighting Square Footage (HLSF) means an area to be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain plants at any point in time, at any stage of growth, including all of the space(s) within the boundaries, HLSF may be noncontiguous, but each unique area included in the total HLSF calculations shall be separated by an identifiable boundary which includes, but is not limited to: interior walls, shelves, Greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If plants are being cultivated using a shelving system, the surface area of each level shall be included in the total HLSF calculation.
3. Lighting Power Density (HLPD) means a measure of total watts of Horticultural Lighting Equipment per total Horticulture Lighting Square Footage, (HLE / HLSF = HLPD) expressed as number of watts per square foot.

(12) In addition to the written operating policies required under 935 CMR 500.105(1), a Marijuana Cultivator, including CMO Marijuana Cultivators and MTCs, shall maintain written policies and procedures for the cultivation, production, Transfer or distribution of Marijuana, as applicable, which shall include, but not be limited to:

(a) Methods for identifying, recording, and reporting Diversion, Inversion, theft, or loss, for correcting all errors and inaccuracies in inventories, and for maintaining accurate inventory. The policies and procedures, at a minimum, shall comply with 935 CMR 500.105(8);

(b) Policies and procedures for handling voluntary and mandatory recalls of Marijuana. Such procedures shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by a Marijuana Establishment to remove defective or potentially defective Marijuana from the market, as well as any action undertaken to promote public health and safety;

(c) Policies and procedures for ensuring that any outdated, damaged, deteriorated,

mislabeled, or contaminated Marijuana is segregated from other Marijuana and destroyed. Such procedures shall provide for written documentation of the disposition of the Marijuana. The policies and procedures, at a minimum, shall comply with 935 CMR 500.105(12);

(d) Policies and Procedures for Transportation. The policies and procedures, at a minimum, shall comply with 935 CMR 500.105(13);

(e) Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. The policies and procedures, at a minimum, shall comply with 935 CMR 500.105(15) and 935 CMR 500.120(11);

(f) Policies and procedures for ensuring fire safety in cultivation activities including, but not limited to, the storage and processing of chemicals or fertilizers, in compliance with the standards set forth in 527 CMR 1.00: *The Massachusetts Comprehensive Fire Safety Code*;

(g) Policies and procedures for the Transfer, acquisition, or sale of Marijuana between Marijuana Establishments;

(h) Policies and procedures for developing and providing Vendor Samples to a Marijuana Product Manufacturer, a Marijuana Retailer or a Delivery Operator. Policies and procedures shall include methods by which the Marijuana Cultivator will adequately track, record, and document all Vendor Samples developed on, or provided from, the licensed Premises in satisfaction of 935 CMR 500.120(13);

(i) Policies and procedures for developing and providing Quality Control Samples to employees for the purpose of ensuring product quality and determining whether to make the product available to sell. Policies and procedures shall include methods by which the Marijuana Cultivator will adequately track, record, and document all Quality Control Samples developed on, or provided from, the licensed Premises in satisfaction of 935 CMR 500.120(14). Policies and procedures shall further prohibit consumption of Quality Control Samples on the licensed Premises; and

(j) Policies and procedures for packaging Marijuana and White Labeling Marijuana Cultivators shall retain all Wholesale Agreements entered into with Delivery Operators and shall make them available to the Commission upon request.

(13) Vendor Samples.

(a) A Marijuana Cultivator may provide a Vendor Sample of Marijuana flower to a Marijuana Product Manufacturer or to a Marijuana Retailer. Provision of a Vendor Sample under 935 CMR 500.120(13) shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.

(b) Vendor Samples provided under 935 CMR 500.120(13):

1. May not be consumed on any licensed Premises;
2. May not be sold to another licensee or Consumer;
3. Shall be tested in accordance with 935 CMR 500.160; and
4. Shall be transported in accordance with 935 CMR 500.105(13). A Marijuana Cultivator may include Vendor Samples with other Marijuana flower intended for transportation to an individual Marijuana Product Manufacturer or an individual Marijuana Retailer;

(c) Vendor Sample limits. A Marijuana Cultivator is limited to providing the following aggregate amount of Vendor Samples to an individual Marijuana Product Manufacturer or an individual Marijuana Retailer in a calendar month period: Four grams per strain of Marijuana flower and no more than seven strains of Marijuana flower.

(d) All Vendor Samples provided by a Marijuana Cultivator under 935 CMR 500.120(13) shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as "Vendor Sample";

(e) Vendor Samples provided under 935 CMR 500.120(13) shall have a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size containing at minimum the following information:

1. A statement that reads: "VENDOR SAMPLE NOT FOR RESALE";
2. The name and registration number of the Marijuana Cultivator;
3. The quantity, net weight, and type of Marijuana flower contained within the package; and
4. A unique sequential, alphanumeric identifier assigned to the Cultivation Batch associated with the Vendor Sample that is traceable in the Seed-to-sale SOR.

(14) Quality Control Samples.

(a) A Marijuana Cultivator may provide a Quality Control Sample of Marijuana flower to its employees for the purpose of ensuring product quality and determining whether to make the product available to sell. Provision of a Quality Control Sample under 935 CMR

500.120(14) shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.

(b) Quality Control Samples provided to employees under 935 CMR 500.120(14):

1. May not be consumed on the licensed Premises;
2. May not be sold to another licensee or Consumer; and
3. Shall be tested in accordance with 935 CMR 500.160.

(c) Quality Control Sample Limits. A Marijuana Cultivator is limited to providing the following aggregate amount of Quality Control Samples to all employees in a calendar month period: Four grams per strain of Marijuana flower and no more than seven strains of Marijuana flower.

(d) All Quality Control Samples provided by a Marijuana Cultivator under 935 CMR 500.120(14) shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as "Quality Control Sample."

(e) Quality Control Samples provided under 935 CMR 500.120(14) shall have a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size containing, at minimum, the following information:

1. A statement that reads: "QUALITY CONTROL SAMPLE NOT FOR RESALE";
2. The name and registration number of the Marijuana Cultivator;
3. The quantity, net weight, and type of Marijuana flower contained within the package; and
4. A unique sequential, alphanumeric identifier assigned to the Cultivation Batch associated with the Quality Control Sample that is traceable in the Seed-to-sale SOR.

(f) Upon providing a Quality Control Sample to an employee, the Marijuana Cultivator shall record:

1. The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Quality Control Sample;
2. The date and time the Quality Control Sample was provided to the employee;
3. The agent registration number of the employee receiving the Quality Control Sample; and
4. The name of the employee as it appears on their agent registration card.

500.130: Additional Operational Requirements for Marijuana Product Manufacturers

(1) In addition to the general operational requirements for Marijuana Establishments required under 935 CMR 500.105 and security requirements provided in 935 CMR 500.110, Marijuana Product Manufacturers shall comply with additional operational requirements required under 935 CMR 500.130.

(2) Production of Edibles shall take place in compliance with the following:

(a) All Edibles shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*, and with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases*, *Surveillance, and Isolation and Quarantine Requirements*; and

(b) Any Marijuana Product that is made to resemble a typical food or drink product shall be packaged and labelled as required by 935 CMR 500.105(5) and (6).

(3) A Marijuana Product Manufacturer shall meet all applicable environmental laws, regulations, permits and other applicable approvals including, but not limited to, those related to water quality and quantity, wastewater, solid and hazardous waste management and air pollution control, including prevention of odor and noise pursuant to 310 CMR 7:00: *Air Pollution Control*, and to use additional best management practices as determined by the Commission in consultation with the working group established under St. 2017, c. 55, § 78(b) or applicable departments or divisions of the EOEEA to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts.

(4) A Marijuana Product Manufacturer selling or otherwise Transferring Marijuana to another Marijuana Establishment shall provide documentation of its compliance, or lack thereof, with the testing requirements of 935 CMR 500.160, and standards established by the Commission for the conditions, including time and temperature controls, necessary to protect Marijuana Products against physical, chemical, and microbial contamination as well as against deterioration of finished products during storage and transportation.

(a) A Product Manufacturer shall retain all records of purchases from any manufacturer or supplier of any ingredient, additive, device, component part or other materials obtained by the Product Manufacturer in relation to the manufacturing of Marijuana Vaporizer

Devices and such records shall be made available to the Commission on request.

(b) A Marijuana Product Manufacturer shall maintain records of the name and business address of the manufacturer of any cartridge, battery, atomizer coil, hardware or other component of Marijuana Vaporizer Products manufactured by the Licensee. Further, the Product Manufacturer shall, on request by the Commission, identify the materials used in the device's atomizer coil (*e.g*., titanium, titanium alloy, quartz, copper, nichrome, kanthal, or other specified material) or state if such information cannot be reasonably ascertained.

(c) A copy of the Certificate of Analysis for each thickening agent, thinning agent or terpene infused or incorporated into a Marijuana Vaporizer Device during production shall be retained by a Product Manufacturer and provided as a part of a wholesale transaction with any Marijuana Retailer, MTC or Delivery Operator.

(d) A Product Manufacturer that wholesales Marijuana Vaporizer Devices to a Marijuana Retailer, MTC or Delivery Operator shall provide the recipient with the information insert required by 935 CMR 500.105(5)(c) or the necessary information to produce such an insert and the appropriate labeling information required by 935 CMR 500.000; provided, however, that White Labeling of Marijuana Vaporizer Devices is explicitly prohibited.

(5) In addition to the written operating policies required under 935 CMR 500.105(1), a Marijuana Product Manufacturer shall maintain written policies and procedures for the production or distribution of Marijuana Products as applicable, which shall include, but not be limited to:

(a) Methods for identifying, recording, and reporting Diversion, Inversion, theft, or loss, and for correcting all errors and inaccuracies in inventories. The policies and procedures, at a minimum, shall comply with 935 CMR 500.105(8);

(b) Policies and procedures for handling voluntary and mandatory recalls of Marijuana Products. Such procedures shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by a Marijuana Establishment to remove defective or potentially defective Marijuana Products from the market, as well as any action undertaken to promote public health and safety;

(c) Policies and procedures for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated Marijuana or Marijuana Products are segregated from other Marijuana and destroyed. Such procedures shall provide for written documentation of the disposition of the Marijuana or Marijuana Products. The policies and procedures, at a minimum, shall comply with 935 CMR 500.105(12);

(d) Policies and procedures for transportation. The policies and procedures, at a minimum, shall comply with 935 CMR 500.105(13);

(e) Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. The policies and procedures, at a minimum, shall comply with 935 CMR 500.105(15);

(f) Policies and procedures for the Transfer, acquisition, or sale of Marijuana Products between Marijuana Establishments, and if applicable, MTCs and CMOs;

(g) Policies and procedures to ensure that all Edibles are prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*, and with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*;

(h) Policies and procedures for maintaining a product catalogue identifying all types of Marijuana Products actively manufactured at the facility. The catalog shall include a description of the product, photograph or illustration, packaging design, and dosage amounts, including expected Cannabinoid Profile;

(i) Policies and procedures for ensuring safety in all processing activities and the related uses of extraction equipment in compliance with the standards set forth in 527 CMR 1.00: *The Massachusetts Comprehensive Fire Safety Code*;

(j) Policies and procedures for developing and providing Vendor Samples to a Marijuana Retailer. Policies and procedures shall include methods by which the Marijuana Product Manufacturer will adequately track, record, and document all Vendor Samples developed on, or provided from, the licensed Premises in satisfaction of 935 CMR 500.130(8);

(k) Policies and procedures for developing and providing Quality Control Samples to employees for the purpose of ensuring product quality and determining whether to make the product available to sell. Policies and procedures shall include methods by which the Marijuana Product Manufacturer will adequately track, record, and document all Quality Control Samples developed on, or provided from, the licensed Premises in satisfaction of 935 CMR 500.130(8). Policies and procedures shall further prohibit consumption of Quality Control Samples on the licensed Premises; and

(l) Policies and procedures for White Labeling on behalf of any Delivery Operator.

Marijuana Product Manufacturers shall retain all Wholesale Agreements entered into with Delivery Operators and shall make them available to the Commission upon request.

(6) Product Database. In addition to the requirement to establish policies and procedures for maintaining a product catalogue under 935 CMR 500.130(5)(h), a Marijuana Product Manufacturer, after receiving a Provisional License but prior to receiving a Certificate to Commence Operations, shall provide the following information about the Finished Marijuana Products it intends to produce and make available at wholesale to a Marijuana Retailer or Delivery Operator prior to commencement of operations. This information may be used by the Commission for its Product Database.

(a) The Marijuana Product Manufacturer shall provide the following:

1. Marijuana Product type;
2. Marijuana Product Brand Name;
3. List of direct ingredients;
4. List of indirect ingredients;
5. Serving size, including a description of what constitutes a serving size for a product that is not already a single serving;
6. Potency;
7. A photograph of a Finished Marijuana Product, against a white background, outside of but next to the Marijuana Product's packaging, including any external or internal packaging, provided however that where single servings of a multi-serving product are unable to be easily identified because of its form, a description of what constitutes a single serving shall be provided (*e.g.* a single serving is a 1" x 1" square), and where an Edible cannot be stamped, for example, due to size or a coating, the photograph of the Edible outside of, but next to, its external and internal packaging, such as the wrapper, and labeling information for the Edible;
8. A photograph of the Marijuana Product, against a white background, inside the packaging; and
9. A list of Marijuana Products to be sold based on anticipated or executed agreements between the Marijuana Product Manufacturer and Marijuana Retailer or Delivery Operator.

(b) Photographs shall be submitted in a form and manner determined by the Commission.

(c) A Marijuana Product Manufacturer shall provide the information required under 935 CMR 500.130(6)(a) for each Marijuana Product that it produces prior to the product being made available for sale through a licensed Marijuana Retailer, MTC or Delivery Operator and shall update the information whenever a substantial change to the product information occurs. Substantial changes, including changes to information listed in 935 CMR 500.130(6)(a)1. through 9., shall be submitted to the Commission for inclusion in the Product Database prior to the transfer of the Marijuana Product.

(7) Notwithstanding a stricter municipal or state regulation, a Marijuana Product Manufacturer shall identify the method of extraction (*e.g.*, Butane, Propane, CO2) on a physical posting at all entrances of the Marijuana Establishment. The Posting shall be a minimum of 12" x 12" and identify the method of extraction in lettering no smaller than one inch in height. A Marijuana Product Manufacturer shall post a copy of a permit to keep, store, handle or otherwise use flammable and combustible at each place of operation within the facility.

(8) Vendor Samples.

(a) A Marijuana Product Manufacturer may provide a Vendor Sample of a Marijuana Product to a Marijuana Retailer, or Delivery Operator, Provision of a Vendor Sample under 935 CMR 500.130(8) shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.

(b) Vendor Samples provided under 935 CMR 500.130(8):

1. May not be consumed on any licensed Premises;
2. May not be sold to another licensee or Consumer;
3. Shall be tested in accordance with 935 CMR 500.160; and
4. Shall be transported in accordance with 935 CMR 500.105(13). A Marijuana Product Manufacturer may include Vendor Samples with other Marijuana Products intended for transportation to an individual Marijuana Retailer or Delivery Operator.

(c) Vendor Sample Limits. A Marijuana Product Manufacturer is limited to providing the following aggregate amounts of Vendor Samples to an individual Marijuana Retailer or Delivery Operator in a calendar month period:

1. Five grams of Marijuana concentrate or extract including, but not limited to, tinctures;

2. Five hundred milligrams of Edibles whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies the potency levels set forth in 935 CMR 500.150(4); and

3. Five units of sale per Cannabis product line and no more than six individual Cannabis product lines. For purposes of 935 CMR 500.130(8), a Cannabis product line shall mean items bearing the same Stock Keeping Unit Number.

(d) All Vendor Samples received from a Marijuana Cultivator pursuant to 935 CMR 500.120(13) that are used to manufacture a Marijuana Product shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as "Vendor Sample";

(e) All Vendor Samples provided by a Marijuana Product Manufacturer under 935 CMR 500.130(8) shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission and shall further be designated as "Vendor Sample";

(f) Vendor Samples provided under 935 CMR 500.130(8) shall have a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size containing at minimum the following information:

1. A statement that reads: "VENDOR SAMPLE NOT FOR RESALE";
2. The name and registration number of the Marijuana Product Manufacturer;
3. The quantity, net weight, and type of Marijuana Product contained within the package; and
4. A unique sequential, alphanumeric identifier assigned to the Production Batch associated with the Vendor Sample that is traceable in the Seed-to-sale SOR.

(9) Quality Control Samples.

(a) A Marijuana Product Manufacturer may provide a Quality Control Sample of Marijuana Product to its employees for the purpose of ensuring product quality and determining whether to make the product available to sell. Provision of a Quality Control Sample under 935 CMR 500.130(9) shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.

(b) Quality Control Samples provided to employees under 935 CMR 500.130(9):

1. May not be consumed on the licensed Premises;
2. May not be sold to another licensee or Consumer; and
3. Shall be tested in accordance with 935 CMR 500.160.

(c) Quality Control Sample Limits. A Marijuana Product Manufacturer is limited to providing the following aggregate amounts of Quality Control Samples to all employees in a calendar month period:

1. Five grams of Marijuana concentrate or extract including, but not limited to, tinctures;
2. Five hundred milligrams of Edibles whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies the potency levels set forth in 935 CMR 500.150(4); and
3. Five units of sale per Cannabis product line and no more than six individual Cannabis product lines. For purposes of 935 CMR 500.130(8), a Cannabis product line shall mean items bearing the same Stock Keeping Unit Number.

(d) All Quality Control Samples provided under 935 CMR 500.130(8) shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as "Quality Control Sample."

(e) Quality Control Samples provided under 935 CMR 500.130(9) shall have a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size containing at minimum the following information:

1. A statement that reads: "QUALITY CONTROL SAMPLE NOT FOR RESALE";
2. The name and registration number of the Marijuana Product Manufacturer;
3. The quantity, net weight, and type of Marijuana flower contained within the package; and
4. A unique sequential, alphanumeric identifier assigned to the Production Batch associated with the Quality Control Sample that is traceable in the Seed-to-sale SOR.

(9) Quality Control Samples.

(a) A Marijuana Product Manufacturer may provide a Quality Control Sample of Marijuana Product to its employees for the purpose of ensuring product quality and determining whether to make the product available to sell. Provision of a Quality Control Sample under 935 CMR 500.130(9) shall not be considered a prohibited practice under 935

CMR 500.105(4)(b)20.

(b) Quality Control Samples provided to employees under 935 CMR 500.130(9):

1. May not be consumed on the licensed Premises;
2. May not be sold to another licensee or Consumer; and
3. Shall be tested in accordance with 935 CMR 500.160.

(c) Quality Control Sample Limits. A Marijuana Product Manufacturer is limited to providing the following aggregate amounts of Quality Control Samples to all employees in a calendar month period:

1. Five grams of Marijuana concentrate or extract including, but not limited to, tinctures;
2. Five hundred milligrams of Edibles whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies the potency levels set forth in 935 CMR 500.150(4); and
3. Five units of sale per Cannabis product line and no more than six individual Cannabis product lines. For purposes of 935 CMR 500.130(8), a Cannabis product line shall mean items bearing the same Stock Keeping Unit Number.

(d) All Quality Control Samples provided under 935 CMR 500.130(8) shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as "Quality Control Sample."

(e) Quality Control Samples provided under 935 CMR 500.130(9) shall have a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size containing at minimum the following information:

1. A statement that reads: "QUALITY CONTROL SAMPLE NOT FOR RESALE";
2. The name and registration number of the Marijuana Product Manufacturer;
3. The quantity, net weight, and type of Marijuana flower contained within the package; and
4. A unique sequential, alphanumeric identifier assigned to the Production Batch associated with the Quality Control Sample that is traceable in the Seed-to-sale SOR.

(f) Upon providing a Quality Control Sample to an Employee, the Marijuana Product Manufacturer shall record:

1. The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Quality Control Sample;
2. The date and time the Quality Control Sample was provided to the Employee;
3. The agent registration number of the employee receiving the Quality Control Sample; and
4. The name of the Employee as it appears on their agent registration card.

500.140: Additional Operational Requirements for Retail Sale

(1) In addition to the general operational requirements for Marijuana Establishments required under 935 CMR 500.105 and security requirements provided in 935 CMR 500.110, Licensees engaged in retail sales shall comply with 935 CMR 500.140.

(2) On-premises Verification of Identification.

(a) On entry into the Premises of a Marijuana Retailer by an individual, a Marijuana Establishment Agent shall immediately inspect the individual's proof of identification and determine the individual's age. An individual shall not be admitted to the Premises, unless the Marijuana Retailer has verified that the individual is 21 years of age or older by an individual's proof of identification.

(b) On point-of-sale by an individual, a Marijuana Establishment Agent shall inspect the individual's proof of identification and determine the individual's age.

(c) In accordance with M.G.L. c. 94G, § 4(c)(3), a Marijuana Retailer may not acquire or record Consumer personal information other than information typically required in a retail transaction, which can include information to determine the Consumer's age. A Marijuana Retailer may not record or retain any additional personal information from Consumer without the Consumer's voluntary written permission, except as provided in (d) and (e).

(d) A Marijuana Retailer that has entered into Delivery Agreements with Delivery Licensees for the purpose of transacting home deliveries to Consumers shall establish a Pre-verification process for Consumers who intend to place orders for delivery with the Marijuana Establishment. A Marijuana Retailer that holds more than one Marijuana Retailer license may establish a process to share Pre-verification information about Consumers among their multiple locations for the purpose of enabling deliveries from any licensed location operated by the Marijuana Retailer; provided, however that information shall only be shared among locations upon the affirmative election by a Consumer. To

comply with the requirements of Pre-verification, the Marijuana Establishment shall:

1. Require the Consumer to pre-verify with the Marijuana Establishment either in person or through a Commission-approved electronic means by presenting or submitting the Consumer's valid, unexpired government-issued photo identification; and
2. Examine the government-issued identification card and verify that the individual Consumer presenting or submitting the government-issued identification card is the individual Consumer that matches the government-issued identification card and that the individual Consumer is 21 years of age or older.

(e) A Marijuana Retailer shall collect and maintain relevant information about the individual Consumer, for the purpose of transacting a delivery and ensuring that the recipient of a delivery under 935 CMR 500.145 is legally allowed to receive Marijuana and Marijuana Products, which shall be limited to:

1. The individual's name;
2. The individual's date of birth;
3. The individual's address;
4. The individual's primary telephone number; and
5. The individual's email address.

(f) Any such information collected by the Marijuana Establishment shall be used solely for the purpose of transacting a delivery under 935 CMR 500.145 and shall be otherwise maintained confidentially.

(3) Limitation on Sales.

(a) In accordance with M.G.L. c. 94G, § 7, a Marijuana Retailer may not knowingly sell more than one ounce of Marijuana or its combined dry weight equivalent in Marijuana concentrate or Edibles to a retail customer per day.

1. One ounce of Marijuana flower shall be equivalent to five grams of active tetrahydrocannabinol (THC) in Marijuana concentrate including, but not limited to, Tinctures.
2. One ounce of Marijuana flower shall be equivalent to five hundred milligrams of active tetrahydrocannabinol (THC) in Edibles.
3. Topicals and ointments shall not be subject to a limitation on daily sales.

(b) A Marijuana Retailer may not sell Marijuana or Marijuana Products in excess of the potency levels established by 935 CMR 500.150(4); and

(c) A Marijuana Retailer shall demonstrate that it has a point-of-sale system that does not allow for a transaction in excess of the limit established in 935 CMR 500.140(3)(a) or the potency levels established in 935 CMR 500.140(3)(b).

(d) Unless authorized by the Commission, a Marijuana Establishment may not sell any service or product other than Marijuana Products, Marijuana Accessories, and Branded Goods.

(e) A Marijuana Establishment may sell non-infused food, water, and drink items that are pre-packaged prior to arrival on the Premises and are Shelf-stable. Such sales of Shelf-Stable Products shall be limited to products sold in a manner that does not cause the Marijuana Establishment to be considered a Food Establishment under 105 CMR 590.001. The Marijuana Establishment shall obtain all licenses and permits, as necessary, prior to the sale of Shelf-stable products.

(f) A Marijuana Retailer shall not sell alcohol or Tobacco.

(4) Unauthorized Sales and Right to Refuse Sales.

(a) A Marijuana Retailer shall refuse to sell Marijuana to any Consumer who is unable to produce valid proof of government-issued identification.

(b) A retailer shall refuse to sell Marijuana Products to a Consumer if, in the opinion of the Marijuana Establishment Agent based on the information available to the agent at that time, the Consumer or the public would be placed at risk. This includes, but is not limited to, the Consumer engaging in daily transactions that exceed the legal possession limits or that create a risk of Diversion or Inversion.

(c) A retailer may not sell to an individual more than one ounce of Marijuana or its dry weight equivalent in Marijuana concentrate or Edibles per transaction. A retailer may not knowingly sell to an individual more than one ounce of Marijuana or its dry weight equivalency per day.

(d) A retailer is prohibited from selling Marijuana Products containing nicotine.

(e) A retailer is prohibited from selling Marijuana Products containing alcohol, if sales of such alcohol would require licensure pursuant to M.G.L. c. 138.

(5) Recording Sales.

(a) A Marijuana Retailer shall only utilize a point-of-sale system approved by the Commission, in consultation with the DOR.

(b) A retailer may utilize a sales recording module approved by the DOR.

(c) A retailer is prohibited from utilizing software or other methods to manipulate or alter sales data.

(d) A retailer shall conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data.

(e) A Marijuana Retailer shall maintain records that it has performed the monthly analysis and produce it on request to the Commission. If a retailer determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:

1. It shall immediately disclose the information to the Commission;
2. It shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
3. Take such other action directed by the Commission to comply with 935 CMR 500.105.

(f) A retailer shall comply with 830 CMR 62C.25.1: *Record Retention and DOR Directive 16-1* regarding recordkeeping requirements.

(g) A retailer shall adopt separate accounting practices at the point of sale for Marijuana and Marijuana Product sales, and non-Marijuana sales.

(h) The Commission and the DOR may audit and examine the point-of-sale system used by a retailer in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.140(5).

(i) A Marijuana Retailer who operates a Supplemental On-site Consumption License in the Premises shall distinguish sales for retail only and sales for consumption through the Seed-to-sale SOR. After the point of sale, there shall be a reconciliation of that inventory in the Seed-to-sale SOR.

(6) Consumer Education. A Marijuana Retailer shall make available educational materials about Marijuana Products to Consumers. A retailer shall have an adequate supply of current educational material available for distribution. Educational materials shall be available in commonly spoken languages designated by the Commission, which will include, but not be limited to, appropriate materials for the visually- and hearing-impaired. Such materials shall be made available for inspection by the Commission on request. The educational material shall include at least the following:

(a) A warning that Marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using Marijuana, and that it should be kept away from children;

(b) A warning that when under the influence of Marijuana, driving is prohibited by M.G.L. c. 90, § 24, and machinery should not be operated;

(c) Information to assist in the selection of Marijuana, describing the potential differing effects of various strains of Marijuana, as well as various forms and routes of administration;

(d) Materials offered to Consumers to enable them to track the strains used and their associated effects;

(e) Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency shall also be explained;

(f) A discussion of tolerance, dependence, and withdrawal;

(g) Facts regarding substance use disorder signs and symptoms, as well as referral information for substance use disorder treatment programs, and the telephone number for the Massachusetts Substance Use Helpline;

(h) A statement that Consumers may not sell Marijuana to any other individual;

(i) Information regarding penalties for possession or distribution of Marijuana in violation of Massachusetts law; and

(j) Any other information required by the Commission.

(7) Testing. No Marijuana Product, including Marijuana, may be sold or otherwise marketed for adult use that has not first been tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. The product shall be deemed to comply with the standards required under 935 CMR 500.160. Potency levels derived from the Cannabinoid Profile, including the amount of delta-nine-tetrahydrocannabinol (Δ9-THC) and other Cannabinoids, contained within Finished Marijuana or Marijuana Product to be sold or otherwise marketed, shall be recorded in the Seed-to-sale SOR.

(8) Repackaging. Repackaged Marijuana shall comply with the labeling and packaging requirements under 935 CMR 500.105(5) and 500.105(6).

(9) Advance Contactless Order Fulfillment.

(a) A Marijuana Retailer may allow for advance contactless ordering of Marijuana and Marijuana Products by telephone, website or third-party platform, which shall be available for inspection prior to commencing operations and on request.

(b) Marijuana Retailer may fulfill advance orders through contactless means by not requiring contact between a Consumer and Registered Marijuana Agent.

(c) Any physical unit used for the purpose of the fulfillment of an advance contactless order (order) shall ensure that access to orders of Marijuana or Marijuana Products is limited to the Consumer who placed the order.

(d) Any physical unit used for the purpose of order fulfillment shall be located within the Marijuana Retailer's building and be bolted or otherwise permanently affixed to the Marijuana Establishment Premises.

(e) A Marijuana Retailer that adopts a contactless means of fulfilling orders shall have a written operations plan which shall be submitted to the Commission prior to commencing these operations and on request. The plan shall include a detailed description of how the Marijuana Retailer will ensure that advance contactless order fulfillment complies with the requirements of:

1. 935 CMR 500.105(3)(b) and (c) for the safe storage of Marijuana and Marijuana Products;
2. 935 CMR 500.110(1)(a) and M.G.L. c. 94G, § 4(c)(3) for the positive identification of individuals seeking access to the Premises of the Marijuana Establishment for the purpose of obtaining an order placed in advance to limit access solely to individuals 21 years of age or older;
3. 935 CMR 500.110(5)(a)(4) for the video surveillance of the advance contactless order; and
4. 935 CMR 500.140(8)(c) and (d).

(f) Orders placed in advance may not be retained in a physical unit used for the purpose of contactless order fulfillment overnight or outside of business hours.

(10) Product Database. A Marijuana Retailer that purchases wholesale Marijuana Products from a licensed Marijuana Product Manufacturer for the purpose of Repackaging Marijuana Products for sale to Consumers shall provide the Commission with the following information. This information may be used by the Commission for its Product Database.

(a) The Marijuana Retailer shall provide the following:

1. A photograph of a Finished Marijuana Product outside of, but next to, the Marijuana Product's packaging; provided, however that where single servings of a multi-serving product are unable to be easily identified because of its form, a description of what constitutes a single-serving shall be provided (*e.g.* a single-serving is a 1" x 1" square);
2. A photograph of the Marijuana Product inside packaging; and
3. The name of the Product Manufacturer that produced the Marijuana Product.

(b) Photographs submitted shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.

(c) Marijuana Retailers shall provide the information required under 935 CMR 500.140(8)(a) for each Marijuana Product it Repackages for sale prior to the product being made available for sale and shall update the information whenever a substantial change to packaging or label of the Marijuana Product occurs. For purposes of 935 CMR 500.140(10), a substantial change shall be a change to the physical attributes or content of the package or label.

(11) In addition to the written operating policies required under 935 CMR 500.105(1), a Marijuana Retailer shall maintain written policies and procedures which shall include:

(a) Policies and procedures for adequately tracking, recording, and documenting all Vendor Samples that the Marijuana Retailer receives from a Marijuana Cultivator or a Marijuana Product Manufacturer; and

(b) Policies and procedures for adequately tracking, recording, and documenting all Vendor Samples that the Marijuana Retailer provides to employees for the purpose of assessing product quality and determining whether to make the product available to sell, in compliance with 935 CMR 500.140(15).

(12) Vendor Samples.

(a) A Marijuana Retailer may receive a Vendor Sample of Marijuana flower from a

Marijuana Cultivator pursuant to 935 CMR 500.120(13). A Marijuana Retailer may also receive a Vendor Sample of Marijuana Product from a Marijuana Product Manufacturer pursuant to 935 CMR 500.130(7). Receipt of a Vendor Sample under 935 CMR 500.140(12) shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.

(b) Vendor Samples may not be sold to another licensee or Consumer.

(c) A Marijuana Retailer may provide the Vendor Samples it receives from a Marijuana Cultivator or a Marijuana Product Manufacturer to its Employees for the purpose of assessing product quality and determining whether to make the product available to sell the product. Vendor Samples may not be consumed on any licensed Premises.

(d) Vendor Sample limits. A Marijuana Retailer is limited to providing the following aggregate amounts of Vendor Samples to all Employees in a calendar month period:

1. Four grams per strain of Marijuana flower and no more than seven strains of Marijuana flower;
2. Five grams of Marijuana concentrate or extract including, but not limited to, Tinctures;
3. Five hundred milligrams of Edibles whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies the potency levels set forth in 935 CMR 500.150(4); and
4. Five units of sale per Cannabis product line and no more than six individual Cannabis product lines. For purposes of 935 CMR 500.140(15), a Cannabis product line shall mean items bearing the same Stock Keeping Unit Number.

(e) Upon providing a Vendor Sample to an employee, the Marijuana Retailer shall record:

1. The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Vendor Sample;
2. The date and time the Vendor Sample was provided to the Employee;
3. The agent registration number of the employee receiving the Vendor Sample; and
4. The name of the Employee as it appears on their agent registration card.

(f) All Vendor Samples provided by a Marijuana Retailer to its employees shall also be entered into the point-of-sale system and shall count against the individual employee's daily purchase limit, if applicable, consistent with 935 CMR 500.140(3).

(13) Sale of Marijuana Vaporizer Devices.

(a) Marijuana Retailers offering Marijuana Vaporizer Devices for sale to Consumers shall include signage at the point of sale, that is legible and enlarged and contains the following statements:

1. "Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled."
2. "Consumers shall have access to the test results of Marijuana Vaporizer Devices including copies of any Certificates of Analysis provided by the device's manufacturer."

(b) Marijuana Retailers shall provide a physical insert to Consumers that accompanies all purchased Marijuana Vaporizer Devices that states, including capitalization and emphasis, the following: "Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled."

(c) The sale of disposable and reusable vaporizer pens and devices shall be accompanied by a product insert identifying the materials used in the vaporizer device's atomizer coil (*e.g.*, titanium, titanium alloy, quartz, copper, nichrome, kanthal, or other specified material), and manufacturer identification of the device hardware, cartridge, battery and other components;

(d) A Marijuana Retailer shall make available the information contained in 935 CMR 500.105(5)(c)6. in the product description at the point of sale and as part of any product list posted on the Marijuana Retailer's website or Third-party Technology Platforms or applications employed for preordering or delivery.

(e) A Marijuana Retailer shall retain all records of purchases from any Product Manufacturer or supplier of any ingredient, additive, device, component part or other materials provided to the Marijuana Retailer about Marijuana Vaporizer Devices sold at retailers. Such records shall be made available to the Commission upon request.

(14) Physical Separation of Marijuana and MIPs or Marijuana Products for Medical- or Adult- use. A CMO shall provide for physical separation between medical and adult use sales areas. Separation may be provided by a temporary or semipermanent physical barrier, such as a stanchion, that, in the opinion of the Commission, adequately separates sales areas of MIPs

for medical-use from sales areas of Marijuana products for adult use for the purpose of Patient Confidentiality.

(a) A CMO shall provide for separate lines for sales of Marijuana or MIPs for medical-use from Marijuana Products for adult use within the sales area, provided that the holder of a patient registration card may use either line and may not be limited only to the medical use line, so long as the CMO can record the patient's transaction in accordance with 935 CMR 501.140(5).

(b) A CMO shall additionally provide a patient consultation area, an area that is separate from the sales floor that is enclosed to allow privacy and for confidential visual and auditory consultation with Qualifying Patients.

(c) A CMO's patient consultation area shall have signage stating, "Consultation Area". The private consultation area shall be separate from the sales area. It shall be accessible by a Qualifying Patient or Caregiver without having to traverse a Limited Access Area.

(d) A CMO shall use best efforts to prioritize Patient and Caregiver identification verification and physical entry into its retail area.

(15) Patient Supply.

(a) A CMO shall ensure access to a sufficient quantity and variety of marijuana products, including marijuana, for patients registered under 935 CMR 501.000: *Medical Use of Marijuana*.

1. Where the CMO has been open and dispensing for a period of less than six months, the license shall reserve 35% of the MTC's marijuana products.
2. Where the CMO has been open and dispensing for a period of six months or longer, the licensee shall maintain a quantity and variety of marijuana products for patients registered under 935 CMR 501.000: *Medical Use of Marijuana*, sufficient to meet the demand indicated by an analysis of sales data collected by the licensee during the preceding six months in accordance with 935 CMR 500.140(5), and 935 CMR 501.140(5): *Recording Sales*.

(b) Marijuana products reserved for patient supply shall, unless unreasonably impracticable, reflect the actual types and strains of marijuana products documented during the previous six months. If a substitution must be made, the substitution shall reflect as closely as possible the type and strain no longer available.

(c) On a biannual basis, the CMO shall submit to the Commission an inventory plan to reserve a sufficient quantity and variety of medical use Marijuana Products for Registered Qualifying Patients, based on reasonably anticipated patient needs as documented by sales records over the preceding six months. On each occasion that the supply of any product within the reserved patient supply is exhausted and a reasonable substitution cannot be made, the CMO shall submit a report to the Commission in a form determined by the Commission.

500.141: Additional Operational Requirements for Social Consumption Establishments

(1) In addition to the general operational requirements for Marijuana Establishments required under 935 CMR 500.105, and except as otherwise provided in 935 CMR 500.141, a Social Consumption Establishment shall comply with 935 CMR 500.110, and additional operational requirements under 935 CMR 500.140 and 935 CMR 500.141.

(2) Written Policies and Procedures. In addition to the written operating policies required under 935 CMR 500.105(1), prior to commencing operations, a Social Consumption Establishment shall maintain and adhere to written policies and procedures for the sale, distribution, packaging and serving of Marijuana and Marijuana Products and provide in-house training to employees to the extent not covered in Responsible Vendor Training Program courses or other required trainings on such policies and procedures. In-house training provided under 935 CMR 500.141(2) may be counted toward the eight-hour total training requirement required under 935 CMR 500.105(2)(a). Such written policies and procedures shall include, without limitation:

(a) Methods for preventing, identifying, recording, and reporting Diversion, Inversion, theft, or loss, and for correcting all errors and inaccuracies in inventories. These policies shall, at minimum, include plans for compliance with 935 CMR 500.105(8), 935 CMR 500.110(9), and 935 CMR 500.141(8), if applicable;

(b) Procedures to ensure that products purchased for consumption on-site are distinguished from products purchased for retail sale which are not to be consumed on-site, if applicable;

(c) Procedures to ensure that all sales and service of Marijuana and Marijuana

Products under a Social Consumption Establishment license comply with 935 CMR 500.141(4)(a);

(d) Procedures that describe sales and service practices, including but not limited to procedures for order taking, product handling, portioning, delivery to Consumers, and ensuring that all sales and service activities are conducted in compliance with 935 CMR 500.140 and 935 CMR 500.141. Such procedures shall include a description of dose verification practices to ensure that any Marijuana Products offered for consumption on-site are sold or served in accordance with the limitations established in 935 CMR 500.141(3);

(e) Procedures that describe infusion processes permitted by Consumers, including procedures to prevent cross-contamination and to ensure that no infusion activities occur by Marijuana Establishment Agents in violation of 935 CMR 500.141(9)(c);

(f) Security procedures, including specific plans for securing entrances and that all Marijuana and Marijuana Products are kept, sold, stored, and, if applicable, consumed, out of plain sight and not visible from a public place;

(g) Procedures to ensure that only Marijuana or Marijuana Products purchased on the Premises are consumed at the Social Consumption Establishment;

(h) Procedures that ensure that only Marijuana Accessories provided or sold by the Social Consumption Establishment are used on the Premises;

(i) Procedures to ensure that Marijuana or Marijuana Products purchased on-site do not leave the Premises; except as otherwise authorized in an opaque child-resistant sealed exit bag or an opaque child-resistant sealed exit container suitable for liquids under 935 CMR 500.141(3)(b)3. and 935 CMR 500.141(4)(k);

(j) Procedures for the storage of Marijuana or Marijuana Products at a Social Consumption Establishment in accordance with Storage Requirements in 935 CMR 500.105(11). Marijuana Event Organizers shall create procedures for the temporary storage of Marijuana, Marijuana Products and Marijuana Accessories at Temporary Consumption Events;

(k) Procedures for the identification and Waste of unconsumed, abandoned, or unattended Marijuana or Marijuana Products in accordance with 935 CMR 500.105(12);

(l) Procedures for Social Consumption Establishments regarding transportation between Marijuana Establishments and, if applicable, to Temporary Consumption Events, in accordance with 935 CMR 500.105(13);

(m) Procedures for Marijuana Event Organizers to describe the orderly preparation, execution, and clean-up of the Temporary Consumption Event from set-up to the closing;

(n) Procedures outlining how a Licensee will assist Consumers who may be impaired due to consumption of Marijuana or Marijuana Products in the Social Consumption Establishment by assisting the Customer with means of transportation or other services. Such requirements shall be tailored to the Host Community or region in which the Social Consumption Establishment is located and reviewed for comments by the municipality's chief law enforcement officer. The Commission shall take the chief law enforcement officer's opinion into consideration in determining whether to approve the impaired Consumer transportation assistance SOP, provided that the chief law enforcement officer's opinion shall not be determinative. If no response is received from the chief law enforcement officer or delegee within 30 days of submitting the request to the chief law enforcement officer, the Commission shall proceed with its review;

(o) Procedures to prevent overserving Consumers, including the development of standards, consistent with Responsible Vendor Training, for Marijuana Establishment Agents to use to evaluate impairment;

(p) Emergency response procedures where Social Consumption Establishments shall contact emergency responders if a Consumer demonstrates signs of unresponsiveness or medical distress in accordance with 935 CMR 500.110(9)(a)10. These procedures shall require a Marijuana Establishment Agent(s) to remain with the Consumer until emergency responders arrive;

(q) Procedures to ensure that no one younger than 21 years old may access the establishment;

(r) If Indoor Smoking Consumption Areas are allowed by the Social Consumption Establishment, including the ability for Consumers to use the methods of combustion smoke, heat, vaporization or aerosolization indoors, procedures and building plans or schematics to ensure compliance with 935 CMR 500.141(10);

(s) If Outdoor Smoking Consumption Areas are allowed by the Social Consumption

Establishment, including the ability for Consumers to use the methods of combustion smoke, heat, vaporization or aerosolization outdoors, procedures and building plans or schematics to ensure compliance with 935 CMR 500.141(11);

(t) Procedures to ensure that smoking or consuming Tobacco is prohibited;

(u) Sanitary practices in compliance with 105 CMR 590.000 and 105 CMR 300.000, if applicable;

(v) Procedures to ensure the cleaning and sanitation of all Consumption Areas;

(w) Procedures to ensure that all Marijuana Accessories provided by the Social Consumption Establishment used by Consumers on-site are cleaned and sanitized after use;

(x) A detailed description of intended training(s) for Marijuana Establishment Agents who will be employees;

(y) Policies to ensure that Marijuana Establishment Agents do not consume Marijuana or Marijuana Products while at work; and

(z) A Social Consumption Establishment Licensee shall update its standard operating procedures when utilizing new consumption technologies or Marijuana Accessories in its Indoor Smoking Consumption Areas in order to limit second-hand smoke or vapor and in accordance with 935 CMR 500.104(5).

(3) Limitation on Sales.

(a) General Requirements.

1. All Marijuana and Marijuana Products offered at a Social Consumption Establishment shall be sourced in compliance with 935 CMR 500.105, and shall have undergone testing in accordance with 935 CMR 500.160 prior to sale or service.

2. A Marijuana Establishment Agent shall not sell Marijuana or Marijuana Products to any individual in excess of the limitations set forth in M.G.L. c. 94G, § 7, 935 CMR 500.140(3)(a), 935 CMR 500.140(4)(c) and 935 CMR 500.150(4)(a) and (b).

(b) Point-of-Service Limitations.

1. At the Point-of-Service, a Social Consumption Establishment shall not serve to a Consumer at one time more than one-half of the limits established in M.G.L. c. 94G, § 7, 935 CMR 500.140(3)(a), and 935 CMR 500.140(4)(c).

2. A Social Consumption Establishment may maintain an Open Bill for a Consumer; provided however, that the sale or service of Marijuana or Marijuana Products complies with 935 CMR 500.141(3)(a)2. and 935 CMR 500.141(3)(b)1.

3. A Marijuana Establishment Agent may sell or serve Marijuana or Marijuana Products in excess of the Point-of-Service limits set forth in 935 CMR 500.141(3)(b)1.; provided however, all sales and service comply with 935 CMR 500.141(3)(a)2.; and provided further, that a Marijuana Establishment Agent shall place all Marijuana or Marijuana Products in excess of the Point-of-Service limits set forth in 935 CMR 500.141(3)(b)1. directly into an opaque child-resistant sealed exit bag prior to being provided to the Consumer.

(c) Repackaging and Portioning of Marijuana Products. A Social Consumption Establishment may Repackage or portion servings of Marijuana-infused Products, including Edibles, Beverages and tinctures, into single or multiple-serving sizes for sale or service to Consumers; provided however, that all individual serving sizes shall comply with the serving size limitations of 935 CMR 500.105(6) and all potency limitations established in 935 CMR 500.150(4).

(d) Other Sales.

1. Sale of Shelf-stable Products. A Social Consumption Establishment shall sell non-infused food, water, and drink items that are pre-packaged prior to arrival on the Premises and are Shelf-stable. Such sales of Shelf-stable Products shall be limited to products sold in a manner that does not cause the Social Consumption Establishment to be considered a Food Establishment under 105 CMR 590.001. A Social Consumption Establishment shall obtain all licenses and permits, as necessary, prior to the sale of Shelf-stable products. Such Shelf-stable Products shall be stored or refrigerated separately from all Marijuana and Marijuana Products. A Social Consumption Establishment shall not sell alcohol or Tobacco.

2. Sale of Food. The Department of Public Health and the applicable local Board of Health have jurisdiction over the sale of non-infused food and drink. A Social Consumption Establishment shall obtain necessary permits, or other authorizations from the Department of Public Health pursuant to 105 CMR 590.000, and any local ordinances or by-laws prior to sale of non-infused food and drink. All non-infused food and drinks shall be stored, refrigerated, and prepared separately from Marijuana and Marijuana Products. Nothing in 935 CMR 500.141, shall be construed to authorize the

Commission to license or regulate Food Establishments.

3. Sale of Outside Food. A Social Consumption Establishment may allow sales or delivery of non-infused food or drinks for consumption on-site from a Food Establishment holding a valid permit issued pursuant to 105 CMR 590.000. The allowance of outside non-infused food or drinks from a Food Establishment shall not, by itself, cause a Social Consumption Establishment to be considered a Food Establishment under 105 CMR 590.001.

4. Sale and Use of Accessories. A Social Consumption Establishment may sell Marijuana Accessories. A Social Consumption Establishment may rent or provide Marijuana Accessories for use by Consumers in Consumption Areas; provided however, all Marijuana Accessories for rent or use by Consumers that are not disposable or for single-use, must be thoroughly cleansed and properly sterilized prior to rental or use, and after rental or use by each Consumer.

5. Access to Consumer Support Items. A Social Consumption Establishment may provide access to or sell products intended to assist Consumers in alleviating or mitigating the effects of intoxication from Marijuana or Marijuana Products; provided however, that the Social Consumption Establishment shall maintain documentation demonstrating the basis for the product's intended use, including but not limited to manufacturer descriptions, product labeling, or other materials, which shall be made available to the Commission or the municipality upon request. Consumer support items shall not be marketed or represented as medical treatment and shall be offered only in compliance with all applicable laws.

6. Sale of Other Items. A Social Consumption Establishment may sell items not expressly authorized herein only after receiving the express written permission of the Host Community of the Supplemental On-site Social Consumption Establishment or Hospitality On-site Social Consumption Establishment, or, for a Marijuana Event Organizer, the municipality where a Temporary Consumption Event is located; provided however, that the sale of any items not expressly authorized herein complies with 935 CMR 500.141(9). Such express written permission shall be submitted to the Commission pursuant to 935 CMR 500.101(3)(i)8. and updated upon any change in accordance with 935 CMR 500.104(5).

(4) Social Consumption Establishment Sales.

(a) Except as otherwise authorized in 935 CMR 500.141(3), the sale of Marijuana and Marijuana Products for consumption on-site shall take place in compliance with the following:

1. Marijuana and Marijuana Products may only be used by Consumers on the Premises who have demonstrated in compliance with 935 CMR 500.141(5) that they are 21 years of age or older.

2. A Social Consumption Establishment shall use Automatic Identification Technology to provide Consumers with access to Certificates of Analysis, and may use AIT to provide Consumers with access to menus, Consumer education information, access to Marijuana or Marijuana Product labels, and any additional content or materials as may be determined by the Commission; provided however, that a Social Consumption Establishment utilizing AIT is prohibited from collecting, storing, or using any Consumer personal data through such technology.

3. In addition to the requirements of 935 CMR 500.140(6), a Social Consumption Establishment shall readily display a Consumer information card to each Consumer at the point of sale or service or within the Consumption Area. A Social Consumption Establishment may use Automatic Identification Technology to display the Consumer information card, or provide visible signage at the point of sale or service or in the Consumption Area. Visible Signage shall contain the same information as the Consumer information card. The content shall include the following:

a. Content provided by the Commission that informs Consumers about the impairment effects of different forms of consumption of Marijuana or Marijuana Products including, but not limited to, the length of time that the Marijuana or Marijuana Products may take in order to take effect, and information to prevent impaired driving. The content of the information card or visible signage will be scientifically based on available and current public health research.

b. For Edibles, Marijuana-infused Products, or for Beverages, the warning, "The impairment effects of Marijuana-infused Products may be impacted or delayed up to two hours or more depending on several factors, including but not limited to, potency, method of consumption, amount consumed, alcohol consumption, non-infused food and drink consumption prior to and during the use of Marijuana and

Marijuana Products, and body-weight, previous use, prescription medication used and tolerance of the Consumer, and may cause psychosis."

4. In addition to the requirements of 935 CMR 500.105(5), a Social Consumption Establishment shall ensure that all Marijuana and Marijuana Products sold or served on-site are accompanied by an Automatic Identification Technology, menu, label, or supplementary insert provided to the Consumer that includes:

a. The estimated amount of time for the onset effects of Marijuana and Marijuana Products and the projected duration of the effects for each specific product offered for sale by the Licensee; and

b. Access to the Certificate of Analysis for each batch of Marijuana and Marijuana Products available for sale or service. A Social Consumption Establishment shall make individual package Certificates available to Consumers upon request.

(b) A Social Consumption Establishment shall not allow the consumption of alcohol or Tobacco, or the sale of alcohol or Tobacco on its Premises.

(c) Hospitality On-Site Consumption Licensee or Marijuana Event Organizer Licensee shall not allow consumption by Consumers in a space that is shared with another entity serving alcohol unless there is a physical barrier to the Consumption Areas and Premises or alcohol sales are not offered at the same time as consumption of Marijuana or Marijuana Products by Consumers.

(d) A Supplemental On-Site Consumption Licensee that also has a valid Marijuana Retailer license may conduct both social consumption sales in compliance with 935 CMR 500.141 and retail sales in compliance with 935 CMR 500.140. A Social Consumption Establishment shall ensure that Marijuana and Marijuana Products purchased for consumption on-site are distinguished from Marijuana and Marijuana Products purchased for retail sale through the Seed-to-sale SOR. Marijuana and Marijuana Products purchased for retail sale shall not be consumed on-site.

(e) All Marijuana and Marijuana Product sales shall be tracked by Social Consumption Establishments using the Seed-to-sale SOR. Marijuana Establishments licensed to operate Supplemental On-site Consumption Establishments in its existing Marijuana Establishment Premises shall ensure separation of sales under the Marijuana Establishment license and sales under the Social Consumption Establishment License. Marijuana Establishments selling Marijuana and Marijuana Products through a Marijuana Event Organizer Licensee at Temporary Consumption Events shall track such sales in the Seed-to-sale SOR and shall provide this information to the Social Consumption Establishment.

(f) Limitations on the time for sales of Marijuana or Marijuana Products shall comply with all municipal bylaws and ordinances. Unless otherwise explicitly authorized by the municipality, sales and service shall only occur between the hours of 7:00 A.M. and 12:00 A.M., and shall cease no later than 30 minutes prior to the latest time the licensee is authorized to conduct sales under 935 CMR 500.000. Nothing in this subsection shall prohibit a licensee from continuing to operate or conduct other lawful business activities, including the sale of non-Marijuana items such as non-infused food or drink, or entertainment, after the sale and service of Marijuana and Marijuana Products cease.

(g) Every effort shall be made to minimize the amount of cash held by a Social Consumption Licensee at any one time. Licensees shall use reasonable efforts to implement platforms for the electronic payment of funds.

(h) A Social Consumption Establishment shall prohibit the sale and consumption of Marijuana or Marijuana Products by a visibly intoxicated Consumer.

(i) A Social Consumption Establishment shall adopt separate accounting practices at the point of sale for Marijuana, Marijuana Products, and non-Marijuana sales.

(j) A Consumer's presence at a licensed Social Consumption Establishment during permitted hours of operation shall be presumed lawful and shall not constitute loitering.

(k) The Social Consumption Establishment shall offer Consumers an opaque child-resistant sealed exit bag to take unconsumed or partially consumed Marijuana or Marijuana Products from the Premises; provided however, that any open Beverage, or any drink or other liquid that becomes infused by a Consumer on the Premises shall be consumed on-site and may not be removed from the Premises, unless secured in an opaque child-resistant sealed exit container suitable for liquids provided by the Social Consumption Establishment.

(5) Age Verification.

(a) Entry into the Premises of a Social Consumption Establishment by Persons younger than 21 years old is prohibited.

(b) A Social Consumption Establishment shall conduct age verification upon entry using ID scanning software.

(c) On entry into the Premises of a Social Consumption Establishment by an individual, a

Marijuana Establishment Agent shall immediately inspect, using ID scanning software, the individual's proof of identification and determine the individual's age. An individual may not be admitted to the Premises, unless the Marijuana Establishment Agent has verified, using ID scanning software, that the individual is 21 years of age or older by an individual's proof of identification.

(6) Consumption Areas.

(a) Access to Consumption Areas.

1. Access to Consumption Areas is restricted to Consumers, Marijuana Establishment Agents, outside vendors and contractors, agents of the Commission, Commission Delegees, state and local personnel acting within their lawful jurisdictions, and police, fire departments, and emergency medical services acting in the course of their official capacity.

2. 935 CMR 500.000 shall not be construed to prohibit access to authorized state or local Law enforcement Authorities or public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction.

(b) Separation of Consumption Areas from Sales and Service.

1. A Social Consumption Establishment that allows an Indoor Smoking Consumption Area or an Outdoor Smoking Consumption Area shall separate the designated sales and service areas from Consumption Areas. Each Indoor Smoking Consumption Area and Outdoor Smoking Consumption Area shall be isolated from other non-smoking areas of the establishment.

2. Indoor Non-Smoking Consumption Areas and Outdoor Non-Smoking Consumption Areas may separate the designated sales and service areas from Consumption Areas.

3. The Indoor Smoking Consumption Area shall be an Enclosed Space separated from the sales and service areas with a secure door and shall only be accessible from the sales area in Supplemental On-site Consumption and Hospitality On-site Consumption establishments. For Marijuana Event Organizers operating a Temporary Consumption Event, the Indoor Smoking Consumption Area shall be an Enclosed Space accessible only through a secure door.

4. The Outdoor Smoking Consumption Areas in a Supplemental On-site Consumption or Hospitality On-site Consumption establishment shall be separated from the indoor portion of the Social Consumption Establishment's Premises by walls or other barriers and a secure door, and shall be separated from sales and service areas. Outdoor Smoking Consumption Areas shall be accessible only from the sales area in a Supplemental On-site Consumption or Hospitality On-site Consumption establishment.

5. Marijuana Event Organizers shall submit as part of its Event Plan an explanation and diagram where Indoor Smoking Consumption Areas or Outdoor Smoking Consumption Areas are located. An Outdoor Smoking Consumption Area shall be at least 30 feet away from the sales areas. The Marijuana Event Organizer shall separate sales and service areas taking place in temporary or mobile structures, including but not limited to tents, trailers, trucks, or other enclosures, from Outdoor Smoking Consumption Areas.

(c) Monitoring of Consumption Areas.

1. Visibility of the Indoor Smoking Consumption Areas and Outdoor Smoking Consumption Areas shall be observed by Marijuana Establishment Agents via natural sight, through windows, or via CCTV or a similar monitoring technology.

2. A Supplemental On-site Consumption establishment and a Hospitality On-site Consumption establishment's Consumption Areas shall have clear, unobstructed camera coverage as follows:

a. Cameras shall be of quality sufficient to capture a clear, still image, whether live or recorded;

b. Cameras shall cover all entrances or reasonable areas of ingress to the Consumption Areas;

c. Cameras shall be angled in at designated entrances to allow clear and certain identification of any person entering or exiting the Consumption Area;

d. Cameras shall be placed in such a way as to monitor all locked receptacles for the disposal, of abandoned, discarded, or unattended Marijuana or Marijuana Products.

e. If a licensee cannot comply with 935 CMR 500.110(2) due to conflicting laws or regulations, it shall submit a request for an Alternative Security Provision under 935 CMR 500.110(2).

3. Marijuana Event Organizers shall at minimum provide camera coverage for all sales areas.

(d) Location of Consumption Areas.

1. A Social Consumption Establishment shall provide signage to designate the approved Consumption Area(s), and shall employ additional physical or visual markers to inform Consumers and Marijuana Establishment Agents of the boundaries of the Consumption Area(s).

2. A Consumption Area shall be located only within areas of the Premises approved by the Commission for on-site consumption and shall comply with the following:

a. A Consumption Area shall not be located at or within any Limited Access Areas.

b. A Consumption Area shall not be located within any restroom, janitorial, or storage areas.

3. For a Supplemental On-site Social Consumption Establishment, a Consumption Area shall not be located at or within any retail sales counter, retail point-of-sale station, retail queuing area, or other area designated for the retail sale or payment of Marijuana or Marijuana Products, and shall not intersect with ingress or egress areas for retail sales.

4. The Marijuana Establishment shall maintain an accurate and up-to-date diagram of the Consumption Areas which shall show the location of:

a. The licensed Premises of the Marijuana Establishment or Temporary Consumption Event;

b. Consumption Areas, sales areas, service areas, and food service areas, if applicable;

c. Ventilation exhaust points, if applicable;

d. The employee monitoring area;

e. Doors, windows, or other exits; and

f. Any other information required by the Commission.

(e) Indoor Consumption Areas.

1. A Supplemental On-site Consumption licensee that operates in a Marijuana Retailer, and operates an Indoor Non-Smoking Consumption Area, may continue retail operations, and may allow retail sales and social consumption sales and service to occur at the same time; provided however that all Consumption Areas comply with 935 CMR 500.141(6).

2. Consumption of Marijuana or Marijuana Products in an Indoor Smoking Consumption Area shall comply with 935 CMR 500.141(10). Further:

a. A Supplemental On-site Consumption Licensee shall not operate an Indoor Smoking Consumption Area at the same time as the existing Marijuana Establishment if they operate in the same space and during the same operating hours.

b. A Supplemental On-site Consumption Licensee shall ensure that the Indoor Smoking Consumption Areas are separated from the existing Marijuana Establishment's operations by an Enclosed Space approved by the Commission.

c. A Hospitality On-site Consumption Licensee and a Marijuana Event Organizer shall ensure that Indoor Smoking Consumption Areas within a new or existing Non-Cannabis Entity are separate from the new or existing Non-Cannabis Entity's operations by having an Enclosed Space approved by the Commission.

(f) A Social Consumption Establishment shall provide Consumers with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair.

(g) If an emergency requires law enforcement personnel, firefighters, emergency medical services providers, or other public safety workers to enter an Indoor Smoking Consumption Area or an Outdoor Smoking Consumption Area, the Social Consumption Establishment shall cease the combustion, heat, vaporization, or aerosolization of Marijuana and Marijuana Products if requested by such officials until such public safety workers have completed their investigation or services and have left the Premises.

(7) Waste Disposal.

(a) The Social Consumption Establishment shall provide Consumers at least one locked receptacle in a Consumption Area for the disposal of unwanted, unattended, abandoned, or discarded Marijuana or Marijuana Products. Where combustion or heat is used to consume Marijuana or Marijuana Products, the locked receptacles shall be fireproof.

(b) The Social Consumption Establishment shall ensure the Consumption Area is regularly checked for abandoned, discarded, or unattended Marijuana or Marijuana Products and shall promptly dispose of the same in the locked receptacle.

(c) Social Consumption Establishments shall ensure that all Marijuana and Marijuana Products are properly wasted in accordance with 935 CMR 500.105(12). The locked receptacle shall be emptied, and the Marijuana and Marijuana Products shall be properly wasted no later than at the end of each day, or when the receptacle is at capacity, whichever occurs first.

(d) Marijuana or Marijuana Products returned by a Consumer shall be disposed of in accordance with 935 CMR 500.105(12).

(8) Incident Reporting.

(a) The Social Consumption Establishment shall provide notice to appropriate Law Enforcement Authorities and the Commission in accordance with 935 CMR 500.110(9).

(b) In addition to the incidents identified in 935 CMR 500.110(9)(a), a Social Consumption Establishment shall notify the Commission of any of the following incidents immediately, or if circumstances prevent immediate reporting, no more than 24 hours after the following:

1. Any consumption of Tobacco or alcohol on the Premises;
2. Any instance involving the consumption of any Marijuana or Marijuana Product at the Social Consumption Establishment by a Consumer that was not purchased from the Social Consumption Establishment;
3. Any instance involving the consumption of any Marijuana or Marijuana Product from the Social Consumption Establishment being consumed in any area outside the designated Consumption Area and on the Premises;
4. Any instance in which the Social Consumption Establishment has actual knowledge, through formal notice or by direct communication, from federal, state or local officials, Marijuana Establishment Agents, or insurance companies, that a Consumer who patronized the Social Consumption Establishment was arrested for operating under the influence of marijuana as prohibited by M.G.L. c. 90, § 24.
5. Any instance involving the entry onto the Premises by, or sales or service to, an individual younger than 21 years old; or
6. Any instance in which the ventilation or filtration system in an Indoor Smoking Consumption Area fails or stops functioning properly.

(9) Prohibitions. A Social Consumption Establishment shall not:

(a) Sell Marijuana or Marijuana Products other than those authorized pursuant to 935 CMR 500.141.

(b) Permit the sale or consumption of Marijuana or Marijuana Products in violation of 935 CMR 500.160.

(c) Infuse or combine Marijuana or Marijuana Products with food or drink by a Marijuana Establishment Agent at the Social Consumption Establishment. Nothing in this section shall prohibit a Consumer from infusing their own food or drink with Marijuana or Marijuana Products that have been lawfully purchased at the Social Consumption Establishment.

(d) Allow any Marijuana Establishment Agent to consume Marijuana or Marijuana Products during the course of a work shift;

(e) Allow the sale or consumption of Tobacco or alcohol on the Premises;

(f) Allow the consumption of any Marijuana or Marijuana Product that was not purchased from the Social Consumption Establishment;

(g) Allow, encourage or permit any organized game or contest involving the competitive or cooperative consumption of Marijuana or Marijuana Product or awarding of Marijuana or Marijuana Products as a prize;

(h) Advertise, market or brand any practice prohibited under 935 CMR 500.141(9) or 935 CMR 500.105(4)(b);

(i) Allow consumption outside of designated Consumption Areas; and

(j) Permit Marijuana or Marijuana Products to be sold or served to an intoxicated Consumer.

(10) Indoor Smoking Consumption Area Requirements.

(a) The prohibition on smoking of Tobacco indoors cannot be waived.

(b) Social Consumption Establishments shall not allow combustion, heat, vaporization, or aerosolization of Marijuana or Marijuana Products indoors unless expressly permitted by the Commission in an authorized Indoor Smoking Consumption Area.

(c) The Indoor Smoking Consumption Area is compliant with all fire codes.

(d) Social Consumption Establishments with an Indoor Smoking Consumption Area shall provide Marijuana Establishment Agents with adequate Personal Protective Equipment and shall provide options to Marijuana Establishment Agents to view the Indoor Smoking Consumption Areas in a smoke-free, and vapor-free area.

1. A Social Consumption Establishment shall not prohibit or restrict a Marijuana Establishment Agent from wearing or using Personal Protective Equipment while working in or around an Indoor Smoking Consumption Area.
2. A Social Consumption Establishment shall comply with all applicable OSHA requirements.

(e) Social Consumption Establishments with an Indoor Smoking Consumption Area shall include:

1. A ventilation system within the Indoor Smoking Consumption Area that shall maintain negative air pressure relative to adjacent spaces at all times of operation.
2. A separate ventilation system within the Indoor Smoking Consumption Area shall be capable of 20 complete air changes per hour at a minimum. Excess air required to create negative air pressure volume must be directly exhausted to the outdoors in compliance with all applicable building and fire codes and environmental regulations.
3. A separate system within the rest of the Social Consumption Establishment that shall be capable of 6 complete air changes per hour at a minimum. Excess air required to create negative pressure volume must be directly exhausted to the outdoors in compliance with all applicable building and fire codes and environmental regulations.
4. A Minimum Efficiency Reporting Value (MERV) 14 or higher filtration system shall be capable of handling the entire volume of air within the Indoor Smoking Consumption Area, or an equivalent system pursuant to 935 CMR 500.141(10)(g);
5. Odor control equipment sufficient to mitigate cannabis odor from being detected outside the limits of the Premises.

(f) Prior to final licensure, a Social Consumption Establishment with an Indoor Smoking Consumption Area shall demonstrate compliance with 935 CMR 500.141(10) by submitting a ventilation and filtration compliance letter, bearing the stamp and signature of a Massachusetts Licensed Mechanical Engineer in accordance with M.G.L. c. 112, § 81M, together with supporting documentation, including but not limited to plans, computations, and specifications demonstrating system design and performance.

(g) Notwithstanding 935 CMR 500.141(10)(e), a Social Consumption Establishment may submit an alternative ventilation and filtration plan, bearing the stamp and signature of a Massachusetts Licensed Mechanical Engineer in accordance with M.G.L. c. 112, § 81M, together with supporting documentation, including but not limited to plans, computations, and specifications demonstrating system design, performance, and demonstrating protection of Consumers and Marijuana Establishment Agents at least equivalent to the requirements of 935 CMR 500.141(10)(e). The plan shall set forth performance criteria and proposed monitoring methods to demonstrate ongoing compliance with 935 CMR 500.141(10).

(h) A Social Consumption Establishment with an Indoor Smoking Consumption Area shall maintain and demonstrate ongoing compliance with 935 CMR 500.141(10). At a minimum, the Social Consumption Establishment shall:

1. Obtain certification, bearing the stamp and signature of a Massachusetts Licensed Mechanical Engineer in accordance with M.G.L. c. 112, § 81M, demonstrating continued compliance with 935 CMR 500.141(10)(e), or with the performance criteria set forth in an alternative ventilation and filtration plan pursuant to 935 CMR 500.141(10)(g), if applicable, not less than once every 12 months;
2. Maintain records of all ventilation and filtration system inspections, maintenance, and repairs for the two most recent certification periods. Such records shall be retained from the date of each certification of compliance until the next certification is obtained. Upon issuance of a new annual certification pursuant to 935 CMR 500.141(10)(h), the Social Consumption Establishment may archive or dispose of records predating the two most recent certification periods;
3. For Social Consumption Establishments operating under an alternative ventilation and filtration plan pursuant to 935 CMR 500.141(10)(g), maintain records of all inspections, maintenance, repairs, and monitoring data demonstrating compliance with the performance criteria set forth in the alternative ventilation and filtration plan for the two most recent certification periods. Such records shall be retained from the date of each certification of compliance until the next certification is obtained. Upon issuance of a new annual certification pursuant to 935 CMR 500.141(10)(h), the Social Consumption Establishment may archive or dispose of records predating the two most recent certification periods; and
4. Make all such records, including inspections, maintenance, repair logs, certifications, and monitoring data, for the two most recent certification periods available to the Commission or municipality upon request.

(i) Upon any failure or improper functioning of the ventilation or filtration system or any alternative ventilation and filtration plan in an Indoor Smoking Consumption Area, a Social Consumption Establishment shall immediately require all Consumers to cease the consumption of all Marijuana or Marijuana Products in the Indoor Smoking Consumption Area and shall ensure that the Indoor Smoking Consumption Area is promptly vacated by Consumers.

1. The Indoor Smoking Consumption Area shall remain closed to consumption unless and until the ventilation and filtration system, or any alternative ventilation and

filtration plan, is repaired and functioning appropriately and the Social Consumption Establishment has complied with 935 CMR 500.141(10)(j).

2. During the period of closure in accordance with 935 CMR 500.141(10)(i)1., the Indoor Smoking Consumption Area may be entered only by Marijuana Establishment Agents, outside vendors and contractors, agents of the Commission, Commission Delegees, state and local personnel acting within their lawful jurisdictions, and police, fire department, and emergency medical services personnel acting in the course of their official duties.

3. No consumption of Marijuana or Marijuana Products shall occur in the Indoor Smoking Consumption Area for a minimum of 48 hours following the detection of the ventilation or filtration system failure or improper functioning, or the failure or improper functioning of any alternative ventilation and filtration plan; provided however, that beginning 48 hours after the Social Consumption Establishment notifies the Commission of such failure or improper functioning pursuant to 935 CMR 500.141(8)(b)6., and continuing until the Social Consumption Establishment has complied with 935 CMR 500.141(10)(j), the Indoor Smoking Consumption Area may be utilized as an Indoor Non-Smoking Consumption Area.

4. Notwithstanding 935 CMR 500.141(10)(i), operation of the Indoor Smoking Consumption Area may resume at any time if the Social Consumption Establishment has complied with 935 CMR 500.141(10)(j).

(j) A Social Consumption Establishment shall report any instance in which the ventilation or filtration system in the Indoor Smoking Consumption Area fails or stops functioning properly to the Commission in accordance with 935 CMR 500.141(8)(b)6., as well as the actions that will be taken to fix the system. Combustion, heat, vaporization, and aerosolization of Marijuana or Marijuana Products in an Indoor Smoking Consumption Area shall not resume until the Social Consumption Establishment provides written notice to the Commission, bearing the stamp and signature of a Massachusetts Licensed Mechanical Engineer in accordance with M.G.L c. 112, §81M, together with supporting documentation, including but not limited to plans, computations, and specifications demonstrating that the ventilation or filtration system has been repaired, is functioning properly, and complies with 935 CMR 500.141(10)(e) or, if applicable, the performance criteria in an approved alternative ventilation and filtration plan under 935 CMR 500.141(10)(g).

(k) All combustion, heat, vaporization, or aerosolization of Marijuana or Marijuana Products within an Indoor Smoking Consumption Area shall occur out of plain sight and shall not be visible from a public place, outside of the Marijuana Establishment, or in the case of a Temporary Consumption Event, the Event Premises, without the use of binoculars, optical aids, or aircraft.

(11) Outdoor Smoking Consumption Area Requirements.

(a) An Outdoor Smoking Consumption Area shall be open to the air at all times. The Outdoor Smoking Consumption Area shall be required to have unobstructed circulation of outside air to all parts of the Outdoor Smoking Consumption Area. This requirement shall be met if:

1. The Outdoor Smoking Consumption Area has a ceiling and at least ½ of the total surface area of the walls and other vertical boundaries of the space permit unobstructed flow of outside air into the space; or

2. The Outdoor Smoking Consumption Area has no ceiling and no more than two walls or other barriers or other vertical boundaries of the space that obstruct the flow of air into the area exceeding 8 feet in height.

(b) The Outdoor Smoking Consumption Area is compliant with all fire codes.

(c) Social Consumption Establishments with an Outdoor Smoking Consumption Area shall provide Marijuana Establishment Agents with adequate Personal Protective Equipment and shall provide options to Marijuana Establishment Agents to view the Outdoor Smoking Consumption Areas in a smoke-free, and vapor-free area.

1. No Social Consumption Establishment shall prohibit or restrict a Marijuana Establishment Agent from wearing or using Personal Protective Equipment while working in or around an Outdoor Smoking Consumption Area.

2. A Social Consumption Establishment shall comply with all applicable OSHA requirements.

(d) Outdoor Smoking Consumption Areas shall:

1. Be clearly marked with appropriate signage;

2. Be physically separated from non-smoking areas and areas accessible to minors;

3. Be regularly cleaned and maintained to minimize waste, odor, and the risk of Diversion or Inversion of Marijuana and Marijuana Products; and

4. Be monitored to prevent the unlawful consumption or unlawful transfer of

Marijuana or Marijuana Products.

(e) Reasonable efforts are made to mitigate smoke migration to indoor locations.

(f) If an Outdoor Smoking Consumption Area has removable elements, such as ceilings, walls, other barriers or windows that impede the free flow of outside air, the Consumption Area shall be considered an Indoor Smoking Consumption Area for the purposes of compliance with 935 CMR 500.141(10), when the removable elements are in place.

(g) All combustion, heat, vaporization, or aerosolization of Marijuana or Marijuana Products within an Outdoor Smoking Consumption Area shall occur out of plain sight and shall not be visible from a public place, outside of the Marijuana Establishment or, in the case of a Temporary Consumption Event, the Event Premises, without the use of binoculars, optical aids, or aircraft.

(12) Marijuana Event Organizer Warehousing.

(a) Notwithstanding the Vault requirements in 935 CMR 500.110, a Marijuana Event Organizer may operate a Warehouse for the storage of Finished Marijuana, Marijuana Products, and Marijuana Accessories and for the preparation of sale to consumers at Temporary Consumption Events. A Marijuana Event Organizer who does not operate a Warehouse shall indicate to the Commission all Marijuana Establishments who will conduct sales of Marijuana, Marijuana Products, and Marijuana Accessories, at each Temporary Consumption Event.

(b) Warehouses shall comply with all applicable requirements for 935 CMR 500.105 and 935 CMR 500.110.

(c) Warehouses shall incorporate a sally port or loading area immediately adjacent to the Warehouse that enables the Transfer of Finished Marijuana Products to and from Temporary Consumption Events.

500.145: Additional Operational Requirements for Delivery of Marijuana, Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers and as Permitted, to Patients or Caregivers

(1) General Requirements.

(a) For purposes of 935 CMR 500.145, Delivery Items means Finished Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods.

(b) A Delivery License or Delivery Endorsement is a necessary prerequisite for the delivery of Delivery Items directly to Consumers, and as permitted, Marijuana Couriers, to Patients or Caregivers. Applications for a Delivery License or Delivery Endorsement shall be in a form and manner to be determined by the Commission.

(c) Prior to commencing operations, Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall comply with all operational requirements imposed by:

1. 935 CMR 500.105;
2. 935 CMR 500.110 as applicable, including 935 CMR 500.110(8); and
3. 935 CMR 500.145.

(d) All individuals delivering for a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement directly to Consumers, and as permitted Patients or Caregivers, shall be employees of the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement and shall hold a valid Marijuana Establishment Agent registration.

(e) All Marijuana and Marijuana Products delivered by a Marijuana Courier shall be obtained from a licensed Marijuana Retailer, Social Consumption Establishment, or MTC. A Marijuana Courier may deliver Marijuana Establishment Branded Goods and MTC Branded Goods carrying the Marijuana Courier's brand or that of a licensed Marijuana Retailer, Social Consumption Establishment, or MTC. A Marijuana Courier may deliver Marijuana Accessories from a licensed Marijuana Retailer, Social Consumption Establishment, or MTC, or acquire and deliver their own Marijuana Accessories. A Marijuana Courier may not acquire electronic vape devices, hardware or batteries utilized in products that vaporize concentrates and oils, other than from a licensed Marijuana Retailer, Social Consumption Establishment, or MTC.

1. Marijuana Couriers shall only obtain Marijuana or Marijuana Products for delivery from a licensed Marijuana Retailer, Social Consumption Establishment, or MTC with which the Marijuana Courier has a Delivery Agreement.
2. All agreements between a Marijuana Courier and a Marijuana Retailer, Social Consumption Establishment, or MTC shall be disclosed under the requirements of licensure in 935 CMR 500.101 and subject to limitations on control over Licenses under 935 CMR 500.050(1)(b).
3. The Commission shall be notified in writing of any Substantial Modification to a Delivery Agreement.

(f) Delivery Operators shall only deliver Finished Marijuana Products, Marijuana

Accessories and Marijuana Establishment Branded Goods carrying the Delivery Operator's brand or that of a licensed Marijuana Cultivator, Marijuana Product Manufacturer, Social Consumption Establishment, Microbusiness or Craft Marijuana Cooperative. All Finished Marijuana Products delivered by a Delivery Operator Licensee shall be obtained from a licensed Marijuana Cultivator, Marijuana Product Manufacturer, Social Consumption Establishment, Microbusiness or Craft Marijuana Cooperative and shall comply with 935 CMR 500.105(1)(e). Delivery Operators may deliver Marijuana Establishment Branded Goods carrying the Delivery Operator's brand or that of a licensed Marijuana Cultivator, Marijuana Product Manufacturer, Social Consumption Establishment, Microbusiness or Craft Marijuana Cooperative.

1. A Delivery Operator shall only obtain Finished Marijuana Products for delivery from a licensed Marijuana Cultivator, Marijuana Product Manufacturer, Social Consumption Establishment, Microbusiness or Craft Marijuana Cooperative with which the Delivery Operator has a Wholesale Agreement.
2. All Wholesale Agreements between a Delivery Operator and a Marijuana Cultivator, a Marijuana Product Manufacturer, a Social Consumption Establishment, a Microbusiness or a Craft Marijuana Cooperative shall be subject to limitations on control over Licenses under 935 CMR 500.050(1)(b) and shall be subject to inspection and disclosure under 935 CMR 500.105(9).
3. The Commission shall be notified in writing of any Substantial Modification to a Wholesale Agreement.

(g) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement and Marijuana Retailer may use a Third-party Technology Platform Provider to facilitate orders by Consumers, and as permitted Patients or Caregivers.

1. All agreements between a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement and a Third-party Technology Platform Provider shall be submitted to the Commission prior to Final Licensure as part of the requirements for licensure in 935 CMR 500.101 and shall be subject to the control limitations under 935 CMR 500.050(1)(b).
2. The Commission shall be notified in writing within five days of the following:
   a. Any Substantial Modification to an agreement.
   b. Any new or additional or assigned agreements between a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement and a Third-party Technology Platform Provider.
3. Contracts between Delivery Licensees and Third-party Technology Platform Providers shall be negotiated at arm's length and entered into knowingly and willingly by both parties.
   a. The terms of a contract between a Delivery Licensee and a Third-party Technology Platform Provider shall be transparent and shall describe the methodology for determining the placement of Delivery Licensees in search results.
   b. The terms of a contract between a Delivery Licensee and a Third-party Technology Platform Provider shall define the fee structure for payment of services provided under the contract.
   c. The terms of a contract between a Delivery Licensee and a Third-party Technology Platform Provider shall include that the placement of Delivery Licensees in search results shall be based on objective, consumer-oriented criteria which may include, but shall not be limited to, time to deliver to the Consumer; Finished Marijuana Product price; and Finished Marijuana Product availability.
   d. Inducements intended to influence the placement of Delivery Licensees shall be strictly prohibited. No Delivery Licensee shall directly or indirectly give, permit other people or entities to give, receive or otherwise accept, an Inducement in any effort to persuade or influence a Third-party Technology Platform Provider to list any particular Delivery Licensee, brand or kind of Finished Marijuana Product, or to persuade or influence a Third-party Technology Platform Provider from listing any particular Delivery Licensee, brand or kind of Finished Marijuana Product.
   e. Advertising by a Delivery Licensee on a Third-party Technology Platform Provider shall not be considered to be an Inducement, provided:
      i. The contract terms for Advertising clearly state that the decision by a Delivery Licensee to advertise or not to advertise on a Third-party Technology Platform Provider shall not influence the placement of that Delivery Licensee in search results.
      ii. Any advertisement shall include a clear and conspicuous disclosure on the face of the advertisement that it is paid Advertising.
      iii. No Delivery Licensee may advertise or market Marijuana or Marijuana Products in conjunction with a Third-party Technology Platform Provider outside of the technology platform and shall ensure that the Third-party

Technology Platform Provider does not use the Delivery Licensee's license number, legal business name or Brand Name on any advertisement or marketing that primarily promotes the services of the technology platform.

4. A Delivery Licensee, in its engagement with a Third-party Technology Platform Provider shall ensure compliance with the consumer and patient protection standards established by M.G.L. c. 94G and c. 94I and the associated regulations, including, but not limited to 935 CMR 500.820 and 935 CMR 501.820: *Confidentiality*, and other applicable state laws.

5. A Delivery Licensee shall ensure minimum identifying information regarding the Delivery Licensee and its products, including but not limited to the Delivery Licensee's business name and license number, and as specified by the Commission, is on its menu and any receipt provided to Consumers placing an order for Marijuana and Marijuana Products through the technology platform.

(h) The maximum retail value of Marijuana or Marijuana Products allowed in a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement's vehicle at any one time shall not exceed $5,000; provided, however, that a vehicle with two Agents shall be allowed to have the maximum retail value up to $10,000. All Marijuana and Marijuana Products shall be associated with a specific Individual Order. For purposes of this provision, "maximum retail value" shall mean the aggregate value of Marijuana and Marijuana Products as priced on the day of the order for delivery.

(i) The maximum wholesale value of Marijuana or Marijuana Products allowed in a Marijuana Delivery Operator Licensee's vehicle at any one time shall not exceed $5,000 when conducting Wholesale activities with one Marijuana Establishment Agent present; provided, however, that a vehicle with two Agents shall be allowed to have a total Wholesale value in excess of $5,000. All Marijuana or Marijuana Products shall be associated with a specific Individual Order. For purposes of this provision, "maximum wholesale value" shall mean the aggregate value of Marijuana and Marijuana Products as priced on the day of the order for wholesale.

(j) All Marijuana and Marijuana Product deliveries shall be tracked using the Seed-to-sale SOR as designated by the Commission.

(k) Records of sales of Marijuana Accessories and Marijuana Establishment Branded Goods shall be maintained by the Delivery Licensee or Marijuana Establishment with a Delivery Endorsement, but may not be tracked in the Seed-to-sale SOR.

(l) For non-Marijuana or non-Marijuana Product sales, a Delivery Licensee or Marijuana Establishment with a Delivery Endorsement shall comply with Massachusetts tax laws, and DOR rules and regulations including, but not limited to, 830 CMR 62C.25.1: *Record Retention and DOR Directive* 16-1 regarding recordkeeping requirements.

(m) Deliveries by a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall be geographically limited to:

1. The municipality identified as the Marijuana Establishment License's place of business;

2. Any municipality which allows for retail within its borders whether or not one is operational; or

3. Any municipality which after receiving notice from the Commission, has notified the Commission that delivery may operate within its borders.

(n) All deliveries shall be completed between 7:00 A.M. to 11:00 P.M. local time. A Host Community may set alternative delivery hours by municipal ordinance or by-law; provided, however, that a municipality shall not set an earlier time to begin deliveries nor set a later time to complete deliveries.

(o) Every effort shall be made to minimize the amount of cash carried in a Delivery Licensee or Marijuana Establishment with a Delivery Endorsement vehicle at any one time. Marijuana Retailers utilizing a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement for Consumer transactions shall use best efforts to implement platforms for the electronic payment of funds. Where cash is carried by a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement vehicle, cash shall be stored in a locked compartment.

(p) Delivery Licensees and Marijuana Establishments with a Delivery Endorsement shall comply with the requirements of 935 CMR 500.110(7) for purposes of cash transport to financial institutions.

(q) In addition to complying with 935 CMR 500.105(4), a Delivery Licensee shall include on any website it operates or that operates on its behalf the license number(s) issued by the Commission.

(r) In addition to complying with 935 CMR 500.105(4), a Marijuana Establishment with a Delivery Endorsement shall include on any website it operates or that operates on its behalf the endorsement number(s) issued by the Commission.

(2) Orders Fulfilled by Marijuana Couriers. All orders for deliveries made by a Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement shall comply 935 CMR 500.145(1)(e) and the following requirements:

(a) Orders for Consumer delivery shall be received by a Marijuana Retailer and transmitted to a Marijuana Courier for delivery to a Residence.

(b) Only Marijuana Products that are Shelf-stable may be delivered. Products that are perishable or time and temperature controlled to prevent deterioration may not be allowed to be delivered by a Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement.

(c) A Marijuana Courier or Marijuana Establishment with a Delivery Endorsement shall deliver only to the Residence address provided. A Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement shall be prohibited from delivering to college- or university-designated dormitories or housing; and federal public housing identified at https://resources.hud.gov/.

(d) A Marijuana Courier shall only acquire from a Marijuana Retailer and deliver Marijuana or Marijuana Products for which a specific order has been received by a licensed Marijuana Retailer with which the Marijuana Courier has a Delivery Agreement. A Marijuana Courier is prohibited from delivering Marijuana or Marijuana Products without a specific order destined for an identified Residence. An order may be generated directly through a Marijuana Retailer or through a Third-party Technology Platform identified to the Commission under 935 CMR 500.145(1)(g).

(e) A Marijuana Establishments with a Delivery Endorsement shall only acquire from its inventory at the Marijuana Establishment premises and deliver Marijuana or Marijuana Products for which a specific order has been received. Marijuana Establishments with a Delivery Endorsement are prohibited from delivering Marijuana or Marijuana Products without a specific order destined for an identified Residence. An order may be generated directly through a Marijuana Establishments with a Delivery Endorsement or through a Third-party Technology Platform identified to the Commission under 935 CMR 500.145(1)(g).

(f) Delivery Licensees or a Marijuana Establishments with a Delivery Endorsements are prohibited from delivery of more Marijuana or Marijuana Products to an individual Consumer than the individual possession amounts authorized by M.G.L. c. 94G, § 7(a)(1). An Individual Order may not exceed one ounce of Marijuana or its dry-weight equivalent. The Individual Order shall only be delivered to the individual Consumer identified on the order after verification of the individual's identity consistent with the requirements of 935 CMR 500.140(2)(d) and 500.145(4). A Marijuana Courier or a Marijuana Establishment with a Delivery Endorsements shall only deliver one Individual Order, per Consumer, during each delivery.

(g) A Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement may not deliver to the same Consumer at the same Residence more than once each calendar day and only during authorized delivery hours.

(h) For Consumer delivery, each order shall be packaged and labeled in accordance with 935 CMR 500.105(5) and (6) originating the order prior to transportation by the Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement to the Consumer.

(i) Any Delivery Item that is undeliverable or is refused by the Consumer shall be transported back to the originating Marijuana Establishment that provided the product once all other deliveries included on a delivery manifest have been made. A Marijuana Courier or Marijuana Establishment with a Delivery Endorsement is prohibited from maintaining custody overnight of Marijuana or Marijuana Products intended for delivery. It shall be the responsibility of the Marijuana Courier or Marijuana Establishment with a Delivery Endorsement, in conjunction with the Marijuana Retailer with which there is a Delivery Agreement, to ensure that any undelivered product is returned to the appropriate Marijuana Retailer and not retained by the Marijuana Courier or Marijuana Establishment with a Delivery Endorsement. A process for ensuring that undelivered Marijuana and Marijuana Products can be returned to the Marijuana Retailer by the Marijuana Courier shall be a term of the Delivery Agreement.

(3) Orders Fulfilled by Delivery Operators. All orders for deliveries made by a Delivery Operator shall comply with 935 CMR 500.145(1)(f) and the following requirements:

(a) Orders for Consumer delivery by a Delivery Operator shall be received by the Delivery Operator.

(b) Only Finished Marijuana Products that are Shelf-stable may be delivered. Products that are perishable or time and temperature controlled to prevent deterioration may not be allowed to be delivered by a Delivery Operator.

(c) A Delivery Operator shall deliver only to the Residence address provided. A Delivery Operator shall be prohibited from delivering to college- or university-designated

dormitories or housing; and federal public housing identified at https://resources.hud.gov/.

(d) A Delivery Operator shall only acquire from its inventory at its Warehouse and deliver Finished Marijuana Products for which a specific order has been received by the Licensee. Delivery Operators are prohibited from loading a delivery vehicle for deliveries and delivering Finished Marijuana Products without a specific order destined for an identified Residence. An order may be generated directly through a Delivery Operator or through a Third-party Technology Platform identified to the Commission under 935 CMR 500.145(1)(g).

(e) Delivery Operators are prohibited from delivery of more Finished Marijuana Products to an individual Consumer than the individual possession amounts authorized by M.G.L. c. 94G, § 7(a)(1). An Individual Order may not exceed one ounce of Marijuana or its dry-weight equivalent. The Individual Order shall only be delivered to the individual Consumer identified on the order after verification of the individual's identity consistent with the requirements of 935 CMR 500.145(5). A Delivery Operator shall only deliver one Individual Order, per Consumer, during each delivery.

(f) A Delivery Operator may not deliver to the same Consumer at the same Residence more than once each calendar day and only during authorized delivery hours.

(g) Prior to fulfilling an Individual Order for delivery to a Consumer, each Finished Marijuana Product shall be packaged and labeled in accordance with 935 CMR 500.105(5) and (6) before transportation by the Delivery Operator.

(h) Any Delivery Item that is undeliverable or is refused by the Consumer shall be transported back to the originating Delivery Operator's Warehouse that provided the product once all other deliveries included on a delivery manifest have been made.

(4) Marijuana Courier Consumer Age Verification.

(a) A Marijuana Retailer shall require any Consumer making a purchase for delivery by a Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement 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 Marijuana Retailer prior to the first Individual Order.

(b) Pre-verification of the Consumer's identification shall be performed prior to the initial delivery, by using one of the following Pre-verification methods:

1. In-person at the Marijuana Retailer's physical location or through a Commission approved electronic means, which may include a Commission-approved Third-party Technology Platform, and shall include examination of the Consumer's valid, unexpired government-issued photo identification that bears a date of birth in accordance with 935 CMR 500.140(2)(d). A Marijuana Courier or Marijuana Establishment with a Delivery Endorsement is prohibited from performing a delivery to any Consumer who has not established an account for delivery through Pre-verification of the Consumer's government-issued identification card by the Marijuana Retailer; or

2. Through a Commission-approved electronic means and shall include examination of the Consumer's valid, unexpired government-issued photo identification that bears a date of birth. A Marijuana Establishment with a Delivery Endorsement is prohibited from performing a delivery to any Consumer who has not established an account for delivery through Pre-verification of the Consumer's government-issued identification card.

(c) A Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement may not deliver Delivery Items to any Person other than the Consumer who ordered the Delivery Items.

(d) A Marijuana Courier or a Marijuana Establishment with a Delivery Endorsement shall verify the age and identity of the Consumer at the time at which the Delivery Items are delivered to the Consumer at a Residence to ensure that Marijuana and Marijuana Products are not delivered to individuals younger than 21 years old. Prior to relinquishing custody of the Marijuana or Marijuana Products to the Consumer, the Marijuana Establishment Agent conducting the delivery shall verify that the government-issued identification card of the Consumer receiving the Marijuana or Marijuana Products matches the pre-verified government-issued identification card of the Consumer who placed the order for delivery by:

1. Viewing the government-issued identification as provided for Pre- verification under 935 CMR 500.145(4)(a);

2. Viewing proof of order generated at the time of order; and

3. Receiving the signature of the Consumer who ordered the Delivery Items and verifying that the signature matches the government-issued photo identification card presented.

(5) Delivery Operator Consumer Age Verification.

(a) A Delivery Operator 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 Delivery Operator prior to the first Individual Order.

(b) Pre-verification of the Consumer's identification shall be performed prior to the initial delivery through a Commission approved electronic means, which may include a Commission-approved Third-party Technology Platform, and shall include examination of the Consumer's valid, unexpired government-issued photo identification that bears a date of birth.

(c) A Delivery Operator may not deliver Finished Marijuana Products to any Person other than the Consumer who ordered the Finished Marijuana Product.

(d) A Delivery Operator shall verify the age and identity of the Consumer at the time at which the Finished Marijuana Products are delivered to the Consumer at a Residence to ensure that Finished Marijuana Products are not delivered to individuals younger than 21 years old. Prior to relinquishing custody of the Finished Marijuana Products to the Consumer, the Marijuana Establishment Agent conducting the delivery shall verify that the government-issued identification card of the Consumer receiving the Finished Marijuana Products matches the pre-verified government-issued identification card of the Consumer who placed the order for delivery by:

1. Viewing the government-issued identification as provided for Pre- verification under 935 CMR 500.145(5)(a);
2. Viewing proof of order generated at the time of order; and
3. Receiving the signature of the Consumer who ordered the Delivery Items and verifying that the signature matches the government-issued photo identification card presented.

(6) Vehicle and Transport Requirements for Consumer Delivery.

(a) Vehicles used for Consumer delivery by a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall be owned or leased by the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement, shall be properly registered as commercial vehicles, and inspected and insured in the Commonwealth of Massachusetts.

(b) Vehicles used for Consumer delivery by a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement may be parked overnight at the address identified as the Licensee's place of business or another location, provided that keeping the vehicle at the identified location complies with all general and special bylaws of the municipality.

(c) Vehicles used for Consumer delivery by a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall carry liability insurance in an amount not less than $1,000,000 combined single limit.

(d) Any vehicle used to transport or deliver Marijuana or Marijuana Products shall comply with applicable Massachusetts Registry of Motor Vehicles (RMV) requirements, but may not include any additional external marking that indicate the vehicle is being used to transport or deliver Marijuana or Marijuana Products.

(e) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement transporting Marijuana and Marijuana Products for Consumer delivery shall ensure that all vehicles used for deliveries are staffed with a minimum of one Marijuana Establishment Agent. The Agent or Agents shall remain inside the vehicle at all times that the vehicle contains Marijuana or Marijuana Products, unless completing a Consumer delivery.

(f) Marijuana Establishment Agent or Agents shall take all necessary steps to secure the vehicle at all times when Marijuana or Marijuana Products are in the vehicle.

(g) Marijuana and Marijuana Products must not be visible from outside the vehicle.

(h) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall transport Marijuana and Marijuana Products in a secure, locked storage compartment that is a part of the vehicle and complies with the requirements of 935 CMR 500.110(8).

(i) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall maintain, in each vehicle used for deliveries, a secure, locked storage compartment for the purpose of transporting and securing cash used as payment. This compartment shall be separate from compartments required under 935 CMR 500.145(5)(g) for the transport of Marijuana and Marijuana Products.

(j) In the case of an emergency stop during the transportation of Delivery Items, a log shall be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. The Marijuana Establishment Agents in the

vehicle shall provide notice of the location of the stop and employ best efforts to remain in contact with the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement.

(k) The Marijuana Establishment Agent or Agents transporting Delivery Items for Consumer delivery shall contact the Delivery Licensee's or a Marijuana Establishment with a Delivery Endorsement's fixed location when completing any delivery or when making any unscheduled stops.

(l) The Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall maintain a separate log for each vehicle in use for Consumer deliveries. For each delivery, the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall record:

1. The location of the originating Marijuana Establishment and date and time the vehicle leaves the location;
2. The mileage of the transporting vehicle at departure from the Marijuana Establishment mileage on arrival at each Consumer destination, and mileage on return to the Marijuana Establishment;
3. The date and time of departure from the Marijuana Establishment and arrival at each Consumer destination for each delivery; and
4. An entry indicating the date and time of the last delivery in an order.

(m) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall ensure that all delivery routes remain within the Commonwealth of Massachusetts at all times.

(n) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall make every effort to randomize its delivery routes.

(o) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsements may not transport products other than Delivery Items during times when the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsements are performing Consumer deliveries.

(p) Firearms are strictly prohibited from Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement vehicles and from Marijuana Establishment Agents performing Consumer deliveries.

(7) Manifests.

(a) Every Consumer delivery shall have a manifest produced by the originating Marijuana Establishment. A Marijuana Retailer shall provide the manifest to the Delivery Licensee or Marijuana Establishment with a Delivery Endorsement. A Delivery Operator shall produce its manifests. A manifest shall be completed in duplicate, with the original manifest remaining at the premises of the originating Marijuana Establishment, whether it is a Marijuana Retailer or a Delivery Operator, and a copy to be kept with the Delivery Licensee agent or a Marijuana Establishment with a Delivery Endorsement agent during the delivery. The manifest shall be signed by the Consumer, and as applicable Patient or Caregiver receiving the Marijuana or Marijuana Products and the Marijuana Establishment Agent acting on behalf of the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement. A signed manifest shall serve as the written record of the completion of the delivery. A manifest does not need to include Marijuana Accessories or Marijuana Establishment Branded Goods, however, the Delivery Licensee or Marijuana Establishment with a Delivery Endorsement shall maintain a record of the sale of all Delivery Items.

(b) The manifest shall, at a minimum, include:

1. The originating Marijuana Retailer's or Delivery Operator's name, address, and License number;
2. The name and License number of the Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement performing the Consumer delivery;
3. The names and Marijuana Establishment Agent numbers of the Marijuana Establishment Agents performing the delivery;
4. The Consumer's, Patient's or Caregiver's name and address;
5. A description of the Marijuana or Marijuana Products being transported, including the weight or count, and form or type of product;
6. Signature lines for the agents who transported the Marijuana or Marijuana Products;
7. A signature line for Consumer, Patient or Caregiver who receives the Marijuana or Marijuana Products; and
8. The Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement vehicle make, model, and license plate number.

(c) The manifest shall be maintained within the vehicle during the entire transportation process, until all the deliveries are completed.

(d) A Marijuana Establishment shall retain all transportation manifests for no less than

one year and make them available to the Commission on request.

500.146: Additional Operational Requirements for Marijuana Delivery Operators

(1) Warehousing.

(a) A Delivery Operator shall operate a Warehouse for the storage of Finished Marijuana Products and preparation of Individual Orders for Delivery.

(b) Warehouses shall comply with all applicable requirements of 935 CMR 500.105, and 935 CMR 500.110.

(c) Warehouses shall incorporate a sally port or loading area immediately adjacent to the Warehouse that enables the transfer of Finished Marijuana Products into a vehicle for delivery.

(2) Limitation on Sales.

(a) In accordance with M.G.L. c. 94G, § 7, a Delivery Operator may not knowingly sell more than one ounce or its combined dry weight equivalent in Finished Marijuana Products to Consumers per day.

1. One ounce of Marijuana flower shall be equivalent to five grams of active tetrahydrocannabinol (THC) in Marijuana concentrate including, but not limited to, Tinctures.
2. One ounce of Marijuana flower shall be equivalent to five hundred milligrams of active tetrahydrocannabinol (THC) in Edibles.
3. Topicals and ointments shall not be subject to a limitation on daily sales.

(b) A Delivery Operator may not sell Finished Marijuana Products in excess of the potency levels established by 935 CMR 500.150(4); and

(c) A Delivery Operator shall demonstrate that it has a point-of-sale system that does not allow for a transaction in excess of the limit established in 935 CMR 500.140(3) or the potency levels established in 935 CMR 500.150(4).

(d) A Delivery Operator may sell non-infused food, water, and drink items that are pre-packaged prior to arrival on the Premises and are Shelf-stable. Such sales of Shelf-Stable Products shall be limited to products sold in a manner that does not cause the Delivery Operator to be considered a Food Establishment under 105 CMR 590.001. The Delivery Operator shall obtain all licenses and permits, as necessary, prior to the sale of Shelf-stable products.

(3) Unauthorized Sales and Right to Refuse Sales or Delivery.

(a) A Delivery Operator shall refuse to sell or deliver Finished Marijuana Products to any Consumer who is unable to produce valid proof of government-issued identification.

(b) A Delivery Operator shall refuse to sell or deliver Finished Marijuana Products to a Consumer if, in the opinion of the Marijuana Establishment Agent based on the information available to the agent at that time, the Consumer or the public would be placed at risk. This includes, but is not limited to, the Consumer engaging in daily transactions that exceed the legal possession limits or that create a risk of Diversion or other practices that may result in Inversion.

(c) A Delivery Operator may not sell or deliver to an individual more than one ounce or its dry weight equivalent in Finished Marijuana Products per transaction. A Delivery Operator may not knowingly sell or deliver to an individual more than one ounce or its dry weight equivalency in Finished Marijuana Products per day.

(d) A Delivery Operator is prohibited from selling or delivering Finished Marijuana Products containing nicotine, if sales of Tobacco or cigarettes would require licensure under state law.

(e) A Delivery Operator is prohibited from selling or delivering Finished Marijuana Products containing alcohol, if sales of such alcohol would require licensure pursuant to M.G.L. c. 138.

(4) Recording Sales.

(a) A Delivery Operator shall only utilize a point-of-sale system approved by the Commission, in consultation with the DOR.

(b) A Delivery Operator may utilize a sales recording module approved by the DOR.

(c) A Delivery Operator is prohibited from utilizing software or other methods to manipulate or alter sales data.

(d) A Delivery Operator shall conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. A Delivery Operator shall maintain records that it has performed the monthly analysis and produce it on request to the Commission. If a Delivery Operator determines that

software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:

1. It shall immediately disclose the information to the Commission and DOR;
2. It shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
3. Take such other action directed by the Commission to comply with 935 CMR 500.105.

(e) A Delivery Operator shall comply with 830 CMR 62C.25.1: *Record Retention and DOR Directive 16-1* regarding recordkeeping requirements.

(f) A Delivery Operator shall adopt separate accounting practices at the point of sale for Marijuana and Marijuana Product sales, and non-Marijuana sales.

(g) The Commission and the DOR may audit and examine the point-of-sale system used by a Delivery Operator in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.140(5).

(5) Consumer Education. A Delivery Operator shall make available educational materials about Finished Marijuana Products to Consumers. A Delivery Operator shall have an adequate supply of current educational material available for distribution. Educational materials shall be available in commonly spoken languages designated by the Commission, which will include, but not be limited to, appropriate materials for the visually- and hearing-impaired. Such materials shall be made available for inspection by the Commission on request. If there is a failure to provide these materials, a licensee may be subject to disciplinary action under 935 CMR 500.000. The educational material shall include at least the following:

(a) A warning that Marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using Marijuana, and that it should be kept away from children;

(b) A warning that when under the influence of Marijuana, driving is prohibited by M.G.L. c. 90, § 24, and machinery should not be operated;

(c) Information to assist in the selection of Finished Marijuana Products, describing the potential differing effects of various strains of Marijuana, as well as various forms and routes of administration;

(d) Materials offered to Consumers to enable them to track the strains used and their associated effects;

(e) Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency shall also be explained;

(f) A discussion of tolerance, dependence, and withdrawal;

(g) Facts regarding substance use disorder signs and symptoms, as well as referral information for substance use disorder treatment program, and the telephone number for the Massachusetts Substance Use Helpline;

(h) A statement that Consumers may not sell Finished Marijuana Products to any other individual;

(i) Information regarding penalties for possession or distribution of Marijuana in violation of Massachusetts law; and

(j) Any other information required by the Commission.

(6) Testing. No Finished Marijuana Product may be sold or otherwise marketed for adult use that has not first been tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. The product shall be deemed to comply with the standards required under 935 CMR 500.160. Potency levels derived from the Cannabinoid Profile, including the amount of delta-nine-tetrahydrocannabinol (9-THC) and other Cannabinoids, contained within Finished Marijuana or Marijuana Product to be sold or otherwise marketed shall be recorded in the Seed-to-sale SOR.

(7) White Labeling. The Licensee engaged in the White Labeling of Finished Marijuana Products shall comply with the labeling and packaging requirements under 935 CMR 500.105(5) and (6) prior to delivery to Consumers.

(a) The Wholesale Agreement between a Delivery Operator and the Marijuana Establishment from which they are wholesaling shall clearly indicate whether the Delivery Operator or the Marijuana Establishment licensee from which the Finished Marijuana Product(s) are being wholesaled shall be responsible for White Labeling on behalf of the Delivery Operator.

(b) The Delivery Operator shall notify the Commission within 21 days of any Substantial Modification to a Wholesale Agreement that alters which Licensee has responsibility for White Labeling on behalf of the Delivery Operator. A Licensee shall obtain the written authorization of the Commission prior to commencing White Labeling.

(c) The Delivery Operator may submit the label to be used for White Labeling to the Commission in accordance with 935 CMR 500.105(7).

(8) Product Database. A Delivery Operator that purchases any Wholesale Finished Marijuana Products from a licensed Marijuana Cultivator, Microbusiness or Craft Marijuana Cooperative for the purpose of delivery to Consumers, whether White Labeled or not, shall provide the Commission with information to populate the Product Database. A Delivery Operator that purchases wholesale Finished Marijuana Products from a licensed Marijuana Product Manufacturer for the purpose of White Labeling and sale to Consumers shall provide the Commission with information to populate the Product Database. Product Database information for Finished Marijuana Products purchased at Wholesale from Product Manufacturers that are not White Labeled shall remain the responsibility of the Product Manufacturer under 935 CMR 500.130(6).

(a) The Delivery Operator shall provide the following:

1. A photograph of a Finished Marijuana Product outside of but next to the Marijuana Product's packaging; provided however that where single servings of a multi-serving product are unable to be easily identified because of its form, a description of what constitutes a single serving shall be provided (*e.g.* a single serving is a 1" x 1" square);
2. A photograph of the Marijuana Product inside packaging; and
3. The name of the Product Manufacturer that produced the Marijuana Product.

(b) Photographs submitted shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.

(c) A Delivery Operator shall provide the information required under 935 CMR 500.146(7)(a) for each Finished Marijuana Product it offers for sale and delivery prior to the product being made available for sale and shall update the information whenever a substantial change to packaging or label of the Finished Marijuana Product occurs. For purposes of 500.146(8)(c), a substantial change shall be a change to the physical attributes or content of the package or label.

(9) In addition to the written operating policies required under 935 CMR 500.105(1), a Delivery Operator shall maintain written policies and procedures which shall include:

(a) Policies and procedures for adequately tracking, recording, and documenting all Vendor Samples that the Delivery Operator receives from a Marijuana Cultivator, a Marijuana Product Manufacturer, a Microbusiness or a Craft Marijuana Cooperative; and

(b) Policies and procedures for adequately tracking, recording, and documenting all Vendor Samples that the Delivery Operator provides to employees for the purpose of assessing product quality and determining whether to make the product available to sell.

(10) Vendor Samples.

(a) A Delivery Operator may receive a Vendor Sample of Marijuana flower from a Marijuana Cultivator pursuant to 935 CMR 500.120(13). A Delivery Operator may also receive a Vendor Sample of Marijuana Product from a Marijuana Product Manufacturer pursuant to 935 CMR 500.130(8). Receipt of a Vendor Sample under 935 CMR 500.146(10) shall not be considered a prohibited practice under 935 CMR 500.105(4)(b)20.

(b) Vendor Samples may not be sold to another licensee or Consumer.

(c) A Delivery Operator may provide the Vendor Samples it receives from a Marijuana Cultivator or a Marijuana Product Manufacturer to its Employees for the purpose of assessing product quality and determining whether to make the product available to sell the product. Vendor Samples may not be consumed on any licensed Premises.

(d) Vendor Sample limits. A Marijuana Delivery Operator is limited to providing the following aggregate amounts of Vendor Samples to all Employees in a calendar month period:

1. Four grams per strain of Marijuana flower and no more than seven strains of Marijuana flower;
2. Five grams of Marijuana concentrate or extract including, but not limited to, Tinctures;
3. Five hundred milligrams of Edibles whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies the potency levels set forth in 935 CMR 500.150(4); and
4. Five units of sale per Cannabis product line and no more than six individual Cannabis product lines. For purposes of 935 CMR 500.146(10), a Cannabis product line shall mean items bearing the same Stock Keeping Unit Number.

(e) Upon providing a Vendor Sample to an employee, the Delivery Operator shall record:

1. The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Vendor Sample;

2. The date and time the Vendor Sample was provided to the Employee;
3. The agent registration number of the employee receiving the Vendor Sample; and
4. The name of the Employee as it appears on their agent registration card.

(f) All Vendor Samples provided by a Delivery Operator to its employees shall also be entered into the point-of-sale system and shall count against the individual employee's daily purchase limit, if applicable, consistent with 935 CMR 500.146(2).

(11) Sale of Marijuana Vaporizer Devices.

(a) A Marijuana Delivery Operator offering Marijuana Vaporizer Devices for sale to Consumers shall include a conspicuous and prominently displayed statement on its website, that is legible and enlarged and contains the following statements:

1. "Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled."
2. "Consumers shall have access to the test results of Marijuana Vaporizer Devices including copies of any Certificates of Analysis provided by the device's manufacturer."

(b) A Delivery Operator shall provide a physical insert to Consumers that accompanies all purchased and delivered Marijuana Vaporizer Devices that states, including capitalization and emphasis, the following: "Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled."

(c) The sale of disposable and reusable vaporizer pens and devices shall be accompanied by a product insert identifying the materials used in the vaporizer device's atomizer coil (*e.g.*, titanium, titanium alloy, quartz, copper, nichrome, kanthal, or other specified material), and manufacturer identification of the device hardware, cartridge, battery and other components;

(d) A Delivery Operator shall make available the information contained in 935 CMR 500.105(5)(c)6 in the product description as part of any product list posted on the Delivery Operator's website or Third-party Technology Platforms or applications employed for delivery.

(e) A Delivery Operator shall retain all records of purchases from any Product Manufacturer or supplier of any ingredient, additive, device, component part or other materials provided to the Delivery Operator about Marijuana Vaporizer Devices sold by licensees. Such records shall be made available to the Commission upon request.

(12) Prohibition on Monopolies.

(a) It shall be a violation of 935 CMR 500.000 for any Delivery Operator to monopolize or attempt to monopolize, or combine or conspire with any other person or entity including, but not limited to, a Third-party Technology Platform Provider, to monopolize any part of licensed activities authorized under 935 CMR 500.000.

(b) It shall be a violation of, 935 CMR 500.000, for any Delivery Operator engaged in activities authorized under 935 CMR 500.000 to make a contract for services with a Third-party Technology Platform Provider for the listing of a Delivery Operator or a Delivery Operator's Finished Marijuana Products on the condition, agreement or understanding that the parties to the contract shall not deal in Marijuana or Marijuana Products, either generally or specific brands or categories of Finished Marijuana Products, of a competitor or competitors of the parties where the effect of such contract or such condition, agreement or understanding may be to lessen substantially competition or tend to create a monopoly in any activity engaged in under 935 CMR. 500.000.

500.147: Operational Requirements for Marijuana Research Facility Licensees and Research Permits.

(1) In addition to the security requirements provided in 935 CMR 500.110, Marijuana Research Facility Licensees shall comply with the operational requirements required under 935 CMR 500.147.

(2) General Requirements

(a) For each research project to be conducted on the Premises, a Marijuana Research Facility Licensee shall have a valid Research Permit issued by the Commission pursuant to 935 CMR 500.147(4) prior to beginning a research project. The Research Permit shall be renewed at least annually, or sooner depending on the nature and duration of the approved research project.

(b) All individuals engaging in research at the Marijuana Research Facility shall be registered with the Commission as Marijuana Establishment Agents under 935 CMR 500.030.

(c) A Marijuana Research Facility Licensee may submit an application for a Research Permit to conduct research in areas including, but not limited to, the following:

1. Chemical potency and composition levels of Marijuana and Marijuana Products;
2. Clinical investigations of Marijuana Products, including dosage forms;
3. Efficacy and safety of administering Marijuana or Marijuana Products as a component of medical treatment under the supervision of a Certifying Healthcare Provider;
4. Genomic research on Marijuana;
5. Horticultural research on Marijuana;
6. Agricultural research on Marijuana; and
7. Other research topics upon the approval of the Commission, provided however that research conducted under the Marijuana Research Facility License may not be a substitute for processes for drug approval established by the U.S. Food and Drug Administration (FDA) pursuant to 21 CFR 312; and the Commission may impose additional standards necessary to ensure the safety and efficacy of Marijuana and Marijuana-derived compounds for their intended research application.

(d) Marijuana or Marijuana Products used in research conducted under a Marijuana Research Facility License shall be cultivated by, produced by or acquired from a licensed MTC or Marijuana Establishment authorized to cultivate, produce or sell Marijuana or Marijuana Products, which includes a Marijuana Cultivator, Marijuana Product Manufacturer, Marijuana Retailer, a Microbusiness or a Craft Marijuana Cooperative. A Marijuana Research Facility Licensee not authorized to cultivate its own Marijuana may enter into an agreement with a licensed MTC or Marijuana Cultivator, Microbusiness or Craft Marijuana Cooperative to grow Marijuana specifically for research.

(e) Any Marijuana or Marijuana Product cultivated, produced or acquired for use in a Commission-approved research project shall be entered by the Marijuana Establishment providing it to the Marijuana Research Facility Licensee into the Seed-to-sale SOR in a form and manner to be determined by the Commission.

(f) All Marijuana or Marijuana Products used in research and consumed by human or animal subjects shall comply with the following

1. Be adequately described in the Informed Consent Form.
2. Tested in accordance with 935 CMR 500.160 prior to consumption by human or animal subjects.

(g) Any research project where human research subjects are participants shall include one or more licensed physicians in good standing to monitor the participants.

(h) For any research project other than a survey-only research project, human participants in research conducted by a Marijuana Research Facility Licensee where consumption of Marijuana or Marijuana Products is a component of the research project design shall reside in the Commonwealth.

(i) Any research project where animal research subjects are participants shall include one or more licensed veterinary doctors in good standing to monitor the participants.

(j) For any research project other than a survey-only research project, research conducted pursuant to a license granted by the Commission shall be conducted solely within the boundaries of the Commonwealth.

(k) A Marijuana Research Facility Licensee shall supply the Commission with copies of all final reports, findings or documentation regarding the outcomes of approved research projects receiving a Research Permit. Any records received by the Commission may be subject to release pursuant to the Public Records Law, M.G.L. c. 66, § 10 and M.G.L. c. 4, § 7, cl. 26, or other compulsory legal process, or at the Commission's discretion.

(3) Marijuana Research Facility Licensee Activities and Premises.

(a) A Marijuana Research Facility Licensee may conduct research at one or more than one Marijuana Research Facility so long as the facility is approved by the Commission.

(b) A Marijuana Research Facility may be colocated with another Marijuana Establishment provided that the Marijuana Research Facility and other, colocated Marijuana Establishment(s) are commonly owned and physically separated. Physical separation shall include, but may not be limited to, separation by a permanent wall with a secure, locked entrance.

(c) A Marijuana Research Facility Licensee shall only possess for research the amount of Marijuana or Marijuana Products approved by the Commission to be used in each research project receiving a Research Permit.

(d) A Marijuana Research Facility Licensee with more than one Research Permit shall physically separate all Marijuana or Marijuana Products used in the Licensee's approved research projects according to Research Permit and in such a way that it is objectively clear

what Marijuana or Marijuana Products are being used for each approved project.

(e) One or more Marijuana Research Facility Licensees may enter into agreements to conduct research jointly on an identified research project, provided that research activities authorized under the Research Permit shall be conducted at one identified, licensed Marijuana Research Facility. The Marijuana Research Facility Licensee shall disclose to the Commission all contracts or agreements entered into with other Marijuana Research Facility Licensees in furtherance of a research project.

(f) A Marijuana Research Facility Licensee may not permit the consumption of Marijuana or Marijuana Products on its licensed Premises, unless consumption of Marijuana is part of an approved research project holding a valid Research Permit and the Marijuana Research Facility is not co-located with another Marijuana Establishment.

(4) Research Permits

(a) To qualify for a Research Permit to conduct human based research, the research project shall have an Institutional Review Board ("IRB") which shall approve the proposed research project.

(b) Applicants for a Research Permit to conduct research at a Marijuana Research Facility Licensee shall submit for each project the following information to the Commission in a form and manner determined by the Commission:

1. The name and curriculum vitae (CV) of each investigator, including the Principal Investigator who leads the research project and each sub-investigator;
2. The name of each licensed physician in good standing that will lead the project as Principal Investigator, be a sub-investigator, or monitor the participation by human subjects, if any, in the research project;
3. The name of each licensed veterinary doctor in good standing that will lead the project as Principal Investigator, be a sub-investigator, or monitor the participation by animal subjects, if any, in the research project;
4. The IRB Institution, if applicable;
5. A publication-ready summary of the research project to be conducted;
6. A detailed research protocol, including safety protocols;
7. Articulated goals of the research project;
8. Start and end dates of the research project;
9. A description of the project funding or resources, an attestation that the project is adequately funded or resourced, and the sources of funding or resources;
10. Information about the human subject participants, if any, which shall include but not be limited to:
    a. The number of participants;
    b. The number of Registered Qualifying Patients, if any;
    c. Demographic information about the participants;
    d. The ages of the participants;
    e. Any cohort deemed "vulnerable" and applicable safety precautions (*e.g.* pregnant/breastfeeding women, minors, disable veterans, *etc.*);
    f. A copy of the Informed Consent Form or Waiver of Consent, if applicable; and
    g. Documentation that the process of obtaining Informed Consent complied with the Research Licensee's other IRB, institutional, industry, or professional standards.
11. The quantity of Marijuana or Marijuana Products anticipated to be needed over the duration of the research project;
12. The Independent Testing Laboratory where the Marijuana or Marijuana Products will be tested;
13. The name and license number of the Marijuana Research Facility Licensee or facilities where the research project will take place, provided that if a license has not yet been granted to the Marijuana Research Facility, the Research Permit applicant will still identify the facility and provide its application number;
14. The disposal protocol for Marijuana or Marijuana Products that are unused;
15. Disclosures of any actual or apparent conflicts of interest between any Marijuana Research Facility Licensee or Agent and any member of the IRB required by 935 CMR 500.147(4)(b)iv; and
16. Application Fee.

(c) The information required in 935 CMR 500.147(4)(b) to qualify for a Research Permit may, but is not required to, be submitted with an application for licensure as a Marijuana Research Facility.

(d) Prior to receiving a Research Permit for a research project that includes human or animal participants as subjects, the applicant shall submit evidence of approval of the project by the identified IRB. Evidence of IRB approval or exemption may be submitted

separately from the information required in 935 CMR 500.147(4)(b), but shall be submitted to receive a Research Permit.

(e) Materials submitted in support of an application for a permit that are received by the Commission may be subject to release pursuant to the Public Records Law, M.G.L. c. 66,§ 10 and M.G.L. c. 4, § 7, cl. 26, or other compulsory legal process, or at the Commission's discretion.

(5) Research Permit Approval.

(a) When evaluating an application for a Research Permit to conduct a research project at a licensed Marijuana Research Facility the Commission or its delegee(s) shall consider:

1. Whether the research project is allowed under 935 CMR 500.147(2)(c);
2. The adequacy of safety protocols detailed in 935 CMR 500.147(4)(b)6.
3. The research project design;
4. Whether the research project is adequately funded or resourced and the sources of the funding or resources;
5. Whether the amount of Marijuana or Marijuana Products anticipated to for growth or use during the duration of the research project is consistent with the proposed research project's scope, goals, aims and the protocols for tracking the amount used;
6. Disclosures of agreements between Marijuana Research Facility Licensees and the nature of those agreements; and
7. Whether a required IRB is affiliated with an accredited academic institution, licensed healthcare institution or other licensed research institution and, if not, may require additional information regarding the sufficiency of the IRB as it relates to the proposed research project.
8. Whether sufficient evidence of approval of the research project by the identified IRB has been provided.

(b) Research Permits shall be approved by the Executive Director and shall not require a vote of the Commission prior to issuance.

(c) As set forth in 935 CMR 500.840, the issuance of a Research Permit may not give immunity under federal law or poses an obstacle to federal enforcement of federal law.

(6) Denial of Research Permits.

(a) The Commission or its delegee may deny an application for a Research Permit for any of the following reasons, provided that a written denial including the reason for the denial shall be issued to the applicant(s):

1. No IRB approval;
2. Failure to provide adequate information regarding the IRB;
3. Proposed research poses a danger to public health or safety;
4. Proposed research lacks scientific value or validity;
5. The applicant for the Research Permit is not qualified to do the research;
6. The Research Permit applicant's protocols or funding or other resources are insufficient to perform the research; or
7. Proposed research is otherwise in consistent with the Commission's governing laws.

(b) The applicant shall not be entitled to an administrative hearing under 935 CMR 500.500 for the denial of a research permit.

(7) Inspections and Audits.

(a) The Commission or its delegee(s) may at its discretion inspect a Marijuana Research Facility.

(b) The Commission or its delegee may at its discretion require an audit of a research project granted a Research Permit. Reasons for an audit shall include, but are not limited to:

1. The Commission has reasonable grounds to believe that the Marijuana Research Facility Licensee is in violation of one or more of the requirements set forth in these regulations or present a danger to the public health, safety or welfare;
2. The Commission has reasonable grounds to believe that the activities of the Marijuana Research Facility Licensee or a Marijuana Establishment Agent present a danger to the public health, safety or welfare; or
3. The Commission has reasonable grounds to believe that the Marijuana Research Facility Licensee has been or is engaged in research activities that have not been approved or permitted by the Commission.

500.150: Edibles

(1) Production of Edibles. Edibles shall be produced in compliance with the following:

(a) Any Edible that is made to resemble a typical food or drink product shall be packaged and labeled as required by M.G.L. c. 94G, § 4(a½)(xxiv) and (xxvi), and 935 CMR 500.105(5) and (6).

(b) The Manufacture or sale of Edibles in the following shapes and types is prohibited:

1. The distinct shape of a human, animal, fruit, or sporting-equipment item; or

2. A shape that bears the likeness or contains characteristics of a realistic or fictional human, animal, fruit, or sporting-equipment item including artistic, caricature, or cartoon renderings.

(c) Edibles that are geometric shapes and simply fruit flavored are not considered fruit and are permissible.

(2) Sanitary Requirements. All Edibles shall be prepared, handled, and stored in compliance with the requirements in 935 CMR 500.105(3) and 500.105(11).

(3) Additional Labeling and Packaging Requirements for Edibles.

(a) In addition to the requirements set forth in M.G.L. c. 94G, § 4(a½)(xxiv) and (xxvi), and 935 CMR 500.105(5) and (6), every Marijuana Retailer shall ensure that the following information or statement is Affixed to every container holding an Edible:

1. If the retail Edible is perishable or time and temperature controlled, a statement that the Edible shall be refrigerated.

2. The date on which the Edible was produced.

3. A nutritional fact panel that shall be based on the number of THC servings within the container.

4. Information regarding the size of each serving for the product by milligrams, the total number of servings of Marijuana in the product, and the total amount of active THC in the product by milligrams (mg). For example: "The serving size of active THC in this product is X mg, this product contains Y servings of Marijuana, and the total amount of active THC in this product is (X*Y) mg."

5. A warning that the impairment effects of Edibles may be delayed by two hours or more.

(b) Once a label with a use-by date has been Affixed to a container holding an Edible, a Licensee may not alter that date or affix a new label with a later use-by date.

(c) Each serving of an Edible within a multi-serving package of Edibles shall be easily separable in order to allow an average person 21 years of age or older to physically separate, with minimal effort, individual servings of the product.

(d) Each single serving of an Edible contained in a multi-serving package of Edibles shall be marked, stamped, or otherwise imprinted with the symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana consistent with 935 CMR 500.105(5)(b)15. Alternatively, a Licensee may ensure that each single serving of an Edible is individually wrapped and shall mark, stamp, or otherwise imprint each individual wrapper with the symbol or easily recognizable mark issued by the Commission that indicates the serving contains Marijuana consistent with 935 CMR 500.105(5)(b)15.

(e) Each single serving of an Edible contained in a packaged unit of multiple Edible may be marked, stamped, or otherwise imprinted with a symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana.

(4) Dosing Limitations. A Marijuana Product Manufacturer may not prepare, and a Marijuana Retailer, Social Consumption Establishment, or Delivery Operator may not deliver, sell, serve or otherwise distribute an Edible with potency levels exceeding the following limits, which includes the 10% variance allowed by 935 CMR 500.160(12), exceeding the following, as tested by an independent Marijuana testing facility licensed in accordance with M.G.L. c. 94G, § 15:

(a) For a single serving of an Edible, 5.5 milligrams (5.50 mg) of active tetrahydrocannabinol (THC);

(b) In a single package of multiple Edible to be eaten, swallowed, or otherwise ingested, not more than 20 servings or 110 milligrams (110.00mg) of active THC; and

(c) The THC content shall be homogenous, or evenly distributed throughout the Edible. A Retail Marijuana Product shall be considered to not be homogenous if 10% of the infused portion of the Marijuana Product contains more than 20% of the total THC contained within entire Marijuana Product.

500.160: Testing of Marijuana and Marijuana Products

(1) No Marijuana Product, including Marijuana, may be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. Testing of Marijuana Products shall be performed by an Independent Testing Laboratory in compliance with a protocol(s) established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determined by the Commission including, but not limited to, the Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers and Colocated Marijuana Operations. Testing of environmental media (*e.g*., soils, solid growing media, and water) shall be performed in compliance with the Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries published by the Commission.

(2) Marijuana shall be tested for the Cannabinoid Profile and for contaminants as specified by the Commission including, but not limited to, mold, mildew, heavy metals, plant growth regulators, and the presence of Pesticides. In addition to these contaminant tests, final ready-to-sell Marijuana Vaporizer Products shall be screened for heavy metals and Vitamin E Acetate (VEA) in accordance with the relevant provisions of the Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers and Colocated Marijuana Operations.

(3) The Commission may, at its discretion, require additional testing where necessitated to safeguard the public health or public safety and so identified by the Commission.

(4) A Marijuana Establishment shall have a written policy for responding to laboratory results that indicate contaminant levels are above acceptable limits established in the protocols identified in 935 CMR 500.160(1).

(a) Any such policy shall include:

1. notifying the Commission within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the Production Batch.
2. notifying the Commission of any information regarding contamination as specified by the Commission or immediately upon request by the Commission.

(b) The notification shall be from both the Marijuana Establishment and the Independent Testing Laboratory, separately and directly.

(c) The notification from the Marijuana Establishment shall describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.

(5) A Marijuana Establishment shall maintain the results of all testing for no less than one year. Testing results shall be valid for a period of one year. Marijuana or Marijuana Products with testing dates in excess of one year shall be deemed expired and may not be dispensed, sold, Transferred or otherwise conveyed until retested.

(6) The sale of seeds is not subject to these testing provisions.

(7) Clones are subject to these testing provisions, but are exempt from testing for metals.

(8) All transportation of Marijuana to and from Independent Testing Laboratories providing Marijuana testing services shall comply with 935 CMR 500.105(13).

(9) All storage of Marijuana at a laboratory providing Marijuana testing services shall comply with 935 CMR 500.105(11).

(10) All excess Marijuana shall be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess Marijuana to the source Marijuana Establishment for disposal or by the Independent Testing Laboratory disposing of it directly.

(11) No Marijuana Product shall be sold or otherwise marketed for adult use that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160.

(12) Single-servings of Marijuana Products tested for potency in accordance with 935 CMR 500.150(4)(a) shall be subject to a potency variance of no greater than +/- 10%.

(13) A Licensee that receives notice that Marijuana or a Marijuana Product it has submitted for testing has failed any test for contaminants shall either reanalyze the Marijuana or Marijuana Product without remediation, take steps to remediate the identified contaminants, or dispose of the Marijuana or Marijuana Product.

(a) Reanalysis by a Second ITL. If the Licensee chooses to reanalyze the sample, a sample from the same batch shall be submitted for reanalysis at the ITL that provided the original failed result. If the sample passes all previously failed tests at the initial ITL, a sample from the same batch previously tested shall be submitted to a second ITL other than the initial ITL for a Second Confirmatory Test. To be considered passing and therefore safe for sale, the sample shall have passed the Second Confirmatory Test at a second ITL. Any Marijuana or Marijuana Product that fails the Second Confirmatory Test may not be sold, transferred or otherwise dispensed to Consumers, Patients or Licensees without first being remediated. Otherwise, the Marijuana Establishment shall dispose of any such product.

(b) Remediation. If the Licensee chooses to remediate, a new test sample shall be submitted to a licensed ITL, which may include the initial ITL, for a full-panel test. Any failing Marijuana or Marijuana Product may be remediated a maximum of two times. Any Marijuana or Marijuana Product that fails any test after the second remediation attempt may not be sold, transferred or otherwise dispensed to Consumers, Patients or Licensees. The Marijuana Establishment shall dispose of any such product.

(c) If the Licensee chooses to dispose of the Marijuana or Marijuana Products, it shall do so in compliance with 935 CMR 500.105(12).

500.170: Municipal Requirements

(1) Marijuana Establishments and Marijuana Establishment Agents shall comply with all local rules, regulations, ordinances, and bylaws.

(2) Nothing in 935 CMR 500.000 shall be construed so as to prohibit lawful local oversight and regulation, including fee requirements, that does not conflict or interfere with the operation of 935 CMR 500.000.

500.180: Host Community Agreement Requirements for License Applicants, Marijuana Establishments, and Host Communities

(1) 935 CMR 500.180 is governed by M.G.L. c. 94G § 3 (d)(1)-(5), as amended by St. 2022, c. 180 which went into effect on November 9, 2022. Pursuant to M.G.L. c. 94G § 4(a), the Commission is authorized to review, regulate, enforce, and approve HCAs and to develop a Model Host Community Agreement.

(2) General Requirements for Host Community Agreements. The Commission shall review and approve each HCA as part of a completed License application and at each License renewal. The parties to an HCA relative to an application for licensure are a License Applicant and a Host Community. The parties to an HCA relative to an application for renewal of licensure are a Host Community and a Marijuana Establishment.

(a) A License Applicant seeking a new License to operate a Marijuana Establishment or MTC shall negotiate and execute a compliant HCA with a Host Community, unless a compliant HCA Waiver has been submitted pursuant to 935 CMR 500.180(5). A compliant HCA or compliant HCA Waiver must be submitted in order for a License application to be deemed complete pursuant to 935 CMR 500.102.

(b) A Marijuana Establishment seeking renewal of a License to continue to operate in a Host Community shall have an HCA that complies with 935 CMR 500.180 unless a compliant HCA Waiver has been submitted pursuant to 935 CMR 500.180(5).

(c) An HCA submitted by a License Applicant or Marijuana Establishment which is determined to conform with the Model Host Community Agreement will be presumed compliant for purposes of this section.

(d) A Host Community shall negotiate the terms of an HCA in good faith.

(e) Each of the parties shall ensure that HCAs satisfy the following minimum acceptable requirements:

1. The parties shall ensure that references in an HCA to a License Applicant or Marijuana Establishment are consistent with both the business entity name certified and recorded with the Secretary of the Commonwealth and the business entity name stated either in a License Applicant's license application or on a Marijuana Establishment's license record as maintained by the Commission.
2. The parties shall ensure that HCAs set forth all of a Host Community's conditions for

allowing a Marijuana Establishment or a License Applicant to operate in the community. A Host Community may not contract for any purpose, on any terms, or under any conditions inconsistent with any applicable provision of Massachusetts General Laws. No Host Community may impose an unreasonable condition or a term that is Unreasonably Impracticable in an HCA. A condition may be presumed reasonable if:

a. The condition is required under a Host Community's local rules, regulations, ordinances, or bylaws;

b. The condition has been deemed necessary to ensure public safety and proposed by the chief law enforcement authority and/or fire protection chief in a Host Community with explanation and detail why the condition is necessary for public safety.

c. The condition has been deemed necessary to ensure public health and proposed by the chief public health authority in a Host Community with explanation and detail why the condition is necessary for public health.

d. The condition is a local requirement customarily imposed by a Host Community on other, non-cannabis businesses operating in the community;

e. The condition is required by law;

f. The condition does not conflict with other laws; or

g. The condition is otherwise deemed reasonable by the Commission based on particular circumstances presented by an HCA or contracting parties.

3. The parties shall ensure that HCAs include a statement of all stipulated responsibilities between a Host Community and a License Applicant or between a Host Community and a Marijuana Establishment including, but not limited to, the following:

a. A provision requiring a Host Community to annually transmit its invoice of claimed impact fees to a Marijuana Establishment within one month of the anniversary of the date a Marijuana Establishment received final licensure;

b. A provision explicitly identifying any generally occurring fees to be charged by a Host Community. Generally occurring fees are customarily imposed on other non-cannabis businesses operating in a Host Community and shall not be considered a CIF (*e.g.*, routine water, property tax, sewer, trash pickup *etc*.).

4. The parties shall ensure that HCAs include the following information:

a. The specific Marijuana Establishment license operations permitted under the terms of the HCA;

b. The name, signature, and title of the individual(s) authorized to enter into HCAs on behalf of a Host Community as a contracting authority;

c. The name, signature, and title of the individual(s) authorized to enter into HCAs on behalf of a License Applicant or a Marijuana Establishment as an authorized representative;

d. The date(s) of execution by both parties;

e. The effective date of an HCA; and

f. The duration of an HCA.

5. The parties shall ensure that HCAs provide clear, specific terms regarding a Host Community's assessment of a CIF if applicable, including, but not limited to, a provision requiring a Host Community to transmit its invoice of claimed impact fees to a Marijuana Establishment within one month of the anniversary of a Marijuana Establishment's final license date.

(f) The parties may include a clause in an HCA whereby the parties voluntarily agree to bring HCA disputes before a private mediator retained by the parties. Neither party may unilaterally compel private mediation.

(g) Approval of HCAs may be conditioned on a Host Community being in good compliance standing with the Commission relative to any HCA to which the Host Community is a contracting party.

(h) The Commission may deem a provision of an HCA invalid, and therefore unenforceable, based on a finding that the provision violates M.G.L. c. 94G, 935 CMR500.000 or 935 CMR 501.000: *Medical Use of Marijuana*. The Commission may also declare an HCA or a provision of an HCA voidable upon deeming the HCA as a contract of adhesion.

(i) The Commission may decline to approve an HCA on the basis of any other ground that serves the purposes of M.G.L. c. 94G, 935 CMR 500.000, or 935 CMR 501.000: *Medical Use of Marijuana*.

(j) A Marijuana Establishment that seeks a name change pursuant to 935 CMR 500.104(1) after execution of an HCA must provide notice of the change to the Host Community in a form and manner determined by the Commission. A Marijuana Establishment that seeks a location change to another Host Community shall submit a new HCA to the Commission. A Marijuana Establishment that seeks a location change within the same Host Community after execution of an HCA may be required to provide an amended HCA to the

Commission. A Marijuana Establishment that submits a Change of Ownership request for the transfer of a license may be required to submit a new or amended HCA to the Commission.

(k) Prohibitions.

1. No License Applicant, Marijuana Establishment, or Host Community shall enter into an HCA that includes a promise to make a future monetary payment, in-kind contribution, or charitable contribution. A License Applicant or Marijuana Establishment may voluntarily provide organizations with monetary payments, in-kind contributions and charitable contributions after executing an HCA, as long as a License Applicant or Marijuana Establishment's actions are not performed because of a condition imposed by a Host Community, whether explicitly or implicitly.

2. A contractual financial obligation, other than a CIF, that is explicitly or implicitly a factor considered in or included as a condition of an HCA is unenforceable, subject to the following exceptions:

a. References in an HCA to a Marijuana Establishment's obligations to pay any fees associated with sales tax, excise tax on Marijuana and Marijuana Products, optional local tax, or as otherwise provided in M.G.L. c. 94G, M.G.L. c. 64H, and M.G.L. c. 64N.

b. References in an HCA to a Marijuana Establishment's obligations to pay a Host Community for generally occurring fees associated with operating in a Host Community (*e.g.*, water, sewer, property tax, *etc*.).

3. No Host Community may mandate or otherwise require that the CIF be a certain percentage of a Marijuana Establishment's total or gross sales as a term or condition of an HCA.

4. A Host Community shall not demand a CIF exceeding 3% of the gross sales of a Marijuana Establishment as a term or condition of an HCA.

5. No License Applicant, Marijuana Establishment, or Host Community will use Inducements to negotiate or execute an HCA. o municipality or Host Community shall negotiate or renegotiate an HCA through the use of undue influence, duress, coercion, intimidation, threats, or any strong-arm tactics including by threat of dissolution of the HCA.

6. No Host Community may rely on other written instruments, contracts, or agreements to impose terms or conditions on a License Applicant, Marijuana Establishment, or Medical Marijuana Treatment Center outside of an HCA.

(l) The following terms, conditions, or clauses are prohibited in an HCA:

1. A provision that discourages any party from bringing a civil cause of action or other legal challenge relative to an HCA or to an individual term or provision of an HCA;

2. A provision that requires a License Applicant or Marijuana Establishment to make upfront payments as a condition for operating in the Host Community;

3. A provision that affords a Host Community sole and absolute discretion on how a Host Community will spend a CIF;

4. A provision waiving a Marijuana Establishment's ability to dispute whether impact fees claimed by a Host Community are Reasonably Related and properly due and payable as a CIF;

5. A provision that categorically deems a Host Community's claimed impact fees to be reasonably related or that otherwise excuse a Host Community from calculating impact fees based on the actual operations of a Marijuana Establishment;

6. A provision that imposes legal, overtime, or administrative costs or any costs other than a CIF on a Marijuana Establishment with the exception of a Marijuana Establishment's tax obligations or its responsibility for paying routine, generally occurring municipal fees;

7. A provision that obligates a Marijuana Establishment to set aside money in an escrow, bond, or other similar account for a Host Community's use or purposes;

8. A provision that requires a Marijuana Establishment to make any additional payments or obligations including but not limited to monetary payments, in-kind contributions, providing staffing, advance payments, or charitable contributions by a Marijuana Establishment to a Host Community or any other organization.

9. A provision including or otherwise deeming good faith estimates, unquantifiable costs, generalized expenses, or pro-rated expenses as a CIF.

(3) Review and Certification of Host Community Agreements. The Commission, through its Executive Director or the director's delegee, shall review an HCA submitted by a License Applicant or a Marijuana Establishment and make a determination certifying whether the HCA, in whole or in part, satisfies Commission requirements.

(a) The Commission shall complete its review of an HCA within 90 days of receiving an

HCA from a Marijuana Establishment. The Commission may request additional information or send a determination notice identifying deficiencies in an HCA. Submission of an amended HCA resets the 90-day period of Commission review.

(b) Review of HCAs Submitted by License Applicants.

1. All applications for initial licensure submitted on or after March 1, 2024, must include an HCA that complies with 935 CMR 500.000 or a compliant HCA Waiver.

2. The Commission may request additional information from a License Applicant or a Host Community in connection with its review.

3. The Commission shall send a notice of its HCA determination to both a License Applicant and a Host Community within 90 days of receipt of an HCA.

4. If the Commission determines that a License Applicant's HCA does not comply with 935 CMR 500.180, then the HCA determination notice shall state the following:

a. The factual basis for the Commission's finding of noncompliance, including identification of the noncompliant term(s), condition(s), or provision(s) of the HCA, if applicable;

b. The parties' option to correct the noncompliance and submit an amended HCA; and

c. The parties' option to submit an HCA Waiver that complies with 935 CMR 500.180(5); and

5. Failure to submit a compliant HCA or a compliant HCA Waiver with an application for licensure may result in an application remaining incomplete pursuant to 935 CMR 500.102.

(c) Review of HCAs submitted by a Marijuana Establishment

1. All renewal applications submitted on or after March 1, 2024, must include an HCA that complies with 935 CMR 500.000 or a compliant HCA Waiver.

2. The Commission may request additional information from a Marijuana Establishment or a Host Community in connection with its review.

3. The Commission shall send a notice of its HCA determination to both a Marijuana Establishment and a Host Community within 90 days of receipt of the HCA. The determination notice shall identify whether the HCA, in whole or in part, complies with 935 CMR 500.180.

4. If the Commission determines that a Marijuana Establishment's HCA does not comply with 935 CMR 500.180, then the HCA determination notice shall provide the following:

a. The factual basis for the Commission's finding of noncompliance, including identification of the noncompliant term(s), condition(s), or provision(s) of the HCA, if applicable;

b. The parties' option to correct the noncompliance and submit an amended HCA;

c. The parties' option to submit an HCA Waiver that complies with 935 CMR 500.180(5); and

d. The parties' option to proceed under an executed HCA that conforms with the Commission's Model Host Community Agreement, to be relied on in the interim until the parties come to an agreement;

5. A Host Community shall notify a Marijuana Establishment if it no longer intends to continue as a Host Community for a Marijuana Establishment. A Host Community shall not discontinue relations with a Marijuana Establishment in bad faith. On receipt of a notice of discontinuance from a Host Community, the Marijuana Establishment shall notify the Commission. On receipt of a notice of discontinuance, an ME may submit a request for equitable relief to the Commission consistent with 935 CMR 500.180(3)(c)6.

6. If a Host Community discontinues relations with an ME, or on submission of a mutual abrogation agreement executed by both a Host Community and an ME, an ME may submit a request for equitable relief to the Commission.

a. A Marijuana Establishment's request for equitable relief must identify facts, information, and any documentation to support why a Marijuana Establishment should be considered for equitable remedies. A Marijuana Establishment shall ensure that the request for equitable relief includes a Host Community's notice under 935 CMR 500.180(3)(c)5.

b. Commission Staff will conduct a paper review of the petition and make a recommendation to the Commission.

c. The Commission may exercise its discretion whether to grant one or more of the following equitable remedies to a Marijuana Establishment:

i. Extension of a License expiration date without incurring additional prorated fees;

ii. Waiver of a Change of Location fee;

iii. institution of procedures for winding down an ME's operations at the

licensed Premises;

iv. Other equitable relief as determined by the Commission.

d. If the Commission grants or denies equitable relief to a Marijuana Establishment, the agency will provide notice of its decision to a Marijuana Establishment and a Host Community. A Host Community or a Marijuana Establishment may seek relief from a court of competent jurisdiction.

7. Failure to submit a compliant HCA or compliant HCA Waiver may constitute grounds for denial of a renewal application.

8. Any action subsequently taken to deny a Marijuana Establishment's renewal application due to failure to produce a compliant HCA or a compliant HCA Waiver shall afford Marijuana Establishments a right to hearing pursuant to 935 CMR 500.500.

a. If a Marijuana Establishment elects a hearing pursuant to 935 CMR 500.500, the administrative proceeding must be conducted pursuant to 801 CMR 1.01, Formal Rules.

b. A Host Community may seek intervention as a party to the hearing.

(d) Complaints Alleging Noncompliance with 935 CMR 500.180.

1. Consistent with its power to enforce HCAs, the Commission may, at its discretion, investigate any complaint alleging noncompliance with the requirements in 935 CMR 500.180(3)(d) and take enforcement action as provided in 935 CMR 500.000.

2. An interested person may file a complaint with the Commission alleging noncompliance with an HCA requirement under 935 CMR 500.180. Nothing in 935 CMR 500.180(3)(d)2. shall be construed to prevent a Marijuana Establishment or a Host Community from bringing a private breach of contract action in a court of competent jurisdiction regarding an alleged breach of specific promises mutually agreed to in the parties' HCA.

3. If the Commission substantiates an allegation of noncompliance with HCA regulatory requirements, then the Commission may take administrative or enforcement action against a Licensee or a Host Community including sending a notice of deficiency,
requesting additional information, or otherwise taking action as provided under 935 CMR 500.000.

4. Failure by a Host Community to correct the noncompliant conduct may result in one or more of the following:

a. Issuance of sanctions pursuant to 935 CMR 500.360;

b. Loss of a Host Community's good compliance standing for purposes of 935 CMR 500.180(2)(e);

c. Identification of a Host Community lack of good compliance standing in a form and manner determined by the Commission; or

d. Abstaining from consideration of any new license applications affiliated with a Host Community until a Host Community's good compliance standing is restored.

(4) Community Impact Fees.

(a) General Requirements. Pursuant to M.G.L. c. 94G, § 4(a½), the Commission is charged with establishing criteria for reviewing, certifying, and approving CIFs.

1. To qualify as a CIF, an impact fee claimed by a Host Community must be Reasonably Related.

2. On certification by the Commission, a CIF becomes properly due and payable unless disputed by a Marijuana Establishment consistent with 935 CMR 500.180(4)(c)4.a.

3. A Host Community may assess a CIF as a condition of allowing a License Applicant or a Marijuana Establishment to operate or continue to operate in its community. A Host Community may also opt not to assess a CIF.

4. A Host Community may also opt not to assess a CIF.

5. A Host Community shall ensure that the initial invoice period of claimed impact fees covers a one-year period that starts from the date the Commission grants a Marijuana Establishment a final license. A Host Community shall further ensure that all subsequent, one-year invoice periods are consistent with the anniversary of a Marijuana Establishment's final license date. The Commission will not certify any impact fees attributable to dates outside of the applicable invoice period.

6. A Host Community seeking to assess a CIF shall transmit an itemized invoice to a Marijuana Establishment in a form and manner determined by the Commission documenting claimed impact fees arising from the preceding year of a Marijuana Establishment's operations.

a. Sunshine Requirement: A Host Community shall ensure that impact fee invoices include a specific description of how the claimed impact fees were spent,

including each line item for each good or service charged stating its cost, purpose, and relation to a Marijuana Establishment's operations.

b. A Host Community shall transmit its impact fee invoice to a Marijuana Establishment no later than one month after the anniversary of the date the Marijuana Establishment received a final license from the Commission. A Host Community's failure to transmit the impact fee invoice to a Marijuana Establishment within the prescribed time shall result in a forfeiture of any CIF for the applicable year of operations.

c. A Host Community shall ensure that the impact fee invoice is restricted to the license number(s) operating from the licensed Premises alleged to have impacted the community. For CMOs, a Host Community shall transmit an impact fee invoice to a Marijuana Establishment and an MTC.

7. Within 30 calendar days of receiving a Host Community's invoice of claimed impact fees, a Marijuana Establishment shall submit the invoice and any supporting documentation, if applicable, to the Commission in a form and manner determined by the Commission.

8. A Marijuana Establishment that has agreed to pay a CIF under its HCA shall annually pay any undisputed CIF no later than the end of the current fiscal year or within 90 days of the date of the Commission's CIF certification, whichever is later. This subdivision shall not be construed to require a Marijuana Establishment to pay a CIF if a Marijuana Establishment's payment obligation is the subject of a nonfrivolous legal dispute either through the Commission's administrative hearing process or before a court of competent jurisdiction.

(b) Prohibited Practices.

1. A Host Community shall not attempt to collect impact fees relating to any operations occurring prior to the date a Marijuana Establishment is granted a final license by the Commission.

2. A Host Community shall not attempt to collect impact fees from any Marijuana Establishment that has held a final license for more than nine years.

3. In circumstances where the licensed Premises is the site of multiple final licenses, no Host Community may amplify its assessment of claimed impact fee(s) by assigning the same impact fee(s) to each final license operating from the licensed Premises without regard to the distinct operations of each licensed entity.

4. No Host Community may rely on other written instruments, contracts, or agreements to assess Community Impact Fees. No Host Community may include additional payments or obligations in its invoice of claimed impact fees, including but not limited to monetary payments, in-kind contributions and charitable contributions by a Marijuana Establishment to a Host Community or any other organization.

5. A Host Community shall not include any legal costs incurred by a Host Community to defend against a lawsuit brought by a Marijuana Establishment in its invoice of claimed impact fees.

6. No Host Community may modify the effective date of a preexisting CIF for any final license that becomes subject to an ownership or control change under 935 CMR 500.104(1).

(c) Commission Review and Certification of CIFs. The Commission, through its Executive Director or Executive Director's delegee(s) shall review a Host Community's invoice of claimed impact fees and make a determination certifying, in whole or in part, the CIF that may be assessed for the preceding year of a Marijuana Establishment's operations based on a finding that an impact fee(s) is Reasonably Related to a Marijuana Establishment's operations.

1. A Marijuana Establishment shall provide verification of its Gross Annual Sales, including wholesale revenue generated by Marijuana Cultivators and Marijuana Product Manufacturers, to the Commission with its transmission of a Host Community's invoice of claimed impact fees.

a. A Marijuana Establishment shall submit a summary of all sales of Marijuana, Marijuana Products, Marijuana Accessories and Marijuana Establishment Branded Goods for that license to consumers and other Licensees, as applicable.

b. If product was wholesaled or otherwise sold or transferred to other Licensees at no cost or reduced cost, a Marijuana Establishment shall apply the average cost per gram or milligram to the amount sold or transferred to establish and report the fair market value of the product, and include that amount in its summary submission.

2. The Commission may make a final determination on Gross Annual Sales relying on the factors in 935 CMR 500.180(4)(c)3., and any additional information gathered. The Gross Annual Sales determined by the Commission, pursuant to 935 CMR 500.180(4)(c)3., shall be used for purposes of the CIF in circumstances where product

was wholesaled or otherwise sold or transferred to other Licensees at no cost or reduced cost, and shall not be used for any other purposes related to other obligations, including tax filings, for a Marijuana Establishment.

3. The Commission may determine the Gross Annual Sales of a Marijuana Establishment using the following factors:

a. Consumer Sales as represented by a Marijuana Establishment;

b. Consumer Sales as represented by the Commission Seed-to-sale System of Record;

c. Fair Market Value of wholesaled or transferred Marijuana, Marijuana Products, Marijuana Accessories and Marijuana Establishment Branded Goods;

d. Any wholesaled or transferred Marijuana, Marijuana Products, Marijuana Accessories and Marijuana Establishment Branded Goods that has been refunded or is otherwise the subject of a voided sale;

e. Value of services rendered, wholesaled or transferred Marijuana, Marijuana Products, Marijuana Accessories and Marijuana Establishment Branded Goods as represented by the Commission Seed-to-sale System of Record; and

f. Other factors as determined necessary by the Commission to calculate the Gross Annual Sales by the licensee in the absence of available information as listed in 935 CMR 500.180(4)(c).

4. The Commission shall provide notice of its CIF determination to a Marijuana Establishment and a Host Community. The Commission's notice will provide a Marijuana Establishment with the following options:

a. A Marijuana Establishment may request an administrative hearing before an independent Hearing Officer of the Commission pursuant to 935 CMR 500.500 to challenge the findings of fact and conclusions of law. Any administrative proceeding elected by a Marijuana Establishment must be conducted pursuant to 801 CMR 1.01: *Formal Rules*. The Host Community may seek intervention as a party to the hearing; or

b. A Licensee may seek court intervention to independently review a Host Community's claimed impact fees by bringing a breach of contract action against a Host Community in a court of competent jurisdiction.

5. The parties may elect to bring a dispute between the parties before a private mediator retained by the parties at any time if such mediation is a term of the HCA or is voluntarily elected by the parties. Neither party may unilaterally compel private mediation.

6. After a CIF dispute has resolved, a Marijuana Establishment must provide proof of payment of the certified CIF with its renewal application. If an ME prevails in a CIF dispute, an ME must also provide proof that its CIF payment obligation has been eliminated.

(5) Waiver of Host Community Agreements.

(a) A Host Community may waive the regulatory requirement to have a compliant HCA by submitting an HCA Waiver to the Commission that complies with 935 CMR 500.180(5).

(b) An HCA Waiver constitutes a total relinquishment of the requirement that an applicant or Marijuana Establishment enter into an HCA with a Host Community. No party to an HCA may use an HCA Waiver to waive individual provisions of an HCA.

(c) An HCA Waiver may be submitted relative to an application for licensure or an application for renewal of licensure. A Host Community and an applicant or Marijuana Establishment may also submit an HCA Waiver after both parties have executed an HCA.

(d) Acceptance of an HCA Waiver is limited to the specific application or license number(s) stated in the HCA Waiver request.

(e) The Commission shall determine whether an HCA Waiver complies with 935 CMR 500.180(5).

(f) An HCA Waiver that sets an expiration date or any conditions is deemed noncompliant.

(g) An HCA Waiver determined to be the result of an Inducement is deemed noncompliant.

(h) If a Host Community elects to submit an HCA Waiver, a Host Community's submission shall be in a form and manner determined by the Commission and include, at minimum, the following information:

1. Identification of the specific application or license number intended to be exempt from the requirement to have a compliant HCA;

2. Identification of a License Applicant or Marijuana Establishment in a manner consistent with both the business entity name certified and recorded with the Secretary

of the Commonwealth of Massachusetts and the business entity name stated either in a License Applicant's license application or on a Marijuana Establishment's license record as maintained by the Commission.

3. Printed name and signature of the individual(s) authorized to represent and act on behalf of a Host Community;

4. Printed name and signature of the individual(s) authorized to represent and act on behalf of an applicant or Marijuana Establishment;

5. The date of each parties' signature; and

6. An attestation that the HCA Waiver was mutually agreed upon by both parties and executed in good faith.

(i) An HCA Waiver that is executed and recorded with the Commission remains in full force and effect until such time as it is rescinded. An HCA Waiver may only be rescinded on Commission approval of an HCA subsequently executed and submitted by the parties.

(j) An HCA waiver is not subject to review under the criteria in 935 CMR 500.850 regarding general waivers.

500.181: Minimum Acceptable Equity Standards Governing Municipalities and Host Communities

(1) 935 CMR 500.181 is governed by M.G.L. c. 94G §§ 3 and 4, as amended by St. 2022, c. 180. Pursuant to M.G.L. c. 94G § 3, the Commission must establish minimum acceptable standards for Host Communities to promote and encourage full participation in the regulated Marijuana industry by people from communities that were disproportionately harmed by Marijuana prohibition and enforcement and to positively impact those communities.

(2) M.G.L. c. 94G, § 4(a)(xxxi)-(xxxii) empowers the Commission to establish procedures for municipalities to promote and encourage full participation in the regulated Marijuana industry during negotiations of HCAs with Social Equity Businesses and to develop minimum acceptable standards governing HCA negotiations with Social Equity Businesses. The Commission is further authorized to develop best practices for HCA negotiations between municipalities and License Applicants that have been designated as Social Equity Program Participants or Economic Empowerment Priority Applicants.

(3) Equity Standards for Host Communities to Promote and Encourage Full Participation in the Regulated Marijuana Industry.

(a) Municipalities are presumed to have met the Commission's minimum acceptable equity standards for promoting and encouraging full participation in the regulated Marijuana industry by taking one of the following actions:

1. Adopting an ordinance or bylaw to exclusively permit Social Equity Businesses for three years or until the goals of the exclusivity period have been met;

2. Adopting the Model Ordinance or Bylaw created by the Commission to permit Social Equity Businesses; or

3. Creating a Local Approval Process for equity applicants that is administered on a 1:1 basis, where a General Applicant may be approved only after a Social Equity Business has commenced operations. Host Communities may choose to administer a 1:1 Local Approval Process until such time as 50% of the Licensees operating in the Host Community are Social Equity Businesses.

(b) Notwithstanding 935 CMR 500.181(3)(a), a Host Community shall adopt, but not be limited to, the following transparent practices to promote and encourage full equity participation:

1. A Host Community shall publicize certain information in a conspicuous location at its offices and on its website which shall, at minimum, include:

a. All required steps of a Host Community's Local Approval Process including, but not limited to, all associated fees, deadlines, and meeting schedules for local bodies involved in the Local Approval Process;

b. Identification of key individuals involved in a Host Community's Local Approval Process, including, but not limited to, their name, title, business address, and business contact information such as email address or phone number;

c. A list of all documentation required by a Host Community's Local Approval Process, in downloadable form and paper form;

d. Identification of application criteria for local approval to operate a Marijuana Establishment and scoring methodologies relied on by a Host Community;

e. General scoring information for all applicants and a Host Community's scoring of each individual applicant;

f. A Host Community's explanation, in narrative form, of its reasoning for the approval or denial of an application; and

g. Any other information required by the Commission.

2. A Host Community shall develop an equity plan to promote and encourage full participation in the regulated cannabis industry by individuals from communities disproportionately harmed by cannabis prohibition and enforcement and shall publicize its equity plan in a conspicuous location at its offices and on its website. A Host Community's equity plan shall:

a. Encourage applications from business and individuals that would meet the definition of Social Equity Businesses, Social Equity Program Participants, and Economic Empowerment Priority Applicants as determined by the Commission; and

b. Include goals, programs, and measurements a Host Community will utilize to promote and encourage equity participation.

3. A Host Community shall publish data regarding its total applicant pool, which shall identify each Social Equity Business and License Applicant that has been designated as a Social Equity Program Participant or Economic Empowerment Priority Applicant, or who have been pre-verified pursuant to 935 CMR 500.101(7).

4. The Commission may require the Host Community to report data to the Commission.

(c) A municipality or Host Community shall adhere to best practices for HCA negotiations with individuals or entities pre-verified or verified pursuant to 935 CMR 500.101(7), Social Equity Businesses, and License Applicants that have been designated as Social Equity Program Participants or Economic Empowerment Priority Applicants including, but not limited to, the following:

1. A Host Community shall develop a standard evaluation form, or use a form developed by the Commission, that scores components of an application. The evaluation form shall include consideration of equity in the overall evaluation score, which must comprise not less than 25% of the total evaluation score. This equity component shall include:

a. whether an individual, entity, or License Applicant is pre-verified or verified pursuant to 935 CMR 500.101(7);

b. whether the License Applicant is a Social Equity Program Participant;

c. whether the License Applicant is an Economic Empowerment Priority Applicant;

d. whether a License Applicant or pre-verified individual or entity has a prior Marijuana-related criminal offense or conviction;

e. whether a License Applicant or pre-verified individual or entity is part of an Area of Disproportionate Impact, as identified by the Commission; or

f. whether a pre-verified individual is of Black, African American, Hispanic, Latino, Native American or indigenous descent, or a majority of a pre-verified entity or License Applicant entity is comprised of individuals that are of Black, African American, Hispanic, Latino, Native American or indigenous descent.

2. In circumstances where a Host Community imposes a cap on the number of Marijuana Establishments or MTCs that may obtain local approval to operate, if a Host Community later decides to allow additional Marijuana Establishments or MTCs, at least 50% of those licenses, but no less than one license, above the previously-established cap shall be reserved for: License Applicants that are Social Equity Businesses; License Applicants that have been designated as Social Equity Program Participants, Economic Empowerment Priority Applicants, or both; or individuals or entities verified or pre-verified pursuant to 935 CMR 500.101(7), including pre-verified individuals or entities that have already been designated as Social Equity Businesses, Economic Empowerment Applicants, or both. A Host Community seeking exemption from this regulatory requirement may submit a waiver request pursuant to 935 CMR 500.850. Such request must include identification of proposed compensating features, as provided under 935 CMR 500.850(2)(b).

(d) Host Communities must adopt local rules or bylaws to comply with 935 CMR 500.181(3) on or before May 1, 2024. A Host Community shall submit an attestation in a form and manner determined by the Commission affirming that it has adopted local laws to effectuate compliance with 935 CMR 500.181(3) and identifying the specific laws passed. In addition, a Host Community shall submit its equity plan and any other documentation of its compliance with 935 CMR 500.181(3).

(e) Any interested person may file a complaint with the Commission alleging noncompliance with an equity requirement under 935 CMR 500.181. If the Commission substantiates an allegation of noncompliance with 935 CMR 500.181, a Host Community shall be fined after first receiving notice and opportunity for corrective action pursuant to 935 CMR 500.310 and 935 CMR 500.320. A Host Community shall be fined in an amount

equal to the annual total of CIFs received from all Marijuana Establishments and MTCs operating in the Host Community during the prior calendar year.

1. The Commission shall afford a Host Community a right to a hearing pursuant to 935 CMR 500.500.
2. All fines collected shall be deposited into the Cannabis Social Equity Trust Fund established in section 14A of chapter 94G.
3. The Commission may identify on its website any municipality or Host Community that has been assessed a fine for equity noncompliance.
4. Fine assessments pursuant to this section shall take effect no sooner than May 1st, 2025.

(4) Equity Standards for Host Communities during HCA Negotiations with Equity Parties.

(a) A Host Community shall prioritize negotiations of HCAs with equity parties. The equity party to negotiations of an HCA for an application for licensure is: a License Applicant that is a Social Equity Business; a License Applicant that has been designated as Social Equity Program Participants, Economic Empowerment Priority Applicants or both; or an individual or entity verified or pre-verified pursuant to 935 CMR 500.101(7), including pre-verified individuals or entities that are not yet a License Applicant but have already been designated as Social Equity Businesses, Economic Empowerment Applicants, or both.

(b) A Host Community may waive or reduce fees for an equity party to an HCA negotiation, including, but not limited to CIFs, zoning and occupancy fees.

(c) Required Practices. At minimum, a municipality or Host Community shall take the following actions during HCA negotiations with an equity party to promote and encourage their full participation:

1. Engage in an ongoing dialogue by providing multiple opportunities for discussion and negotiation of HCA terms including, at minimum, two conferences with an equity party;
2. Include any attorney, authorized representative, or other advocate, if elected by an equity party, in all negotiation discussions and conferences;
3. Promote language access by providing a certified interpreter or translator to assist an equity party who is a Non-English speaker during all negotiation discussions and conferences;
4. Provide reasonable opportunities for an equity party to review a proposed HCA, HCA term or condition outside of a negotiation conference, or to seek review or input by a third party of their choice.
5. Negotiate the terms of an HCA in good faith, including consideration of flexible terms that may mitigate particular challenges affecting an equity party, such as access to capital, with all terms and clauses conspicuously identified and openly discussed; and
6. Allow an equity party to propose an amendment to, or seek cancellation of, an HCA within thirty days from the date of execution of the HCA.

(d) Prohibited practices.

1. No municipality or Host Community shall negotiate an HCA with an equity party through the use of undue influence, duress, coercion, intimidation, threats, or any strong-arm tactics.
2. No municipality or Host Community shall threaten loss of an equity party's position in its local application queue or delay to the processing of an equity party's application.
3. No municipality or Host Community shall compel an equity party to sign an HCA in any manner that conflicts with the practices required in 935 CMR 500.181(4)(c).
4. No municipality or Host Community shall negotiate or discontinue negotiations with an equity party in bad faith.

(5) Equity Standards for Host Communities to Positively Impact Communities that were Disproportionately Harmed by Marijuana Prohibition and Enforcement.

(a) A Host Community must develop a plan to positively impact one or more of the following communities:

1. Past or present residents of the geographic "areas of disproportionate impact," which have been defined by the Commission and identified in its Guidance for Identifying Areas of Disproportionate Impact. The designation of these areas will be re-evaluated periodically.
2. State-designated Economic Empowerment Priority Applicants.
3. State-designated Social Equity Program participants.
4. Massachusetts residents who have past drug convictions.
5. Massachusetts residents with parents or spouses who have drug convictions.

(b) A Host Community shall publicize said plan in a conspicuous location at its offices and on its website. The plan shall outline the goals, programs, and measurements the Host Community will pursue.

500.200: Counties of Dukes County and Nantucket

(1) To the extent permitted by law, Marijuana Establishments operating from locations in the Counties of Dukes County and Nantucket (the "island counties") may operate in full compliance with 935 CMR 500.000.

(2) If Marijuana Establishments operating from locations in the island counties are prevented from operating in full compliance with 935 CMR 500.00 by operation of law, they are not required to utilize Independent Testing Laboratories until such time as a laboratory is located on the island where the Marijuana Establishment is located or the establishment can transport Marijuana Products to the mainland of Massachusetts.

(3) If Marijuana Establishments operating from locations in the island counties are prevented from utilizing Independent Testing Laboratories by operation of law, they are required to test Marijuana Products in a manner that is not Unreasonably Impracticable, but also adequately protects the public health in the opinion of the Commission. Such testing may include:

(a) a modified on-Premises testing system approved by the Commission if the label on any Marijuana or Marijuana Product so tested discloses in capital letters: "WARNING: LIMITED TESTING FOR CONTAMINANTS AND PESTICIDES.";

(b) a testing facility in the island counties that does not meet the criteria for an Independent Testing Laboratory, but is approved by the Commission for testing by Marijuana Establishments located in the island counties; or

(c) such other testing system approved by the Commission.

(4) A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement operating in a location in the island counties may only perform deliveries to Residences located in the same county as the Marijuana Establishment which the delivery order originates from until such time as it permitted to deliver to other locations by law.

500.300: Complaints Process

(1) In a time and manner determined by the Commission, a dedicated telephone number, email address or other means shall be provided for members of the public or Consumers to notify the Commission of complaints regarding Marijuana Establishments, Marijuana Establishment Agents, or Host Communities.

(2) The Commission may, at its discretion, investigate or decline to investigate any complaint or refer a complaint to another law enforcement or regulatory authority

500.301: Inspections and Compliance

(1) Pursuant to M.G.L. c. 94G, §§ 4(a)(xvii) through (xx), the Commission or a Commission Delegee may inspect a Marijuana Establishment and affiliated vehicles at any time without prior notice to determine the Marijuana Establishment's compliance with M.G.L. c. 94G, and 935 CMR 500.000. All areas, activities and records of a Marijuana Establishment and activities and records of Marijuana Establishment Agents are subject to such inspection. Submission of an application by or issuance of a License to a Marijuana Establishment constitutes consent for such inspection.

(2) A Marijuana Establishment shall allow immediate access to the facility on being presented with photo identification documenting the Commission representative's affiliation with the Commission or a Commission Delegee's affiliation with a state agency with lawful jurisdiction over the operations of a Marijuana Establishment.

(3) A Marijuana Establishment or Host Community shall immediately on request make available to the Commission or a Commission Delegee all information that may be relevant to an inspection or investigation of an incident or a complaint.

(4) A Marijuana Establishment or Host Community shall make all reasonable efforts to facilitate the inspection or investigation of an incident or a complaint, including the taking of samples, photographs, video or other evidence or recordings, and complying with demands for

examination and inspection in accordance with 935 CMR 500.302.

(5) During an inspection, the Commission or a Commission Delegee may direct a Marijuana Establishment to test Marijuana for contaminants including, but not limited to, mold, mildew, heavy metals, plant-growth regulators, and the presence of Pesticides not approved for use on Marijuana pursuant to 935 CMR 500.120(5).

(6) An inspection or other investigation may be made prior to the issuance of a License or the renewal of a License. Additional inspections may be made whenever the Commission or a Commission Delegee deems it necessary for the enforcement of M.G.L. c. 94G, and 935 CMR 500.000.

(7) The failure to cooperate with an inspection or investigation or otherwise comply with 935 CMR 500.301 may result in administrative or disciplinary action against the Licensee or Host Community.

500.302: Compliance Examination

(1) After a Marijuana Establishment has been licensed, the Commission or a Commission Delegee, pursuant to M.G.L. c. 94G, § 4(a)(xx), has the authority to demand access to a Marijuana Establishment's papers, books, documents, records, correspondence, electronic communications, and other tangible things to examine and inspect. Such examination and inspection may include interrogatories to parties or subpoenas to compel the production of papers, books, documents, records, correspondence, electronic communications, and other tangible things. The examination and inspection of a Marijuana Establishment may also include the interview of material witnesses, registered agents or Close Associates whom the Commission has determined is involved in the financing, management or operation of an establishment.

(2) Administrative Subpoenas. The Commission or a Commission Delegee may, during a preliminary investigation prior to a hearing, issue, modify, amend or rescind subpoenas. Material witnesses, registered agents, or other Persons whom the Commission has determined are involved in the financing, management or operation of an establishment may petition the Commission to modify, amend or rescind subpoenas.

(3) General Provisions. Administrative subpoenas for compliance examination and inspection shall be issued in the name of the Commission by the Commission or a Commission Delegee. Service may be made in a form and manner determined by the Commission including, but not limited to, by the consent of the parties.

(4) Enforcement of Subpoenas. On the failure of a Person to comply with a subpoena, and not subsequently vacated or modified by the Commission or a Commission Delegee, the Commission or a Commission Delegee may apply to the Superior Court for an order to compel compliance with the subpoena; an order for costs and fees associated with the issuance and enforcement of the subpoena; or an order of contempt for any failure by a party to comply with a court order.

(5) The failure to cooperate with provisions of 935 CMR 500.302 may result in administrative or disciplinary action against the Licensee.

500.303: Unannounced Purchase for Purpose of Investigative Testing (Secret Shopper Program)

(1) Secret Shopper Program Authorized. The Commission or a Commission Delegee may, at any time and without prior notice, authorize an employee, outside vendor or contractor, or other agent to pose as a customer and purchase any Marijuana or Marijuana Products from any licensed Marijuana Establishment. The Commission or a Commission Delegee may authorize such purchase for any investigative purposes that are consistent with St. 2012, c. 369, St. 2016, c. 334, ~~as amended by~~ St. 2017, c. 55, St. 2022, c. 180, M.G.L. c. 94G, M.G.L. c. 94I, 935 CMR 500.000, or 935 CMR 501.000*: Medical Use of Marijuana* including, but not limited to, investigative testing for compliance with laboratory testing standards and identification check requirements. The purchasing employee, outside vendor or contractor, or agent shall document the purchase, including the date, time, and place of purchase, type and amount of Marijuana or Marijuana Products, and any other information required by the Commission.

(2) Custody and Preservation of Purchases. The Marijuana or Marijuana Products purchased

as part of the program shall be securely stored during transport in a manner to prevent contamination or spoilage.

(3) Contamination and Spoilage during Storage or Transport. Any contamination or spoilage of purchases under the Secret Shopper Program during storage or transport while under the control of the purchaser shall be promptly documented by the purchaser in writing and reported to the Commission. The Commission or a Commission Delegee may authorize the disposal of the contaminated or spoiled purchase, pursuant to 935 CMR 500.105(12).

(4) Use of Secret Shopper Investigative Results. Results of investigations conducted under Secret Shopper Program shall be promptly submitted to the Commission.

(a) All investigative results shall be retained as part of the records for the licensed Marijuana Establishment from which the purchase originated.

(b) The Marijuana Establishment may be notified of any investigative results determined to be noncompliant at a time and manner determined by the Commission.

(c) After the Marijuana Establishment is notified of the investigative results, such results may be used by the Commission to take action on the License of the Marijuana Establishment pursuant to 935 CMR 500.340, 500.450 and 500.500, or assess fines or other civil penalties pursuant to 935 CMR 500.360.

(d) Without notice to the Marijuana Establishment, the Commission may share such investigative results with any other law enforcement or regulatory authorities.

(e) The Commission may elect to conduct further evaluation of the investigative results at any time for verification or for other purposes reasonably related to sanitation, public health or public safety.

(5) The failure to cooperate with provisions of 935 CMR 500.303 may result in administrative or disciplinary action against the Licensee.

500.310: Deficiency Statements

After an inspection in which a violation of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, 935 CMR 500.000, or 935 CMR 501.000: *Medical Use of Marijuana* is observed or a violation is otherwise determined to have occurred, the Commission shall issue a deficiency statement citing every violation identified, a copy of which shall be left with or sent to the Marijuana Establishment or Host Community.

500.320: Plans of Correction

(1) A Marijuana Establishment or Host Community shall submit to the Commission a written plan of correction for any violations cited in the deficiency statement issued pursuant to 935 CMR 500.310, within ten business days after receipt of the statement.

(2) A plan shall state, with respect to each deficiency, the specific corrective step(s) to be taken, a timetable for such steps, and the date by which compliance will be achieved. The timetable and the compliance dates shall be consistent with achievement of compliance in the most expeditious manner possible.

(3) The Commission shall review the plan of correction and shall notify the Marijuana Establishment or Host Community of either the acceptance or rejection of the plan or any component of the plan.

(4) An unacceptable plan shall be amended and resubmitted within five business days after receipt of such notice.

(5) The approval of a plan of correction shall not preclude the Commission from issuing an order for further corrective action fixing a reasonable time for correction of the violation, assessing an administrative fine, or taking any other administrative action authorized under the Commission's regulations.

(6) A Marijuana Establishment or Host Community shall notify the Commission once the plan of correction has been fully implemented and completed.

500.321: Administrative Hold

(1) Pursuant to M.G.L. c. 94G, § 4(a)(xix), the Commission or a Commission Delegee may

order an Administrative Hold of Marijuana or Marijuana Products to examine and inspect a Marijuana Establishment to ensure compliance with the provisions of 935 CMR 500.000, prevent the destruction of evidence, prevent the Diversion or Inversion of Marijuana or Marijuana Products, or as otherwise necessary to protect the public health, safety or welfare.

(2) A Marijuana Establishment subject to an Administrative Hold shall retain its inventory pending further investigation by the Commission or a Commission Delegee pursuant to the following procedure:

(a) If during an investigation or inspection of a Marijuana Establishment, the Commission has reasonable cause to believe certain Marijuana or Marijuana Products are noncompliant under 935 CMR 500.000, or otherwise constitutes a threat to the public health, safety or welfare, the Commission may issue a notice to administratively hold any Marijuana or Marijuana Product. The notice shall identify the Marijuana or Marijuana Product subject to the Administrative Hold and a concise statement stating the reasons relied on in the issuance of the Administrative Hold.

(b) Following the issuance of a notice of Administrative Hold, the Commission will identify and mark the Marijuana or Marijuana Product subject to the Administrative Hold in the Commission's Seed-to-sale SOR. The Marijuana Establishment shall continue to comply with all inventory requirements including, but not limited to, 935 CMR 500.105(8).

(c) The Marijuana Establishment shall completely and physically segregate the Marijuana or Marijuana Product subject to the Administrative Hold in a Limited Access Area, where it shall be safeguarded by the Marijuana Establishment.

(d) While the Administrative Hold is in effect, the Marijuana Establishment shall be prohibited from selling, transporting or otherwise Transferring or destroying the Marijuana or Marijuana Product subject to the Administrative Hold, except as otherwise authorized by the Commission.

(e) While the Administrative Hold is in effect, the Marijuana Establishment shall safeguard the Marijuana or Marijuana Product subject to the Administrative Hold and shall fully comply with all security requirements including, but not limited to, 935 CMR 500.110.

(f) An Administrative Hold may not prevent a Marijuana Establishment from the continued possession, cultivation or harvesting of the Marijuana or Marijuana Product subject to the Administrative Hold, unless otherwise provided by an order of the Commission. All Marijuana or Marijuana Products subject to an Administrative Hold shall be put into separately tracked Production Batches.

(g) An Administrative Hold may not prevent a Marijuana Establishment from voluntarily surrendering Marijuana or Marijuana Products subject to an Administrative Hold, except that the Marijuana Establishment shall comply with the waste disposal requirements in 935 CMR 500.105(12).

(h) At any time after the initiation of the Administrative Hold, the Commission or a Commission Delegee may modify, amend or rescind the Administrative Hold.

(i) The failure to cooperate with provisions of 935 CMR 500.321 may result in administrative or disciplinary action against the Licensee.

500.330: Limitation of Sales

(1) If the Commission or a Commission Delegee determines that a Marijuana Establishment does not substantially comply with applicable provisions of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, or 935 CMR 500.000, the Commission or a Commission Delegee may order that the Marijuana Establishment dispose of and may not sell Marijuana or Marijuana Products, after a date specified.

(2) The Commission or a Commission Delegee may not make such a determination until a Marijuana Establishment has been notified that the establishment does not substantially comply with applicable provisions of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, or 935 CMR 500.000, that an order to dispose of or limit sales is contemplated, and that the establishment has a reasonable opportunity to correct the deficiencies.

(3) An order that a Marijuana Establishment dispose of and may not sell Marijuana or Marijuana Products pursuant to 935 CMR 500.330(1) may be rescinded when the Commission or a Commission Delegee finds that the establishment is in substantial compliance with the applicable provisions of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, or 935 CMR 500.000.

500.335: Removal and Prohibition of Marijuana and Marijuana Products

(1) Pursuant to M.G.L. c. 94G, § 4(a½)(xxxi), the Commission or a Commission Delegee may order the removal or prohibition of sales by more than one Licensee of categories of product types, of specific product types or of specific brands of products after notice and a determination that Marijuana, Marijuana Products, and Marijuana Accessories (for the purposes of 935 CMR 500.335 "Product"), which based on preliminary evidence, pose a substantial risk to the public health, safety or welfare including, but not limited to, that the product is especially appealing to Persons younger than 21 years old.

(a) The Commission may vote to initiate a complaint about a Product and refer that complaint to the Executive Director and Enforcement staff for investigation.

(b) In consultation with the Executive Director, Enforcement staff may conduct an investigation and make a recommendation as to the Removal of Product. The recommendation shall be based on credible and reliable evidence and provide a specific description of the scope of removal and specify whether the removal or prohibition on sales applies to one of the following:

1. Category of Product Type(s). A type of Product including, but not limited to, Marijuana seeds, Marijuana Clones, Marijuana Edibles, Beverages, topical products, ointments, oils, Tinctures, oral dosage forms or any other product identified by the Commission or a Commission Delegee.
2. Specific Product Type(s). A specific type of Product within a category of Products, but not including other types of Product within the same category.
3. Specific Brand of Product(s). One or more specific Product types or category types Manufactured by a Marijuana Product Manufacturer or a specific Product type or category type Manufactured by multiple Marijuana Product Manufacturers subject to an agreement including, but not limited to, a partnership, product licensing, distribution, branding, Advertising, marketing or sales agreement.

(2) After receiving a recommendation from Enforcement staff, the Executive Director may act to address the substantial risk to the public health, safety or welfare including, but not limited to:

(a) Refer the matter to a Hearing Officer with expertise to evaluate scientific evidence to conduct an informal hearing;

(b) If credible and reliable evidence has been evaluated and found to meet the standard of a substantial risk to public health, safety or welfare if one is not yet issued, order the quarantine or Removal of Product or prohibition on sales of a Product pending consideration by a Hearing Officer; or

(c) Refer the matter to the Commission.

(3) When a matter is referred by the Executive Director, the Hearing Officer may conduct an informal hearing.

(a) If necessary and in consultation with the Executive Director, the Hearing Officer may develop a process for the purpose of identifying the Licensees and Registrants that may be impacted by a current or future order including, but not limited to, identifying those Licensees and Registrants to whom providing adequate notice and an opportunity to be heard shall be given.

(b) The Hearing Officer shall exercise discretion in admitting and weighing evidence including, but not limited to, testimony and evidence from:

1. Licensees and Registrants; and
2. Subject-matter experts.

(c) The Hearing Officer shall issue findings of fact and make a recommended decision to the Executive Director.

(d) To the extent that the Hearing Officer recommends that Products be removed or prohibited, this recommendation shall be based on credible and reliable evidence that the Product poses a substantial risk to the public health, safety and welfare.

(4) The Executive Director may refer the matter to the Commission and make a recommendation.

(5) On referral by the Executive Director, prior to issuing any order, the Commission shall deliberate on the Executive Director's recommendation at a public meeting of the Commission.

(a) If there is a recommendation that the Products be removed and prohibited, this recommendation shall be based on credible and reliable evidence that the Product poses a substantial risk to the public health, safety and welfare.

(b) An order shall require a vote by the Commission.

(c) The Commission or a Commission Designee shall send written notice of the action

taken against an identified Licensee or Registrant and the basis for that action. The notice shall include, but not be limited to, the following information:

1. the Commission's statutory and regulatory authority, including its jurisdiction over the subject matter; and its authority to take action with regards to the License or registration;
2. the factual basis for that action;
3. the extent to which the product poses a substantial risk to the public health, safety and welfare; and
4. the current restrictions on the Licensee's or Registrant's operations or sales or other use of Products, if any, including the method and timing of the Removal of Product including, but not limited to, whether the Product shall be destroyed in accordance with 935 CMR 500.105(12).

(d) The Commission or a Commission Designee may modify, amend or rescind a notice on condition(s) just to all the parties.

(6) On receipt of the order, the Licensee and its associated agents will immediately comply with the requirements of the order and, if requested by the Commission, post notice at public entrances to the establishment or other notice in a form and manner determined by the Commission.

(7) The order shall be transmitted immediately to all other Licensee(s) or Registrant(s) that may reasonably be affected by the order by electronic and certified mail.

(8) The order may be posted on the Commission's website.

(9) It shall be a violation of 935 CMR 500.000 for Licensees to produce, sell or otherwise make available the categories of Product Types, Specific Product Types or Specific Brands of Products identified in the order.

(10) A Marijuana Establishment subject to the order shall accept Consumer returns of unused and unopened product for a period of 30 days after the effective date of the order.

(11) The failure to cooperate with provisions of 935 CMR 500.335 may result in further administrative or disciplinary action against the Licensees or Registrants.

500.340: Quarantine Order

(1) Pursuant to its authority under M.G.L. c. 94G, § 4(a)(xix) and (a½)(xxxi), a Quarantine Order may be imposed by the Commission or a Commission Delegee to immediately quarantine or otherwise restrict the sale or use of Marijuana or Marijuana Products by a Licensee or Registrant to protect the public health, safety or welfare.

(2) If, based on complaint(s), inspection(s), affidavit(s) or other credible evidence, the Commission or a Commission Delegee determines that a Licensee or Registrant, or the Marijuana or Marijuana Products cultivated, produced or sold by a Licensee or Registrant pose an immediate or serious threat to the public health, safety or welfare, the Commission or a Commission Delegee may issue an order to the Licensee that:

(a) quarantines or otherwise restricts the sale or use of Marijuana or Marijuana Products prepared by or in the possession of the Licensee; or

(b) quarantines or otherwise restricts the sales or use of Marijuana or Marijuana Products to the extent necessary to avert a threat, pending final investigation results.

(3) On receipt of the order, the Licensee and its associated agents will immediately comply with the requirements of the order and, if requested by the Commission, post notice at public entrances to the establishment or other notice in a form and manner determined by the Commission or a Commission Delegee.

(4) The Commission or a Commission Delegee may modify, amend or rescind the order at any time after its issuance on condition(s) to all the parties.

(5) To the extent that the issuance of a Quarantine Order is to investigate a substantial risk to public safety, health and welfare, a Licensee may not have a right to a hearing, unless and until the order remains in effect beyond 21 calendar days without any further action by the Commission or a Commission Delegee.

(6) The failure to cooperate with provisions of 935 CMR 500.340 may result in administrative or disciplinary action against the Licensees or Registrants.

500.350: Cease and Desist Order and Summary Suspension Order

(1) Pursuant to its authority under M.G.L. c. 94G, § 4(a) and (a½), a Cease and Desist Order or a Summary Suspension Order may be imposed by the Commission or a Commission Delegee prior to a hearing to protect the public health, safety, or welfare.

(2) If based on inspection(s), affidavit(s), or other credible evidence, the Commission or a Commission Delegee determines that a Licensee or Registrant or the Marijuana or Marijuana Products cultivated, produced or sold by a Licensee or Registrant pose an immediate or serious threat to the public health, safety or welfare, the Commission or a Commission Delegee may:

(a) Issue a Cease and Desist Order that requires cessation of any or all operations including, but not limited to, the cultivation, product manufacturing, Transfer, sale, delivery or transportation of Marijuana or Marijuana Products; or

(b) Issue a Summary Suspension Order that requires the immediate suspension of a License and its associated registrations and cessation of all operations.

(3) Notice of Violations.

(a) For a Cease and Desist or Summary Suspension Order issued under 935 CMR 500.350(2), the Commission or a Commission Delegee shall send written notice of the action taken against a Licensee or Registrant and the basis(es) for that action which shall include, but not be limited to, the following information:

1. The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to take action with regards to the License or registration;
2. The factual basis(es) of the action;
3. The immediate threat to the public health, safety, and welfare;
4. The alleged violation(s) of law, including the alleged noncompliance with law, regulation, guideline or other applicable requirement;
5. The current restriction(s), if any, on the Licensee's or Registrant's operations;
6. Requirements for the continued maintenance and security of any Marijuana and Marijuana Products;
7. The potential for further disciplinary action(s), sanction(s) or fine(s); and
8. The Licensee's right to a hearing, if any.

(b) The Commission or a Commission Delegee may modify, amend or rescind the order at any time after its issuance on condition(s) just to all the parties.

(4) On receipt of the order issued under 935 CMR 500.350(2), the Licensee and its associated agents will immediately comply with the requirements of the order and, if requested, post notice at public entrances to the establishment or other notice in a form and manner determined by the Commission or a Commission Delegee.

(5) Hearings. Pursuant to its authority under M.G.L. c. 94G, § 4(a)(xxiv) and (g), the Commission has the authority to administer the administrative hearing process and to delegate to a Hearing Officer the authority to conduct an administrative hearing.

(a) Hearing Request. On written request filed with the Commission, a Licensee shall be afforded a hearing on an order issued under 935 CMR 500.350(2). The hearing request shall be submitted in a form and a manner determined by the Commission or a Commission Delegee including, but not limited to, the request shall be made no later than 21 calendar days after the effective date of the order. A request for a hearing is filed on the date the request is received by the Commission.

1. A timely request for a hearing shall specifically identify each issue and fact in dispute and state the position of the Licensee, the pertinent facts to be adduced at the hearing, and the reasons supporting that position.
2. The failure to timely file a request for a hearing or to state the basis of the hearing request will result in dismissal of the challenge to the findings set forth in the notice of violation(s) or action(s).

(b) Hearing Notice. If a hearing is requested in a timely manner under 935 CMR 500.350(5)(a), the Hearing Officer shall provide notice and a hearing promptly after that request, or as soon as is practicable, or at a time mutually agreed by the parties.

(c) Conduct of the Hearing.

1. The hearing shall be conducted pursuant to Standard Adjudicatory Rules of Practice and Procedure, which includes 801 CMR 1.01: *Formal Rules*, 801 CMR 1.02:

Informal/Fair Hearing Rules, and/or 801 CMR 1.03: *Miscellaneous Provisions Applicable to All Administrative Proceedings*.

2. The scope of the hearing shall be limited to whether there existed prior to, or at the time of the order(s) issued pursuant to 935 CMR 500.350(2), or an amended or a modified order, an immediate or serious threat to the public health, safety, or welfare.

3. If the Commission proves by a preponderance of the evidence that there existed an immediate or serious threat to the public health, safety, or welfare, the Hearing Officer shall affirm the order.

4. The Hearing Officer shall electronically mail a copy of the recommended decision to each Licensee or Registrant and their attorney(s) of record, and mail a copy on written request.

(6) The requirements of an order issued under 930 CMR 500.350(2) shall remain in effect until one of the following events has occurred:

(a) The Commission modifies, amends or rescinds the order;

(b) There is a Final Decision on the merits of the order, including judicial review of the order, unless the order is vacated or modified by a court of competent jurisdiction or rescinded by the Commission;

(c) There is a Final Decision on the merits of a subsequently issued Order to Show Cause under 935 CMR 500.370, including judicial review of the order, unless the order is vacated or modified by a court of competent jurisdiction or rescinded by the Commission; or until such time as is otherwise established under the procedures set forth in 935 CMR 500.500.

500.360: Fines and Sanctions

The Commission or a Commission Delegee may issue an order to a Licensee or a Host Community to show cause as to why a fine or other financial penalty against a Licensee, Registrant, or Host Community should not be imposed for any acts or omissions determined to be in violation of the state Marijuana laws, including M.G.L. c. 94G, and 935 CMR 500.000.

(1) Notice of Fines or Sanctions. The Commission or a Commission Delegee shall send written notice of the action taken against a Licensee, Registrant, or Host Community and the basis(es) for that action which shall include, but not be limited to, the following information:

(a) The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to issue the order with regards to the License, registration, or HCA;

(b) The factual basis(es) of the order;

(c) The alleged violation(s) of law;

(d) An assessment of an administrative fine of up to $50,000 per violation, or an order for corrective action fixing a reasonable time for correction of the violation or both; and

(e) Notice to the Licensee, Registrant, or Host Community that they may request a hearing in accordance with 935 CMR 500.500.

(2) An administrative fine of up to $50,000 may be assessed for each violation.

(a) The decision to impose any fine or financial penalty shall identify the factors considered by the Commission or a Commission Delegee in setting the amount.

(b) Each day during which a violation continues may constitute a separate violation, and each instance and provision of the state Marijuana laws, including M.G.L. c. 94G, and 935 CMR 500.000, that is violated may constitute a separate violation.

(3) The Commission or a Commission Delegee, in determining the amount of fine or financial penalty to impose may consider greater or lesser amount depending on aggravating or mitigating circumstances including, but not limited to:

(a) Aggravating Circumstances.

1. Duration and severity of violation;

2. Whether the Licensee, Registrant, or Host Community has previously been subject to an administrative or enforcement action including, but not limited to, a notice of deficiency;

3. Whether the Licensee, Registrant, or Host Community knew or had reason to know of the violation including, but not limited to, warning or issuance of a notice of deficiency; and

4. Whether the offense:

a. Constitutes grounds for denial of a renewal application or suspension or revocation of licensure;

b. Involved multiple Persons or Entities Having Direct or Indirect Control or

agents of the Licensee, Registrant, or Host Community;

c. Involved any compensating features associated with a valid waiver issued pursuant to 935 CMR 500.850;

d. Involved a Person younger than 21 years old or a Registered Qualifying Patient or Caregiver;

e. Involved or affected multiple Consumers;

f. Involved or exposed the public to risk of Diversion or Inversion; or

g. Created a risk to the public health, safety or welfare.

(b) Mitigating Circumstances.

1. Whether the Commission learned of the violation or risk of violation from the Licensee, Registrant, or Host Community prior to investigation;

2. The financial impact of corrective measures, if any, which provide safeguards exceeding the minimum requirements of 935 CMR 500.000. However, financial impact may not include any cost associated with loss of economic opportunity due to noncompliance or costs of corrective action necessary to achieve compliance with minimum requirements of 935 CMR 500.000;

3. The Licensee's, Registrant's, or Host Community's good faith efforts to avoid a violation;

4. The Licensee's, Registrant's, or Host Community's degree of cooperation in the investigation;

5. The Licensee's, Registrant's, or Host Community's willingness to accept responsibility;

6. The Licensee's or Registrant's compliance with the training requirements pursuant to 935 CMR 500.105(2)(b); and

7. The Licensee's or Registrant's status as current or past leader pursuant to the Leadership Ratings Program under 935 CMR 500.040.

8. Other particular mitigating circumstances presented by the Licensee, Registrant, or Host Community.

(4) The fine or financial penalty shall be due and payable within 30 calendar days of the date of one of the following:

(a) The date of the assessment; or

(b) If a hearing is requested pursuant to 935 CMR 500.500, the date of the final agency action.

(5) Failure to timely pay the fine or financial penalty may result in further action being taken by the Commission or a Commission Delegee including, but not limited to, suspension or revocation of a License or registration, or loss of a Host Community's good compliance standing with the Commission, as declared and identified pursuant to the procedures set forth in 935 CMR 500.180(3)(d).

(6) If remaining unpaid at the time of Licensure renewal, the fine or financial penalty shall be added to the fee for renewal of the License. A License may not be renewed without the payment of the renewal fee and if applicable, an unpaid fine or financial penalty.

(7) All fines and financial penalties collected by or on behalf of the Commission, pursuant to 935 CMR 500.360, shall be made payable to the Commission and deposited into the Marijuana Regulation Fund. The failure to cooperate with provisions of 935 CMR 500.360, may result in administrative or enforcement action against the Licensees, Registrants, or Host Communities.

500.370: Order to Show Cause

(1) If, after investigation, the Commission or a Commission Delegee determines that there are grounds to suspend or revoke a License or registration, it may also issue an Order to Show Cause why the Licensee or registration should not be suspended or revoked.

(2) Notice of Violations. The Commission or a Commission Delegee shall send written notice of the action taken against a Licensee or Registrant and the basis for that action which shall include, but not be limited to, the following information:

(a) The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to issue the order with regards to the License or registration;

(b) The factual basis(es) of the order;

(c) The alleged violation(s) of law, including the alleged noncompliance with law,

regulation, guideline or other applicable requirement;

(d) The restriction(s) on the Licensee's or Registrant's operations or the sale or use of Marijuana or Marijuana Products, if any;

(e) The potential for further disciplinary action(s), sanction(s) or fine(s); and

(f) The right to a hearing, if any.

(3) The Commission or a Commission Delegee may modify, amend or rescind an order issued pursuant to 935 CMR 500.370 on condition(s) to all the parties.

500.400: Marijuana Establishment: Grounds for Denial of Application for Licensure

Each of the following, in and of itself, constitutes full and adequate grounds for denying an applicant on an application for a Marijuana Establishment License and the associated individuals and entities, but not for the renewal of a License.

(1) The applicant failed to complete the application process within the time required by the Commission.

(2) Information provided by the applicant was deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.

(3) The application indicates an inability to maintain and operate a Marijuana Establishment in compliance with the requirements of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.00 including, but not limited to, 935 CMR 500.105 and 935 CMR 500.110, based on the submission of information required by 935 CMR 500.101(1).

(4) The applicant has been determined to be unsuitable pursuant to any one or more of the factors listed in 935 CMR 500.800 and 935 CMR 500.801.

(5) The applicant failed to comply with the control limitations listed in 935CMR 500.050(1)(b) or would likely fail to comply with such limitations if a License were granted.

(6) An applicant had its License or registration revoked or application denied in the Commonwealth or an Other Jurisdiction.

(7) Any other ground that serves the purposes of St. 2016, c. 334, as amended by St. 2017,c. 55, M.G.L. c. 94G, or 935 CMR 500.000.

500.415: Void Marijuana Establishment License

A Marijuana Establishment License is void if the Marijuana Establishment Ceases to Operate or transfers its location without Commission approval or adds a Person or Entity Having Direct or Indirect Control to the License without Commission approval.

500.450: Marijuana Establishment License: Grounds for Suspension, Revocation and Denial of Renewal Applications

Each of the following, in and of itself, constitutes full and adequate grounds for suspending or revoking a Marijuana Establishment's License or denying a renewal application for a Marijuana Establishment License.

(1) The Marijuana Establishment is not operational within the time projected in the License application or the time otherwise approved by the Commission.

(2) Information provided by the Marijuana Establishment was deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.

(3) The Marijuana Establishment has failed to comply with any requirement of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, or 935 CMR 500.000, or any applicable law or regulation including, but not limited to, the laws and regulations of the Commonwealth relating to taxes, child support, workers' compensation, and professional and commercial insurance coverage.

(4) The Marijuana Establishment has failed to submit a plan of correction as required or to implement the plan as submitted pursuant to 935 CMR 500.320.

(5) The Marijuana Establishment has assigned or attempted to change ownership or assign its License to another entity without prior approval of the Commission under 935 CMR 500.104.

(6) The Licensee failed to comply with the control limitations listed in 935 CMR 500.050(1)(b) or would likely fail to comply with such limitations if a renewal License were granted.

(7) There has been a lack of responsible operation of the Marijuana Establishment, as shown by, but not limited to, one or more of the following:

(a) Failure to maintain the Marijuana Establishment in a clean, orderly, and sanitary fashion;

(b) Permitting a Marijuana Establishment Agent to use a Registration Card belonging to a different person;

(c) Failure to make substantial progress toward the Marijuana Establishment's submitted diversity plan or positive impact plan;

(d) Repeated sales of Marijuana Products to individuals younger than 21 years old, unless, in each instance, the Marijuana Establishment Agent reasonably relied on validly issued government-issued identification card in compliance with M.G.L. c. 94G, § 9(b);

(e) Repeated failure to verify the age of an individual prior to permitting that individual on the Premises of a Marijuana Establishment or making sales of Marijuana Products to that individual; or

(f) Other incompetent or negligent operation.

(8) The financial management of the Marijuana Establishment has resulted in the filing of a petition for a Court Appointee related to the financial solvency of the Marijuana Establishment.

(9) A Licensee fails to satisfy the requirements of 935 CMR 500.104(3) or (4), as applicable.

(10) A person on a Marijuana Establishment License has maintained a substandard level of compliance with the statutory and regulatory requirements for the operation of a Marijuana Establishment in an Other Jurisdiction including, but not limited to: a failure to correct deficiencies, a limitation on, or a suspension, revocation or refusal to grant or renew a registration or License to operate.

(11) The conduct or practices of the Marijuana Establishment demonstrate a lack of suitability as specified in 935 CMR 500.800 and 500.801.

(12) An individual or entity on a Marijuana Establishment License or Marijuana Establishment Agent has a history of criminal conduct as evidenced by any criminal proceedings that resulted in conviction, guilty plea, plea of nolo contendere, or admission to sufficient facts in the Commonwealth or Other Jurisdictions.

(13) An individual or entity listed on a Marijuana Establishment License has committed, permitted, aided or abetted, or conspired to commit any illegal practice(s) in the operation of any Marijuana Establishment including, but not limited to, engaging in the Diversion or Inversion of Marijuana or Marijuana Products.

(14) The Marijuana Establishment has failed to cooperate or give information to a law enforcement official acting within his or her lawful jurisdiction related to any matter arising out of conduct at any Marijuana Establishment.

(15) The conduct or practices of the Marijuana Establishment have been detrimental to the safety, health, or welfare of the public.

(16) The conduct or practices of the Marijuana Establishment violate 935 CMR 500.145(1)(g)(3) or 500.146(12).

(17) Any other ground that serves the purposes of St. 2016, c. 334, as amended by St. 2017, c.55, or 935 CMR 500.000.

500.500: Hearings and Appeals of Commission Actions on Licenses

(1) The Commission has the authority to administer the administrative hearing process under M.G.L. c. 94G, § 4(a)(xxiv) and (g).

(2) A Licensee or Host Community shall be afforded a hearing on any adverse action taken pursuant to:

(a) 935 CMR 500.360;

(b) 935 CMR 500.370;

(c) 935 CMR 500.450; or

(d) Any other notice of the Commission that specifies that the Licensee, Registrant, or Host Community has a right to challenge the findings of fact and conclusions of law set forth in the Commission's notice using the process set forth in 935 CMR 500.500.

(3) Notice(s).

(a) Notice of Violation(s) includes a notice issued in accordance with 935 CMR 500.360 and 500.370.

(b) Notice of Other Action(s). The Commission or a Commission Delegee shall send written notice of the action including, but not limited to, a denial of a renewal License, taken against a Licensee, Registrant, or Host Community and the basis(es) for that action which shall include, but not be limited to, the following information:

1. The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to take action with regards to the License, registration, or HCA;
2. The factual basis(es) for that action;
3. The alleged violation(s) of law, including its jurisdiction over the subject matter and its authority to issue the order with regards to the License or registration;
4. The current restriction(s) on the Licensee's operations or the sale or use of Marijuana or Marijuana Products, if any;
5. The potential for further disciplinary action(s), sanction(s) or fine(s); and
6. The Licensee, Registrant, or Host Community's right to a hearing, if any.

(c) The Commission or a Commission Delegee may modify, amend or rescind a notice issued under 935 CMR 500.500(3).

(4) Hearing Request. The hearing request shall be submitted in a form and a manner determined by the Commission or a Commission Delegee including, but not limited to, the request shall be made no later than 30 days after the effective date of the notice. A request for a hearing is filed on the date the request is received by the Commission.

(a) A timely request for a hearing shall specifically identify each issue and fact in dispute and state the position of the Licensee, Registrant, or Host Community, the pertinent facts to be adduced at the hearing, and the reasons supporting that position.

(b) The failure to timely file a request for a hearing or to state the basis of the hearing request will result in dismissal of the challenge to the findings set forth in the notice of violation(s) or action(s).

(c) If a timely request for an hearing is made, the Licensee, Registrant, or Host Community may also seek to stay any action until there has been a final agency action pursuant to 935 CMR 500.500(7) or (12); provided, however, that if the Commission issues an order or notice on the basis of information that ongoing operations pose an immediate or serious threat to the public health, safety or welfare, and that operations without restrictions during the pendency of the administrative appeal could reasonably be expected to endanger the health, safety or welfare of the public, there will be no stay.

(d) Nothing in 935 CMR 500.500 shall preclude the Commission or a Commission Delegee from issuing a stay.

(5) Hearing Officer. The Commission shall designate a Hearing Officer or delegate this designation to the Executive Director.

(6) Hearing Officer's Authority to Take Action in the Event of Waiver, Default or Summary Decision.

(a) Waiver. If a Licensee, Registrant, or Host Community fails to request a hearing in a timely manner or otherwise waives their right to a hearing, the Hearing Officer may assume the truth of the allegations set forth in the notice and recommend to the Commission disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.

(b) Default. If a Licensee, Registrant, or Host Community defaults, the Hearing Officer or other Commission Delegee may assume the truth of the allegations set forth in the notice and recommend to the Commission appropriate disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.

(c) Summary Decision. If there is no genuine issue of fact to be determined by a hearing, the Hearing Officer may assume the truth of the allegations set forth in the notice and recommend to the Commission disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.

(d) For actions without a hearing under 935 CMR 500.500(6)(a) through (c), the Hearing Officer may conduct an evidentiary hearing on the appropriateness of disciplinary action(s), sanction(s) or fine(s).

(7) Commission's Authority to Review, Approve or Reject Informal Dispositions. At any time, the Commission or a Commission Delegee may, in its discretion, review, approve or reject an informal disposition, but only on a showing that the alleged violations have been corrected, and a submission of a written waiver of its right to judicial review.

(8) Hearing Notice. If a hearing is requested in a timely manner under 935 CMR 500.500(4) the Hearing Officer shall provide notice and a hearing within a reasonable time after that request, or as soon as is practicable, or at a time mutually agreed by the parties.

(a) The hearing notice should comply with M.G.L. c. 30A, § 11(1).

(b) Prior to the commencement of a proceeding, a Hearing Officer may conduct conference(s) and refer or require the parties to participate in settlement negotiations. If the parties reach a settlement, the Hearing Officer shall suspend the proceedings pending Commission consideration of the matter under 935 CMR 500.500(7).

(9) Conduct of the Hearing

(a) To the extent that a Hearing Officer conducts a proceeding, it shall be conducted pursuant to M.G.L. c. 30A and the Standard Adjudicatory Rules of Practice and Procedure, which includes 801 CMR 1.01: *Formal Rules*, 801 CMR 1.02: *Informal/Fair Hearing Rules*, and/or 801 CMR 1.03: *Miscellaneous Provisions Applicable to All Administrative Proceedings*.

(b) In the case of an Order to Show Cause why a License should not be suspended or revoked, the hearing shall be conducted pursuant to M.G.L. c. 30A, §§ 10, 11 and 12.

(c) If after the commencement of the hearing, the parties reach a settlement, the Hearing Officer shall suspend the proceedings pending Commission consideration of the matter under 935 CMR 500.500(7).

(10) Reopening of Hearings. At any time before the Commission's Final Decision is issued, on the motion of any party or on their own initiative, the Commission by a majority vote or the Hearing Officer may on good cause shown reopen the hearing for the purpose of receiving new evidence.

(11) Hearing Officer's Recommended Decision.

(a) Burden of Proof.

1. For a notice of violation(s), the Commission or a Commission Delegee bears the burden of proving the violation(s) of law.

2. For a notice of action(s) including, but not limited to, the denial of a renewal License, the Licensee bears the burden of proving the qualifications for licensure.

(b) The Hearing Officer will make a recommended decision to the Commission.

1. The recommended decision may affirm, modify, or overturn the actions proposed in the notice of violation(s) or action(s).

2. The recommended decision shall be in writing to the Commission for its consideration which shall include, but not be limited to, a statement of reasons, including a determination of each issue of fact or law necessary to the decision.

3. The Hearing Officer may recommend disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter and provide reasons for the recommendation, including whether the recommendation is consistent with the notice of violation(s) or action(s) and the Commission's prior disciplinary action(s), sanction(s) or fine(s).

4. The Hearing Officer shall electronically mail a copy of the recommended decision to each party or their attorney(s) of record and on request, mail a copy of the recommended decision to each party or their attorney(s) of record.

(c) Within 21 calendar days of the issuance of the recommended decision, the parties may submit to the Commission written objections and arguments regarding the Hearing Officer's recommended decision.

(12) Commission's Final Decision.

(a) The Commission may affirm, adopt, modify, amend, or reverse the recommended decision of the Hearing Officer or remand the matter for further consideration.

(b) The Commission's decision shall be considered the Final Decision, unless its authority to render a Final Decision is delegated.

1. The Final Decision shall be in writing. The drafting of the decision may be delegated to the General Counsel so long as the Commission votes on the substance of the Final Decision.

2. The Final Decision may incorporate by reference the Hearing Officer's recommended decision in whole or in part. The Commission shall consider the parties' written objections and arguments regarding the Hearing Officer's recommended decision under 935 CMR 500.500(11)(c), but is not required to respond to these submissions.

3. The Final Decision shall include, but not be limited to, the following:

a. A statement of reasons including determination of each issue of fact or law necessary to the decision; and

b. Any disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.

(c) The vote on the Final Decision shall be supported and signed by at least three Commissioners. As part of its vote, the Commission may delegate to the General Counsel action(s) needed to finalize the decision including, but not limited to, the stamping of Commissioners' signatures.

(d) The Commission's Final Decision is a final agency action reviewable under M.G.L. c. 30A, § 14.

(e) The Commission or a Commission Delegee shall electronically mail a copy of the recommended decision to each Licensee, Registrant, Host Community or their attorney(s) of record and on request, mail a copy of the recommended decision to each Licensee, Registrant, Host Community or their attorney(s) of record.

(13) Appeals. Any Person aggrieved by a Final Decision may appeal that decision to the Superior Court in accordance with M.G.L. c. 30A, § 14. The filing of an appeal shall not operate as a stay of enforcement of the Commission's decision, but the Commission may, in its discretion, stay enforcement.

500.800: Suitability Standard for Licensure and Registration

(1) Pursuant to M.G.L. c. 94G, §§ 4(a)(xii), (xiv), and 21(a), the Commission may make, in an exercise of its discretion, a suitability or cure determination based on a factual basis.

(2) The Commission may also delegate suitability determinations to the Executive Director, who may appoint a Suitability Review Committee (Committee) to advise the Executive Director.

(3) All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800.

(4) Suitability Review Process.

(a) Designated Enforcement staff (staff) shall conduct background checks and gather information and evidence applicable to a subject's suitability and make a recommendation as to suitability and, as appropriate, a cure. Staff may make an adverse suitability recommendation on finding information and evidence that would result in a Mandatory Disqualification, Presumptive Negative Suitability Determination or that would support a Negative Suitability Recommendation.

(b) Before making an adverse suitability recommendation, staff shall consult with the Executive Director or the Executive Director's delegee(s). The Executive Director may dispose of the matter or direct the Committee to institute a review of suitability or take any action consistent with M.G.L. c. 94G.

(c) If the Executive Director institutes a suitability review, the staff shall send the written notice of an adverse suitability recommendation that identifies the Person or entity subject to suitability review, the particular offenses or conduct relied on and whether that the offenses or conduct results in a Mandatory Disqualification or Presumptive Negative Suitability Determination, or supports a Negative Suitability Recommendation, and reasons for that determination.

(d) The notice of an adverse suitability recommendation shall provide an opportunity to cure the suitability issue by removing the subject from its application. To the extent that an applicant can propose a cure, for example, by removing a subject from an application, the cure shall be done in a manner determined by the Commission.

(e) The notice of an adverse suitability recommendation shall provide the subject with the

opportunity to request an informal proceeding before the Suitability Review Committee.

(f) A request for an informal proceeding shall be submitted in a form and manner determined by the Commission and no later than 14 business days following the effective date of the adverse suitability recommendation. Requests received after 14 business days may be considered at the discretion of the Executive Director or the Committee.

(g) On notification of an adverse suitability recommendation and receipt of an informal proceeding request, the Committee shall initiate a proceeding, make a recommendation and/or take other action(s) after consultation with the Executive Director.

(h) If an applicant or a subject does not make a timely request for an informal proceeding before the Committee, the Executive Director may forward the adverse suitability recommendation to the Committee for a review, make a suitability determination, or take any action consistent with M.G.L. c. 94G.

(5) The Committee shall:

(a) Consider and review whether offense(s) or information resulting in a Mandatory Disqualification or a Presumptive Negative Suitability Determination under 935 CMR 500.801: *Table A* and 935 CMR 500.802: *Tables B through D* and 935 CMR 500.803: *Table E*, as applied to the subject, renders the subject unsuitable for licensure or registration;

(b) Consider and review whether offense(s) or information not otherwise set forth in 935 CMR 500.801: *Table A* and 935 CMR 500.802: *Tables B through D* and 935 CMR 500.803: *Table E* would result in a Negative Suitability Recommendation and renders the subject unsuitable for licensure or registration; and

(c) Subsequent to its review of a suitability matter, make recommendations to the Executive Director, or the Commission, or a Commission Delegee(s).

(6) When reviewing an adverse suitability recommendation by staff that there is an offense resulting in a Mandatory Disqualification, the Commission shall consider credible and reliable information demonstrating that:

(a) The disqualifying event was based on erroneous information or evidence; and

(b) The subject can demonstrate that prior to the informal proceeding, the adverse suitability recommendation can no longer be supported because the error was corrected.

(7) When reviewing an offense resulting in a Presumptive Negative Suitability Determination, the committee shall take into consideration the following factors:

(a) Nature and Specific Circumstances of the Offense or Incident:

1. Time since the offense or incident;
2. Number of offenses or incidents;
3. If criminal, sentence imposed and length, if any, of incarceration;
4. If criminal, sentence imposed and length, if any, of parole or probation; and
5. Relationship of offense or incident to nature of work to be performed.

(b) Mitigating Factors:

1. Age of the subject at the time of the offense or incident; and
2. Whether offenses or incidents were committed in association with dependence on drugs or alcohol from which the subject has since recovered.

(c) Conduct Since Time of the Offense or Incident:

1. If criminal, any relevant evidence of rehabilitation or lack thereof, such as information about compliance with conditions of parole or probation, including orders of no contact with victims and witnesses;
2. The subject's conduct and experience since the time of the offense including, but not limited to, professional or educational certifications obtained; and

(d) Any other relevant information, including information submitted by the subject to the Committee or requested by the Commission.

(8) The Committee may make a Negative Suitability Determination in the following circumstances:

(a) On the receipt of the staff's Negative Suitability Recommendation that there is credible and reliable information:

1. The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare if a License or registration is granted or renewed; and
2. The risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.

(b) On review of this recommendation, the Committee shall consider whether the staff has carried its burden of demonstrating:

1. The applicant's or Licensee's prior actions posed or would likely pose a risk to the

public health, safety, or welfare if a License or registration is granted or renewed; and

2. The risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.

(9) Where a Marijuana Establishment Agent listed on the application for licensure in accordance with 935 CMR 500.101(1), is found to have no suitability issue under 935 CMR 500.801: *Table A*, or to have overcome any suitability issue, the agent shall not be subject to a subsequent suitability review under 935 CMR 500.802: *Tables B through D* and 935 CMR 500.803: *Table E*.

(a) Nothing in 935 CMR 500.800(9) relieves the requirement that the applicant or Licensee conduct background checks on its agents and disclose to the Commission's staff any suitability issue(s) that arise as a result of those checks.

(b) Any subsequent disclosure of background check information for a Marijuana Establishment Agent required to be listed and evaluated pursuant to 935 CMR 500.101(1), will be assessed pursuant to 935 CMR 500.801: Table A, or on other grounds for a Negative Suitability Determination only.

(c) Nothing in 935 CMR 500.800(9) precludes the Commission from initiating a suitability review based on background information received after the Commission's initial suitability review.

(10) The Executive Director in consultation with the Committee may determine that a subject's suitability warrants the Commission's consideration. The Executive Director may also remand a matter to staff for further investigation prior to making a determination. The Commission may consider the determination when acting on the application or renewal.

500.801: Suitability Standard for Licensure

(1) In accordance with M.G.L. c. 94G, § 5, the Commission is prohibited from licensing a Marijuana Establishment where an individual who is a Person Having Direct or Indirect Control has been convicted of a felony or offense in an Other Jurisdiction that would be a felony in the Commonwealth, except a prior conviction solely for a Marijuana offense or solely for a violation of M.G.L. c. 94C, § 34, unless the offense involved distribution of a controlled substance, including Marijuana, to a minor.

(2) For purposes of determining suitability based on background checks in accordance with 935 CMR 500.101(1)(b):

(a) All conditions, offenses, and violations are construed to include Massachusetts law or like or similar law(s) of Other Jurisdictions.

(b) All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy, and solicitation.

(c) Juvenile dispositions shall not be considered as a factor for determining suitability.

(d) Where applicable, all look back periods for criminal conditions, offenses, and violations included in 935 CMR 500.801: *Table A* commence on the date of disposition; provided, however, that if disposition results in incarceration in any institution, the look back period shall commence on release from incarceration.

(e) Unless otherwise specified in 935 CMR 500.801: *Table A*, a criminal condition, offense or violation shall include both convictions, which include guilty pleas and pleas of nolo contendere, and dispositions resulting in continuances without a finding or other disposition constituting an admission to sufficient facts, but shall exclude other non-conviction dispositions.

(3) Licensees and Registered Agents shall remain suitable at all times a License or registration remains in effect. An individual subject to this section shall notify the Commission in writing of any charge or conviction of an offense that would result in a presumptive negative suitability determination or mandatory disqualification under 935 CMR 500.801: *Table A*, 935 CMR 500.802: *Tables B through D* and 935 CMR 500.803: *Table E* within ten days of such individual's arrest or summons, and within ten days of the disposition on the merits of the underlying charge. Failure to make proper notification to the Commission may be grounds for disciplinary action. If the Commission lawfully finds a disqualifying event and the individual asserts that the record was sealed, the Commission may require the individual to provide proof from a court evidencing the sealing of the case.

Table A: Marijuana Establishment Licensees. Shall apply to applicants, Licensees and Persons or Entities Having Direct or Indirect Control in accordance with 935 CMR 500.101(1): *New Applicants* and 935 CMR 500.103(4): *Expiration and Renewal of Licensure*.

Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal).	**Open/Unresolved Criminal Proceedings:** Any outstanding or unresolved criminal proceeding, the disposition of which may result in a felony conviction under the laws of the Commonwealth or Other Jurisdictions, but excluding any criminal proceeding based solely on a Marijuana-related offense or a violation of M.G.L. c. 94C, § 32E(a) or § 34.	Mandatory Disqualification
Present	**Outstanding or Unresolved Criminal Warrants**	Presumptive Negative Suitability Determination
Present	**Submission of Untruthful Information to the Commission Including, but Not Limited to**: Submission of information in connection with a License application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity; including lack of disclosure or insufficient disclosure; or making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.	Presumptive Negative Suitability Determination
Present	**Open/Unresolved Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)**	Presumptive Negative Suitability Determination
Present	**Open Professional or Occupational License Cases**	Presumptive Negative Suitability Determination
Indefinite	**Sex Offender Registration:** Required to register as a sex offender in Massachusetts or an Other Jurisdiction.	Mandatory Disqualification
Indefinite	**Felony Convictions in Massachusetts or an Other Jurisdiction Including, but Not Limited to:** Felony weapons violation involving narcotics; Felony involving violence against a person; Felony involving theft or fraud; and Felony drug, excluding conviction solely for a Marijuana-related offense or solely for a violation of M.G.L. c. 94C, § 34.	Mandatory Disqualification
Indefinite	**Conviction or Continuance without a Finding (CWOF) for Any Distribution of a Controlled Substance to a Minor**	Mandatory Disqualification
Indefinite	**Non-felony Weapons Violations, Including Firearms, Involving Narcotics**	Presumptive Negative Suitability Determination

Indefinite	**Firearms-related Crimes**	Presumptive Negative Suitability Determination
Indefinite	**Multiple Crimes of Operating under the Influence** Two offenses within a ten-year period; or Three or more offenses within any period of time.	Presumptive Negative Suitability Determination
Preceding Five Years	**Multiple Crimes** During the five years immediately preceding the application for licensure that separately may not result in a negative determination of suitability, but may, if taken together and tending to show a pattern of harmful behavior, result in a negative determination of suitability depending on the type and severity of the crimes.	Presumptive Negative Suitability Determination
Preceding Five Years	**Crimes of Domestic Violence Including, but Not Limited to:** Violation of an abuse prevention restraining order under M.G.L. c. 209A Violation of a harassment prevention order under M.G.L. c. 258E	Presumptive Negative Suitability Determination
Preceding Five Years	**Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)** The applicant or a Licensee held a License that was revoked, a renewal application that was denied, or a similar action taken with relation to their Marijuana business in Massachusetts or Other Jurisdiction, whether by administrative action or stipulated agreement.	Mandatory Disqualification
More than Five and Less than Ten Years	**Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)** The applicant or a Licensee held a License that was revoked, a renewal application that was denied, or a similar action taken with relation to their Marijuana business in Massachusetts or Other Jurisdiction, whether by administrative action or stipulated agreement.	Presumptive Negative Suitability Determination
Preceding Five Years	The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.	May make a Negative Suitability Determination in accordance with 935 CMR 500.800(8)

500.802: Suitability Standard for Registration as a Marijuana Establishment Agent

(1) In accordance with M.G.L. c. 94G, § 4(a½)(iii), the Commission has established qualifications for licensure and minimum standards for employment that are directly and demonstrably related to the operation of a Marijuana Establishment and similar to qualifications for licensure and employment standards in connection with alcohol as regulated under M.G.L. c. 138, provided that a prior conviction solely for a Marijuana-related offense or for a violation of M.G.L. c. 94C, § 34 shall not disqualify an individual or otherwise affect eligibility for employment or licensure in connection with a Marijuana Establishment, unless the offense involved the distribution of a controlled substance, including Marijuana, to a minor.

(2) For purposes of determining suitability based on background checks in accordance with 935 CMR 500.030 and 500.101:

(a) All conditions, offenses, and violations are construed to include Massachusetts law or like or similar law(s) of Other Jurisdictions.

(b) All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy and solicitation.

(c) Juvenile dispositions shall not be considered as a factor for determining suitability.

(d) Where applicable, all look back periods for criminal conditions, offenses, and violations included in 935 CMR 500.802: *Tables B through D* commence on the date of disposition; provided, however, that if disposition results in incarceration in any institution, the look back period shall commence on release from incarceration.

(e) Unless otherwise specified in 935 CMR 500.802: *Tables B through D*, a criminal condition, offense or violation shall include both convictions, which include guilty pleas and pleas of nolo contendere, and dispositions resulting in continuances without a finding or other disposition constituting an admission to sufficient facts, but shall exclude other non-conviction dispositions. All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800. In addition to the requirements established in 935 CMR 500.800 shall:

1. Consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 500.802: *Tables B through D* renders the subject unsuitable for registration regardless of the determination of the Licensee; and
2. Consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process in accordance with 803 CMR 2.17: *Requirement to Maintain a Secondary Dissemination Log* and 803 CMR 2.18: *Adverse Employment Decision Based on CORI or Other Types of Criminal History Information Received from a Source Other than the DCJIS*.

(3) Registered Agents shall remain suitable at all times a License or registration remains in effect. An individual subject to 935 CMR 500.802, shall notify the Commission in writing of any charge or conviction of an offense that would result in a presumptive negative suitability determination or mandatory disqualification under 935 CMR 500.802: *Tables B through D* within ten days of such individual's arrest or summons, and within ten days of the disposition on the merits of the underlying charge. Failure to make proper notification to the Commission may be grounds for disciplinary action. If the Commission lawfully finds a disqualifying event and the individual asserts that the record was sealed, the Commission may require the individual to provide proof from a court evidencing the sealing of the case.

Table B: *Retail, Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement, Social Consumption Establishment, and Transporter Marijuana Establishment Agents*. Applies solely to applicants for registration as a Marijuana Establishment Agent at a Marijuana Establishment licensed pursuant to 935 CMR 500.100, as a Marijuana Retailer, Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement, Social Consumption Establishment, or as a Marijuana Transporter, under 935 CMR 500.050.

Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal).	**Open/Unresolved Criminal Proceedings:** Any outstanding or unresolved criminal proceeding for an offense involving the distribution of a controlled substance, including Marijuana, to a minor.	Presumptive Negative Suitability Determination
Present	**Open Professional or Occupational License Cases**	Presumptive Negative Suitability Determination
Present	**Open/Unresolved Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions):** An outstanding or unresolved violation of the regulations as included in 935 CMR 500.000 or a similar statute or	Presumptive Negative Suitability

	regulations of an Other Jurisdiction, which has either (a) remained unresolved for a period of six months or more; or (b) the nature of which would result in a determination of unsuitability for registration.	Determination
Present	**Submission of Untruthful Information to the Commission Including, but Not Limited to:** Submission of information in connection with an agent application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity including lack of disclosure or insufficient disclosure; or making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.	Presumptive Negative Suitability Determination
Indefinite	**Conviction or Continuance without a Finding (CWOF) for Any Distribution of a Controlled Substance to a Minor**	Mandatory Disqualification
Indefinite	The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.	May make a Negative Suitability Determination in accordance with 935 CMR 500.800(8)

Table C: *Marijuana Product Manufacturer Marijuana Establishment Agents*. Applies solely to applicants for registration as an agent at a Marijuana Establishment licensed pursuant to 935 CMR 500.100 as a Marijuana Product Manufacturer under 935 CMR 500.050.

Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal).	**Open/Unresolved Criminal Proceedings:** Any outstanding or unresolved criminal proceeding for an offense involving the distribution of a controlled substance, including Marijuana, to a minor.	Presumptive Negative Suitability Determination
Present	**Open Professional or Occupational License Cases**	Presumptive Negative Suitability Determination
Present	**Open/Unresolved Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions):** An outstanding or unresolved violation of the regulations as included in 935 CMR 500.000 or a similar statute or regulations in an Other Jurisdiction, that has either (a) remained unresolved for a period of six months or more; or (b) the nature of which would result in a determination of unsuitability for registration.	Presumptive Negative Suitability Determination
	Submission of Untruthful Information to the Commission Including, but Not Limited to:	

Present	Submission of information in connection with an agent application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure; or making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.	Presumptive Negative Suitability Determination
Indefinite	The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.	May make a Negative Suitability Determination in accordance with 935 CMR 500.800(8)
Indefinite	**Conviction or Continuance without a Finding (CWOF) for Any Distribution of a Controlled Substance to a Minor**	Mandatory Disqualification

Table D*: Cultivation Marijuana Establishment Agents*. Applies solely to applicants for registration as an Agent at a Marijuana Establishment licensed as a Marijuana Cultivator or Craft Marijuana Cooperative.

Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal).	**Open/Unresolved Criminal Proceedings**: Any outstanding or unresolved criminal proceeding for an offense involving the distribution of a controlled substance, including Marijuana, to a minor.	Presumptive Negative Suitability Determination
Present	**Open Professional or Occupational License Cases**	Presumptive Negative Suitability Determination
Present	**Open/Unresolved Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)**: An outstanding or unresolved violation of the regulations as included in 935 CMR 500.000 or a similar statute or regulations in an Other Jurisdiction, that has either (a) remained unresolved for a period of six months or more; or (b) the nature of which would result in a determination of unsuitability for registration	Presumptive Negative Suitability Determination

Present	**Submission of Untruthful Information to the Commission Including, but Not Limited to**: Submission of information in connection with an agent application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure; or	Presumptive Negative Suitability Determination
Indefinite	**Conviction or Continuance without a Finding (CWOF) for Any Distribution of a Controlled Substance to a Minor**	Mandatory Disqualification
Indefinite	The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and the risk posed by the applicant's or Licensee's actions	May make a Negative Suitability Determination in accordance with

500.803: Suitability Standard for Registration as a Laboratory Agent

(1) 935 CMR 500.803 shall apply to Laboratory Agents in their capacity as employees or volunteers for an Independent Testing Laboratory licensed pursuant to 935 CMR 500.029 and shall be used by the Independent Testing Laboratory Executive registered with the DCJIS pursuant to 803 CMR 2.04: *iCORI Registration* and the Commission for purposes of determining suitability for registration as a Laboratory Agent with the Licensee.

(2) For purposes of determining suitability based on background checks performed in accordance with 935 CMR 500.803:

(a) All conditions, offenses, and violations are construed to include Massachusetts law or similar law(s) of Other Jurisdictions.

(b) All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy, and solicitation.

(c) Juvenile dispositions shall not be considered as a factor for determining suitability.

(d) Where applicable, all look back periods for criminal conditions, offenses, and violations included in 935 CMR 500.803: *Table E* commence on the date of disposition; provided however, that if disposition results in incarceration in any institution, the look back period shall commence on release from incarceration.

(e) Unless otherwise specified in 935 CMR 500.803: *Table E*, a criminal condition, offense or violation shall include both convictions, which include guilty pleas and pleas of nolo contendere, and dispositions resulting in continuances without a finding or other disposition constituting an admission to sufficient facts, but shall exclude other non-conviction dispositions.

(f) All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800. In addition to the requirements established in 935 CMR 500.800: shall:

1. Consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 500.803: *Table E* renders the subject unsuitable for registration, regardless of the determination of the Licensee; and
2. Consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process in accordance with 803 CMR 2.17: *Requirement to Maintain a Secondary Dissemination Log* and 803 CMR 2.18: *Adverse Employment Decision Based on CORI or Other Types of Criminal History Information Received from a Source Other than the DCJIS.*

(3) Laboratory Agents shall remain suitable at all times a License or registration remains in effect. An individual subject to this section shall notify the Commission in writing of any charge or conviction of an offense that would result in a presumptive negative suitability determination or mandatory disqualification under 935 CMR 500.803: *Table E* within ten days of such individual's arrest or summons, and within ten days of the disposition on the merits of the underlying charge. Failure to make proper notification to the Commission may be grounds for disciplinary action. If the Commission lawfully finds a disqualifying event and the individual asserts that the record was sealed, the Commission may require the individual to

provide proof from a court evidencing the sealing of the case.

(4) In accordance with M.G.L. c. 94G, § 15(b)(5), the Commission is prohibited from issuing a registration to a Laboratory Agent who has been convicted of a felony drug offense in the Commonwealth or Other Jurisdictions that would be a felony drug offense in the Commonwealth.

Table E: *Registration as a Laboratory Agent*. Applies solely to applicants for registration as a Laboratory Agent in accordance with 935 CMR 500.803 at Marijuana Establishment licensed pursuant to 935 CMR 500.050.

Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal).	**Open/Unresolved Criminal Proceedings**: Any outstanding or unresolved criminal proceeding, the disposition of which may result in a felony conviction under the laws of the Commonwealth or a similar law in Other Jurisdictions.	Mandatory Disqualification
Present	**Open/Unresolved Marijuana Business-Related License Violations (Massachusetts or Other Jurisdictions)**: An outstanding or unresolved violation of the regulations as included in 935 CMR 500.000 or a similar statute or regulations in Other Jurisdictions that has either (a) remained unresolved for a period of six months or more; or (b) the nature of which would result in a determination of unsuitability for registration.	
Present	**Submission of Untruthful Information to the Commission Including, but Not Limited to**: Submission of information in connection with an agent application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure; or making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure; or	Presumptive Negative Suitability Determination
Present	**Open Professional or Occupational License Cases**	Mandatory Disqualification
Indefinite	**Felony Convictions in Massachusetts or Other Jurisdictions**: For drug offenses or trafficking crimes under M.G.L. c. 94C, § 32E, or like crimes in Other Jurisdictions.	Mandatory Disqualification
Preceding Five Years	**Felony Convictions or CWOF in Massachusetts or Other Jurisdictions**: For crimes of violence against a person, "violent crime" to be defined the same way as under	Presumptive Negative Suitability

	M.G.L. c. 140, § 121 and M.G.L. c. 127, § 133E.	Determination
Preceding Seven Years	**Felony Convictions or CWOF in Massachusetts or Other Jurisdictions**: For crimes of dishonesty or fraud.	Presumptive Negative Suitability Determination
Preceding Five Years	The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of a Marijuana Establishment.	May make a Negative Suitability Determination in accordance with 935 CMR 500.800(8)

500.820: Confidentiality

(1) All records made or received by the Commission shall be public records and shall be available for disclosure on request pursuant to this section and 950 CMR 32.00: *Public Records Access*, except the following, which shall be exempt from disclosure to the extent permitted by law:

(a) All records exempt from disclosure pursuant to M.G.L. c. 4, § 7, cl. 26;

(b) All records to the extent that they contain "personal data" pursuant to M.G.L. c. 66, § 10;

(c) All records to the extent that they contain "personal information" pursuant to M.G.L. c. 93H, § 1;

(d) All records which contain CORI as defined by 803 CMR 2.02: *Definitions*;

(e) All records which contain CHRI as defined by 803 CMR 7.02: *Definitions*; and

(f) All Confidential Records as defined in 935 CMR 500.002.

(2) All records protected from disclosure under 935 CMR 500.820(1) or pursuant to the laws of any Other Jurisdiction may be disclosed by the Commission:

(a) If disclosure is required pursuant to a state or federal law;

(b) To the individual or the individual's authorized representative, if the individual executes a written release in a form and manner determined by the Commission;

(c) To the Commission staff for the purpose of carrying out their official duties;

(d) To the Commission Delegee(s) as authorized by the Commission;

(e) To other government officials and agencies acting within their lawful jurisdiction which includes, but is not limited to, law enforcement personnel;

(f) To a healthcare professional who has a Bona Fide Healthcare Professional-Patient Relationship with the Qualifying Patient to facilitate dispensing of Medical-use Marijuana;

(g) To an MTC or any state agency to facilitate the dispensing of Medical-use Marijuana;

(h) To the Commission staff if required in the course of an administrative or a judicial proceeding; or

(i) If an individual or entity obtains an order from a court of competent jurisdiction.

(3) Nothing in 935 CMR 500.820 shall prevent the Commission from acting in accordance with its authority.

500.830: Petitions for the Adoption, Amendment or Repeal of Regulations

(1) Any interested Person may file a petition with the Commission pursuant to M.G.L. c. 30A, § 4, for the adoption, amendment or repeal of any regulation. Such petition shall be submitted in written and electronic form, be signed by the petitioner or petitioner's representative, and include the following information:

(a) The name, address, and relevant contact information for the petitioner or the petitioner's representative;

(b) The petitioner's specific interest in the regulation;

(c) The petitioner's request for the adoption, amendment or repeal of a regulation, including proposed regulatory language;

(d) If the request is to amend an existing regulation, a copy of the existing regulation with changes clearly marked on paper and electronic copies; and

(e) The reasons for the request including, but not limited to, citation to any relevant legal authority, arguments and evidence, including data, that supports the request.

(2) After receipt of a petition for submitted in accordance with 935 CMR 500.830, the Commission may consider the petition at an open meeting pursuant to M.G.L. c. 30A, § 20, and determine, in its discretion, whether to take any action on or as a result of the petition. The Commission may also delegate the review of petitions to its Executive Director.

(3) Within a reasonable time, the Commission or a Commission Delegee will notify the petitioner as to its determination, if any, concerning the petition.

(4) The submission of a petition for the adoption, amendment or repeal of any regulation pursuant to 935 CMR 500.830(1), and any action, inaction, determination or notice by the Commission pursuant to 935 CMR 500.830(2) with respect thereto, shall not constitute the adoption, amendment or repeal of a regulation, unless or until regulations are duly promulgated by the Commission in accordance with M.G.L. c. 30A, State Administrative Procedure Act, and 950 CMR 20.00: *Preparing and Filing Regulations*, and the regulatory process requirements of the Secretary of the Commonwealth.

500.840: Non-conflict with Other Laws

(1) Nothing in 935 CMR 500.000 shall be construed to limit the applicability of any other law as it pertains to the rights of landlords, employers, Law Enforcement Authorities, or regulatory agencies, except as otherwise provided in 935 CMR 500.000.

(2) Nothing in 935 CMR 500.000.
(a) Allows the operation of a motor vehicle, boat, or aircraft while under the influence of Marijuana;
(b) Requires the violation of federal law or purports to give immunity under federal law; or
(c) Poses an obstacle to federal enforcement of federal law.

500.850: Waivers

(1) The Commission may delegate its authority to the Executive Director to waive a regulatory requirement promulgated under M.G.L. c. 94G, § 4 and M.G.L. c. 94I, § 7. The Executive Director may determine the form and manner of the waiver process. There can be no waiver of statutory requirements.

(2) The Commission may waive applicability of one or more of the requirements imposed by 935 CMR 500.000 on the submission of written documentation and a finding that:
(a) Compliance would cause undue hardship to the requestor;
(b) If applicable, the implementation of compensating features acceptable to the Commission;
(c) The noncompliance with the regulatory requirement would not jeopardize the health, safety, or welfare of any Registered Qualifying Patient or the public; and
(d) The granting of the waiver would not constitute a waiver of any statutory requirements.

(3) Waiver of Security Requirements. Any waiver of security requirements under 935 CMR 500.850, shall be requested under 935 CMR 500.110(2)(b).

(4) An adverse decision on a waiver request does not entitle an applicant or Licensee to a hearing or judicial review.

500.860: Notice

(1) The Commission shall maintain a list of individuals or entities that request notice.

(2) Notice shall be provided, in a time and manner to be determined by the Commission, to those individuals or entities on the list in advance for:
(a) Meetings of the Cannabis Control Commission;
(b) Meetings of the Cannabis Advisory Board; and
(c) Other events determined by the Commission, in its discretion.

(3) The individual or entity is responsible for ensuring that the information provided to the Commission for the purpose of receiving notice remains current.

500.900: Severability

The provisions of 935 CMR 500.000 are severable. If a court of competent jurisdiction declares any section, subsection, paragraph, or provision unconstitutional or invalid, the validity of the remaining provisions shall not be affected.

REGULATORY AUTHORITY

935 CMR 500.000: M.G.L. c. 10, §76, M.G.L. c. 94G, M.G.L. c. 94I, St. 2012, c. 369, St. 2016, c. 334, St. 2017, c. 55, and St. 2022, c. 180.

935 CMR 501.000: MEDICAL USE OF MARIJUANA

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501.301: Inspection and Compliance
501.302: Compliance Examination
501.303: Unannounced Purchase for Purpose of Investigative Testing (Secret Shopper Program)
501.310: Deficiency Statements
501.320: Plans of Correction
501.321: Administrative Hold
501.330: Limitation of Sales
501.335: Removal and Prohibition of Marijuana and Marijuana Products
501.340: Quarantine Order
501.350: Cease and Desist Order and Summary Suspension Order
501.360: Fines
501.370: Orders to Show Cause
501.400: Medical Marijuana Treatment Center License: Grounds for Denial of Application for Licensure
501.415: Void Medical Marijuana Treatment Center License

501.450: Medical Marijuana Treatment Center Registration or License: Grounds for Suspension, Revocation, and Denial of Renewal Application
501.500: Hearings and Appeals of Actions on Registrations or Licenses
501.800: Suitability Standard for Licensure and Registration
501.801: Suitability Standard for Licensure
501.802: Suitability Standard for Registration as a Medical Marijuana Treatment Center Agent
501.803: Suitability Standard for Registration as a Laboratory Agent
501.820: Confidentiality
501.830: Petitions for the Adoption, Amendment or Repeal of Regulations
501.840: Nonconflict with Other Laws
501.850: Waivers
501.860: Notice
501.900: Severability

501.001: Purpose

The purpose of 935 CMR 501.000 is to implement St. 2017, c. 55: *An Act to Ensure Safe Access to Marijuana*; M.G.L. c. 94G and M.G.L. c. 94I.

501.002: Definitions

For the purposes of 935 CMR 501.000, the following terms shall have the following meanings:

Administrative Hold means a hold requiring temporary isolation of Marijuana, Marijuana Products, or Marijuana-infused Products (MIPs), by a Licensee or Registrant pending further investigation.

Adult-use Cannabis or Marijuana means Marijuana that is cultivated, Processed, Transferred, tested or sold to adults 21 years of age or older pursuant to M.G.L. c. 94G.

Adult-use Cannabis or Marijuana Products means Marijuana Products that are Processed Manufactured, Transferred, tested or sold to adults 21 years of age or older pursuant to M.G.L. c. 94G.

Advanced Core Curriculum means the advanced training curriculum taught by a Responsible Vendor Trainer that may be taken by MTC Agents after completing the Basic Core Curriculum under 935 CMR 501.105(2)(b).

Advertising means a form of marketing communication that employs a sponsored, nonpersonal message to sell or promote an MTC' Brand Name, MTC Branded Good, service, product or idea.

Affixed means the attachment of a label or other packaging material so that it is not easily removed or lost.

Agent Registration Card means an identification card currently and validly issued by the Commission to a Marijuana Establishment, MTC or Laboratory Agent. The Agent Registration Card allows access into Commission supported databases. The registration card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities of those individuals exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94G and 94I, and 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000.

Area of Disproportionate Impact means a geographic area identified by the Commission for the purposes identified in M.G.L. c. 94G, § 4(a½)(iv), and 935 CMR 500.040: *Leadership Rating Program for Marijuana Establishments* and *Marijuana-related Businesses* and 500.101: *Application Requirements*, and which has had historically high rates of arrest, conviction, and incarceration related to Marijuana crimes.

Arming Station means a device that allows control of a security alarm system.

Assignment for the Benefit of Creditors means a contractual agreement with a third-party by which the Licensee assigns all of its assets and liabilities to such third-party in order to satisfy

the Licensee's obligations to its creditors by liquidating the assets.

Basic Core Curriculum means the foundational training curriculum required of all MTC Agents taught by a Responsible Vendor Trainer under 935 CMR 501.105(2)(b).

Beverage means a non-alcoholic Marijuana-infused Product intended for drinking, which is manufactured, tested, packaged and labeled as a Marijuana Product prior to sale or service to a Consumer.

Bona Fide Healthcare Provider – Patient Relationship means a relationship between a Certifying Healthcare Provider, acting in the usual course of their professional practice, and a Patient in which the healthcare provider has conducted a Clinical Visit, completed and documented a full assessment of the Patient's medical history and current medical condition, has explained the potential benefits and risks of Marijuana use, and has a role in the ongoing care and treatment of the Patient.

Brand Name means a brand name (alone or in conjunction with any other word), registered trademark, logo, symbol, motto, selling message, recognizable pattern of colors, or any other identifiable marker associated with an MTC.

Brand Name Sponsorship means the payment by an MTC in exchange for use of a Brand Name:

(a) to sponsor an athletic, musical, artistic, or other social or cultural event; or

(b) to identify, advertise, or promote such event or an entrant or participant of such an event.

Cannabinoid means any of several compounds produced by Marijuana plants that have medical and psychotropic effects.

Cannabinoid Profile means the amounts, expressed as the dry-weight percentages, of delta-nine-tetrahydrocannabinol, cannabidiol, tetrahydrocannabinolic acid and cannabidiolic acid in a Marijuana Product. Amounts of other Cannabinoids may be required by the Commission.

Cannabis means Marijuana as defined in 935 CMR 501.002.

Canopy means an area to be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain Flowering and/or Vegetative plants larger than eight inches tall and eight inches wide at any point in time, including all of the space(s) within the boundaries. Canopy may be noncontiguous, but each unique area included in the total Canopy calculations shall be separated by an identifiable boundary which includes, but is not limited to: interior walls, shelves, Greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If Flowering and/or Vegetative plants larger than eight inches tall and eight inches wide are being cultivated using a shelving system, the surface area of each level shall be included in the total Canopy calculation.

Card Holder means a Registered Qualifying Patient, Personal Caregiver, Marijuana Establishment Agent, Medical Marijuana Treatment Center (MTC) Agent, or Laboratory Agent who holds a valid Patient or Agent Registration Card.

Caregiver means a Personal Caregiver or Institutional Caregiver.

Caregiving Institution means a hospice program, long-term care facility, or hospital duly registered currently and validly by the Commission, providing care to a Registered Qualifying Patient on the premises of the facility or through a hospice program.

Cease and Desist Order means an order to stop or restrict operations including, but not limited to, cultivation, product manufacturing, Transfer, sale, delivery, or testing, of Marijuana, Marijuana Products, or Marijuana-infused Products (MIPs) by a Licensee or Registrant to protect the public health, safety or welfare.

Ceases to Operate means a Marijuana Establishment, Medical Marijuana Treatment Center (MTC) or Independent Testing Laboratory that closes and does not transact business for a period greater than 60 days with no substantial action taken to reopen. The Commission may determine that an establishment has Ceased to Operate based on its actual or apparent

termination of operations.

Certificate of Licensure means the certificate issued by the Commission that confirms that an MTC or Independent Testing Laboratory has met all applicable requirements pursuant to M.G.L. c. 94I, and 935 CMR 501.000 and is currently and validly licensed by the Commission. An MTC or Independent Testing Laboratory may be eligible for a provisional or final Certificate of Licensure.

Certificate of Registration means a certificate currently and validly issued by the Commission, that confirms an individual or entity has met all applicable requirements pursuant to M.G.L. c. 94I, and 935 CMR 501.000 and is registered by the Commission.

Certifying Certified Nurse Practitioner (CNP) means a Massachusetts licensed certified nurse practitioner licensed pursuant to 244 CMR 4.00: *Advanced Practice Registered Nursing*, who certifies that in their professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for a Qualifying Patient.

Certifying Healthcare Provider means a Certifying CNP, a Certifying Physician or a Certifying Physician Assistant.

Certifying Physician means a Massachusetts licensed physician (Medical Doctor or Doctor of Osteopathy), who certifies that in their professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for a Qualifying Patient.

Certifying Physician Assistant means a Massachusetts physician assistant licensed pursuant to 263 CMR 3.00: *Licensure of Individual Physician Assistants*, who certifies that in their professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for a Qualifying Patient.

Clinical Visit means an in-person or telehealth visit during which a Certifying Healthcare Provider establishes a *Bona Fide* Healthcare Provider Patient Relationship and conducts a full assessment of the Patient's medical history and current medical condition, including the Debilitating Medical Condition, and explains the potential benefits and risks of Marijuana use. A Clinical Visit for an initial Certificate of Registration shall be performed in-person or upon request of the patient, *via* a telehealth visit that includes a synchronous face-to-face encounter between the Certifying Healthcare Provider and patient. Synchronous telehealth happens in live, real-time settings where the patient interacts with a provider, usually *via* phone or video.

Clone means a clipping from a Cannabis or Marijuana plant that can be rooted and grown.

Close Associate means a Person who holds a relevant managerial, operational or financial interest in the business of an applicant or Licensee and, by virtue of that interest or power, is able to exercise a significant influence over the corporate governance of a Marijuana Establishment, an MTC or Independent Testing Laboratory licensed under 935 CMR 500.000 or 935 CMR 501.000. A Close Associate is deemed to be a Person or Entity Having Direct or Indirect Control. A Hospitality On-site Consumption Licensee may contract with a Non-Cannabis Entity to operate within the Non-Cannabis Entity's physical space and the Non-Cannabis Entity shall not be considered a Close Associate by virtue of this relationship alone. A Marijuana Event Organizer Licensee may contract with a Non-Cannabis Entity to operate within the Non-Cannabis Entity's physical space and the Non-Cannabis Entity shall not be considered a Close Associate by virtue of this relationship alone.

Colocated Marijuana Operations (CMO) means an MTC operating under a License pursuant to 935 CMR 501.000 and a Marijuana Establishment operating under at least one License pursuant to 935 CMR 500.000: *Adult Use of Marijuana*, on the same Premises. Colocated Marijuana Operations pertain to cultivation, product manufacturing, and retail licenses, but not any other adult-use License.

Commission means the Massachusetts Cannabis Control Commission, as established by M.G.L. c. 10, § 76, or its representatives. The Commission has authority to implement the state Marijuana laws, which include, but are not limited to, St. 2016, c. 334: *The Regulation and Taxation of Marijuana Act*, as amended by St. 2017, c. 55: *An Act to Ensure Safe Access to Marijuana*; M.G.L. 10, § 76; M.G.L. c. 94G; M.G.L. c. 94I; 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000.

Commission Delegee(s) means other state or local officials or agencies working in cooperation with the Commission by agreement, to carry out the Commission's responsibilities and to ensure compliance with the adult-use and medical-use laws, and any other applicable federal or state laws.

Community Impact Fee (CIF) means impact fee(s) claimed by a Host Community in relation to the operations of a particular Marijuana Establishment or MTC which have been certified by the Commission or ruled upon by a court of competent jurisdiction as being Reasonably Related to the actual costs imposed on a Host Community by a Marijuana Establishment or MTC's operations.

Confidential Application Materials means any electronic or written document, communication or other record pertaining to an application for licensure or registration that is required to be confidential or protected from disclosure by law, which includes, but is not limited to, personally identifiable information concerning an applicant, Registrant, or Licensee; background check information or Criminal Offender Record Information (CORI) as defined by 803 CMR 2.02: Definitions, or Criminal History Record Information (CHRI) as defined by 803 CMR 7.02: Definitions; and information that implicates security concerns.
Confidential Database means the Commission database that holds data concerning:

(a) Qualifying Patients issued a Registration Card for medical use of Marijuana;
(b) healthcare professionals registered to issue Written Certifications;
(c) MTCs;
(d) quantity of medical-use Marijuana dispensed to a Card Holder; and
(e) any other pertinent information.

Confidential Information means information that is legally required to be kept confidential, or that is protected from disclosure by a legally recognized privilege. This includes, but is not limited to, M.G.L. c. 4, § 7, cl. 26 and M.G.L. c. 94I, §§ 2(e) and 3.

Confidential Investigatory Materials means any electronic or written document, communication or other record pertaining to an investigation which concerns:

(a) a possible violation of a statute, regulation, rule, practice or procedure, or professional or industry standard, administered or enforced by the Commission;
(b) an ongoing investigation that could alert subjects to the activities of an investigation;
(c) any details in witness statements, which if released create a grave risk of directly or indirectly identifying a private citizen who volunteers as a witness;
(d) investigative techniques the disclosure of which would prejudice the Commission's future investigative efforts or pose a risk to the public health, safety or welfare; or
(e) the background of any person the disclosure of which would constitute an unwarranted invasion of personal privacy.

Confidential Records means any electronic or written record required to be kept confidential or protected from disclosure by law which includes, but is not limited to, Confidential Application Materials, Confidential Social Equity Application Materials, Confidential Investigatory Materials, and Protected Patient Records (as defined in 935 CMR 501.002: Protected Patient Records).

Confidential Social Equity Application Materials means any electronic or written document, communication or other record pertaining to an application for the Social Equity Program that is required to be confidential or protected from disclosure by law which includes, but is not limited to, CORI as defined by 803 CMR 2.02: *Definitions*, or CHRI as defined in 803 CMR 7.02: *Definitions*.

Consumer means a person who is 21 years of age or older.

Court Appointee shall mean a person or entity appointed by a court of competent jurisdiction to exercise court oversight with respect to the property, assets, management, or operations of a Licensee or Person or Entity Having Direct or Indirect Control over a Licensee including, without limitation, a receiver, custodian, guardian, trustee, and executor or administrator of estate. This could include a person or entity preapproved or recommended by the Commission or its delegee appointed by the court.

Court Supervised Proceeding shall mean a proceeding where a court of competent jurisdiction supervises the property, assets, management, or operations of a Licensee or Person or Entity

Having Direct or Indirect Control over a Licensee through a Court Appointee.

Craft Marijuana Cooperative means a Marijuana Cultivator comprised of residents of the Commonwealth and organized as a limited liability company, limited liability partnership, or cooperative corporation under the laws of the Commonwealth. A cooperative is licensed to cultivate, obtain, Manufacture, Process, package, brand and Transfer Marijuana or Marijuana Products to Marijuana Establishments, but not to Consumers.

Criminal Offender Record Information (CORI) shall have the same meaning as defined by 803 CMR 2.02: *Definitions*.

Cultivation Batch means a collection of Cannabis or Marijuana plants from the same seed or plant stock that are cultivated and harvested together, and receive an identical Propagation and cultivation treatment including, but not limited to: growing media, ambient conditions, watering and light regimes and agricultural or hydroponic inputs. Clones that come from the same plant are one batch. The Licensee shall assign and record a unique, sequential alphanumeric identifier to each Cultivation Batch for the purposes of production tracking, product labeling and product recalls.

Debilitating means causing weakness, cachexia, wasting syndrome, intractable pain, or nausea, or impairing strength or ability, and progressing to such an extent that one or more of a patient's major life activities is substantially limited.

Debilitating Medical Condition means cancer, glaucoma, positive status for human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), hepatitis C, amyotrophic lateral sclerosis (ALS), Crohn's disease, Parkinson's disease, and multiple sclerosis (MS), when such diseases are debilitating, and other debilitating conditions as determined in writing by a Qualifying Patient's healthcare provider.

Delivery Agreement means a contract between a licensed Marijuana Establishment and a Delivery Licensee or Marijuana Establishment with a Delivery Endorsement to deliver Marijuana or Marijuana Products from the Marijuana Establishment directly to Consumers and as permitted, Marijuana Couriers to Patients and Caregivers, under the provisions of a Delivery License.

Delivery Endorsement means authorization granted to Licensees in categories of Marijuana Establishments identified by the Commission to perform deliveries directly from the establishment to Consumers.

Delivery Items means Finished Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods.

Delivery Licensee means an entity that is authorized to deliver Marijuana and Marijuana Products directly to Consumers and as permitted, Marijuana Couriers to Patients and Caregivers.

Department of Agricultural Resources (MDAR) means the Massachusetts Department of Agricultural Resources, unless otherwise specified. MDAR has jurisdiction over Hemp and Pesticides.

Department of Criminal Justice Information Services (DCJIS) means the Massachusetts Department of Criminal Justice Information Services, unless otherwise specified. DCJIS shall have the same meaning as defined in 803 CMR 2.02: *Definitions*.

Department of Public Health (DPH) means the Massachusetts Department of Public Health, unless otherwise specified. DPH is the agency that administered the Medical Use of Marijuana Program prior to 2019.

Department of Revenue (DOR) means the Massachusetts Department of Revenue, unless otherwise specified.

Department of Unemployment Assistance (DUA) means the Massachusetts Department of Unemployment Assistance, unless otherwise specified.

Diversion means the unauthorized or intentional removal of Marijuana or Marijuana Products from the Cannabis Control Commission's regulated market.

Duress Alarm means a silent security alarm signal generated by the entry of a designated code into an Arming Station that signals an alarm user is under duress and turns off the system.

Economic Empowerment Priority Applicant means an applicant who as an entity or through an individual certified by the Commission in 2018, meets and continues to meet three or more of the following six criteria, at least one of which shall be a majority-equity-ownership criterion:

(a) Majority Equity Ownership Criteria:

1. A majority (more than 50%) of ownership belongs to people who have lived for five of the preceding ten years in an Area of Disproportionate Impact, as determined by the Commission.
2. A majority (more than 50%) of ownership has held one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities.
3. A majority (more than 50%) of the ownership is made up of individuals from Black, African American, Hispanic or Latino descent.

(b) Additional Criteria:

1. At least 51% of current employees or subcontractors reside in Areas of Disproportionate Impact and by the first day of business, the ratio will meet or exceed 75%.
2. At least 51% of employees or subcontractors have drug-related CORI and are otherwise legally employable in Cannabis enterprises.
3. Other significant articulable demonstration of past experience in, or business practices that promote, economic empowerment in Areas of Disproportionate Impact.

This applicant has priority for the purposes of the review of its license application.

Edibles means a Marijuana Product that is to be consumed by humans by eating or drinking. These products, when created or sold by a Marijuana Establishment or an MTC, shall not be considered a food or a drug as defined in M.G.L. c. 94, § 1.

Electronic Certification means a document signed or executed electronically by a Certifying Healthcare Provider, stating that in the healthcare professional's professional opinion, the potential benefits of the medical use of Marijuana would likely outweigh the health risks for the Qualifying Patient. Such certification shall be made only in the course of a *Bona Fide* Healthcare Provider Patient Relationship and shall specify the Qualifying Patient's Debilitating Medical Condition. Electronic Certifications, on submission by a Certifying Healthcare Provider to the Commission, shall automatically generate a temporary registration.

Enclosed Area means an indoor or outdoor area equipped with locks or other security devices, which is accessible only to Qualifying Patients, MTC Agents, Registered Qualifying Patients, or Caregivers.

Equity Holder means a person or entity that holds, or may hold as a result of one or more of the following including, without limitation, vesting, conversion, exercising an option, a right of first refusal, or any agreement that would trigger an automatic transfer of or conversion to equity, any amount of equity in a Marijuana Establishment or an MTC.

Executive means members of the board of directors, executive officers, executive director, manager, or their equivalent, of a Marijuana Establishment, MTC, or Independent Testing Laboratory.

Executive Office of Energy and Environmental Affairs (EOEEA) means the Massachusetts Executive Office of Energy and Environmental Affairs, unless otherwise specified.

Existing Licensee Transporter means an entity that is otherwise licensed by the Commission and also licensed to purchase, obtain, and possess Marijuana or Marijuana Products solely for the purpose of transporting, temporary storage, sale and distribution on behalf of other Marijuana Establishments or MTCs to other establishments, but not to Consumers.

Expedited Applicant means an applicant for a Marijuana Microbusiness, Marijuana Craft Cooperative, Independent Testing Laboratory, or Outdoor Marijuana Cultivator license; a Social Equity Participant; a minority, woman, and/or veteran-owned business; eligible for expedited review prior to other General Applicants.

Fingerprint-based Background Check Trust Fund means a fund established under M.G.L. c. 29, § 2HHH, in which fees for fingerprint background checks are deposited.

Finished Marijuana means Usable Marijuana, Cannabis resin or Cannabis concentrate.

Finished Marijuana Product means a Marijuana Product that is completely manufactured and ready for retail sale and shall include Finished Marijuana that has been separated into individual packages or containers for sale.

Flowering means the gametophytic or reproductive state of Cannabis or Marijuana in which the plant produces flowers, trichomes, and Cannabinoids characteristic of Marijuana.

Food and Drug Administration (FDA) means the United States Food and Drug Administration.

General Applicant means an applicant that has not been certified as an Economic Empowerment Priority Applicant or an MTC Priority Applicant; and is not eligible to be an Expedited Applicant.

Greenhouse means a structure or thermally isolated Enclosed Area of a building that maintains a specialized sunlit environment used for and essential to the cultivation, protection or maintenance of plants.

Gross Annual Sales means the total revenue generated by a ME or MTC under an individual license pertaining to the sale of Marijuana, Marijuana Products, Marijuana Accessories and Marijuana Establishment or MTC Branded Goods or the provision of services used by the Commission to calculate limits under M.G.L. c. 94G, § 3 (d)(2)(i) regarding the Community Impact Fee amount properly due and payable to a Host Community.

Hardship Cultivation Registration means a registration issued to a Registered Qualifying Patient under the requirements of 935 CMR 501.027.

Healthcare Clinician or Provider means a Certifying Physician, Certifying Certified Nurse Practitioner or Certifying Physician Assistant qualified under 935 CMR 501.000 to issue Written Certifications for the medical-use of Marijuana.

Hemp means the plant of the genus Cannabis or any part of the plant, whether growing or not, with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3% on a dry weight basis of any part of the plant of the genus Cannabis, or per volume or weight of Marijuana Product, or the combined percent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus Cannabis, regardless of moisture content. MDAR has jurisdiction over Hemp.

Holdup Alarm means a silent alarm signal generated by the manual activation of a device that signals a robbery in progress.

Horticultural Lighting Equipment (HLE) means any lighting equipment (*e.g.*, fixtures, bulbs, ballasts, controls, *etc*.) that uses energy for the cultivation of plants, at any stage of growth (*e.g.*, germination, cloning/Mother Plants, Propagation, Vegetation, Flowering, and harvest).

Horticulture Lighting Square Footage (HLSF) means an area to be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain plants at any point in time, at any stage of growth, including all of the space(s) within the boundaries, HLSF may be noncontiguous, but each unique area included in the total HLSF calculations shall be separated by an identifiable boundary which includes, but is not limited to: interior walls, shelves, Greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If plants are being cultivated using a shelving system, the surface area of each level shall be included in the total HLSF calculation.

Hospitality On-Site Consumption means a type of license within the Social Consumption Establishment license classes where an eligible applicant or licensee may establish a new business or operate within a Non-Cannabis Entity to sell Marijuana or Marijuana Products to Consumers for consumption within the Social Consumption Establishment's Premises and in designated Consumption Areas.

Host Community means a municipality in which a Marijuana Establishment, MTC or Independent Testing Laboratory is located or in which a License Applicant has proposed locating an establishment.

Host Community Agreement (HCA) means an agreement entered into and executed between a Host Community and a License Applicant or between a Host Community and a Marijuana Establishment or MTC pursuant to M.G.L. c. 94G, § 3(d).

Host Community Agreement (HCA) Waiver means a written statement executed by a Host Community and a License Applicant, or by a Host Community and a Marijuana Establishment or an MTC, which expresses the parties' mutual intent to waive the regulatory requirement to have a Host Community Agreement.

Immature Plant means a rooted plant in the Vegetation stage of development that is no taller than eight inches, no wider than eight inches, and is in a growing/cultivating container.

Immediate Family Member means a spouse, parent, child, grandparent, grandchild, or sibling, including in-laws.

Impassible Barrier means, for the purposes of determining the 500 feet buffer zone, a highway, public or private way or path, inaccessible structure, body of water, or other obstruction that renders any part of the 500-foot straight-line distance between an MTC Entrance and a School Entrance inaccessible by a pedestrian or automobile.

Independent Testing Laboratory means a laboratory that is licensed or registered by the Commission and is:

(a) Currently and validly licensed under 935 CMR 500.101: *Application Requirements*, or formerly and validly registered by the Commission;

(b) Accredited to ISO 17025:2017 or the International Organization for Standardization 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission;

(c) Independent financially from any MTC, Marijuana Establishment or Licensee; and

(d) Qualified to test Marijuana and Marijuana Products, including MIPs, in compliance with M.G.L. c. 94C, § 34; M.G.L c. 94G, § 15; 935 CMR 500.000: *Adult Use of Marijuana*; 935 CMR 501.000; and Commission protocol(s).

Individual Order means a delineated amount of Finished Marijuana Products to be delivered by a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement to an individual Consumer and as permitted, a Marijuana Courier to a Patient or Caregiver, and not to exceed the individual possession amount limits as determined by statute.

Inducement means money or any other thing of substantial value intended to persuade or influence a person or entity to take an action or refrain from taking an action.

Informed Consent means the consent obtained by a Research Licensee from potential participants in a research project that explains to potential participants the risks and potential benefits of a study, and the rights and responsibilities of the parties involved.

Informed Consent Form means the document provided to potential participants in a research project that explains to potential participants the risks and potential benefits of a study, and the rights and responsibilities of the parties involved.

Institutional Caregiver means an employee of a hospice program, long-term care facility, or hospital providing care to a Registered Qualifying Patient on the Premises of a long-term care facility, hospital or through a hospice program.

Institutional Review Board means a specifically constituted administrative body established or designated by a Marijuana Research Facility Licensee to review and oversee the design and methods of a research project and, where human or animal subject are a component of the research, to protect the rights and welfare of persons recruited to participate in research.

Inversion means the unauthorized insertion of Marijuana or Marijuana Products cultivated or produced by an individual or entity not licensed by the Cannabis Control Commission into the regulated market.

Known Allergen means milk, egg, fish, crustacean shellfish, tree nuts, wheat, peanuts, and soybeans, or such other allergen identified by the U.S. Food and Drug Administration (FDA).

Laboratory Agent means an employee of an Independent Testing Laboratory who transports, possesses or tests medical-use Marijuana or MIPs in compliance with 935 CMR 501.000. For the purposes of testing for the medical-use program, a Laboratory Agent may register under 935 CMR 501.029 or 935 CMR 500.029: *Registration and Conduct of Laboratory Agents*.

Law Enforcement Authorities means local law enforcement including, but not limited to, the local police and fire departments within the municipality where the Licensee is sited, unless otherwise indicated.

License means the certificate issued by the Commission that confirms that an MTC or Independent Testing Laboratory has met all applicable requirements pursuant to St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94I, and 935 CMR 501.000. An MTC or Independent Testing Laboratory may hold a provisional or final License.

License Applicant means a person or entity pursuing a license to operate a Marijuana Establishment or MTC who has submitted or intends to submit a license application to the Commission. A License Applicant may also be considered a prospective Marijuana Establishment.

Licensee means a person or entity on the application and licensed by the Commission to operate an MTC or Independent Testing Laboratory under St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94I, and 935 CMR 501.000. Any person or entity that solely provides initial capital to establish or operate the establishment and to whom, in return for the initial capital, requires only repayment of the loan and does not have any ownership or direct or indirect authority to control the MTC or Independent Testing Laboratory, will not be a Licensee.

Life Limiting Illness means a Debilitating Medical Condition that does not respond to curative treatments, where reasonable estimates of prognosis suggest death may occur within two years.

Lighting Power Density (HLPD) means a measure of total watts of Horticultural Lighting Equipment per total Horticulture Lighting Square Footage, (HLE/HLSF = HLPD) expressed as number of watts per square foot.

Limitation on Sales means a limitation on the sales of Marijuana, Marijuana Products, or MIPs by a Licensee or Registrant arising from the regulations and until substantial compliance by a Licensee or Registrant with a law, regulation, guidance or other requirement for licensure or registration.

Limited Access Area means an indoor or outdoor area on the Premises of an MTC where Marijuana or MIPs, or their byproducts are cultivated, stored, weighed, packaged, Processed, or disposed, under the control of an MTC, with access limited to only to those MTC Agents and Laboratory Agents designated by the MTC after receipt of a Final License.

Local Approval Process means the steps required by a Host Community in order for a License Applicant to operate as an ME or MTC in the Host Community, including, but not limited to, zoning, all associated fees, deadlines, and meeting schedules for local bodies involved in such processes.

Local Authorities means local municipal authorities unless otherwise indicated.

Manufacture means to compound, blend, extract, infuse or otherwise make or prepare a Marijuana Product.

Marijuana (or Cannabis) means all parts of any plant of the genus Cannabis, not excepted in 935 CMR 501.002: Marijuana (a) through (c) and whether growing or not; the seeds thereof; and resin extracted from any part of the plant; Clones of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin, including tetrahydrocannabinol as defined in M.G.L. c. 94G, § 1; provided that Cannabis shall not include:

(a) The mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil, or cake made from the seeds of the plant or the sterilized seed of the plant that is incapable of germination;
(b) Hemp; or
(c) The weight of any other ingredient combined with Cannabis or Marijuana to prepare topical or oral administrations, food, drink or other products.

Marijuana Accessories (or Cannabis Accessories) means equipment, products, devices or materials of any kind that are intended or designed for use in planting, Propagating, cultivating, growing, harvesting, Manufacturing, compounding, converting, producing, Processing, preparing, testing, analyzing, packaging, Repackaging, storing, containing, ingesting, inhaling or otherwise introducing Cannabis or Marijuana into the human body.

Marijuana Courier means an entity licensed to deliver Finished Marijuana Products, Marijuana Accessories and Branded Goods directly to Consumers from a Marijuana Retailer, or directly to Registered Qualifying Patients or Caregivers from an MTC, but is not authorized to sell Marijuana or Marijuana Products directly to Consumers, Registered Qualifying Patients or Caregivers and is not authorized to Wholesale, Warehouse, Process, Repackage, or White Label. A Marijuana Courier is an additional license type under M.G.L. c. 94G, § 4(b)(1) that allows for limited delivery of Marijuana or Marijuana Products to Consumers; and shall not be considered to be a Marijuana Retailer under 935 CMR 500.002: *Definitions* or 935 CMR 500.050: *Marijuana Establishments* and shall be subject to 935 CMR 500.050(1)(b): *Control Limitations*.

Marijuana Cultivator means an entity licensed to cultivate, Process and package Marijuana, and to Transfer Marijuana to other Marijuana Establishments, but not to Consumers. A Craft Marijuana Cooperative is a type of Marijuana Cultivator.

Marijuana Establishment (ME) means a Marijuana Cultivator (Indoor or Outdoor), Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Microbusiness, Independent Testing Laboratory, Standards Laboratory, Marijuana Retailer, Marijuana Transporter, Delivery Licensee, Marijuana Research Facility Licensee (as defined in 935 CMR 501.002: Marijuana Research Facility Licensee), Social Consumption Establishment (as defined in 935 CMR 501.002: Social Consumption Establishment), or any other type of licensed Marijuana-related business, except a Medical Marijuana Treatment Center (MTC).

Marijuana Establishment Agent means any Owner, employee, Executive, or volunteer of a Marijuana Establishment, who shall be 21 years of age or older. Employee includes a consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of Marijuana.

Marijuana Event Organizer means a type of license within the Social Consumption Establishment license classes where an eligible applicant or licensee may coordinate Temporary Consumption Events by submitting an Event Plan for approval by the Commission.

Marijuana-infused Product (MIP) means a Marijuana Product infused with Marijuana that is intended for use or consumption including, but not limited to, Edibles, ointments, aerosols, oils, and Tinctures. A Marijuana-infused Product (MIP), when created or sold by a Marijuana Establishment or an MTC, shall not be considered a food or a drug as defined in M.G.L. c. 94, § 1. MIPs are a type of Marijuana Product.

Marijuana Products (or Cannabis Products) means Marijuana and its products, unless otherwise indicated Marijuana Products includes products that have been Manufactured and contain Cannabis, Marijuana or an extract from Cannabis or Marijuana, including concentrated forms of Marijuana and products composed of Marijuana and other ingredients that are intended for use or consumption, including Edibles, Beverages, topical products, ointments, oils and Tinctures. Marijuana Products include Marijuana-infused Products (MIPs) defined in 935 CMR 501.002: Marijuana-infused Products.

Marijuana Product Manufacturer means an entity licensed to obtain, Manufacture, Process and package Marijuana or Marijuana Products and to Transfer these products to other Marijuana Establishments, but not to Consumers.

Marijuana Regulation Fund means the fund established under M.G.L. c. 94G, § 14, in which fees, fines, and other monies collected by the Commission are deposited, except for fees collected by the Commission on behalf of other state agencies.

Marijuana Research Facility means the Premises at which a Marijuana Research Facility Licensee is approved to conduct research.

Marijuana Research Facility Licensee or Research Licensee means an academic institution, nonprofit corporation or domestic corporation or entity authorized to do business in the Commonwealth, including a licensed Marijuana Establishment or MTC, that is licensed to conduct research.

Marijuana Retailer means an entity licensed to purchase, Repackage, White Label, and transport and Transfer Marijuana or Marijuana Products to and from Marijuana Establishments and to sell to Consumers. Unless licensed, retailers are prohibited from offering Marijuana or Marijuana Products for the purposes of on-site social consumption on the Premises of a Marijuana Establishment.

Marijuana Transporter means an entity that is licensed to possess Marijuana Products solely for the purpose of transporting, temporary storage, sale and distribution to Marijuana Establishments or MTCs, but not to Consumers. Marijuana Transporters may be an Existing Licensee Transporter or Third-party Transporter.

Marijuana Vaporizer Device means a product containing concentrated marijuana oil that is converted into inhalable marijuana aerosolized vapors.

Massachusetts Resident means a person whose primary Residence is in Massachusetts.

Medical Marijuana Treatment Center (MTC), formerly known as a Registered Marijuana Dispensary (RMD)), means an entity licensed under 935 CMR 501.101 that acquires, cultivates, possesses, Processes (including development of related products such as Edibles, MIPs, Tinctures, aerosols, oils, or ointments), Repackages, transports, sells, distributes, delivers, dispenses, or administers Marijuana, products containing Marijuana, related supplies, or educational materials to Registered Qualifying Patients or their Personal Caregivers for medical use. Unless otherwise specified, MTC refers to the site(s) of dispensing, cultivation, and preparation of Marijuana for medical use.

Medical-use Marijuana (or Medical-use Cannabis) means Marijuana that is cultivated, Processed, Transferred, tested or sold in compliance with M.G.L. c. 94I, and 935 CMR 501.000.

Medical-use Marijuana or Marijuana Products means Marijuana Products that are Manufactured, Transferred, tested or sold in compliance with M.G.L. c. 94I, and 935 CMR 501.000.

Member means a member of a nonprofit entity incorporated pursuant to M.G.L. c. 180.

Microbusiness means an entity that can be either a Tier 1 Marijuana Cultivator or Marijuana Product Manufacturer or both, in compliance with the operating procedures for each License type as applicable and, if in receipt of a Delivery Endorsement issued by the Commission, may deliver Marijuana or Marijuana Products produced at the licensed location directly to

Consumers in compliance with established regulatory requirements for retail sale as it relates to delivery.

Model Host Community Agreement means a template published by the Commission to illustrate a compliant Host Community Agreement. Host Community Agreements that conform to the model Host Community Agreement are presumed compliant and must be executed by the parties.

Mother Plant means a marijuana plant that is grown or maintained for the purpose of generating Clones, and that will not be used to produce plant material for sale to another Marijuana Establishment or Medical Marijuana Treatment Center.

MTC Agent means any Owner, employee, Executive, or volunteer of an MTC, who shall be 21 years of age or older. Employee includes a consultant or contractor who provides on-site services to an MTC related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of Marijuana or Marijuana Products for medical purposes.

MTC Branded Good or Branded Good means a merchandise item offered for sale by an MTC, and identifiable as being of a particular MTC, distinct from those of other entities, by having the MTC's Brand Name. An MTC Branded Good does not include Marijuana, Marijuana Products, or Marijuana Accessories. It may include apparel, water bottles or other similar non-Edible merchandise.

MTC Entrance means the entrance or entrances that provides ingress and egress to Consumers, Registered Qualifying Patients and Caregivers, to the MTC.

MTC Priority Applicant means a Medical Marijuana Treatment Center (MTC) (previously, Registered Marijuana Dispensary (RMD)) certified by the Commission as an MTC Priority Applicant in 2018 upon demonstrating that it had at least a provisional Certification of Registration prior to April 1, 2018. This applicant has priority for the purposes of the review of its license application.

Mycotoxin means a secondary metabolite of a microfungus that is capable of causing death or illness in humans and other animals. For purposes of 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000, Mycotoxin shall include aflatoxin B1, aflatoxin B2, aflatoxin G1, aflatoxin G2, and ochratoxin A.

Non-Cannabis Entity means an entity not licensed by the Commission who may house a Hospitality On-Site Consumption Licensee, or host a Temporary Consumption Event for a Marijuana Event Organizer Licensee.

Order to Show Cause means an order issued by the Commission or a Commission Delegee on a determination that there are grounds to suspend or revoke a License or registration.

Other Jurisdiction means the United States, another state, or foreign jurisdiction, or a military, territorial or Native American tribal authority.

Outdoor Cultivation shall mean the cultivation of mature Cannabis without the use of artificial lighting in the Canopy area at any point in time. Artificial lighting is permissible only to maintain Immature or Vegetative Mother Plants.

Owner means any Equity Holder that possesses 10% equity or more in a Marijuana Establishment, MTC or Independent Testing Laboratory.

Panic Alarm means an audible security alarm signal generated by the manual activation of a device that signals a life threatening or emergency situation and calls for a law enforcement response.

Paraphernalia means "drug paraphernalia" as defined in M.G.L. c. 94C, § 1.

Patient Registration Card means a temporary or an annual Registration Card currently and validly issued by the Commission to a Registered Qualifying Patient. The Patient Registration Card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities, of those individuals who

are exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94I, and 935 CMR 501.000 through Commission-supported databases. A Temporary Patient Registration issued to a Qualifying Patient shall be deemed a Registration Card.

Person means an individual or entity under the laws of the Commonwealth.

Person or Entity Having Direct Control means any person or entity having direct control over the operations of an MTC, which satisfies one or more of the following criteria:

(a) An Owner that possesses a financial interest in the form of equity of 10% or greater in an MTC;

(b) A Person or Entity that possesses a voting interest of 10% or greater in an MTC or a right to veto significant events;

(c) A Close Associate;

(d) A Person or Entity that has the right to control, or authority through contract, or otherwise including, but not limited to:

1. To make decisions regarding operations and strategic planning, capital allocations, acquisitions and divestments;
2. To appoint more than 50% of the directors or their equivalent;
3. To appoint or remove Corporate-level officers or their equivalent;
4. To make major marketing, production, and financial decisions;
6. To earn 10% or more of the profits or collect more than 10% of the dividends.
5. To execute significant (in aggregate of $10,000 or greater) or exclusive contracts; or

(e) A Court Appointee or assignee pursuant to an agreement for a general assignment or Assignment for the Benefit of Creditors; or

(f) A Third-party Technology Platform Provider that possesses any financial interest in a Delivery Licensee including, but not limited to, a Delivery Agreement or other agreement for services.

Person or Entity Having Indirect Control means any person or entity having indirect control over operations of MTC. It specifically includes any Person or Entity Having Direct Control over a holding or parent company of the applicant, the chief executive officer and executive director of those companies, or any person or entity in a position to control the decision-making of MTC indirectly. A Hospitality On-site Consumption Licensee may contract with a Non-Cannabis Entity to operate within the Non-Cannabis Entity and the Non-Cannabis Entity shall not be considered a Person or Entity Having Indirect Control by virtue of this relationship alone. A Marijuana Event Organizer Licensee may contract with a Non-Cannabis Entity to operate within the Non-Cannabis Entity's physical space and the Non-Cannabis Entity shall not be considered a Person or Entity Having Indirect Control by virtue of this relationship alone.

Personal Caregiver means a person, registered by the Commission, who shall be 21 years of age or older, who has agreed to assist with a Registered Qualifying Patient's medical use of Marijuana, and is not the Registered Qualifying Patient's Certifying Healthcare Provider. A visiting nurse, personal care attendant, or home health aide providing care to a Registered Qualifying Patient may serve as a Personal Caregiver, including as a second Personal Caregiver to patients younger than 18 years old.

Personal Caregiver Registration Card means a temporary or an annual Registration Card currently and validly issued by the Commission to a Personal Caregiver. The Registration Card allows access into Commission supported databases. The Registration Card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities of those individuals who are exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94I, and 935 CMR 501.000. A temporary registration issued to a Personal Caregiver shall be deemed a Registration Card.

Pesticide means a substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, and any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant; provided that Pesticide shall not include any article that is a "new animal drug" within the meaning of § 201(v) of the Federal Food, Drug and Cosmetic Act (21 U.S.C. § 321(v)), or that has been determined by the Secretary of the United States Department of Health and Human Services not to be a new animal drug by a regulation establishing conditions of use for the article, or that is an "animal feed" within the meaning of § 201(w) of such act (21 U.S.C. § 32(w)).

Preapproved Court Appointee means a person or entity preapproved by the Commission pursuant to 935 CMR 500.104(3)(c) to serve as a Court Appointee over a Licensee or its delegee which may be recommended to a court of competent jurisdiction.

Pre-certification Application means an application reviewed by the Commission for pre-certification prior to provisional licensure. The Pre-certification Application may be available in a form and manner determined by the Commission.

Pre-verification means the process of an MTC examining the identification presented by an individual Registered Qualifying Patient to confirm that the identification is valid and matches the individual presenting it and collecting the information required by 935 CMR 501.000 prior to that Registered Qualifying Patient being able to receive deliveries of Marijuana or Marijuana Products to the Registered Qualifying Patient or Caregiver's Residence.

Pre-verification or Verification of Eligibility as a Social Equity Business means the process through which the Commission confirms whether an applicant is a Social Equity Business.

Premises means any indoor or outdoor location over which an MTC or Independent Testing Laboratory or its agents may lawfully exert substantial supervision or control over entry or access to the property or the conduct of persons.

Priority Applicant means an MTC Priority Applicant (formerly a Registered Marijuana Dispensary or RMD Priority Applicant) or an Economic Empowerment Priority Applicant.

Principal Place of Business means the primary location where a Licensee manages its licensed operations.

Process or Processing means to harvest, dry, cure, trim and separate parts of the Cannabis or Marijuana plant by manual or mechanical means, except it shall not include Manufacture as defined in 935 CMR 501.002: Manufacture.

Product Database means a Commission-operated technology platform displaying information about Marijuana Products produced by licensed Marijuana Product Manufacturers and sold by a licensed Marijuana Retailer or Delivery Operator pursuant to 935 CMR 500.000: *Adult Use of Marijuana* or an MTC pursuant to 935 CMR 501.000.

Production Area means a Limited Access Area within the MTC where Cannabis or Marijuana is handled or produced in preparation for sale.

Production Batch means a batch of finished plant material, Cannabis resin, Cannabis concentrate, or Marijuana-infused Product made at the same time, using the same methods, equipment and ingredients. The Licensee shall assign and record a unique, sequential alphanumeric identifier to each Production Batch for the purposes of production tracking, product labeling and product recalls. All Production Batches shall be traceable to one or more Cannabis or Marijuana Cultivation Batches.

Program Transfer means the transfer of the medical use of Marijuana program pursuant to St. 2017, c. 55, §§ 64 through 71, and 82, and M.G.L. c. 94I.

Propagation means the reproduction of Cannabis or Marijuana plants by seeds, cuttings, or grafting.

Protected Patient Records means any document, record or electronic or written communication related to their care provided by a medical-use Marijuana Licensee or establishment or by a Certifying Healthcare Provider that is required to be confidential or protected from disclosure by law.

Provisional Medical Marijuana Treatment Center License means a License issued by the Commission confirming that an MTC has completed the application process and satisfied the qualifications for initial licensure.

Qualifying Patient means:

(a) a Massachusetts Resident or a non-Massachusetts Resident receiving end-of-life or palliative care or cancer treatment in Massachusetts as determined by a Certifying Healthcare Provider, who is 18 years of age or older who has been diagnosed by a Certifying Healthcare Provider as having a Debilitating Medical Condition; or
(b) a Massachusetts Resident, or a non-Massachusetts Resident receiving end-of-life or palliative care or cancer treatment in Massachusetts as determined by a Certifying Healthcare Provider, who is younger than 18 years old who has been diagnosed by two Massachusetts licensed Certifying Physicians, at least one of whom is a board-certified pediatrician, pediatric subspecialist, oncologist, neurologist, or family physician as having a Debilitating Medical Condition that is also a Life-limiting Illness, subject to 935 CMR 501.010(10).

Quality Control Sample means a sample of Marijuana or Marijuana Product developed by a Marijuana Cultivator, a Marijuana Product Manufacturer, a Microbusiness, or a Craft Marijuana Cooperative that is provided internally to employees for purposes of ensuring product quality and making determinations about whether to sell the Marijuana or Marijuana Product.

Quarantine Order means an order to quarantine or otherwise restrict the sales or use of Marijuana, Marijuana Products, or MIPs by a Licensee or Registrant to protect the public health, safety, or welfare.

Reasonably Related means a demonstrable nexus between the actual operations of an ME or MTC and an enhanced need for a Host Community's goods or services in order to offset the impact of operations. Fees customarily imposed on other non-marijuana businesses operating in a Host Community shall not be considered Reasonably Related.

Registered Qualifying Patient or Patient means a Qualifying Patient who is currently and validly issued a temporary or an annual Registration Card by the Commission.

Registrant means the holder of a Registration Card currently and validly registered with the Commission.

Registration Card means an identification card currently and validly issued by the Commission, to a Registered Qualifying Patient, Personal Caregiver, Institutional Caregiver, MTC or Laboratory Agent. The Registration Card allows access into Commission supported databases. The Registration Card facilitates verification of an individual Registrant's status including, but not limited to, the identification by the Commission and Law Enforcement Authorities of those individuals who are exempt from Massachusetts criminal and civil penalties under St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94I, and 935 CMR 501.000.

Removal of Product means an order issued against an MTC to remove and prohibit sales of categories of products, product types, specific product types or specific brands of products after notice and on a determination that the Marijuana or Marijuana Product poses a substantial risk to the public health, safety or welfare including, but not limited to, when the product is especially appealing to persons younger than 21 years old.

Repackage means to uniformly wrap or seal Marijuana that has already been wrapped or sealed, into a ready-made product for retail sale, without combining, infusing, or changing the chemical composition of the Marijuana.

Research Permit means a certificate indicating Commission approval to conduct a specified research project over a specified and finite period. To the extent that a Research Licensee is subject to other IRB, institutional, industry, or professional standards, they shall demonstrate compliance with those standards.

Residence means a house, condominium or apartment, and excludes, unless otherwise authorized by law, dormitories or other on-campus college or university housing; bed-and-breakfast establishments, hotels, motels or other commercial hospitality operations; and federal public housing identified at https://resources.hud.gov/, shelters or residential programs.

Residual Solvent means a volatile organic chemical used in the Manufacture of a Marijuana Product that is not completely removed by practical manufacturing techniques.

Responsible Vendor means an MTC that the Commission has determined to have completed the initial training requirements and has maintained its training requirement under 935 CMR 501.105(2).

Responsible Vendor Trainer means an independent business entity certified by the Commission to provide Responsible Vendor Training Program courses. No owner, manager, or employee of a Responsible Vendor Trainer may be a Person or Entity Having Direct or Indirect Control of an MTC.

Responsible Vendor Training (RVT) Program means a mandatory program that provides training courses taught by a Responsible Vendor Trainer for MTC Agents in order to satisfy the minimum training hours required under 935 CMR 501.105(2).

School Entrance means the entrance(s) that provide ingress and egress to students of the pre-existing public or private or private school providing education in kindergarten or any grades 1 through 12 at the time of the newspaper publication of the proposed MTC's community outreach meeting under 935 CMR 501.101(1)(a)9.a.

SDO means the Supplier Diversity Office of the Massachusetts Operational Services Division (OSD).

Second Confirmatory Test means a second full panel of tests performed for reanalysis of a sample of Marijuana or Marijuana Products that failed an initial test for contaminants.

Seed-to-sale Electronic Tracking System means a system designated by the Commission as the system of record (Seed-to-sale SOR) or a secondary electronic tracking system used by a Marijuana Establishment or an MTC or an Independent Testing Laboratory. This system shall capture everything that happens to an individual Marijuana plant, from seed and cultivation, through growth, harvest and Manufacture of Marijuana Products and MIPs, including transportation, if any, to final sale of finished products. Seed-to-sale Electronic Tracking System shall utilize a unique-plant identification and unique-batch identification. It will also be able to track agents' and Registrants' involvement with the Marijuana Product. Any secondary system used by the Marijuana Establishment or an MTC or an Independent Testing Laboratory shall integrate with the SOR in a form and manner determined by the Commission.

Seed-to-sale-System of Record (Seed-to-sale SOR) means the electronic tracking system designated and required by the Commission to perform a process.

Shelf-stable means able to be safely stored at room temperature in a sealed container. Shelf-stable does not include food that must have certain Time/Temperature Control for Safety in accordance with 105 CMR 590.000.

Small Business means, for the purposes of 935 CMR 500.005(1)(b), an applicant or Licensee that:

(a) currently employs a combined total of 50 or fewer full-time equivalent employees in all locations or employees work less than a combined total of 2,600 hours per quarter; and
(b) has gross revenues of $5 million or less, as reported to the Massachusetts Department of Revenue the year prior to the date of the Licensee's renewal application or as otherwise demonstrated in a form and manner determined by the Commission.

Social Consumption Establishment means an entity licensed to sell Marijuana or Marijuana Products to Consumers for consumption on its Premises and in a Consumption Area approved by the Commission. A Social Consumption Establishment may be either a Supplemental On-site Consumption, a Hospitality On-site Consumption, or a Marijuana Event Organizer Licensee. Social Consumption Establishments may allow Consumption Areas to be Indoor Non-Smoking, Indoor Smoking, Outdoor Non-Smoking or Outdoor Smoking.

Social Equity Business (SEB) means a Marijuana Establishment comprised of at least 51% (majority) ownership of individuals who are Social Equity Program Participants, or who have been certified as meeting the Commission's criteria for designation as an Economic Empowerment Priority Applicant, or both.

Social Equity Program Participant means an individual who qualified to participate in the Social Equity Program and is designated as a program participant by the Commission.

Substantial Modification means a material change to a term of a contract that a reasonable person would understand alters the relationship between the parties. A Substantial Modification shall include, but is not limited to, shifting responsibility for the performance of a contract term or increasing or decreasing the amount of consideration being paid for performance of the contract above an amount that is *de minimis*.

Summary Suspension means the suspension of any License or registration issued under 935 CMR 501.000 and the cessation of all operations in order to protect the public health, safety and welfare.

Supplemental On-site Consumption means a type of license within the Social Consumption Establishment license classes where an eligible Retailer, Cultivator, Product Manufacturer, Microbusiness, Craft Marijuana Cooperative, Third-party Transporter, Delivery Operator or Courier may sell Marijuana or Marijuana Products to Consumers to consume in a designated Consumption Area within the Marijuana Establishment's Premises.

Temporary Patient Registration means an interim registration document for patients and their Personal Caregivers generated automatically upon the Commission's receipt of a Certifying Healthcare Provider's Electronic Certification. The temporary registration document shall constitute a Registration Card for patients and their Personal Caregivers to access an MTC. Temporary registration shall expire 14 days after the Commission issues the Registration Card or on the issuance and receipt of an annual Registration Card, whichever occurs first.

Third-party Technology Platform Provider means an individual or entity that provides or hosts an internet-based application or group of applications developed for the facilitation of ordering and delivering Finished Marijuana Products, Marijuana Accessories and Branded Goods for sale or delivery by a Marijuana Courier or an MTC to a Registered Qualifying Patient or Caregiver. A proprietary application developed by a Licensee exclusively for that Licensee's use shall not be considered to be a Third-party Technology Platform Provider. A Third-party Technology Platform Provider may not be an investor in a Delivery Licensee.

Tincture means a Cannabis-infused alcohol or oils concentrate administered orally in small amounts using a dropper or measuring spoon. Tinctures are not considered an Edibles under 935 CMR 501.000.

Transfer means the sale of Marijuana or Marijuana Products from a Marijuana Establishment to a separate Marijuana Establishment, Independent Testing Laboratory or MTC (but not to Consumers) subject to entry of the transaction in the Commission's Seed-to-sale SOR.

United States (US) means the United States of America.

Unreasonably Impracticable means that the measures necessary to comply with the regulations, ordinances or bylaws adopted pursuant to St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, 935 CMR 500.000: *Adult Use of Marijuana* or 935 CMR 501.000 subject Licensees to unreasonable risk or require such a high investment of risk, money, time or any other resource or asset that a reasonably prudent businessperson would not operate a Marijuana Establishment.

Usable Marijuana means the fresh or dried leaves and flowers of the female Marijuana plant and any mixture or preparation thereof, including Marijuana, Marijuana Products or MIPs, but does not include the seedlings, seeds, stalks, roots of the plant, or Marijuana rendered unusable in accordance with 935 CMR 501.105(12).

Vault means a secured, limited access storage room within an MTC that is outfitted with adequate security features for the purposes of storing Marijuana or Marijuana Products or cash. A vault must be adequately sized to store inventory that is not being actively handled for purposes of dispensing, packaging, processing or transportation.

Vegetation means the sporophytic state of the Cannabis or Marijuana plant, which is a form of asexual reproduction in plants during which plants do not produce resin or flowers and are

bulking up to a desired production size for Flowering.

Vegetative Plant means a plant in a stage of Vegetation.

Vendor Sample means a sample of Marijuana or Marijuana Product developed by a Marijuana Cultivator or a Marijuana Product Manufacturer licensed under the provisions of 935 CMR 500.000: *Adult Use of Marijuana*, that is provided to a Marijuana Product Manufacturer, a Marijuana Retailer or a Delivery Operator to promote product awareness.

Verified Financial Hardship means that an individual is a recipient of MassHealth, or Supplemental Security Income, or the individual's income does not exceed 300% of the federal poverty level, adjusted for family size.

Veteran means a person who served in the active military, naval, air, or space service of the United States and who was discharged or released under conditions other than dishonorable.

Visitor means an individual, other than an MTC Agent or Laboratory Agent, authorized by the MTC or Independent Testing Laboratory to be on the Premises of an MTC for a purpose related to its operations and consistent with the objectives of M.G.L. c. 94I, and 935 CMR 501.000.

Visitor Identification Badge means a badge issued by an MTC, Marijuana Establishment or the Commission to be used at all times while on the Premises of a Marijuana Establishment or an MTC or Independent Testing Laboratory. These identification badges shall be issued in a form and manner determined by the Commission.

Waiver of Consent means the document signed by potential participants or the legal guardians of potential participants that waives one or more elements of consent.

Written Certification means a form submitted to the Commission by a Massachusetts licensed Certifying Healthcare Provider describing the Qualifying Patient's pertinent symptoms, specifying the patient's Debilitating Medical Condition, and stating that in the physician's professional opinion the potential benefits of the medical use of Marijuana would likely outweigh the health risks for the patient.

14-day Supply means that amount of Marijuana, or equivalent amount of Marijuana in MIPs, that a Registered Qualifying Patient would reasonably be expected to need over a period of 14 calendar days for the Patient's personal medical use, which is 2.5 ounces, subject to 935 CMR 501.010(9), unless otherwise determined by a Certifying Healthcare Provider.

60-day Supply means that amount of Marijuana, or equivalent amount of Marijuana in MIPs, that a Registered Qualifying Patient would reasonably be expected to need over a period of 60 calendar days for his or her personal medical use, which is ten ounces, subject to 935 CMR 501.010(9), unless otherwise determined by a Certifying Healthcare Provider.

501.003: Colocated Marijuana Operations (CMOs)

An MTC may also be licensed to conduct adult-use operations as a Cultivator, Product Manufacturer and Retailer, as defined in 935 CMR 500.002*: Cultivator, Product Manufacturer, and Retailer*. Unless otherwise specified, a CMO shall comply with the requirements of each the adult-use and medical-use license located on the Premises of the CMO.

(1) Each Qualifying Patient is subject to the following nonrefundable fees. If the fee poses a Verified Financial Hardship, the Qualifying Patient may request a waiver of the fee in a form and manner determined by the Commission.

Patients	Fee
Medical Use ID Card Replacement	$10

(2) Each of the individuals and entities identified below is subject to the following nonrefundable fees.

Medical Marijuana Treatment Center (MTC):

MTC Agent Registration, Annual	$500
MTC Application Fee	$3,500
MTC Initial and Annual License Fee	$50,000

Caregiving and Caregiving Institutions:

Registration of Caregiving Institutions	None
Registration of Institutional Caregivers	None

(3) Other Fees (Cost per License).

Change in Name Fee	$1,000
Change in Location Fee	$10,000
Change in Building Structure Fee	$1,000
Change in Ownership or Control Fee (involving at least one entity gaining ownership/control)	$5000 per entity, per License
Change in Ownership or Control Fee (involving individuals, *e.g.*, change of Board Member)	$500 per person
Architectural Review Request Fee	$1,500
Packaging and Labeling Preapproval Application Fee	$50 per product

(4) These fees do not include the costs associated with the Seed-to-sale SOR, which includes a monthly program fee and fees for plant and package tags. These fees do not include the costs associated with criminal background checks as required under 935 CMR 501.000. These fees do not include the costs associated with packaging and label approval.

(5) All persons required to complete a background check pursuant to 935 CMR 501.101(1)(b) shall be responsible for reimbursement and/or payment of fees relating to criminal and background investigations as necessary for the purpose of evaluating Licensees, agents and applicants for licensure in accordance with 935 CMR 501.101(1)(b).

(6) For CMOs, an applicant or Licensee shall pay the applicable fees for each Marijuana Establishment set forth in 935 CMR 500.005: *Fees* and MTC set forth in 935 CMR 501.005.

(7) Preapproved Court Appointees.
(a) Each applicant seeking to be Preapproved Court Appointee shall pay a nonrefundable application fee of $500 with any such application.
(b) A Preapproved Court Appointee seeking to renew its designation shall pay a renewal fee of $400.

501.006: Registration of Certifying Physicians

(1) A physician who wishes to issue a Written Certification for a Qualifying Patient shall have at least one established place of practice that allows the Certifying Physician to conduct a Clinical Visit in Massachusetts and shall hold:
(a) An active full license, with no prescribing restriction, to practice medicine in Massachusetts; and
(b) A Massachusetts Controlled Substances Registration from the DPH.

(2) To register as a Certifying Physician, a physician shall submit, in a form and manner

determined by the Commission, the physician's:

(a) Full name and business address;
(b) License number issued by the Massachusetts Board of Registration in Medicine;
(c) Massachusetts Controlled Substances Registration number;
(d) Resident agent capable of accepting service of process in Massachusetts; and
(e) Any other information required by the Commission.

(3) Once registered by the Commission, a Certifying Physician will retain indefinitely a registration to certify a Debilitating Medical Condition for a Qualifying Patient, unless:

(a) The physician's license to practice medicine in Massachusetts is suspended, revoked, or restricted with regard to prescribing, or the physician has voluntarily agreed not to practice medicine in Massachusetts;
(b) The physician's Massachusetts Controlled Substances Registration is suspended or revoked;
(c) The physician has fraudulently issued a Written Certification of a Debilitating Medical Condition;
(d) The physician has certified a Qualifying Patient for a Debilitating Medical Condition without appropriate completion of continuing professional development credits pursuant to 935 CMR 501.010(1); or
(e) The physician surrenders his or her registration.

(4) After registering, a Certifying Physician is responsible for notifying the Commission, in a form and manner determined by the Commission, within five business days after any changes to the physician's information.

501.007: Registration of Certifying Certified Nurse Practitioners

(1) A Certifying CNP who wishes to issue a Written Certification for a Qualifying Patient shall have at least one established place of practice that allows the Certifying CNP to conduct a Clinical Visit in Massachusetts and shall hold:

(a) An active full license, with no prescribing restriction, to practice nursing in Massachusetts;
(b) A board authorization by the Massachusetts Board of Registration in Nursing to practice as a CNP; and
(c) A Massachusetts Controlled Substances Registration from the DPH.

(2) To register as a Certifying CNP, a CNP shall submit, in a form and manner determined by the Commission, the Certifying CNP's:

(a) Full name and business address;
(b) License number issued by the Massachusetts Board of Registration in Nursing;
(c) Board Authorization by the Massachusetts Board of Registration in Nursing;
(d) Massachusetts Controlled Substances Registration number;

(e) An attestation by the supervising physician for the CNP that the CNP is certifying patients for medical use of Marijuana pursuant to the mutually agreed upon guidelines between the CNP and physician supervising the CNP's prescriptive practice or an attestation by the CNP and supporting documentation that demonstrates the CNP complies with independent prescriptive practice requirements pursuant to 244 CMR 4.07: *Advanced Practice Registered Nurse Eligible to Engage in Prescriptive Practice*;
(f) Resident agent capable of accepting service of process in Massachusetts; and
(g) Any other information required by the Commission.

(3) Once registered by the Commission, a Certifying CNP will retain indefinitely a registration to certify a Debilitating Medical Condition for a Qualifying Patient, unless:

(a) The CNP's license to practice nursing in Massachusetts is suspended, revoked, or restricted with regard to prescribing, or the CNP has voluntarily agreed not to practice nursing in Massachusetts;
(b) The CNP's Board Authorization to practice as an advanced practice nurse in Massachusetts is suspended, revoked or restricted with regard to prescribing;
(c) The CNP's Massachusetts Controlled Substances Registration is suspended or revoked;
(d) The CNP has fraudulently issued a Written Certification of a Debilitating Medical Condition;

(e) The CNP has certified a Qualifying Patient for a Debilitating Medical Condition without appropriate completion of continuing professional development credits pursuant to 935 CMR 501.010(1); or
(f) The CNP surrenders his or her registration.

(4) After registering, a Certifying CNP is responsible for notifying the Commission, in a form and manner determined by the Commission, within five business days after any changes to the CNP's information including, but not limited to, changes to his or her supervising physician.

501.008: Registration of Certifying Physician Assistants

(1) A Certifying Physician Assistant who wishes to issue a Written Certification for a Qualifying Patient shall have at least one established place of practice that allows the Certifying Physician Assistants to conduct a Clinical Visit in Massachusetts and shall hold:
(a) An active full license, with no prescribing restriction, to practice as a physician assistant in Massachusetts;
(b) A board authorization by the Massachusetts Board of Registration of Physician Assistants to practice as a physician assistant; and
(c) A Massachusetts Controlled Substances Registration from the DPH.

(2) To register as a Certifying Physician Assistant, a physician assistant shall submit, in a form and manner determined by the Commission, the Certifying Physician Assistant's:
(a) Full name and business address;
(b) License number issued by the Massachusetts Board of Registration of Physician Assistants;
(c) Board Authorization by the Massachusetts Board of Registration of Physician Assistants;
(d) Massachusetts Controlled Substances Registration number;
(e) An attestation by the supervising physician for the physician assistant that the physician assistant is certifying patients for medical use of Marijuana pursuant to the mutually agreed upon guidelines between the physician assistant and physician supervising the physician assistant's prescriptive practice;
(f) Resident agent capable of accepting service of process in Massachusetts; and
(g) Any other information required by the Commission.

(3) Once registered by the Commission, a Certifying Physician Assistant will retain indefinitely a registration to certify a Debilitating Medical Condition for a Qualifying Patient, unless:
(a) The physician assistant's license to practice as a physician assistant in Massachusetts is suspended, revoked, or restricted with regard to prescribing, or the physician assistant has voluntarily agreed not to practice medicine in Massachusetts;
(b) The physician assistant's Board Authorization to practice as a physician assistant in Massachusetts is suspended, revoked or restricted with regard to prescribing;
(c) The physician assistant's Massachusetts Controlled Substances Registration is suspended or revoked;
(d) The physician assistant has fraudulently issued a Written Certification of a Debilitating Medical Condition;
(e) The physician assistant has certified a Qualifying Patient for a Debilitating Medical Condition on or after the effective date of the transfer of the program, without appropriate completion of continuing professional development credits pursuant to 935 CMR 501.010(1); or
(f) The physician assistant surrenders his or her registration.

(4) After registering, a Certifying Physician Assistant is responsible for notifying the Commission, in a form and manner determined by the Commission, within five business days after any changes to the physician assistant's information including, but not limited to, changes to the Certifying Physician Assistant's license to practice or to his or her supervising physician.

501.010: Written Certification of a Debilitating Medical Condition for a Qualifying Patient

(1) A Certifying Healthcare Provider shall complete a program that explains the proper use of Marijuana, including side effects, dosage, and contraindications, including with psychotropic drugs, as well as on substance abuse recognition, diagnosis, and treatment related

to Marijuana, which includes, but is not limited to, the following:

(a) A Certifying Physician issuing a Written Certification shall have completed a minimum of 2.0 Category 1 continuing professional development credits as defined in 243 CMR 2.06(6)(a)1.

(b) A Certifying CNP issuing a Written Certification shall have completed a minimum of one program meeting the requirements of 244 CMR 5.00: *Continuing Education* and 244 CMR 6.00: *Approval of Nursing Education Programs and the General Conduct Thereof*.

(c) A Certifying Physician Assistant issuing a Written Certification shall have completed a minimum of one program meeting the requirements of 263 CMR 3.05(3).

(2) A Certifying Healthcare Provider shall issue a Written Certification that complies with generally accepted standards of medical practice including, but not limited to, the following:

(a) A Certifying Physician issuing a Written Certification shall comply with generally accepted standards of medical practice, including regulations of the Board of Registration in Medicine at 243 CMR 1.00 through 3.00, pursuant to M.G.L. c. 112, § 5, and M.G.L. c. 111, § 203.

(b) A Certifying CNP issuing a Written Certification shall comply with generally accepted standards of nursing practice, including the regulations of the Board of Registration in Nursing at 244 CMR 9.00: *Standards of Conduct*.

(c) A Certifying Physician Assistant issuing a Written Certification shall comply with generally accepted standards of practice for physician assistants, including regulations of the Board of Registration of Physician Assistants at 263 CMR 5.09: *Standards of Conduct for Physician Assistants*.

(3) A Certifying Healthcare Provider may not delegate to any other healthcare professional or any other person, authority to diagnose a patient as having a Debilitating Medical Condition.

(4) A Certifying Healthcare Provider shall have a program to provide a discount to patients with documented Verified Financial Hardship. The plan shall outline the goals, programs, and measurements the Certifying Healthcare Provider will pursue as part of the plan. A Certifying Healthcare Provider may apply for a waiver under 935 CMR 501.850 to waive this requirement by demonstrating that the Certifying Healthcare Provider does not have control over the costs to its patients.

(5) A Certifying Healthcare Provider may issue a Written Certification only for a Qualifying Patient with whom the healthcare provider has a *Bona Fide* Healthcare Provider Patient Relationship.

(6) Before issuing a Written Certification, a Certifying Healthcare Provider shall utilize the Massachusetts Prescription Monitoring Program, unless otherwise specified by the Commission, to review the Qualifying Patient's prescription history.

(7) A patient who has had a diagnosis of a Debilitating Medical Condition in the past, but does not have an active condition, unless the symptoms related to such condition are mitigated by Marijuana for medical use, and is not undergoing treatment for such condition, is not suffering from a Debilitating Medical Condition for which the medical use of Marijuana is authorized.

(8) An initial or renewal Written Certification submitted before a Clinical Visit is prohibited.

(a) A Clinical Visit may occur in-person or by telehealth means, provided that a Clinical Visit for issuing an initial Certificate of Registration must be conducted in-person or, upon request of the patient, *via* a telehealth visit that includes a synchronous face-to-face encounter between the Certifying Healthcare provider and patient. Synchronous telehealth happens in live, real-time settings where the patient interacts with a provider, usually via phone or video.

(b) If a Clinical Visit is conducted by telehealth means, the Certifying Healthcare Provider shall ensure that there is an ability to deliver the service using telehealth with the same standard of care and in compliance with licensure and registration requirements as is applicable to in-person services to patients and shall comply with any additional requirements established by the Commission.

(9) A certification shall indicate the time period for which the certification is valid, and may

not be less than 15 calendar days or longer than one year, except that in the following circumstances, the certification may be valid for two years:

(a) A Certifying Healthcare Provider verifies and represents to the Commission that a Qualifying Patient is receiving Social Security Disability Insurance or Supplemental Security Income; or

(b) A Certifying Healthcare Provider diagnoses a Qualifying Patient after an in-person Clinical Visit with a terminal illness, or permanent disability and certifies the patient for two years.

(10) A Certifying Healthcare Provider may determine and certify that a Qualifying Patient requires an amount of Marijuana other than 2.5 ounces as a 14-day Supply or ten ounces as a 60-day Supply and shall document the amount and the rationale in the medical record and in the Written Certification. For that Qualifying Patient, that amount of Marijuana constitutes a 14-day Supply or 60-day Supply.

(11) A Qualifying Patient who is younger than 18 years old and has been diagnosed by two Massachusetts licensed Certifying Physicians, at least one of whom is a board certified pediatrician, pediatric subspecialist, oncologist, neurologist, or family physician, with a debilitating Life-limiting Illness, may receive a Written Certification; provided however, that the physicians may certify a Qualifying Patient who is younger than 18 years old who has a Debilitating Medical Condition that is not a Life-limiting Illness if those physicians determine that the benefits of the medical use of Marijuana outweigh the risks. This shall include a discussion of the potential negative impacts on neurological development with the parent or legal guardian of the Qualifying Patient, written consent of the parent or legal guardian, and documentation of the rationale in the medical record and the Written Certification.

(12) A Certifying Healthcare Provider, and such healthcare provider's co-worker, employee, or Immediate Family Member, may not:

(a) Have ever directly or indirectly accepted or solicited from, or offered to an MTC, a board member or Executive of an MTC, any MTC personnel, or any other individual associated with an MTC, or a Personal Caregiver, anything of value;

(b) Offer a discount or any other thing of value to a Qualifying Patient based on the patient's agreement or decision to use a particular Personal Caregiver or MTC;

(c) Examine or counsel a patient, or issue a Written Certification, at an MTC;

(d) Be a Person or Entity Having Direct or Indirect Control for an MTC; or

(e) Directly or indirectly benefit from a patient obtaining a Written Certification, which may not prohibit the healthcare provider from charging an appropriate fee for the Clinical Visit.

(13) A Certifying Healthcare Provider may not issue a Written Certification for himself or herself or for his or her Immediate Family Members.

(14) A Certifying Healthcare Provider issuing a Written Certification for their employees or coworkers shall do so in accordance with 935 CMR 501.010 of a Debilitating Medical Condition for a Qualifying Patient, including conducting a Clinical Visit, completing and documenting a full assessment of the patient's medical history and current medical condition, explaining the potential benefits and risks of Marijuana use, and maintaining a role in the ongoing care and treatment of the patient.

501.015: Temporary and Annual Registration of Qualifying Patients

(1) A Qualifying Patient shall apply for a temporary or annual registration according to the procedures set out in 935 CMR 501.015, unless otherwise provided by the Commission.

(2) To obtain a temporary or an annual Registration Card, a Qualifying Patient shall first obtain electronic or Written Certification(s) from the Qualifying Patient's Certifying Healthcare Provider(s).

(3) Temporary Registration Card. A patient's Certifying Healthcare Provider(s) shall provide a Qualifying Patient who has not been issued a temporary Patient Registration Card in the 365-day period preceding the date of certification, a temporary registration in a form and a manner determined by the Commission, which will include, but not be limited to, the following:

(a) To generate a temporary Registration Card, a Certifying Healthcare Provider shall

obtain from a Qualifying Patient, and electronically submit the information required by the Commission as part of the temporary electronic certification process;
(b) At a minimum, a Certifying Healthcare Provider shall submit the information required in 935 CMR 501.015(5)(a) through (d) and (f);
(c) On submission of the requisite information, the provider shall provide a packet of information for the patient, which includes:
1. A temporary Patient Registration Card;
2. A caregiver authorization form and instructions;
3. Guidance on patient confidentiality;
4. Written instructions in a form and manner determined by the Commission that the patient needs to complete the registration process with the Commission in order to obtain an annual Registration card; and
5. If requested, a paper copy of the Commission registration form for an annual Registration Card.
(d) The temporary Registration Card shall constitute a Registration Card for patients for the purposes of accessing MTCs and purchasing medical-use Marijuana and MIPs;
(e) A temporary Registration Card shall expire either 14 days after the issuance of the temporary Registration Card or on the issuance and receipt of an annual Registration Card, whichever occurs first;
(f) A patient is limited to one 14-day temporary registration during any 365-day period, unless otherwise approved by the Commission;
(g) No more than 2.5 ounces of Marijuana may be dispensed by an MTC to a Qualifying Patient with a 14-day temporary registration except a Certifying Healthcare Provider may determine and certify that a Qualifying Patient requires an amount of Marijuana other than 2.5 ounces as a 14-day Supply and shall document the amount and the rationale in the medical record and in the Written Certification;
(h) It is the obligation of the MTC to track and dispense only the amount allowed for a 14-day Supply; and
(i) To obtain an annual Registration Card after receiving a temporary Registration Card, a Qualifying Patient shall comply with 935 CMR 501.015(5): *Annual Patient Registration Card* and complete the registration process for review by the Commission.

(4) To access MTCs and obtain medical-use Marijuana and MIPs, the patient shall present their temporary Registration Card in addition to a government-issued identification card. MTCs are responsible for ensuring that patients present proper documentation and verifying that the temporary Registration Card is valid, before the patient accesses the MTC and purchases Marijuana, Marijuana Products, or MIPs.

(5) Annual Patient Registration Card. To obtain an annual Registration Card, a Qualifying Patient shall submit or verify, in a form and manner determined by the Commission, the following information:
(a) The Qualifying Patient's full name, date of birth, address, telephone number, and email address if any, and a statement indicating his or her age:
1. If the Qualifying Patient is younger than 18 years old, an attestation from a parent or legal guardian granting permission for the child to register with the Commission; and
2. If the Qualifying Patient is younger than 18 years old, that Qualifying Patient shall have a designated Personal Caregiver, who shall be his or her parent or legal guardian.
(b) Electronic or Written Certification(s) for the Qualifying Patient from the Qualifying Patient's Certifying Healthcare Provider(s);
(c) name, address, and telephone number of the Qualifying Patient's Certifying Healthcare Provider(s);
(d) Full name, date of birth, and address of the Qualifying Patient's Personal Caregiver(s), if any;
(e) A copy of the Qualifying Patient's government-issued identification card or other verifiable identity document acceptable to the Commission, except in the case of a Qualifying Patient younger than 18 years old who does not have to comply with such requirement;
(f) Written acknowledgement of the limitations on his or her authorization to cultivate, possess, and use Marijuana for medical purposes in the Commonwealth;
(g) An attestation that the Registered Qualifying Patient shall not engage in the Diversion or Inversion of Marijuana and that the patient understands that protections conferred by M.G.L. c. 94I, for possession of Marijuana for medical use are applicable only within Massachusetts; and

(h) Any other information required by the Commission.

(6) After obtaining a Registration Card, a Qualifying Patient is responsible for notifying the Commission, in a form and manner determined by the Commission, within five business days after any change to the information that he or she was previously required to submit to the Commission, or after he or she discovers that his or her Registration Card has been lost or stolen.

(7) A Registered Qualifying Patient shall carry his or her Registration Card at all times while in possession of medical-use Marijuana or MIPs.

501.020: Temporary and Annual Registration of Personal Caregivers

(1) A Personal Caregiver shall apply for a temporary or annual Registration Card according to the procedures set out in 935 CMR 501.020, unless otherwise provided by the Commission. An individual shall be granted a temporary or an annual Registration Card prior to serving as a Personal Caregiver for any Registered Qualifying Patient.

(2) Temporary Caregiver Registration Authorization.

(a) A temporary caregiver authorization will allow the Caregiver, during the interim period during which the patient has an effective and valid temporary Patient Registration Card, to serve as a caregiver to a Qualifying Patient and access MTCs and obtain medical-use Marijuana, Marijuana Products and MIPs on behalf of a patient before the patient and Caregiver are issued annual Registration Cards by the Commission.

(b) During the time a Qualifying Patient has a temporary Patient Registration Card pursuant to 935 CMR 501.015(3), the patient may authorize a Personal Caregiver, who is 21 years of age or older, as their temporary caregiver. To authorize an individual as a temporary caregiver, the patient shall complete the temporary caregiver authorization form, generated by the patient's healthcare provider or printed from the electronic patient portal by the patient, sign the form, and provide the authorization form to the designated caregiver.

(c) To access MTCs and obtain medical-use Marijuana, Marijuana Products and MIPs on behalf of a patient, the Caregiver shall present the patient's temporary Registration Card, a completed and signed temporary caregiver authorization form, and a government-issued identification document.

(d) MTCs are responsible for ensuring that Caregivers present proper documentation and verifying that the temporary Registration Card is valid, before the Caregiver accesses the MTC and purchases Marijuana, Marijuana Products or MIPs.

(e) It is the obligation of the MTC to track and dispense only the amount allowed for a 14-day Supply.

(f) To obtain an annual Registration Card after receiving a temporary Registration Card, a caregiver shall comply with 935 CMR 501.020(3) and complete the electronic registration process for review by the Commission.

(3) Annual Caregiver Registration Card. To obtain an annual Registration Card for a Personal Caregiver, a Registered Qualifying Patient shall submit, in a form and manner determined by the Commission, the following:

(a) The Personal Caregiver's full name, date of birth, address, telephone number, and email address if any, and a statement that the individual is 21 years of age or older;

(b) Full name, date of birth, and address of the Registered Qualifying Patient for whom the Personal Caregiver will be providing assistance with the use of Marijuana for medical purposes;

(c) A copy of the Personal Caregiver's driver's license, government issued identification card, or other verifiable identity document acceptable to the Commission;

(d) A statement of whether the Caregiver will be cultivating Marijuana for the patient, and at what address;

(e) Written acknowledgment by the Personal Caregiver of the limitations on his or her authorization to cultivate, possess, and dispense to his or her Registered Qualifying Patient, Marijuana for medical purposes in the Commonwealth;

(f) An attestation by the Personal Caregiver that he or she shall not engage in the Diversion or Inversion of Marijuana and that he or she understands that protections conferred by M.G.L. c. 94I, for possession of Marijuana for medical use are applicable only within Massachusetts; and

(g) Any other information required by the Commission.

(4) An annual Registration Card will be valid for one year from the date of issue of the temporary Registration Card, unless otherwise specified by the Commission, and may be renewed, in a form and manner determined by the Commission, which includes, but is not limited to, meeting the requirements in 935 CMR 501.020(3). The Commission will accept Registration Cards validly issued prior to the Program Transfer. This Registration Card will remain valid until its one-year anniversary date or until a new Registration Card is issued by the Commission, whichever occurs first. On the issuance of a new Registration Card, the holder of the Registration Card shall destroy any previously issued Registration Card(s) in a responsible manner that would prevent it from being used as an identification or Registration Card.

(5) Except in the case of a visiting nurse, home health aide, personal care attendant, or Immediate Family Member of more than one Registered Qualifying Patient, an individual may not serve as a Personal Caregiver for more than five Registered Qualifying Patient at one time. If a Personal Caregiver wants to serve more than five patients, the Personal Caregiver must seek a waiver pursuant to 935 CMR 501.850.

(6) A Registered Qualifying Patient may designate up to two Personal Caregivers. A Personal Caregiver(s) may cultivate Marijuana on behalf of the Registered Qualifying Patient at only one location. Cultivation pursuant to a Hardship Cultivation Registration by a Personal Caregiver constitutes agreement to comply with the requirements of Hardship Cultivation Registration under 935 CMR 501.027.

(7) A Personal Caregiver may cultivate a limited number of plants sufficient to maintain a 60-day supply of marijuana for each Registered Qualifying Patient solely for that patient's use, except that under no circumstances may a Personal Caregiver cultivate plants in excess of 500 square feet of Canopy.

(8) A Registered Qualifying Patient may add a second caregiver or change Personal Caregiver(s) by providing notification in a form and manner determined by the Commission, and providing the information required in 935 CMR 501.020(3) for registration of Personal Caregivers.

(9) After obtaining a Registration Card, the Personal Caregiver is responsible for notifying the Commission, in a form and manner determined by the Commission, within five business days after any change to the information that his or her Registered Qualifying Patient was previously required to submit to the Commission, or after the Personal Caregiver discovers that their Registration Card has been lost or stolen.

(10) A Personal Caregiver shall carry his or her temporary or annual Registration Card at all times while in possession of Marijuana.

501.021: Registration of Caregiving Institutions

(1) Prior to facilitating the medical use of Marijuana to a Registered Qualifying Patient, a hospice program, long term care facility, or hospital shall obtain a Certificate of Registration as a Caregiving Institution. To obtain a Certificate of Registration as a Caregiving Institution, the institution shall submit, in a form and manner determined by the Commission, the following:

(a) The name, address and telephone number of the institution, as well as the telephone number and email address for the primary contact for that Caregiving Institution;

(b) A copy of the Caregiving Institution's current facility licensure or certification from the Commonwealth of Massachusetts;

(c) Written acknowledgement by the authorized signatory of the Caregiving Institution of the limitations on the institution's authorization to cultivate, possess, and dispense to Registered Qualifying Patients, Marijuana for medical purposes in the Commonwealth;

(d) An attestation by the authorized signatory of the Caregiving Institution that employees of the Caregiving Institution shall not engage in the Diversion or Inversion of Marijuana and that he or she understands that protections conferred by M.G.L. c. 94I, for possession of Marijuana for medical use are applicable only within Massachusetts; and

(f) Any other information required by the Commission.

(2) A Caregiving Institution shall be granted a Certificate of Registration by the Commission

prior to serving as a Caregiving Institution for any Registered Qualifying Patient. The Commission will accept certificates of registration validly issued prior to the Program Transfer. This certificate will remain valid until a new certificate is issued by the Commission. On the issuance of a new certificate, the holder of the certificate shall destroy any previously issued certificate in a responsible manner that would prevent it from being used as a certificate.

(3) An employee of the Caregiving Institution may serve as a Caregiver for more than one Registered Qualifying Patient at one time.

(4) An employee of the Caregiving Institution may not cultivate Marijuana for a Registered Qualifying Patient under the care of the Caregiving Institution.

(5) A Caregiving Institution shall maintain records on all Marijuana received by the institution on behalf of a Registered Qualifying Patient and the administration of such Marijuana to the Registered Qualifying Patient, and such records should be produced to the Commission upon request as permitted by law.

(6) A Certificate of Registration for a Caregiving Institution will remain valid, unless and until the Caregiving Institution's current facility licensure or certification from the Commonwealth of Massachusetts is no longer active, or is suspended, revoked, or restricted.

501.022: Registration of Institutional Caregivers

(1) A Caregiving Institution shall apply for an Institutional Caregiver registration for all employees that will be facilitating a Registered Qualifying Patient's use of Marijuana for medical purposes. All such individuals shall be 21 years of age or older.

(2) A Caregiving Institution seeking registration of an Institutional Caregiver shall file an application, in a form and manner determined by the Commission, which shall include:

(a) The full name, date of birth and address of the individual;
(b) Written acknowledgment by the individual of the limitations on his or her authorization to possess, transport, and facilitate the use of Marijuana for medical purposes in the Commonwealth;
(c) Written acknowledgment by the individual of the prohibition against cultivation in his or her role as an Institutional Caregiver;
(d) A copy of the Institutional Caregiver's driver's license, government issued identification card, or other verifiable identity document acceptable to the Commission;
(e) An attestation that the individual shall not engage in the Diversion or Inversion of Marijuana;
(f) A nonrefundable application fee, as required by the Commission; and
(g) Any other information required by the Commission.

(3) A Caregiving Institution shall notify the Commission no more than one business day after an Institutional Caregiver ceases to be associated with the Caregiving Institution. The Institutional Caregiver's registration shall be immediately void when he or she is no longer associated with the Caregiving Institution.

(4) A Registration Card for an Institutional Caregiver will be valid for one year from the date of issue, and may be renewed, in a form and manner determined by the Commission, on an annual basis by meeting the requirements in 935 CMR 501.022(1) and (2). The Commission will accept Registration Cards validly issued prior to the Program Transfer. This Registration Card will remain valid until its one-year anniversary date or until a new Registration Card is issued by the Commission, whichever occurs first. On the issuance of a new Registration Card, the holder of the Registration Card shall destroy any previously issued Registration Card(s) in a responsible manner that would prevent it from being used as a registration or identification card.

(5) An Institutional Caregiver shall apply for registration according to the procedures set out in 935 CMR 501.022, unless otherwise provided by the Commission.

(6) After obtaining a Registration Card for an Institutional Caregiver, a Caregiving Institution 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 after any changes to the information that the Caregiving Institution was previously required to submit to the

Commission, or after discovery that a Registration Card has been lost or stolen.

(7) An Institutional Caregiver shall carry his or her Registration Card at all times while in possession of Marijuana.

(8) An Institutional Caregiver affiliated with multiple Caregiving Institutions shall be registered as an Institutional Caregiver by each Caregiving Institution.

501.025: Responsibilities of Caregivers

(1) Personal Caregivers.

(a) A Personal Caregiver may:

1. Transport a Registered Qualifying Patient to and from an MTC;
2. Obtain and transport Marijuana from an MTC on behalf of a Registered Qualifying Patient;
3. Cultivate Marijuana, subject to the plant limitations of 935 CMR 501.027(8), on behalf of a maximum of one Registered Qualifying Patient who has not obtained a Hardship Cultivation Registration, unless the Personal Caregiver is a visiting nurse, personal care attendant, or home health aide serving as a Personal Caregiver;
4. Cultivate Marijuana on behalf of one or more Registered Qualifying Patients who have obtained a Hardship Cultivation Registration, unless the Personal Caregiver is a visiting nurse, personal care attendant, or home health aide serving as a Personal Caregiver;
5. Prepare Marijuana for consumption by a Registered Qualifying Patient; and
6. Administer Marijuana to a Registered Qualifying Patient.
7. Receive reimbursement for reasonable expenses incurred in the provision of services as a Caregiver, including transportation and cultivation expenses directly related to the care of a Registered Qualifying Patient, so long as the expenses are documented and available for inspection by the Commission on request. A Caregiver may not receive reimbursement or payment for the Caregiver's time. In the case of an individual who serves as a Personal Caregiver for more than one Registered Qualifying Patient, the individual may receive partial reimbursement from multiple patients so long as the total reimbursement received does not exceed the Caregiver's total documented expenses.

(b) A Personal Caregiver may not:

1. Consume, by any means, Marijuana that has been dispensed to or cultivated on behalf of a Registered Qualifying Patient;
2. Sell or otherwise divert Marijuana that has been dispensed to or cultivated on behalf of a Registered Qualifying Patient;
3. Unless otherwise authorized by law or by the Commission, cultivate Marijuana for the Personal Caregiver's own use;
4. Unless otherwise authorized by law, cultivate Marijuana for purposes of selling or providing Marijuana to anyone other than the Registered Qualifying Patient;
5. Allow a Registered Qualifying Patient who is younger than 18 years old to possess Marijuana at any time when not in the presence of the Personal Caregiver;
6. Cultivate Marijuana for Registered Qualifying Patient if the Personal Caregiver is a visiting nurse, personal care attendant, or home health aide serving as a Personal Caregiver;
7. Offer a discount or any other thing of value to a Registered Qualifying Patient based on the representation that a patient will use a particular product or MTC;
8. Directly or indirectly accept or solicit from an MTC, a board member or Executive of an MTC, any MTC personnel, or any other individual associated with an MTC, anything of value based on the representation that a Registered Qualifying Patient will use a particular product or MTC;
9. Receive payment or other compensation for services rendered as a Personal Caregiver other than reimbursement for reasonable expenses incurred in the provision of services as a Caregiver; provided however, that a caregiver's time is not considered a reasonable expense. In the case of a visiting nurse, personal care attendant, or home health aide serving as a Personal Caregiver, such individual may not receive payment or compensation above and beyond their regular wages; or
10. Participate in paid advertising.

(c) A Personal Caregiver shall notify the Commission within five calendar days upon the death of a Personal Caregiver's Registered Qualifying Patient.

(d) A Personal Caregiver engaging in cultivation for a Registered Qualifying Patient shall

1. Maintain a log of the costs associated with growing and make that log available to the Commission upon request;
2. Provide annual written notice of the Personal Caregiver's cultivation conditions to the Registered Qualifying Patient and additional written notice of any change to those conditions.

(e) A Personal Caregiver engaging in Hardship Cultivation shall comply with all applicable municipal or state requirements for electrical usage and fire safety, and shall document its fire safety plan and electrical and fire inspections.

(2) Institutional Caregivers.

(a) An Institutional Caregiver may:

1. Receive Marijuana delivered to the Caregiving Institution for a Registered Qualifying Patient;
2. Prepare Marijuana for consumption by a Registered Qualifying Patient; and
3. Administer Marijuana to a Registered Qualifying Patient or facilitate consumption of Marijuana for medical use by the Qualifying Patient.

(b) An Institutional Caregiver may not:

1. Consume, by any means, Marijuana that has been dispensed to or cultivated on behalf of a Registered Qualifying Patient;
2. Sell, provide, or otherwise divert Marijuana that has been dispensed to or cultivated on behalf of a Registered Qualifying Patient;
3. Cultivate Marijuana for a Registered Qualifying Patient;
4. Allow a Registered Qualifying Patient who is younger than 18 years old to possess Marijuana at any time when not in the presence of a Caregiver;
5. Receive payment or compensation above and beyond his or her regular wages; or
6. Participate in paid advertising

(c) An Institutional Caregiver shall notify their employing Caregiving Institution of any changes in his or her registration information within 24 hours of the change.

501.027: Hardship Cultivation Registration

(1) A Qualifying Patient registered with the Commission pursuant to 935 CMR 501.015 may apply for a Hardship Cultivation Registration if such patient can demonstrate that his or her access to an MTC is limited by:

(a) Verified financial hardship;

(b) Physical incapacity to access reasonable transportation, as demonstrated by an inability to use public transportation or drive oneself, lack of a Personal Caregiver with a reliable source of transportation, and lack of an MTC that will deliver Marijuana to the patient's or Personal Caregiver's primary address;

(c) Lack of an MTC within a reasonable distance of the patient's primary residence and lack of an MTC that will deliver Marijuana to the patient's or Personal Caregiver's primary address; or

(d) Lack of access to a medicine essential for the Qualifying Patient's treatment plan.

(2) To obtain a Hardship Cultivation Registration, a Registered Qualifying Patient shall, in a form and manner determined by the Commission, submit the following:

(a) Information supporting a claim that access is limited due to one or more of the circumstances listed in 935 CMR 501.027(1);

(b) An explanation, including lack of feasible alternatives, to mitigate the limitation claimed under 935 CMR 501.027(1);

(c) A description and address of the single location that shall be used for the cultivation of Marijuana, which shall be either the Registered Qualifying Patient's or one Personal Caregiver's primary residence;

(d) A written explanation of how the Registered Qualifying Patient will cultivate Marijuana in accordance with the requirements of 935 CMR 501.027;

(e) A description of the device or system that will be used to ensure security and prevent Diversion or Inversion of the Marijuana plants being cultivated;

(f) Written acknowledgment of the limitations on their authorization to cultivate, possess, and use Marijuana for medical purposes in the Commonwealth; and

(g) Any other information required by the Commission.

(3) The Commission shall review and approve or deny an application for a Hardship Cultivation Registration within 30 calendar days of receipt of a completed application.

(4) A Registered Qualifying Patient with a Hardship Cultivation Registration, or their Personal Caregiver(s), may cultivate only at the location specified in the application approved by the Commission.

(5) A Hardship Cultivation Registration will be valid for one year from the date of issue. On the issuance of a new certificate, the holder of the certificate shall destroy any previously issued certificate in a responsible manner that would prevent it from being used as a certificate.

(6) A Hardship Cultivation Registration may be renewed, in a form and manner determined by the Commission, on an annual basis, which includes, but is not limited to, meeting the requirements in 935 CMR 501.027(2).

(7) A Hardship Cultivation Registration shall allow the Registered Qualifying Patient or their Personal Caregiver(s) to cultivate a limited number of plants sufficient to maintain a 60-day Supply of Marijuana solely for that patient's use.

(8) A Registered Qualifying Patient is prohibited from possessing or cultivating more than 12 Flowering plants and 12 Vegetative plants, excluding Clones, without a Hardship Cultivation Registration.

(9) Cultivation and storage of Marijuana shall be in an enclosed, locked area accessible only to the Registered Qualifying Patient or their Personal Caregiver(s), subject to 935 CMR 501.840. Marijuana may not be visible from the street or other public areas.

(10) A Registered Qualifying Patient engaging in Hardship Cultivation shall comply with all applicable municipal or state requirements for electrical usage and fire safety, and shall document its fire safety plan and electrical and fire inspections.

(11) A Registered Qualifying Patient or their Personal Caregiver(s) cultivating Marijuana pursuant to a Hardship Cultivation Registration shall adhere to any standards specified by the Commission.

(12) A Registered Qualifying Patient and their Personal Caregiver(s) are prohibited from selling, bartering, giving away or distributing in any manner Marijuana cultivated pursuant to a Hardship Cultivation Registration.

(13) The Commission may inspect the cultivation site of a Registered Qualifying Patient with a Hardship Cultivation Registration, or the cultivation site of their Personal Caregiver(s), at a reasonable time, with reasonable notice as defined by the Commission, taking into consideration the circumstances of the Registered Qualifying Patient. Acceptance of a Hardship Cultivation Registration by a Registered Qualifying Patient constitutes consent for such inspection of the cultivation site. The Commission may not provide notice in cases of suspected Diversion or Inversion, where the Commission is working with Law Enforcement Authorities.

(14) Registration for hardship cultivation may be available in a form and manner determined by the Commission. If, prior to the Program Transfer, a Registered Qualifying Patient received Written Certification of a Debilitating Medical Condition from a physician and used that Written Certification as a limited cultivation registration, the initial limited cultivation registration will remain valid until the application for the Hardship Cultivation Registration card is approved or denied by the Commission.

(15) After obtaining a Hardship Cultivation Registration, a Registered Qualifying Patient is responsible for notifying the Commission, in a form and manner determined by the Commission, within five business days after any change to the information that they or their Personal Caregiver(s) was previously required to submit to the Commission.

(16) A Registered Qualifying Patient with a Hardship Cultivation Registration, or their Personal Caregiver(s) if applicable, shall have the registration available at the site of cultivation. The Commission may make such registration available on request of the Registered Qualifying Patient or other government agency acting within their lawful authority.

501.029: Registration and Conduct of Independent Testing Laboratory Agents

(1) An Independent Testing Laboratory providing testing services for an MTC or Marijuana Establishment in compliance with 935 CMR 501.000, or 935 CMR 500.000: *Adult Use of Marijuana*, shall apply for Laboratory Agent registration for any of its employees, consultants or volunteers that will be in possession of Marijuana for medical use on behalf the Independent Testing Laboratory.

(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) Written acknowledgment signed by the applicant of the limitations on his or her authorization to possess, test, Transfer, or Process Marijuana or Marijuana Products in the Commonwealth;

(d) A copy of the applicant's driver's license, government issued identification card, or other verifiable identity document acceptable to the Commission;

(e) An attestation signed by the applicant that the applicant will not engage in the Diversion or Inversion of Marijuana and Marijuana Products;

(f) A nonrefundable application fee, as required by the Commission; and

(g) Any other information required by the Commission.

(3) An Independent Testing Laboratory Person Having Direct Control registered with the Massachusetts DCJIS pursuant to 803 CMR 2.04: *iCORI Registration* shall submit to the Commission a CORI 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 calendar days prior to submission; provided however, that a CORI shall not be required when one was already completed within the previous calendar year for a Laboratory Agent working within and between Licensees who share the same Persons or Entities Having Direct and Indirect Control in accordance with 803 CMR 2.11(7).

(4) 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.

(5) A Registration Card shall be valid for one year from the date of issue. The Commission will accept Registration Cards validly issued prior to the Program Transfer. A Registration Card will remain valid until its one-year anniversary date or until a new Registration Card is issued by the Commission, whichever occurs first. On the issuance of a new Registration Card, the holder of the Registration Card shall be destroyed any previously issued Registration Card(s) in a responsible manner that would prevent it from being used as an identification or Registration Card.

(6) A Registration Card may be renewed thereafter on a triennial basis on a determination by the Commission that the applicant for renewal continues to be suitable for registration.

(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 always carry the Registration Card associated with the appropriate Independent Testing Laboratory while in possession of Marijuana Products, including at all times while at an Independent Testing Laboratory, or while transporting Marijuana or Marijuana Products.

501.030: Registration of Medical Marijuana Treatment Center Agents

(1) An MTC shall apply for MTC agent registration for all its, employees, Executives, Owners, and volunteers who are associated with that MTC. The Commission shall issue an Agent Registration Card to each individual determined to be suitable for registration. All such individuals shall:

(a) Be 21 years of age or older;
(b) Have not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of other jurisdictions; and
(c) Be determined suitable for registration consistent with the provisions of 935 CMR 501.800 and 935 CMR 501.801 or 935 CMR 501.802.

(2) An application for registration of an MTC agent 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 that the individual will not engage in the Diversion or Inversion of Marijuana or Marijuana Products;
(e) Written acknowledgment by the individual of the limitations on their authorization to cultivate, harvest, prepare, package, possess, transport, and dispense marijuana for medical purposes in the Commonwealth;
(f) background information including, as applicable:
1. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, 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, or an Other Jurisdiction, 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 an Other Jurisdiction, with regard to any professional license or registration held by the applicant; and
(g) A nonrefundable application fee paid by the MTC with which the MTC Agent will be associated; and
(h) Any other information required by the Commission

(3) An MTC Executive registered with DCJIS pursuant to 803 CMR 2.04: *iCORI Registration*, shall submit to the Commission a CORI report and any other background check information required by the Commission for each individual for whom the MTC seeks an MTC agent registration, obtained within 30 calendar days prior to submission; provided however, that a CORI shall not be required when one was already completed within the previous calendar year for an employee transferring to, or working within and between Licensees who share the same Persons or Entities having Direct and Indirect Control in accordance with 803 CMR 2.11(7).
(a) The CORI report obtained by the MTC shall provide information authorized under Required Access Level 2 pursuant to 803 CMR 2.05(3)(a)2.
(b) The MTC's collection, storage, dissemination and usage of any CORI report or background check information obtained for MTC Agent registrations shall comply with 803 CMR 2.00: *Criminal Offender Record Information (CORI)*.

(4) An MTC shall notify the Commission no more than one business day after an MTC agent ceases to be associated with the MTC. The registration shall be immediately void when the agent is no longer associated with the MTC.

(5) An Agent Registration Card shall be valid for one year from the date of issue and may be renewed thereafter on a triennial basis on a determination by the Commission that the applicant for renewal continues to be suitable for registration.

(6) After obtaining a Registration Card for an MTC agent, an MTC 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 MTC was previously required to submit to the Commission, or after discovery that a

Registration Card has been lost or stolen.

(7) An MTC agent shall always carry a Registration Card associated with the appropriate Marijuana Establishment while in possession of Marijuana or Marijuana Products, including at all times while at an MTC or while transporting Marijuana or Marijuana Products.

(8) An MTC Agent may be issued a single Agent Registration Card covering all licenses held by the same Persons or Entities Having Direct or Indirect Control.

(9) An Agent working in a CMO may only perform tasks and duties permitted by the license under which they are registered and may only perform both medical- and adult-use tasks and duties if registered under both 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000.

501.031: Denial of a Registration Card or Hardship Cultivation Registration

Each of the following, in and of itself, constitutes full and adequate grounds for denial of a temporary or an annual Registration Card for a Registered Qualifying Patient or Personal Caregiver, or a Registration Card for an MTC agent, including Laboratory Agents, or a Hardship Cultivation Registration:

(1) Failure to provide the information required in 935 CMR 501.027, 935 CMR 501.029 or 935 CMR 501.030 for an Agent Registration Card or Hardship Cultivation Registration;

(2) Provision of information on the application that is deceptive, misleading, false, or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure;

(3) Failure to meet the requirements set forth in 935 CMR 501.027, 935 CMR 501.029 or 501.030 for an Agent Registration Card or Hardship Cultivation Registration;

(4) Revocation or suspension of an Agent Registration Card or Hardship Cultivation Registration in the previous six months;

(5) Failure by the MTC to pay all applicable fees; or

(6) Other grounds, as the Commission may determine in the exercise of its discretion, that are directly related to the applicant's ability to serve as an MTC agent, or that make the applicant unsuitable for registration; however, the Commission will provide notice to the applicant of the grounds prior to the denial of the Agent Registration Card and a reasonable opportunity to correct these grounds.

(a) The Commission may delegate Registrants' suitability determinations to the Executive Director, who may appoint a Suitability Review Committee, in accordance with 935 CMR 501.800. Suitability determinations shall be based on credible and reliable information.

(b) The Executive Director may institute a suitability review based on a recommendation from Enforcement staff that background check information would result in or could support an adverse suitability determination. All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 501.800.

501.032: Revocation of a Registration Card or Hardship Cultivation Registration

(1) Each of the following, in and of itself, constitutes full and adequate grounds for revocation of a temporary or an annual Registration Card issued to a Registered Qualifying Patient or Personal Caregiver or a Registration Card issued to an MTC agent, Laboratory Agent or a Hardship Cultivation Registration:

(a) Submission of information in the application or renewal application that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure;

(b) Violation of the requirements of the state Marijuana laws, including 935 CMR 501.000;

(c) Fraudulent use of a Registration Card including, but not limited to, tampering, falsifying, altering, modifying, duplicating, or allowing another person to use, tamper,

falsify, alter, modify, or duplicate an Agent Registration Card or Hardship Cultivation Registration;

(d) Selling, Transferring, distributing, or giving Marijuana to any unauthorized person;

(e) Failure to notify the Commission within five business days after becoming aware that the Agent Registration Card has been lost, stolen, or destroyed;

(f) Failure to notify the Commission within five business days after a change in the registration information contained in the application or required by the Commission to have been submitted in connection with the application an Agent Registration Card, including open investigations or pending actions as delineated in 935 CMR 501.802, as applicable, that may otherwise affect the status of the suitability for registration of the MTC agent;

(g) Conviction, guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of an Other Jurisdiction; or

(h) Conviction, guilty plea, plea of *nolo contendere* or admission to sufficient facts in the Commonwealth, or a like violation of the laws of another state, to an offense as delineated in 935 CMR 501.801, *Table A*: MTC Licensees or 501.803, Table C: *Registration as a Laboratory Agent*, as applicable, that may otherwise affect the status of the suitability for registration of the MTC agent.

(2) In addition to the grounds in 935 CMR 501.032(1), each of the following, in and of itself, shall be adequate grounds for the revocation of a Patient Registration Card:

(a) The Qualifying Patient is no longer a resident of the Commonwealth;

(b) The Qualifying Patient, taking into account the amounts of Marijuana, Marijuana Products or MIPs obtained by his or her Personal Caregiver, if applicable, knowingly and intends to subvert, seeks to obtain or obtains more of such amounts than is allowable under 935 CMR 501.105; or

(c) The Qualifying Patient has used Marijuana in a manner that puts at risk the health, safety, or welfare of others, or has failed to take reasonable precautions to avoid putting others at such risk.

(3) In addition to the grounds in 935 CMR 501.032(1), a conviction of a felony drug offense in the Commonwealth, or a like violation of the laws of an Other Jurisdictions shall be adequate grounds for the revocation of an MTC Agent Registration Card for individuals or entities subject to 935 CMR 501.801: *Table A* or 935 CMR 501.803: *Table C*.

(4) In addition to the applicable grounds in 935 CMR 501.032(1) through (3), any other ground that serves the purposes of M.G.L. c. 94I, or 935 CMR 501.000 shall be sufficient to revoke a Registration Card or Hardship Cultivation Registration.

(5) Other grounds as the Commission may determine in the exercise of its discretion, that are directly related to the applicant's ability to serve as an MTC agent, that make the Registrant unsuitable for registration. The Commission will provide notice to the Registrant of the grounds prior to the revocation of an Agent Registration Card and a reasonable opportunity to correct these grounds.

(a) The Commission may delegate Registrants' suitability determinations to the Executive Director, who may appoint a Suitability Review Committee, in accordance with 935 CMR 501.801. Suitability determinations shall be based on credible and reliable information.

(b) The Executive Director may institute a suitability review based on a recommendation from Enforcement staff that background check information would result in or could support an adverse suitability determination. All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 501.800.

501.033: Void Registration Cards

(1) A Registration Card validly issued prior to the Program Transfer shall be void on the issuance of a new Registration Card.

(2) A Registration Card issued to an MTC agent shall be void when:

(a) The agent has ceased to be associated with the MTC or Independent Testing Laboratory that applied for and received the agent's Registration Card;

(b) The card has not been surrendered on the issuance of a new Registration Card based on new information; or

(c) The MTC agent is deceased.

(3) A Patient Registration Card, including a Hardship Cultivation Registration, shall be void when:
(a) The card has not been surrendered upon the issuance of a new Registration Card;
(b) The Qualifying Patient is no longer a resident of Massachusetts; or
(c) The Patient is deceased.

(4) A Personal Caregiver Registration Card is void:
(a) When the Registered Qualifying Patient has notified the Commission that the individual registered as the Personal Caregiver is no longer the Personal Caregiver for that Patient;
(b) When the sole Registered Qualifying Patient for whom the Personal Caregiver serves as such is no longer registered with the Commission; or
(c) Five days after the death of the Registered Qualifying Patient, to allow for appropriate disposal of Marijuana pursuant to 935 CMR 501.105.

(5) A void temporary or annual Registration Card is inactive and invalid.

501.034: Revocation of a Certifying Healthcare Provider Registration

(1) Each of the following, in and of itself, constitutes full and adequate grounds for revoking a Certifying Healthcare Provider registration:
(a) The Certifying Healthcare Provider fraudulently issued a Written Certification;
(b) The Certifying Healthcare Provider failed to comply with the requirements of M.G.L. c 94I, or any applicable provisions of 935 CMR 501.000;
(c) The Certifying Healthcare Provider issued a Written Certification without completion of continuing professional development credits pursuant to 935 CMR 501.010(1); or
(d) Any other ground that serves the purposes of M.G.L. c. 94I, or 935 CMR 501.000.

501.035: Void Certifying Physician Registration

(1) When a Certifying Healthcare Provider's license to practice medicine or nursing, as applicable, in Massachusetts is no longer active, or is summarily suspended, suspended, revoked, or restricted with regard to prescribing, or the Certifying Healthcare Provider has voluntarily agreed not to practice medicine, or nursing, in Massachusetts, as applicable, or the Certifying Healthcare Provider's Massachusetts controlled substances registration is suspended or revoked, the Certifying Healthcare Provider's registration to certify a Debilitating Medical Condition for a Qualifying Patient is immediately void.

(2) When a Certifying Healthcare Provider surrenders his or her registration, the registration is void.

(3) A void Certifying Healthcare Provider registration is inactive and invalid.

501.040: Leadership Rating Program for Medical Marijuana Treatment Centers

(1) Leadership Rating Categories. In a time and manner to be determined by the Commission, Licensees will be eligible to earn leadership ratings in the following categories:
(a) Social Justice Leader;
(b) Local Employment Leader;
(c) Energy and Environmental Leader;
(d) Compliance Leader; and
(e) Medical Treatment Center Leader.

(2) Leadership Rating Application.
(a) MTCs annually submit information, in a time and manner determined by the Commission, demonstrating their eligibility for the applicable leadership rating.

(b) All information submitted is subject to verification and audit by the Commission prior to the award of a leadership rating.
(c) Award of a leadership rating in one year does not entitle the applicant to a leadership rating for any other year.

(3) Leadership Rating Criteria.

(a) Social Justice Leader. In the year preceding the date of application for a leadership rating, a licensee satisfies at least two of the following:

1. Upon the Legislature's establishment of a dedicated Social Equity or Technical Assistance Fund (Fund) or a similar fund, 1% of the MTC's gross revenue is donated to the Fund. This requirement will not go into effect until such a Fund is created;
2. The Licensee has conducted 50 hours of educational seminars targeted to residents of Areas of Disproportionate Impact in one or more of the following: Marijuana cultivation, Marijuana Product manufacturing, Marijuana retailing, or Marijuana business training;
3. The Licensee can demonstrate that a majority of employees have a conviction or continuance without a finding for an offense under M.G.L. c. 94C or an equivalent conviction in Other Jurisdictions;
4. 66% or more of the Licensees employees are people of color, women, Veterans, persons with disabilities, and LGBTQ+ people;
5. The Licensee has developed, and can demonstrate execution of, a Diversity Plan or Positive Impact Plan recognized as exemplary by the Commission in its discretion; and
6. The Licensee can demonstrate that in a year, at least one percent of its gross revenue or a minimum of 20 hours of each staff member's paid time is contributed to supporting Qualifying Patients and Caregivers.

A Social Justice Leader may use a logo or symbol created by the Commission to indicate its leadership status.

(b) Local Employment Leader. In the year preceding the date of application for a leadership rating:

1. 51% or more of the Licensee's employees have been a Massachusetts Resident for 12 months or more, as determined by the Commission; and
2. 51% or more of the Licensee's Executives have been a Massachusetts Resident for 12 months or more, as determined by the Commission.
3. 51% or more of ancillary business service expenditures purchased by the Licensee have been from businesses with its primary place of businesses within Massachusetts.

(c) Energy and Environmental Leader. In the year preceding the date of application for a leadership rating, the licensee has met the energy and environmental goals in one or more subcategories in compliance with criteria published as Appendix B in the Energy & Environment Compiled Guidance:

1. Energy;
2. Recycling and Waste Disposal;
3. Transportation;
4. Water Usage; and
5. Soil Sampling;

(d) Compliance Leader. In the year preceding the date of application for a leadership rating:

1. All Licensee employees have completed all required trainings for their positions within 90 days of hire;
2. The Licensee has no unresolved written deficiency statements;
3. The Licensee has not been the subject of a Cease and Desist Order or a Quarantine Order;
4. The Licensee has not had its license suspended; and
5. The Licensee has met all timelines required by the Commission.

(e) Medical Marijuana Treatment Center Leader. In the year preceding the date of application for a leadership rating:

1. The MTC has met or exceeded their goals outlined in their submitted verified financial hardship program according to 935 CMR 501.050(1)(h).
2. Demonstrated a consistent availability of Marijuana-infused Products in serving sizes above 5mg of THC and greater than 100mg of THC per package.
3. Maintained a consistent Patient supply as per 935 CMR 501.140(13) and reserved a quantity and variety of Marijuana and Marijuana Products beyond what is required.
4. Demonstrated accessibility in multiple forms including foreign languages, developmental disabilities, Patients with mental and/or physical disabilities, homebound Patients, pediatric Patients, and Patients on hospice.
5. Conducted community outreach to Qualifying Patient communities to educate those communities on the benefits of registering with the medical program.
6. Has no disciplinary actions related to treatment of Qualifying Patients.
7. Offers meaningful pediatric Patient programs or specializes in collaboratively working with families/Patients that need specialized Marijuana and Marijuana Products.

(f) Leadership ratings will be taken into consideration by the Commission in assessing fines pursuant to 935 CMR 501.360 and disciplinary action pursuant to 935 CMR 501.450.

501.050: Medical Marijuana Treatment Centers (MTCs)

(1) General Requirements.

(a) An MTC is required to be registered to do business in the Commonwealth as a domestic business corporation or another domestic business entity in compliance with 935 CMR 501.000 and to maintain the corporation or entity in good standing with the Secretary of the Commonwealth, DOR, and DUA.

(b) Control Limitations.

1. No Person or Entity Having Direct or Indirect Control shall be granted, or hold, more than three MTC Licenses.
2. An Independent Testing Laboratory or Standards Laboratory Licensee, or any associated Person or Entity Having Direct or Indirect Control, may not have a License in any other class.
3. To the extent that persons or entities seek to operate a testing facility in the Counties of Dukes County and Nantucket, 935 CMR 501.200 applies.
4. The Commission shall receive notice of any such interests as part of the application pursuant to 935 CMR 501.101.
5. Any Person or Entity Having Direct or Indirect Control, or Licensee, shall be limited to a total of 100,000 square feet of Canopy distributed across no more than three cultivation Licenses under 935 CMR 500.000: *Adult Use of Marijuana* and three MTC Licenses.

(c) At least one Executive of the entity seeking licensure as an MTC shall register with DCJIS on behalf of the entity as an organization user of iCORI.

(d) An MTC applicant shall demonstrate initial capital resources of $500,000 for its first application for licensure as an MTC. An MTC applicant shall demonstrate initial capital resources of $400,000 for its subsequent application(s) for licensure as an MTC.

(e) Under a single License, an MTC may not operate more than two locations in Massachusetts at which Marijuana is cultivated, MIPs are prepared, and Marijuana is dispensed.

(f) An MTC shall operate all activities authorized by the License only at the address(es) reported to the Commission for that license.

(g) All agents of the MTC shall be registered with the Commission pursuant to 935 CMR 501.030.

(h) An MTC shall have a program to provide reduced cost or free Marijuana to Patients with documented Verified Financial Hardship. The plan shall outline the goals, programs, and measurements the MTC will pursue as part of the plan.

(2) Cultivation Operations.

(a) An MTC may perform cultivation operations only at the address approved to do so by the Commission. At the cultivation location, MTCs may cultivate, Process, and package Marijuana, to transport Marijuana to MTCs and to Transfer Marijuana to other MTCs, but not to Patients.

(b) MTCs shall select a cultivation tier in their initial application for licensure, or if one has not been previously selected, shall do so in their next application for License renewal. Cultivation tiers are based on the square footage of Canopy:

1. Tier 1: up to 5,000;
2. Tier 2: 5,001 to 10,000;
3. Tier 3: 10,001 to 20,000;
4. Tier 4: 20,001 to 30,000;
5. Tier 5: 30,001 to 40,000;
6. Tier 6: 40,001 to 50,000;
7. Tier 7: 50,001 to 60,000;
8. Tier 8: 60,001 to 70,000;
9. Tier 9: 70,001 to 80,000;
10. Tier 10: 80,001 to 90,000; or
11. Tier 11: 90,001 to 100,000.

(c) Tier Expansion. An MTC may submit an application, in a time and manner determined by the Commission, to change the tier in which it is classified. An MTC may change tiers to either expand or reduce production. If an MTC is applying to expand production, it shall demonstrate that while cultivating at the top of its production tier, it has sold 85% of its product consistently over the six months preceding the application for expanded production

for an indoor cultivator, or during the harvest season, prior to the application for expanded production for an outdoor cultivator.

(d) Tier Relegation. In connection with the License renewal process for MTC, the Commission will review the records of the MTC during the six months prior to the application for renewal for an indoor cultivator or during the harvest season prior to the application for renewal for an outdoor cultivator. The Commission may reduce the Licensee's maximum Canopy to a lower tier if the Licensee sold less than 70% of what it produced during the six months prior to the application for renewal for an indoor cultivator or during the harvest season prior to the application for renewal for an outdoor cultivator.

(e) Tier Factors. When determining whether to allow expansion or relegate a Licensee to a different tier, the Commission may consider factors including, but not limited to:

1. Cultivation and production history, including whether the plants/inventory suffered a catastrophic event during the licensing period;
2. Transfer, sales, and excise tax payment history;
3. Existing inventory and inventory history;
4. Sales contracts; and
5. Any other factors relevant to ensuring responsible cultivation, production, and inventory management.

(3) Product Manufacturing Operations. An MTC may perform manufacturing operations only at the address approved to do so by the Commission. At the Processing location, MTCs may obtain, Manufacture, Process and package Marijuana Products, to transport Marijuana Products to MTCs and to Transfer Marijuana Products to other MTCs, but not to Patients.

(4) Dispensing Operations.

(a) An MTC may perform dispensing operations only at the address approved to do so by the Commission. At the dispensing location, the MTC may purchase and transport Marijuana Products from MTCs and transport, sell, Repackage or otherwise transfer Marijuana Products to MTCs and to Registered Qualifying Patients. MTCs may sell Marijuana Accessories and Branded Goods.

(b) MTCs may perform home deliveries to Registered Qualifying Patients or Personal Caregivers from their dispensing location if approved by the Commission to do so. An MTC shall only deliver to an Institutional Caregiver at their Caregiving Institution.

501.052: Independent Testing Laboratories

(1) An Independent Testing Laboratory shall apply for licensure in the manner prescribed in 935 CMR 500.101: *Application Requirements*.

(2) The Commission will accept certificates of registration for Independent Testing Laboratories validly issued prior to the Program Transfer. A certificate will remain valid until the certificate expires or the laboratory is licensed pursuant to 935 CMR 500.101: *Application Requirements*, whichever occurs first.

(3) An Independent Testing Laboratory may not cultivate Marijuana.

(4) An Independent Testing Laboratory may not possess, transport or Process Marijuana other than that necessary for the purposes of testing in compliance with 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000. Laboratories registered prior to the Program Transfer and that have not been licensed pursuant to 935 CMR 500.101: *Application Requirements*, are limited to possessing, transporting or Processing Marijuana for the purposes of testing in compliance with 935 CMR 501.000.

(5) An Executive or Member of an MTC is prohibited from being a Person or Entity Having Direct or Indirect Control in an Independent Testing Laboratory providing testing services for any MTC, except as otherwise provided in 935 CMR 501.200.

(6) No individual employee of a laboratory providing testing services for MTCs may receive direct or indirect financial compensation from any MTC, except as otherwise provided in 935 CMR 501.200.

501.100: Application for Licensing of Medical Marijuana Treatment Centers (MTCs)

501.101: Application Requirements

(1) New Applicants. An MTC applicant shall file, in a form and manner specified by the Commission, an application for licensure as an MTC. The application requirements outlined in 935 CMR 501.101(1) will apply to all MTC applications submitted on or after November 1, 2019. The application shall consist of three sections: Application of Intent; Background Check; and Management and Operations Profile, except as otherwise provided. The applicant may complete any section of the application in any order. Once all sections of the application have been completed, the application may be submitted. Application materials, including attachments, may be subject to release pursuant to M.G.L. c. 66, § 10 and M.G.L. c. 4, § 7, cl. 26.

(a) Application of Intent. An applicant for licensure as an MTC shall submit the following as part of the Application of Intent:

1. Documentation that the MTC is an entity registered to do business in Massachusetts and a list of all Persons or Entities Having Direct or Indirect Control. In addition, the applicant shall submit any contractual, management, or other written document that explicitly or implicitly conveys direct or indirect control over the MTC to the listed person or entity pursuant to 935 CMR 501.050(1)(b);
2. A disclosure of an interest of each individual named in the application in any Marijuana Establishment or MTC application for licensure or Licensee in Massachusetts;
3. Documentation disclosing whether any individual named in the application have past or present business interests in Other Jurisdictions;
4. Documentation detailing the amounts and sources of capital resources available to the applicant from any individual or entity that will be contributing capital resources to the applicant for purposes of establishing or operating the identified MTC for each License applied for. If any person or entity contributing initial capital, either in cash or in kind, would be classified as a Person or Entity Having Direct or Indirect Control, in exchange for the initial capital, they shall also be listed pursuant to 935 CMR 501.101(1)(a)1. Information submitted shall be subject to review and verification by the Commission as a component of the application process. Required documentation shall include:
    a. The proper name of any individual or registered business name of any entity;
    b. The street address; provided however, that the address may not be a post office box;
    c. The primary telephone number;
    d. Electronic mail;
    e. The amount and source of capital provided or promised;
    f. A bank record dated within 60 days of the application submission date verifying the existence of capital;
    g. Certification that funds used to invest in or finance the MTC were lawfully earned or obtained; and
    h. Any contractual or written agreement pertaining to a loan of initial capital, if applicable.
5. Documentation of a bond or an escrow account in an amount set by 935 CMR 501.105(16);
6. Identification of the proposed address for the License;
7. Documentation of a property interest in the proposed address. The proposed MTC shall be identified in the documentation as the entity that has the property interest. Interest may be demonstrated by one of the following:
    a. Clear legal title to the proposed site;
    b. An option to purchase the proposed site;
    c. A legally enforceable agreement to give such title; or
    d. Documentation evidencing permission to use the Premises.
8. Documentation in the form of a single-page certification signed by the contracting authorities for the municipality (or municipalities) and applicant evidencing that the applicant for licensure and host municipality in which the address of the MTC is located have executed a Host Community agreement;
9. Documentation that the applicant has conducted a community outreach meeting consistent with the Commission's *Guidance for License Applicants on Community Outreach* within the six months prior to the application submission date. If the MTC will be located in two locations under this License, the applicant shall hold separate and distinct community outreach meetings in each municipality. Documentation shall include:
    a. Copy of a notice of the time, place and subject matter of the meeting, including

the proposed address of the MTC, that was published in a newspaper of general circulation in the city or town at least 14 calendar days prior to the meeting;

b. Copy of the meeting notice filed with the city or town clerk, the planning board, the contracting authority for the municipality and local cannabis licensing authority, if applicable;

c. Attestation that at least one meeting was held within the municipality where the MTC is proposed to be located;

d. Attestation that at least one meeting was held after normal business hours;

e. Attestation that notice of the time, place and subject matter of the meeting, including the proposed address of the MTC, was mailed at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the MTC, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such Owner is located in another city or town;

f. Information presented at the community outreach meeting, which shall include, but not be limited to:

i. The proposed address of the MTC with the declaration that the proposed MTC is a "Medical Marijuana Treatment Center";

ii. Information adequate to demonstrate that the location(s) will be maintained securely;

iii. Steps to be taken by the MTC to prevent Diversion to minors;

iv. A plan by the MTC to provide reduced cost or free Marijuana to Patients with documented Verified Financial Hardship, as defined by the Commission. The plan shall outline the goals, programs, and measurements the MTC will pursue once licensed;

v. A plan by the Marijuana Establishment to positively impact the community;

vi. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law; and

vii. An attestation that community members were permitted to ask questions and receive answers from representatives of the MTC.

10. A description of plans to ensure that the MTC is or will be compliant with local codes, ordinances, and bylaws for the physical address of the MTC, which shall include, but not be limited to, the identification of all local licensing requirements for the medical use of Marijuana;

11. A plan by the MTC to positively impact Areas of Disproportionate Impact, as defined by the Commission, for the purposes established in M.G.L. c. 94G, § 4(a½)(iv). The plan shall outline the goals, programs, and measurements the Marijuana Establishment will pursue once licensed. A Licensee may satisfy their positive impact plan requirement, in part, by donating to the Cannabis Social Equity Trust Fund at any time once licensed. The plan shall outline the goals, programs, and measurements the MTC will pursue once licensed.

12. In addition to donating to the Cannabis Social Equity Trust Fund, a Licensee may satisfy the remainder of their positive impact plan by complying with one or more of the following:

a. The Licensee has conducted 50 hours of educational seminars targeted to residents of Areas of Disproportionate Impact in one or more of the following: Marijuana cultivation, Marijuana Product manufacturing, Marijuana retailing, or Marijuana business training;

b. The Licensee can demonstrate that a majority of employees have a conviction or continuance without a finding for an offense under M.G.L. c. 94C or an equivalent conviction in Other Jurisdictions; or

c. The Licensee can demonstrate that in a year, at least one percent of its gross revenue or a minimum of 20 hours of each staff member's paid time is contributed to supporting persons from communities disproportionately harmed by Marijuana prohibition or an Area of Disproportionate Impact as determined by the Commission.

13. The requisite nonrefundable application fee pursuant to 935 CMR 501.005; and

14. Any other information required by the Commission.

(b) Background Check. Prior to an application being considered complete, each applicant for licensure shall submit the following information:

1. The list of individuals and entities in 935 CMR 501.101(1)(a)1.;

2. Information for each individual identified in 935 CMR 501.101(1)(a)1., which shall include:

a. the individual's full legal name and any aliases;

b. the individual's address;
c. the individual's date of birth;
d. a photocopy of the individual's driver's license or other government-issued identification card;
e. a CORI Acknowledgment Form, pursuant to 803 CMR 2.09: *Requirements for Requestors to Request CORI*, provided by the Commission, signed by the individual and notarized; and
f. any other authorization or disclosure, deemed necessary by the Commission, for the purposes of conducting a background check.

3. Relevant Background Check Information. All Persons and Entities Having Direct or Indirect Control, and those individuals and entities contributing 10% or more in the form of a loan, shall provide information detailing involvement in any of the following criminal, civil, or administrative matters:
a. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, whether for a felony or misdemeanor including, but not limited to, action against any health care facility or facility for providing Marijuana for medical or adult-use purposes, in which those individuals either owned shares of stock or served as board member, Executive, officer, director or member, and which resulted in conviction, or guilty plea, or plea of *nolo contendere*, or admission of sufficient facts;
b. A description and the relevant dates of any civil action under the laws of the Commonwealth, or an Other Jurisdiction including, but not limited to, a complaint relating to any professional or occupational or fraudulent practices;
c. A description and relevant dates of any past or pending legal or disciplinary actions in the Commonwealth or any other state against an entity whom the applicant served as a Person or Entity Having Direct or Indirect Control, related to the cultivation, Processing, distribution, or sale of Marijuana for medical or adult-use purposes;
d. A description and the relevant dates of any administrative action including any complaint, order, stipulated agreement or settlement, or disciplinary action, by the Commonwealth, or like action in an Other Jurisdiction including, but not limited to:
i. The denial, suspension, or revocation, or other action with regard to of a professional or occupational license, registration, or certification or the surrender of a license;
ii. Administrative actions with regard to unfair labor practices, employment discrimination, or other prohibited labor practices; and
iii. Administrative actions with regard to financial fraud, securities regulation, or consumer protection.
e. A description and relevant dates of actions against a license to prescribe or distribute controlled substances or legend drugs held by any Person or Entity Having Direct or Indirect Control that is part of the applicant's application, if any; and
f. Any other information required by the Commission.

(c) Management and Operations Profile. Each applicant shall submit, with respect to each application, a response in a form and manner specified by the Commission, which includes:
1. Detailed information regarding its business registration with the Commonwealth, including the legal name, a copy of the articles of organization and bylaws as well as the identification of any doing-business-as names;
2. A certificate of good standing, issued within the previous 90 days from submission of an application, from the Corporations Division of the Secretary of the Commonwealth;
3. A certificate of good standing or certificate of tax compliance issued within the previous 90 days from submission of an application, from the DOR;
4. A certificate of good standing, issued within the previous 90 days from submission of an application, from the DUA, if applicable. If not applicable, a written statement to this effect is required;
5. A proposed timeline for achieving operation of the MTC and evidence that the MTC will be ready to operate within the proposed timeline after notification by the Commission that the applicant qualifies for licensure;
6. A description of the MTC's plan to obtain a liability insurance policy or otherwise meet the requirements of 935 CMR 501.105(10);
7. A detailed summary of the business plan for the MTC;
8. A detailed summary of operating policies and procedures for the MTC, which shall

include, but not be limited to, provisions for:

a. Security;
b. Prevention of Diversion and Inversion;
c. Storage of Marijuana;
d. Transportation of Marijuana;
e. Inventory procedures;
f. Procedures for quality control and testing of product for potential contaminants;
g. Personnel policies;
h. Dispensing procedures;
i. Recordkeeping procedures;
j. Maintenance of financial records; and
k. Diversity plans to promote equity among people of color, particularly Black, African American, LatinX, and Indigenous people, women, Veterans, persons with disabilities, and LGBTQ+ people, in the operation of the MTC. The plan shall outline the goals, programs, and measurements the MTC will pursue once licensed.

9. A detailed description of qualifications and intended training(s) for MTC agents who will be employees;
10. The Management and Operation Profile submitted in accordance with 935 CMR 501.101(1)(c) shall demonstrate compliance with the operational requirements set forth in 935 CMR 501.105 through 501.160, as applicable;
11. Disclosure of the proposed hours of operation, and the names and contact information for individuals that will be the emergency contacts for the MTC;
12. The identification of whether the MTC will perform home deliveries to Patients and Caregivers. If so, a detailed summary of the policies and procedures to ensure the safe delivery of Finished Marijuana Products to Patients and Caregivers, including procedures for how Individual Orders will be filled and procedures for reconciling Individual Orders at the close of the business day, shall be provided;
13. A detailed operation plan for the cultivation of Marijuana, including a detailed summary of policies and procedures for cultivation, consistent with state and local law including, but not limited to, the Commission's guidance in effect November 1, 2019;
14. A list of all products that MTC plans to produce, including the following information:

a. A description of the types and forms of Marijuana Products that the MTC intends to produce;
b. The methods of production;
c. A safety plan for the manufacture and production of Marijuana Products; and
d. A sample of any unique identifying mark that will appear on any product produced by the applicant as a branding device.

15. A detailed summary of the proposed program to provide reduced cost or free Marijuana to Patients with documented financial hardship; and
16. Any other information required by the Commission.

(2) Application Requirements for MTC Applicants that Submit an Application of Intent prior to November 1, 2019.

(a) Application of Intent. An applicant for an MTC License shall submit the following as part of the Application of Intent:

1. Documentation that it is an entity in good standing as specified in 935 CMR 501.050, as well as a list of all Executives of the proposed MTC, and a list of all members, if any, of the entity;
2. Documentation that it has at least $500,000 in its control and available, as evidenced by bank statements, lines of credit, or the equivalent, to ensure that the applicant has sufficient resources to operate. 935 CMR 501.101(2) may be fulfilled through demonstration of pooled resources among the individuals or entities affiliated with the applicant. If an entity is submitting more than one application, the capital requirement shall be $400,000 for each subsequent application;
3. An attestation signed by an authorized designee of the entity that if the entity is allowed to proceed to the Management and Operations Profile, the entity is prepared to pay a nonrefundable application fee as specified in the applicable notice;
4. The requisite nonrefundable application fee; and
5. Any other information required by the Commission.

(b) Management and Operations Profile. Within 45 days after receipt of an invitation to the Management and Operations Profile, the applicant shall submit a response in a form and manner specified by the Commission, which includes:

1. Detailed information regarding entity, including the legal name, a copy of the

articles of organization and bylaws;
2. The name, address, date of birth, and resumés of each Executive of the applicant and of the members, if any, of the entity, along with a photocopy of their driver's licenses or other government-issued identification cards, and background check information in a form and manner determined by the Commission;
3. List of all Persons or Entities Having Direct or Indirect Control over the management or policies of the MTC;
4. A description of the MTC's plan to obtain a liability insurance policy or otherwise meet the requirements of 935 CMR 501.105(10);
5. A detailed summary of the business plan for the MTC;
6. An operational plan for the cultivation of Marijuana, including a detailed summary of policies and procedures for cultivation;
7. If the MTC intends to produce MIPs, a description of the types and forms of MIPs that the MTC intends to produce, and the methods of production;
8. A detailed summary of operating policies and procedures for the MTC, which shall include, but not be limited to, provisions for security, prevention of Diversion, storage of Marijuana, transportation of Marijuana, inventory procedures, including plans for integrating any existing electronic tracking systems with the Seed-to-sale SOR, procedures for quality control and testing of product for potential contaminants, procedures for maintaining confidentiality as required by law, personnel policies, dispensing procedures, recordkeeping procedures, plans for patient education, and any plans for patient or Personal Caregiver Patient delivery;
9. A detailed summary of the MTC's policies and procedures for the provision of Marijuana to Registered Qualifying Patients with Verified Financial Hardship without charge or at less than the market price, as required by 935 CMR 501.050(1)(h);
10. A detailed description of all intended training(s) for MTC agents;
11. Evidence that the applicant is responsible and suitable to maintain an MTC. Information including, but not limited to, the following factors shall be considered in determining the responsibility and suitability of the applicant to maintain an MTC:

a. Demonstrated experience running a business;

b. History of providing healthcare services or services providing Marijuana for medical purposes, including provision of services in other states;

c. History of response to correction orders issued under the laws or regulations of the Commonwealth or other states;

d. Whether the applicant complies with all laws of the Commonwealth relating to taxes and child support and whether the applicant will have workers' compensation and professional and commercial insurance coverage;

e. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or Other Jurisdictions, whether for a felony or misdemeanor including, but not limited to, action against any health care facility or facility for providing Marijuana for medical- or adult-use purposes, in which those individuals either owned shares of stock or served as board member, Executive, officer, director or member, and which resulted in conviction, or guilty plea, or plea of *nolo contendere*, or admission of sufficient facts;

f. A description and the relevant dates of any civil action under the laws of the Commonwealth, or Other Jurisdictions including, but not limited to, a complaint relating to any professional or occupational or fraudulent practices;

i. Fraudulent billing practices;

ii. Past or pending legal or disciplinary actions in any other state against any officer, Executive, director, or board member of the applicant or its members, or against any other entity owned or controlled in whole or in part by them, related to the cultivation, Processing, distribution, or sale of Marijuana for medical purposes;

iii. 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 the Commonwealth or Other Jurisdictions, including denial, suspension, revocation, or refusal to renew certification for Medicaid or Medicare;

iv. Past discipline by, or a pending disciplinary action or unresolved complaint by the Commonwealth, or a like action or complaint by Other Jurisdictions, with regard to any professional license or registration of an Executive of the applicant, as well as by any member of the entity, if any; or

g. A description and relevant dates of actions against a license to prescribe or distribute controlled substances or legend drugs held by any Person or Entity

Having Direct or Indirect Control that is part of the applicant's application, if any; and

h. Any attempt to obtain a registration, license, or approval to operate in any state by fraud, misrepresentation, or the submission of false information;

12. Any other information required by the Commission.

(c) Siting Profile. Within 12 months after receipt of an invitation to submit the Siting Profile, the applicant shall submit a response in a form and manner specified by the Commission, which includes:

1. The county, city or town in which the proposed MTC would be sited, and if known, the physical address of the proposed MTC. If Marijuana will be cultivated or MIPs will be prepared at any location other than the dispensing location of the proposed MTC, the physical address of the one additional location where Marijuana will be cultivated or MIPs will be prepared, if known;

2. The applicant shall provide evidence of interest in the subject property or properties. Interest may be demonstrated by one of the following:

a. Clear legal title to the proposed site;

b. An option to purchase the proposed site;

c. A legally enforceable agreement to give such title; or

d. Documentation evidencing permission to use the premises;

3. Documentation in the form of a single-page certification signed by the contracting authorities for the municipality (or municipalities) and applicant evidencing that the applicant for licensure and host municipality in which the address of the MTC is located have executed a Host Community agreement(s);

4. A description of plans to ensure that the MTC is or shall be compliant with local codes, ordinances, and bylaws for the physical address of the MTC and for the physical address of the additional location, if any, including the identification of all local licensing bylaws or ordinances for the medical use of Marijuana;

5. A proposed timeline for achieving operation of the MTC and evidence that the MTC will be ready to operate within the proposed timeline after notification by the Commission that the applicant qualifies for licensure; and

6. Any other information required by the Commission.

(3) CMO License Requirements. MTC applicants seeking to operate a Marijuana Establishment shall also comply with 935 CMR 500.101: *Application Requirements*.

(4) Pre-verification and Verification of Social Equity Businesses.

(a) Pre-verification of Eligibility as a Social Equity Business is applicable to individuals and entities who, as a business entity, have not been licensed as a Marijuana Establishment.

1. An individual or entity may file, in a form and manner specified by the Commission, an application for Pre-verification of Eligibility as a Social Equity Business. Once the Commission has confirmed that the application is complete, Commission staff will review the application to determine whether the individual or entity is eligible as a Social Equity Business. After making this determination, the Commission will notify the individual or entity whether it has been determined to be a pre-verified Social Equity Business.

2. The Commission shall act on an application for Pre-verification of Eligibility as a Social Equity Business within 30 days of receipt.

3. Pre-verified Social Equity Businesses certified by the Commission may request that the Commission provide confirmation of pre-verified status to a Host Community.

(b) Verification of Eligibility as a Social Equity Business is applicable to individuals and entities who, as a business entity, are licensed as a Marijuana Establishment.

1. A Marijuana Establishment may file, in a form and manner specified by the Commission, an application for Verification of Eligibility as a Social Equity Business. Once the Commission has confirmed that the application is complete, Commission staff will review the application to determine whether the Marijuana Establishment is a Social Equity Business or is eligible as a Social Equity Business. After making this determination, the Commission will notify the Marijuana Establishment whether it has been determined to be a verified Social Equity Business.

2. The Commission shall act on an application for Verification of Eligibility as a Social Equity Business within 30 days of receipt.

(c) If there has been a change in qualifying criteria after the submission of an application, or after receiving pre-verification, the individual or entity pre-verified or verified as a Social Equity Business shall revise this information and attest to the change in a form and manner determined by the Commission. The individual or entity shall also notify the Host

Community of a change in qualifying criteria to its application or its pre-verified status as a Social Equity Business, as applicable.

(d) List to be provided to the Department of Revenue. The Commission shall provide the Department of Revenue with a list of Social Equity Businesses 30 days within pre-verification or Verification of Eligibility as a Social Equity Business by the Commission.

501.102: Action on Applications

(1) Action on Each Application. The Commission shall grant Licenses with the goal of ensuring that the needs of the Commonwealth are met regarding access, quality, and community safety.

(a) License applications shall be evaluated based on the applicant's:

1. Demonstrated compliance with the laws and regulations of the Commonwealth;
2. Suitability for licensure based on the provisions of 935 CMR 501.101(1), 501.800 and 501.801; and
3. Evaluation of the thoroughness of the applicant's responses to the required criteria. The Commission shall consider each License application submitted by an applicant on a rolling basis.

(b) The Commission shall notify each applicant in writing that:

1. The application has been deemed complete. Once deemed complete, the Commission reserves the right to approve or deny the License application.
2. The application has been deemed incomplete, and include the grounds for which it has been deemed incomplete; or
3. The Commission requires further information within a specified period of time before the packet is determined to be complete.

(c) Failure of the applicant to adequately address all required items in its application in the time required under 935 CMR 501.102 by the Commission will result in evaluation of the application as submitted. Nothing in 935 CMR 501.101 is intended to confer a property or other right or interest entitling an applicant to a meeting before an application may be denied.

(d) On determination that the application is complete, a copy of the completed application, to the extent permitted by law, will be forwarded to the municipality in which the MTC will be located. The Commission shall request that the municipality respond within 60 days of the date of the correspondence that the applicant's proposed MTC complies with municipal bylaws or ordinances.

(e) The applicant shall keep current all information required by 935 CMR 501.000 or otherwise required by the Commission. The applicant shall report any changes in or additions to the content of the information contained in the application to the Commission within five business days after such change or addition. If a material change occurs to an application deemed complete, the Commission may deem the application incomplete pending further review. If an application initially deemed complete, and later deemed incomplete, a notice will be provided to the applicant. An incomplete application must be fully evaluated pursuant to 935 CMR 501.102(1)(a) prior to being deemed complete again and submitted to the Commission pursuant to M.G.L. c. 94G, § 5(a).

(2) Action on Completed Application.

(a) The Commission shall review applications from applicants in the order they were submitted as determined by the Commission's electronic licensing system.

(b) The Commission shall grant or deny a provisional License not later than 90 days following notification to the applicant that all required packets are considered complete. Applicants shall be notified in writing that:

1. the applicant shall receive a provisional License which may be subject to further conditions as determined by the Commission; or
2. the applicant has been denied a License. Denial shall include a statement of the reasons for the denial.

(c) Failure of the applicant to complete the application process within the time specified by the Commission in the application instructions shall be grounds for denial of a License.

(3) Action on Application Submissions under 935 CMR 501.101(2).

(a) The Commission shall not consider an application that is submitted after the due date specified.

1. An applicant that has submitted an Application of Intent shall be invited to the Management and Operations Profile phase within six months of November 1, 2019.

Failure to do so will result in the expiration of the application.

2. An applicant that has been invited to the Management and Operations Profile shall submit the Management and Operations Profile within 45 days of the invite. Failure to do so will result in the expiration of the application.

3. An applicant that has been invited to the Management and Operations Profile shall be invited to submit a Siting Profile within 12 months of the invite to the Management and Operations Profile. Failure to do so will result in the expiration of the application.

4. An applicant that has been invited to the Siting Profile shall obtain a provisional License within 12 months of the invite to the Siting Profile. Failure to do so will result in the expiration of the application.

(b) Once the Application of Intent and Management and Operations Profile have been submitted, respectively, and deemed complete, the applicant will be invited by notice to the next stage of the application.

(c) Once the Siting Profile has been deemed complete, the applicant will receive notice. Notice and a copy of the completed application, to the extent permitted by law, will be forwarded to the municipality (or municipalities) in which the MTC will be located. The Commission shall request that the municipalities respond within 60 days of the date of the correspondence that the applicant's proposed MTC is in compliance with municipal bylaws or ordinances.

(d) Failure of the applicant to adequately address all required items in its application will result in evaluation of the application as submitted. The applicant will not be permitted to provide supplemental materials, unless specifically requested by the Commission.

(e) The Commission shall grant or deny a provisional License once the application, and all its sections, have been deemed complete and all third-party documentation has been reviewed. Applicants shall be notified in writing that:

1. The applicant shall receive a provisional License which may be subject to further conditions as determined by the Commission; or

2. The applicant has been denied a License. Denial shall include a statement of the reasons for the denial.

(f) 935 CMR 501.103 shall apply to all applicants that are granted a provisional License under 935 CMR 501.101.

501.103: Licensure and Renewal

(1) Provisional License. On selection by the Commission, an applicant shall submit the required License fee and subsequently be issued a provisional License to develop an MTC, in the name of the entity. Such provisional License shall be subject to reasonable conditions specified by the Commission, if any.

(a) The Commission shall review architectural plans for the building or renovation of an MTC. Construction or renovation related to such plans may not begin until the Commission has granted approval. Submission of such plans shall occur in a manner and form established by the Commission including, but not limited to, a detailed floor plan of the Premises of the proposed MTC that identifies the square footage available and describes the functional areas of the MTC, including areas for any preparation of Marijuana Products, and, if applicable, such information for the single allowable off-Premises location in Massachusetts where Marijuana will be cultivated or Marijuana Products will be prepared; and a description of plans to ensure that the MTC will be compliant with requirements of the Americans with Disabilities Act (ADA) Accessibility Guidelines.

To demonstrate compliance with 935 CMR 501.120(11), an MTC applicant shall also submit an energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation.

(b) An MTC shall construct its facilities in accordance with 935 CMR 501.000, conditions set forth by the Commission in its provisional License and architectural review, and any applicable state and local laws, regulations, permits or licenses.

(c) The Commission may conduct inspections of the facilities, as well as review all written materials required in accordance with 935 CMR 501.000.

(d) The applicable License fee shall be paid within 90 days from the date the applicant was approved for a provisional License by the Commission. Failure to pay the applicable License fee within the required time frame will result in the License approval expiring. If this occurs, a new License application will need to be completed pursuant to 935 CMR 501.101 and will require Commission approval.

(e) To the extent updates are required to the information provided for initial licensure, the MTC shall submit an updated energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with

supporting documentation, together with a renewal application submitted under 935 CMR 501.103(4).

(2) Final License. On completion of all inspections required by the Commission, an MTC is eligible for a final License. All information described in 935 CMR 501.000 that is not available at the time of submission shall be provided to and approved by the Commission before an MTC may receive a final License. Such final Licenses shall be subject to reasonable conditions specified by the Commission, if any.

(a) No person or entity shall operate an MTC without a final License issued by the Commission.

(b) A provisional or final License may not be assigned or transferred without prior Commission approval.

(c) A provisional or final License shall be immediately void if the MTC Ceases to Operate or if, without the permission of the Commission, it relocates.

(d) Acceptance of a provisional or final License constitutes an agreement by the MTC that it will adhere to the practices, policies, and procedures that are described in its application materials, as well as all relevant laws, regulations, and any conditions imposed by the Commission as part of licensure.

(e) The MTC shall post the final License in a conspicuous location on the Premises at each Commission-approved location.

(f) The MTC shall conduct all activities authorized by 935 CMR 501.000 at the address(es) identified on the final License issued by the Commission.

(g) Unless authorized by the Commission, an MTC may not sell any service or good other than Marijuana and Marijuana Products, including MIPS and Marijuana seeds, Branded Goods, and other Marijuana Accessories.

(3) The MTC shall be operational within the time indicated in 935 CMR 501.101(1)(c)5. or as otherwise amended through the application process and approved by the Commission through the issuance of a final License.

(4) Expiration and Renewal of Licensure. The MTC's License, as applicable, shall expire one year after the date of issuance of the provisional License and annually thereafter, and may be renewed as follows, unless an action has been taken based on the grounds set forth in 935 CMR 501.450:

(a) No later than 90 calendar days prior to the expiration date, an MTC shall submit a completed renewal application to the Commission in a form and manner determined by the Commission, as well as the required License fee.

(b) The MTC shall submit as a component of the renewal application a report or other information demonstrating the establishment's efforts to comply with the plans required under 935 CMR 501.101(1), including 935 CMR 501.101(1)(a)11. and 935 CMR 501.101(1)(c)8.k., as applicable. The report will, at a minimum, have detailed, demonstrative, and quantifiable proof of the establishment's efforts, progress, and success of said plans.

(c) An MTC engaged in indoor cultivation shall include a report of the MTC's energy and water usage over the 12-month period preceding the date of the application.

(d) To the extent updates are required to the information provided for initial licensure, the MTC shall submit an updated energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation, together with a renewal application submitted under 935 CMR 501.103(4).

(e) The MTC shall submit as a component of the renewal application certification of good standing from the Secretary of the Commonwealth, the DOR, and the DUA. Certificates of good standing will be accepted if issued within 90 days of the submittal of the renewal application.

(f) The MTC shall conduct all activities authorized by 935 CMR 501.000 at the address(es) identified on the final License issued by the Commission.

(g) Unless authorized by the Commission, an MTC may not sell any service or good other than Marijuana and Marijuana Products, including MIPs and Marijuana seeds, Branded Goods, and other Marijuana Accessories.

(h) The Commission shall issue a renewal License within 30 days of receipt of a renewal application and renewal License fee from an MTC to a Licensee, if the Licensee:

1. Is in good standing with the Secretary of the Commonwealth, DOR, and DUA;

2. Provided documentation demonstrating substantial effort or progress towards achieving its goals submitted as part of its plans required under 935 CMR 501.101(1),

including 935 CMR 501.101(1)(a)11. and 501.101(1)(c)8.k., as applicable; and

3. No new information submitted as part of the renewal application, or otherwise obtained, presents suitability issues for any individual or entity listed on the application or License.

(i) CMO Marijuana Retailers shall submit the following information pertaining to patient supply of marijuana:

1. The licensee's policy and the procedures (e.g., data points, formulas) relied on to determine what constitutes a sufficient quantity and variety of marijuana products consistent with 935 CMR 501.140(13); and

2. The licensee's policy and procedures for determining what qualifies as a reasonable substitution for a medical marijuana product under 935 CMR 501.140(13) and its policy for communicating reliance on the substitution to Patients.

(h) The MTC shall comply with the requirements of 935 CMR 501.104(1) in accordance with that section separately from the renewal application.

(i) The Commission shall issue a renewal License within 30 days of receipt of a renewal application and renewal License fee from an MTC to a Licensee, if the Licensee:

1. Is in good standing with the Secretary of the Commonwealth, DOR, and DUA;

2. Provided documentation demonstrating substantial effort or progress towards achieving its goals submitted as part of its plans required under 935 CMR 501.101(1), including 935 CMR 501.101(1)(a)11. and 501.101(1)(c)8.k., as applicable; and

3. No new information submitted as part of the renewal application, or otherwise obtained, presents suitability issues for any individual or entity listed on the application or License.

(j) CMO Marijuana Retailers shall submit the following information pertaining to patient supply of marijuana:

1. The licensee's policy and the procedures (*e.g.*, data points, formulas) relied on to determine what constitutes a sufficient quantity and variety of marijuana products consistent with 935 CMR 501.140(13); and

2. The licensee's policy and procedures for determining what qualifies as a reasonable substitution for a medical marijuana product under 935 CMR 501.140(13) and its policy for communicating reliance on the substitution to Patients.

501.104: Notification and Approval of Changes

(1) Prior to making the following changes, an MTC shall submit a request for such change to the Commission and pay the appropriate fee. No such change shall be permitted until approved by the Commission or in certain cases, the Commission has delegated authority to approve changes to the Executive Director. Failure to obtain approval of such changes may result in a License being suspended, revoked, or deemed void.

(a) Location Change. Prior to changing its location, the MTC shall submit a request for such change to the Commission.

(b) Ownership or Control Change.

1. Ownership Change. Prior to any change in ownership, where an Equity Holder acquires or increases its ownership to 10% or more of the equity or contributes 10% or more of the initial capital to operate the MTC, including capital that is in the form of land or buildings, the MTC shall submit a request for such change to the Commission.

2. Control Change. Prior to any change in control, where a new Person or Entity Having Direct or Indirect Control should be added to the License, the MTC shall submit a request for such change to the Commission prior to effectuating such a change. An individual, corporation, or entity shall be determined to be in a position to control the decision-making of an MTC if the individual, corporation, or entity falls within the definition of Person or Entity Having Direct or Indirect Control.

(c) Structural Change. Prior to any modification, remodeling, expansion, reduction or other physical, non-cosmetic alteration of the MTC, the establishment shall submit a request for such change to the Commission.

(d) Name Change. Prior to changing its name, the MTC shall submit a request for such change to the Commission. Name change requests, and prior approval, shall apply to an establishment proposing a new or amending a current doing-business-as name.

(e) Court Supervised Proceedings. Notification and approval requirements with respect to Court Appointees and Court Supervised Proceedings are detailed in 935 CMR 501.104(3).

(2) The Executive Director of the Commission may approve, provided the Executive Director gives the Commission timely notice of his or her decision:

(a) A Location Change;
(b) A Name Change;
(c) Any new equity owner, provided that the equity acquired is below 10%;
(d) Any new Executive or Director, provided that the equity acquired is below 10%;
(e) A reorganization, provided that the ownership and their equity does not change; and
(f) Court Appointees, as detailed in 935 CMR 501.104(3).

(3) Court Supervised Proceedings.
(a) Commission Petition.
1. The Commission or its delegee may seek to file a petition where there is an imminent threat or danger to the public health, safety or welfare, which may include one or more of the following:
a. Notice of violations of state or federal criminal statutes including, but not limited to, M.G.L. c. 94C, §§ 32 and 34;
b. Noncompliance with or violations of its statute or regulations such that the imposition of fines or other disciplinary actions would not be sufficient to protect the public;
c. Conditions that pose a substantial risk of Diversion or Inversion of Marijuana or Marijuana Products to or from the illicit market or to individuals younger than 21 years of age who do not possess a valid pediatric Patient Registration Card issued by the Commission;
d. Conditions that pose a substantial risk to Patients;
e. Violations of testing or inventory and transfer requirements such that the Commission cannot readily monitor Marijuana and Marijuana Products cultivated, manufactured, transported, delivered, transfer, or sold by a Licensee; or
f. Other circumstance that the Commission or its delegee determines possess an imminent threat or danger to public health, safety, or welfare exists.
2. The Commission or its delegee may seek to file a petition, intervene, or otherwise participate in a Court Supervised Proceeding or any other proceeding to secure its rights under M.G.L. c. 94G, § 19.
3. Nothing in 935 CMR 501.104(3) shall limit the Commission's authority under M.G.L. c. 94G, § 4(a)(v).
(b) Delegation. In accordance with M.G.L. c. 10, § 76(j), the Commission may delegate to the Executive Director the authority to appear on its behalf in Court Supervised Proceedings or any other proceeding, and to administer and enforce its regulations relative to such proceedings or Court Appointees which includes, but it not limited to, the following:
1. To determine the form and manner of the application process for a Preapproved Court Appointee;
2. To preapprove, recommend, disqualify, or discipline Court Appointees;
3. To approve the distribution of escrow funds under 935 CMR 501.105(10) or bond funds under 935 CMR 501.105(16) including, but not limited to, to cover the cost of a Court Appointee or the operations of an MTC under supervision subject to the receipt of a court order prior to the expenditure of such funds;
4. To approve the use of additional funds subject to the receipt of a court order prior to the expenditure of such funds;
5. To preapprove or approve certain transactions; provided, however, any change in the ownership or control under 935 CMR 501.104(1) shall be considered by the Commission; or
6. To impose fines or other disciplinary action under 935 CMR 501.500, however, any suspension or revocation of a License under 935 CMR 501.450 shall be considered by the Commission.
(c) Notice to the Commission.
1. A Licensee or Person or Entity Having Direct or Indirect Control over a Licensee shall provide notice to the Commission of a petition or Court Supervised Proceeding or any other proceeding implicating 935 CMR 501.000:
a. Five business days prior to the Licensee or Person or Entity Having Direct or Indirect Control filing a petition; or
b. On receipt of notice that a petition was filed or of an imminent threat of litigation that could lead to the appointment of a Court Appointee.
2. Notice to the Commission shall include a copy of the relevant communications, petition, pleadings and supporting documents, and shall be sent electronically to Commission@CCCMass.Com and by mail to the Cannabis Control Commission at:

Cannabis Control Commission
ATTN: General Counsel - Court Appointees
Union Station
2 Washington Square
Worcester, MA 01604

3. As soon as practicable, the Licensee or Person or Entity Having Direct or Indirect Control over a Licensee shall provide electronic and written notice to the Commission if the circumstances giving rise to the petition pose or may pose a threat to the public health, safety or welfare.

4. As soon as practicable, the Licensee or Person or Entity Having Direct or Indirect Control over a Licensee shall provide notice to the court that it is licensed by the Commission and of the regulations relative to Court Supervised Proceedings and Court Appointees including, but not limited to, the qualifications for a Court Appointee established in 935 CMR 501.104(3)(d)1., and the list of Preapproved Court Appointees.

5. A Licensee or Person or Entity Having Direct or Indirect Control over a Licensee that fails to comply with the requirements of 935 CMR 501.104(3) may be subject to disciplinary action including, but not limited to, revocation or suspension of any license or registration under 935 CMR 501.450.

(d) Commission Qualifications for Court Appointees.

1. Qualifications. The Commission deems the following qualifications essential in a Court Appointee, subject to the court's discretion. At a minimum, an individual or entity seeking to be a Preapproved Court Appointee shall demonstrate the following qualifications consistent with the regulatory requirements for licensees. An applicant may seek a waiver of these qualifications under 935 CMR 501.850. The failure to maintain these qualifications may be a basis for disqualification.

a. Suitability. An applicant must demonstrate suitability under 935 CMR 501.801: *Table A*.

b. Ownership and Control Limits. A person or entity named as a Court Appointee shall, prior to and as a result of being a Court Appointee, be in compliance with the control limitations set forth in 935 CMR 501.050(1)(b) or any other limitations on licensure set forth in 935 CMR 501.000.

2. Application Process for Preapproved Court Appointees. The Commission or its delegee may preapprove, recommend, disqualify, or discipline Preapproved Court Appointees. A person or entity seeking to be a Preapproved Court Appointee shall pay a fee established in 935 CMR 501.005(7)(a) and submit the following information and make the necessary disclosures:

a. Qualifications. An applicant shall demonstrate the qualifications set forth in 935 CMR 501.104(3)(d)1.

b. Credentials. An applicant shall demonstrate sufficient training, knowledge and experience, to ensure a Licensee under their or its supervision shall comply with Commissions statutory and regulatory requirements.

c. Affiliated Individuals or Entities. An applicant shall identify any person or entity that may exert control or influence over the Preapproved Court Appointee, whether or not such individuals or entities are can exercise the authority of a Court Appointee.

d. Engaged Individuals or Entities. An applicant shall identify an person or entity that the applicant intends to engage in conducting the work of a Court Appointee, whether or not such individuals or entities are exercising the authority of a Court Appointee.

e. Financial Information. An applicant shall make such financial disclosures necessary to determine its ability to serve as a Court Appointee.

f. Licenses. The applicant shall submit any professional or occupational licenses and represent that these licenses are in good standing.

g. Good Standing. If the applicant is an entity, it shall submit a valid Certificate of Good Standing issued each by the Secretary of the Commonwealth and the Department of Revenue.

h. Limitations. The applicant shall identify any limitations on the ability to serve as a Court Appointee including, but not limited to, capacity, qualifications, credentials, conflicts of interest, and financial requirements.

i. An applicant shall submit any additional information the Commission or its delegee may request, in its sole discretion.

j. Suitability. An applicant shall demonstrate suitability to operate a Licensee. If the applicant is an entity, each individual exercising the authority of a Court

Appointee shall demonstrate suitability as provided in 935 CMR 501.000. An applicant shall demonstrate suitability by:

i. Submitting to a criminal background check in accordance with 935 CMR 501.030, 935 CMR 501.101 and 935 CMR 501.105; or

ii. Submitting an attestation under the pains and penalties of perjury that the applicant is suitable to operate a Licensee.

3. Application requirements in this 935 CMR 501.104(3)(d)2., shall apply only to persons and entities acting as a Court Appointee.

4. Renewal. In order to remain as Preapproved Court Appointee, each Preapproved Court Appointee, on the anniversary of their preapproval, shall annually attest to the Commission under the pains and penalties of perjury that there has been no material change to the information and disclosures submitted as part of the initial application or provide updated information and disclosures with respect to those that have changed, and pay the fee identified in 935 CMR 501.005(7)(b).

(e) Licensee's Obligations. A Licensee placed under the oversight or a Court Appointee shall:

1. Continue to comply with all legal and regulatory requirements applicable to a Licensee, except as otherwise determined pursuant a court order or a waiver granted pursuant to 935 CMR 501.850.

2. Provide the Commission with any documents requested by the Commission.

3. Cooperate with the Commission's efforts to intervene as an interested party in any Court proceeding pursuant to which a Court Appointee is sought.

4. Comply with the requirements of 935 CMR 501.104(1) upon final disposition of the License(s) subject to oversight by a Court Appointee.

5. When a Licensee files a petition, it shall propose in such petition a Court Appointee with the qualifications identified in 935 CMR 501.104(3)(d)1. and/or may choose from the Commission's list of Preapproved Court Appointees.

(f) Applicability of 935 CMR 104(3).

1. All Licensees and Persons or Entities having Direct or Indirect Control shall comply with the notice requirements established in 935 CMR 501.104(3)(c).

2. A Person or Entity Having Direct or Indirect Control that has its ownership or control interest placed under the oversight of a Court Appointee shall be exempt from the requirements of subsection 935 CMR 501.104(3)(b) and (d) through (f); provided however, that upon final disposition of the interest in question, the Licensee shall comply with the requirements of 935 CMR 501.104(1), as applicable.

(4) Assignment for the Benefit of Creditors. A Licensee must seek Commission approval, in a form or manner determined by the Commission, prior to effectuating an Assignment for the Benefit of Creditors. The Commission may delegate authority to approve such agreements to the Executive Director; provided however, that any transfer of a License shall be subject to Commission Approval.

(5) The MTC shall keep current all information required by 935 CMR 501.000 or otherwise required by the Commission. The MTC shall report any changes in or additions to the content of the information contained in any document to the Commission within five business days after such change or addition.

501.105: General Operational Requirements for Medical Marijuana Treatment Centers

(1) Written Operating Procedures. Every MTC shall have and follow a set of detailed written operating procedures. If the MTC has an additional location, it shall develop and follow a set of such operating procedures for that facility. A CMO shall have written operating procedures that comply with both 935 CMR 501.105(1) and 500.105(1): *Written Operating Procedures* and may do so by having two sets of written operating procedures applicable to each medical-use and adult-use operations or having one set of written operating procedures, provided it complies with both medical-use and adult-use requirements. Operating procedures shall include, but need not be limited to, the following:

(a) Security measures in compliance with 935 CMR 501.110.

(b) Employee security policies, including personal safety and crime prevention techniques.

(c) A description of the MTC's hours of operation and after hours contact information, which shall be provided to the Commission, made available to Law Enforcement Authorities on request, and updated pursuant to 935 CMR 501.101(1)(c)11.

(d) Storage and waste disposal of Marijuana in compliance with 935 CMR 501.105(11)

and 501.105(12).

(e) Description of the various strains of Marijuana to be cultivated and dispensed, and the form(s) in which Marijuana will be dispensed.

(f) Price list for Marijuana, MIPs, and any other available products, and alternate price lists for Patients with documented Verified Financial Hardship as required by 935 CMR 501.050(1)(h).

(g) Procedures to ensure accurate recordkeeping, including inventory protocols for Transfer and inventory and procedures for integrating a secondary electronic system with the Seed-to-sale SOR.

(h) Plans for quality control, including product testing for contaminants in compliance with 935 CMR 501.160.

(i) A staffing plan and staffing records in compliance with 935 CMR 501.105(9)(d).

(j) Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies.

(k) Alcohol, smoke, and drug free workplace policies.

(l) A plan describing how Confidential Information and other records required to be maintained confidentially will be maintained.

(m) A policy for the immediate dismissal of any MTC Agent who has:

1. Diverted Marijuana, which shall be reported to Law Enforcement Authorities and to the Commission;
2. Engaged in unsafe practices with regard to operation of the MTC, which shall be reported to the Commission; or
3. Been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of any Other Jurisdiction.

(n) A list of all board of directors, members and Executives of an MTC, and Members, if any, of the Licensee, shall be made available on request by any individual. This requirement may be fulfilled by placing this information on the MTC's website.

(o) Policies and procedure for the handling of cash on MTC Premises including, but not limited to, storage, collection frequency, and transport to financial institution(s), to be available on inspection.

(p) The standards and procedures by which the MTC determines the price it charges for Marijuana, and a record of the prices charged, including the MTC's policies and procedures for the provision of Marijuana to Registered Qualifying Patients with Verified Financial Hardship without charge or at less than the market price, as required by 935 CMR 501.050(1)(h).

(q) Policies and procedures for energy efficiency and conservation that shall include:

1. Identification of potential energy use reduction opportunities (including, but not limited to, natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;
2. Consideration of opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
3. Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
4. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

(r) Policies and procedures to promote workplace safety consistent with the standards set forth under the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651, *et seq*., including the general duty clause whereby each employer:

1. shall furnish to each of its employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to its employees;
2. shall comply with occupational safety and health standards promulgated under 29 U.S.C. § 651, *et seq*. Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to 29 U.S.C. § 651, *et seq*., which are applicable to the employee's own actions and conduct.

All current and updated regulations and references at 29 CFR Parts 1903, 1904, 1910, 1915, 1917, 1918, 1926, 1928, and 1977 are incorporated by reference, and applicable to all places of employment covered by 935 CMR 501.000.

(s) A description of the MTC’s patient education activities in accordance with 935 CMR 501.140(6).

(2) MTC Agent Training.

(a) MTCs and Independent Testing Laboratories shall ensure that all MTC Agents and Laboratory Agents complete minimum training requirements prior to performing job functions.

1. At a minimum, MTC Agents shall receive a total of eight hours of training annually. The eight-hour total training requirement shall be tailored to the roles and responsibilities of the job function of each MTC Agent.

2. A minimum of four hours of training shall be from Responsible Vendor Training Program courses established under 935 CMR 501.105(2)(b). Any additional RVT hours over the four-hour RVT requirement may count toward the eight-hour total training requirement.

3. Non-RVT training may be conducted in-house by the MTC or by a third-party vendor engaged by the MTC. Basic on-the-job training MTCs provide in the ordinary course of business may be counted toward the eight-hour total training requirement.

4. Agents responsible for tracking and entering product into the Seed-to-sale SOR shall receive training in a form and manner determined by the Commission. At a minimum, staff shall receive eight hours of on-going training annually.

5. MTCs shall maintain records of compliance with all training requirements noted above. Such records shall be maintained for four years and MTCs shall make such records available for inspection on request.

6. An individual who is both a Marijuana Establishment Agent and MTC Agent at a CMO location shall receive the training required for each license under which the agent is registered including, without limitation, with respect to patient privacy and confidentiality requirements, which may result in instances that would require such an agent to participate in more than eight hours of training.

(b) Responsible Vendor Training.

1. All current MTC Agents, including Laboratory Agents, involved in the handling or sale of Marijuana for medical use at the time of licensure or renewal of licensure, as applicable, shall have attended and successfully completed a Responsible Vendor Training Program to be designated a "Responsible Vendor".

a. MTC Agents shall first take the Basic Core Curriculum.

b. On completing the Basic Core Curriculum, an MTC Agent is eligible to take the Advanced Core Curriculum.

c. Exception for Administrative Employees. MTC Agents who serve as administrative employees and do not handle or sell Marijuana are exempt from the four-hour RVT requirement but may take a Responsible Vendor Training Program course on a voluntary basis as part of fulfilling the eight-hour total training requirement.

2. Once an MTC is designated a Responsible Vendor, all MTC Agents employed by the MTC that are involved in the handling or sale of Marijuana for medical use shall successfully complete the Basic Core Curriculum within 90 days of hire.

3. After successful completion of the Basic Core Curriculum, each MTC Agent involved in the handling or sale of Marijuana for medical use shall fulfill the four-hour RVT requirement every year thereafter for the MTC to maintain designation as a Responsible Vendor. Failure to maintain Responsible Vendor status is grounds for action by the Commission.

4. Responsible Vendor Trainer Certification.

a. No owner, manager or employee of a Responsible Vendor Trainer may be a Person or Entity Having Direct or Indirect Ownership or Control of an MTC.

b. Responsible Vendor Trainers shall submit their program materials to the Commission prior to offering courses, every two years following for Commission certification of the Responsible Vendor Trainer and Responsible Vendor Training Program curriculum, and on request. The process for certification will be in a form and manner determined by the Commission.

c. Responsible Vendor Training Program courses shall consist of at least two hours of instruction time.

d. Except as provided in 935 CMR 501.105(2)(b)4.e., Responsible Vendor Training Program courses shall be taught in a real-time, interactive, virtual or in-person classroom setting in which the instructor is able to verify the identification of each individual attending the program and certify completion of the program by the individual.

e. Responsible Vendor Training Program courses may be presented in a virtual format that is not taught in a real-time, provided that the Responsible Vendor

Trainer, as part of its application for certification, can demonstrate means:

i. To verify the identification of each trainee participating in the program course and certify completion by the individual.

ii. To track trainees' time needed to complete the course training;

iii. To allow for the trainees to ask questions of the Responsible Vendor Trainer, for example, by email, virtual discussion board, or group/class discussion; and

iv. To evaluate each trainee's proficiency with course material.

f. Responsible Vendor Trainers shall seek certification for each Basic Core Curriculum and Advanced Core Curriculum. Applications for Advanced Core Curriculum certification will be open on or before July 1, 2022.

g. Responsible Vendor Trainers shall maintain its training records at its Principal Place of Business for four years.

h. Responsible Vendor Trainers shall make the records available for inspection by the Commission and any other applicable licensing authority on request during normal business hours.

i. Responsible Vendor Trainers shall provide to the appropriate MTC and MTC Agent written documentation of attendance and successful evaluation of proficiency, such as passage of a test on the knowledge of the required curriculum for each attendee.

j. Trainees who can speak and write English fluently shall successfully demonstrate proficiency, such as passing a written test with a score of 70% or better.

k. MTC Agents who cannot speak or write English may be offered a verbal evaluation or test, provided that the same questions are given as are on the written test and the results of the verbal test are documented with a passing score of 70% or better.

l. Responsible Vendor Trainers shall solicit effectiveness evaluations from MTC Agents who have completed their program(s).

5. Basic Core Curriculum. The Basic Core Curriculum shall cover the following subject matter:

a. Marijuana's effect on the human body, including:

i. Scientifically based evidence on the physical and mental health effects based on the type of Marijuana Product;

ii. The amount of time to feel impairment;

iii. Visible signs of impairment; and

iv. Recognizing the signs of impairment.

b. Diversion and Inversion prevention and prevention of sales to minors, including best practices.

c. Compliance with all tracking requirements.

d. Acceptable forms of identification. Training shall include:

i. How to check identification;

ii. Spotting and confiscating fraudulent identification;

iii. Patient registration cards currently and validly issued by the Commission;

iv. Common mistakes made in identification verification; and

v. Prohibited purchases and practices, including purchases by persons younger than 21 years old in violation of M.G.L. c. 94G, § 13.

e. How to engage and work with persons with disabilities.

f. Other key state laws and rules affecting MTC Agents, which shall include:

i. Conduct of MTC Agents;

ii. Permitting inspections by state and local licensing and enforcement authorities;

iii. Local and state licensing and enforcement, including registration and license sanctions;

iv. Incident and notification requirements;

v. Administrative, civil, and criminal liability;

vi. Health and safety standards, including waste disposal;

vii. Patrons prohibited from bringing marijuana and Marijuana Products onto licensed premises;

viii. Permitted hours of sale;

ix. Licensee responsibilities for activities occurring within licensed premises;

x. Maintenance of records, including confidentiality and privacy; and

g. Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.

6. Advanced Core Curriculum.

a. Each Advanced Core Curriculum class shall be approved by the Commission prior to being offered. The curriculum shall build on the knowledge, skills, and practices covered in the Basic Core Curriculum.

b. An Advanced Core Curriculum class shall include standard and best practices in one or more of the following areas

i. Cultivation;
ii. Product Manufacturing;
iii. Retail;
iv. Transportation;
v. Laboratory Science;
vi. Energy and Environmental Best Practices;
vii. Social Justice and Economically Reparative Practices;
viii. Implicit Bias and Diversity Training;
ix. Worker Safety;
x. Food Safety and Sanitation;
xi. Confidentiality and Privacy;
xii. In depth coverage of any topic(s) taught in the Basic Core Curriculum; or
xiii. Such other topic as the Commission may approve in its sole discretion.

7. Delivery Core Curriculum. In addition to the Basic Core Curriculum, all MTC Agents acting as delivery employees of an MTC shall have attended and successfully completed the Delivery Core Curriculum prior to making a delivery, which shall, to the extent not covered in Basic Core Training include, without limitation, training on:

a. Safely conducting deliveries;
b. Safe cash handling practices;
c. Strategies for de-escalating potentially dangerous situations;
d. Securing product following any instance of diversion, theft or loss of Finished Marijuana Products pursuant to 935 CMR 501.110(1)(m);
e. Collecting and communicating information to assist in investigations;
f. Procedures for checking identification;
g. Indications of impairment; and
h. Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.

8. Social Consumption Core Curriculum. In addition to the Basic Core Curriculum, all Marijuana Establishment Agents acting as employees of a Social Consumption Establishment Licensee shall attend and successfully complete Social Consumption Core Curriculum prior to preforming job functions in a Social Consumption Establishment, which shall, to the extent not covered in Basic Core Curriculum include, without limitation, training on:

a. Strategies for de-escalating potentially dangerous situations;
b. Procedures for addressing medical or public safety emergencies;
c. Collecting and communicating information to assist in investigations;
d. Procedures for checking identification;
e. Recognizing signs of impairment from alcohol or cannabis use;
f. Regulation requirements for licensed Social Consumption Establishment licensees; and
g. Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.

(3) Handling of Marijuana.

(a) An MTC shall Process Marijuana in a safe and sanitary manner. An MTC shall Process the leaves and flowers of the female Marijuana plant only, which shall be:

1. Well cured and free of seeds and stems;
2. Free of dirt, sand, debris, and other foreign matter;
3. Free of contamination by mold, rot, other fungus, pests and bacterial diseases and satisfying the sanitation requirements in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and if applicable, 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*;
4. Prepared and handled on food-grade stainless steel tables with no contact with MTC Agents' bare hands; and
5. Packaged in a secure area.

(b) All MTCs, including those that develop, Repackage, or Process non-Edible MIPs, shall comply with the following sanitary requirements:

1. Any MTC Agent whose job includes contact with Marijuana or non-Edible MIPs, including cultivation, production, or packaging, is subject to the requirements for food

handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*;

2. Any MTC Agent working in direct contact with preparation of Marijuana or non-Edible MIPs shall conform to sanitary practices while on duty, including:

a. Maintaining adequate personal cleanliness; and

b. Washing hands thoroughly in an adequate hand washing area before starting work, and at any other time when hands may have become soiled or contaminated

c. Hand washing facilities shall be adequate and convenient and shall be furnished with running water at a suitable temperature.

3. Hand washing facilities shall be located in the MTC in Production Areas and where good sanitary practices require employees to wash and/or sanitize their hands, and shall provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;

4. There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;

5. Litter and waste shall be properly removed, disposed of so as to minimize the development of odor, and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 501.105(12);

6. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair;

7. There shall be adequate safety lighting in all Processing and storage areas, as well as areas where equipment or utensils are cleaned;

8. Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition;

9. All contact surfaces, including utensils and equipment, shall be maintained in a clean and sanitary condition. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable;

10. All toxic items shall be identified, held, and stored in a manner that protects against contamination of Marijuana and MIPs. Toxic items may not be stored in an area containing products used in the cultivation of Marijuana. The Commission may require an MTC to demonstrate the intended and actual use of any toxic items found on the Premises;

11. An MTC's water supply shall be sufficient for necessary operations. Any private water source shall be capable of providing a safe, potable, and adequate supply of water to meet the MTC's needs;

12. Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the MTC. Plumbing shall properly convey sewage and liquid disposable waste from the MTC. There shall be no cross-connections between the potable and wastewater lines;

13. An MTC shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;

14. Products that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms;

15. Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of them or their container; and

16. All vehicles and transportation equipment used in the transportation of Marijuana Products or Edibles requiring temperature control for safety shall be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the Marijuana Products or Edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).

(c) All MTCs shall comply with sanitary requirements during the development or Processing of Edibles. All Edibles shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *State Sanitary Code Chapter X - Minimum Sanitation Standards for Food Establishments*.

(d) All Marijuana in the process of cultivation, production, preparation, transport, or analysis shall be housed and stored in such a manner as to prevent Diversion, Inversion, theft, or loss.

1. Such items shall be accessible only to the minimum number of specifically authorized MTC Agents essential for efficient operation;

2. Such items shall be returned to a secure location immediately after completion of the process or at the end of the scheduled business day; and

3. If a manufacturing process cannot be completed at the end of a working day, the Processing area or tanks, vessels, bins, or bulk containers containing Marijuana shall be securely locked inside an area or building that affords adequate security.

4. Unless otherwise authorized by the Commission, a CMO shall comply with 935 CMR 500.105(3): Requirements for the Handling of Marijuana and 935 CMR 501.105(3).

(e) MTCs shall report any occurrence or suspected occurrence of illness believed to have been due to the consumption of Marijuana, Marijuana Products, or non-infused food or drink to the Commission as required by 935 CMR 501.110(9)(a)10., and to the Department of Public Health as required by 105 CMR 300.131: *Illnesses Believed to Be Due to Food Consumption*. MTC Agents shall cooperate with any disease investigation activities being performed by the Department of Public Health, and the applicable Board of Health or Local Board of Health as defined by 105 CMR 300.020.

(4) Advertising Requirements.

(a) Permitted Practices.

1. A Marijuana Establishment may develop a Brand Name to be used in labeling, signage, and other materials; provided however, that use of medical symbols, images of Marijuana or Marijuana Products, or related Paraphernalia, images that are appealing to persons younger than 21 years old, and colloquial references to Marijuana and Cannabis are prohibited from use in the Brand Name

2. Brand Name Sponsorship of a charitable, sporting or similar event, so long as the following conditions are met:

a. Sponsorship of the event is limited to the Brand Name.

b. Any advertising at or in connection with such an event is prohibited, unless such advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit advertising from targeting or otherwise reaching entrants or participants reasonably expected to be younger than 21 years old, as determined by reliable, current audience composition data; unless such advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit advertising from targeting or otherwise reaching entrants or participants reasonably expected to be younger than 21 years old, as determined by reliable, current audience composition data;

3. An MTC engaging in Brand Name Sponsorship under 935 CMR 501.105(4)(a)2. shall retain documentation of reliable, reasonable audience composition data that is the basis for allowing any such advertising or branding for a period of one year, or longer if otherwise required by the Commission, or a court or agency with jurisdiction.

4. An MTC may display, in secure, locked cases, samples of each product offered for sale and subject to the requirements of 935 CMR 501.110 for Marijuana Treatment Centers. These display cases may be transparent. An authorized MTC Agent may remove a sample of Marijuana from the case and provide it to the Registered Qualifying Patient for inspection, provided the Registered Qualifying Patient may not consume or otherwise use the sample, unless otherwise authorized in 935 CMR 501.000.

5. The MTC may post prices in the store and may respond to questions about pricing. The MTC shall provide a catalogue or a printed list of the prices and strains of Marijuana available at the MTC to Registered Qualifying Patients and may post the same catalogue or printed list on its website and in the retail store.

6. An MTC may engage in reasonable advertising practices that are not otherwise prohibited in 935 CMR 501.105(4)(b) that do not jeopardize the public health, welfare or safety of the general public or promote the Diversion or Inversion of Marijuana or Marijuana use in individuals younger than 21 years old or otherwise promote practices inconsistent with the purposes of M.G.L. c. 94G or 94I. Any such advertising created for viewing by the public shall include the statement "Please Consume Responsibly", in a conspicuous manner on the face of the advertisement and shall include a minimum of two of the following warnings in their entirety in a conspicuous manner on the face of the advertisement:

a. "This product may cause impairment and may be habit forming";

b. "Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug";

c. "There may be health risks associated with consumption of this product"; or
d. "Marijuana should not be used by women who are pregnant or breastfeeding".

(b) Prohibited Practices. The following advertising activities are prohibited:

1. Advertising in such a manner that is deemed to be is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly or by omission or ambiguity;
2. Advertising by means of television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor advertising, or print publication, unless at least 85% of the audience is reasonably expected to be 21 years of age or older or comprised of individuals with debilitating conditions, as determined by reliable and current audience composition data;
3. Advertising, including statements by a Licensee, that makes any false or statements concerning other Licensees and the conduct and products of such other Licensees that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly or by omission or ambiguity;
4. Advertising on any billboards or any other public signage which fails to comply with all state laws and local ordinances;
5. Installation of any illuminated signage or external signage beyond the period of 30 minutes before sundown until closing; provided however, that the Commission may further specify minimum signage requirements;
6. The use of vehicles equipped with radio or loudspeakers for the advertising of Marijuana or Marijuana Products;
7. The use of radio or loudspeaker equipment in any MTC for the purpose of attracting attention to the sale of Marijuana or Marijuana Products;
8. Operation of any website of an MTC that fails to verify that the entrant is a Qualifying Patient or Caregiver or the entrant is 21 years of age or older;
9. Use of unsolicited pop-up advertisements on the internet or text message; unless the advertisement is a mobile device application installed on the device by the owner of the device who is a Qualifying Patient or Caregiver or 21 years of age or older and includes a permanent and easy opt-out feature;
10. Any advertising, including the use of Brand Names, of an improper or objectionable nature including, but not limited to, the use or language or images offensive or disparaging to certain groups;
11. Any advertising solely for the promotion of Marijuana or Marijuana Products on MTC Branded Goods including, but not limited to, clothing, cups, drink holders, apparel accessories, electronic equipment or accessories, sporting equipment, novelty items and similar portable promotional items;
12. Advertising on or in public or private vehicles and at bus stops, taxi stands, transportation waiting areas, train stations, airports, or other similar transportation venues including, but not limited to, vinyl-wrapped vehicles or signs or logos on transportation vehicles not owned by the MTC;
13. The display of signs or other printed material advertising any brand or kind of Marijuana or Marijuana Products that are displayed on the exterior of any licensed Premises;
14. Advertising of the price of Marijuana or Marijuana Products, except as permitted above pursuant to 935 CMR 501.105(4)(a)5.;
15. Display of Marijuana or Marijuana Products so as to be clearly visible to a person from the exterior of an MTC;
16. Advertising, marketing or branding including any statement, design, representation, picture, or illustration that encourages or represents the use of Marijuana for any purpose other than to treat a Debilitating Medical Condition or related symptoms;

(c) The Commission shall maintain and make available a list of all MTCs, their dispensing location, and their contact information.

(d) Nothing in 935 CMR 501.105(4) prohibits an MTC from using a mark provided by the Commission which uses images of Marijuana.

(e) CMOs shall comply with the requirements of each 935 CMR 500.105(4): *Advertising Requirements* and 935 CMR 501.105(4) with respect to the applicable license. A CMO may develop a single marketing campaign; provided, however, it shall apply the most restrictive requirements applicable under either license.

(5) Labeling of Marijuana and Marijuana Products.

(a) Labeling of Marijuana Not Sold as a Marijuana Product. Prior to Marijuana being sold or Transferred, an MTC shall ensure the placement of a legible, firmly Affixed label on

which the wording is no less than 1/16 of an inch in size on each package of Marijuana that it makes available for retail sale. The Affixed label shall contain at a minimum the following information, but may not include a Qualifying Patient's name:

1. The name and registration number, telephone number, email address of the MTC that produced the Marijuana, together with the retail Licensee's business telephone number, electronic mail address, and website information, if any;
2. The date that the MTC packaged the contents and a statement of which Licensee performed the packaging;
3. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
4. Net weight or volume in U.S. customary or metric units, listed in that order;
5. The full Cannabinoid Profile of the Marijuana contained within the package, including THC and other Cannabinoid levels;
6. A statement and a seal certifying that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L c. 94G, § 15;
7. This statement, including capitalization: "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";
8. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:

9. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

10. 935 CMR 501.105(5)(a) may not apply to Marijuana packaged for transport of wholesale cultivated Marijuana in compliance with 935 CMR 501.105(13); provided however, that the MTC is responsible for compliance with 935 CMR 501.105(5) for all Marijuana Products sold or displayed to Patients.

(b) Labeling of Edibles. Prior to Edibles being sold or Transferred, the MTC shall place a legible, firmly Affixed label on which the wording is no less than 1/16 of an inch in size on each Edible that it prepares for retail sale or wholesale. The Affixed label shall contain at a minimum the following information, but may not include a Qualifying Patient's name:

1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with the Marijuana Product Manufacturer's business telephone number, e-mail address and website information, if any;
2. The name of the Marijuana Product;
3. Refrigeration of the product is required, as applicable;
4. Total net weight or volume in U.S. customary and metric units, listed in that order, of the Marijuana Product;
5. The number of servings in the Marijuana Product and the specific weight in milligrams of a serving size;
6. The type of Marijuana used to produce the product, including what, if any, Processing technique or solvents were used;
7. A list of ingredients, including the full Cannabinoid Profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol (Δ9-THC) and other Cannabinoids in the package and in each

serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume;

8. The amount, in grams, of sodium, sugar, carbohydrates and total fat per serving;

9. The date of creation and the recommended "use by" or expiration date which may not be altered or changed;

10. A batch number, sequential serial number and bar codes when used, to identify the batch associated with manufacturing and Processing;

11. Directions for use of the Marijuana Product;

12. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;

13. A warning if nuts or other Known Allergens are contained in the product;

14. This statement, including capitalization: "The impairment effects of edible products may be delayed by two hours or more. This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";

15. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:

16. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

17. 935 CMR 501.105(5)(b) shall apply to Edibles produced by an MTC for transport to another Licensee in compliance with 935 CMR 501.105(8) and shall be in addition to any regulation regarding the appearance of Edibles under 935 CMR 501.150.

(c) Labeling of Marijuana Concentrates and Extracts. Prior to Marijuana concentrates or extracts being sold or Transferred, the MTC shall place a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ of an inch in size on each Marijuana concentrate container that it prepares for retail sale or wholesale. The Affixed label shall contain at a minimum the following information, but may not include a Qualifying Patient's name:

1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with the Marijuana Product Manufacturer's business telephone number and e-mail address;

2. The name of the Marijuana Product;

3. Product identity, including the word "concentrate" or "extract", as applicable;

4. Total net weight or volume expressed in U.S. customary units and metric units, listed in that order, of a Marijuana Product;

5. If applicable, the number of servings in the Marijuana Product and the specific weight in milligrams of a serving size;

6. The type of Marijuana used to produce the product, including what, if any, Processing technique or solvents were used;

7. A list of ingredients including, but not limited to, the full Cannabinoid Profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol (Δ9-THC) and other Cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume, and the amount of specific additives infused or incorporated during the

manufacturing process, whether active or inactive including, but not limited to, thickening agents, thinning agents, and specific terpenes, expressed in absolute terms and as a percentage of volume;

a. For Marijuana Vaporizer Devices, identification of specific additives shall include, but not be limited to, any additives identified on the FDA's Inactive Ingredient Database for "Respiratory (inhalation)" or "Oral" routes of administration and based on dosage form as an aerosol product or inhalant. The FDA Inactive Ingredient Database is available at https://www.fda.gov/media/72482/download. If the FDA database or its equivalent is no longer available, licensees shall use the database identified by the Commission.

b. For Marijuana Vaporizer Devices produced using only cannabis-derived terpenes, the following statement: "This product was produced using only cannabis-derived terpenes."

c. For Marijuana Vaporizer Devices produced using terpenes other than cannabis-derived terpenes, the following statement: "This product was produced using terpenes derived from sources other than cannabis."

8. The date of creation and the recommended "use by" or expiration date;

9. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;

10. Directions for use of the Marijuana Product;

11. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date(s) of testing in accordance with M.G.L. c. 94G, § 15. Marijuana Products that are required to undergo more than one screening shall list all applicable dates of testing;

12. A warning if nuts or other Known Allergens are contained in the product;

13. This statement, including capitalization: “This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”;

14. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:

15. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

16. 935 CMR 501.105(5)(c) shall apply to Marijuana concentrates and extracts produced by an MTC for transport to another Licensee in compliance with 935 CMR 501.105(13).

(d) Labeling of Marijuana Infused Tinctures, Topicals or Other Non-edible Marijuana-infused Products. Prior to Marijuana-infused Tinctures, topicals or other non-edible Marijuana-infused Products being sold or Transferred the MTC shall place a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ of an inch in size on each container of Marijuana-infused Product that it prepares for retail sale or wholesale. The Affixed label shall contain at a minimum the following information, but may not include a Qualifying Patient's name:

1. The name and registration number of the MTC that produced the Marijuana Product, together with the MTC's business telephone number, e-mail address and

website information, if any;
2. The Marijuana Product's identity;
3. The type of Marijuana used to produce the product, including what, if any, Processing technique or solvents were used;
4. A list of ingredients, including the full Cannabinoid Profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahy drocannabinol (Δ9-THC) and other Cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume;
5. Total net weight or volume as expressed in U.S. customary units and metric units, listed in that order, of the Marijuana Product;
6. If applicable, the number of servings in the Marijuana Product and the specific weight in milligrams of a serving size;
7. The date of product creation;
8. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
9. Directions for use of the Marijuana Product;
10. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
11. A warning if nuts or other Known Allergens are contained in the product;
12. This statement, including capitalization: "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";
13. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:

14. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

15. 935 CMR 501.105(5)(d) shall apply to Marijuana-infused Tinctures and topicals produced by an MTC for transport to another Licensee in compliance with 935 CMR 501.105(8).

(e) Labeling of Repackaged Marijuana. Prior to Repackaged Marijuana being sold, the Retailer shall place a legible, firmly Affixed label on which the wording is no less than $^{1}/_{16}$ inch in size on each container of Marijuana that it prepares for retail sale.

1. The Affixed label shall contain at a minimum the following information, but may not include a Qualifying Patient's name:
   a. The name and registration number of the Cultivator that produced the Marijuana;
   b. Business or trade name of licensee that packaged the product, if different from the Cultivator;
   c. Date of Harvest;
   d. Type of Marijuana or name of strain;
   e. The full Cannabinoid Profile of the Marijuana contained within the Repackaged Product, including the amount of delta-nine-tetrahydrocannabinol (Δ9-THC) and other Cannabinoids in the package;

f. Weight in grams of usable marijuana used in product;
g. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and Processing;
h. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
i. This statement, including capitalization: "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";
j. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:

k. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:

2. In circumstances where the labeling of the Marijuana Product is unreasonable or impractical, the MTC may include the labeling information on a peel-back label or may place the product in a sealed bag with an insert or additional, easily readable label firmly Affixed to that bag.

(f) In circumstances where the labeling of the Marijuana Product is unreasonable or impractical, the MTC may include the labeling information on a peel-back label or may place the product in a take-away bag with an insert or additional, easily readable placed within that bag.

(g) CMOs shall comply with the labeling requirements in 935 CMR 500.105(5) for all adult-use sales and 935 CMR 501.105(5) for all medical-use sales.

(6) Packaging of Marijuana and Marijuana Products.

(a) Child-resistant Packaging. MTCs engaged in product manufacturing operations shall ensure that all Marijuana and Marijuana Products that are provided for sale to Registered Qualifying Patients shall be sold in child-resistant packaging. To comply with 935 CMR 501.105(6), Licensees shall ensure:

1. That to the extent it is not Unreasonably Impracticable for the specific type of product, Marijuana Products are packaged in containers that are:
a. Opaque and plain in design;
b. Do not use bright colors, cartoon characters and other features designed to appeal to minors;
c. Resealable for any Marijuana Product intended for more than a single use or containing multiple servings; and
d. Certified by a qualified child-resistant packaging testing firm that the packaging complies with the most recent poison prevention packaging regulations of the U.S. Consumer Product Safety Commission as included at 16 CFR 1700.

2. That where compliance with the requirements of child-resistant packaging is deemed to be Unreasonably Impracticable or too challenging for Patients to maneuver, Marijuana Products shall be placed in an packaging that is:
a. Capable of being resealed after it has been opened; and
b. Includes the following statement, including capitalization, in at least ten-point

Times New Roman, Helvetica or Arial font: "KEEP OUT OF REACH OF CHILDREN".

(b) Limits on Packaging Design. Packaging for Marijuana or Marijuana Products sold or displayed to Patients, including any label or imprint Affixed to any packaging containing Marijuana or Marijuana Products or any exit packages, may not be attractive to minors. Packaging is explicitly prohibited from:

1. Imitating or having a semblance to any existing branded consumer products, including foods and drinks, that do not contain Marijuana;
2. Featuring cartoons;
3. Featuring a design, brand or name that resembles a non-Cannabis consumer product of the type that is typically marketed to minors;
4. Featuring symbols or celebrities that are commonly used to market products to minors;
5. Featuring images of minors; and
6. Featuring words that refer to products that are commonly associated with minors or marketed to minors.

(c) Packaging of Multiple Servings.

1. Packaging for Marijuana Products sold or displayed for Registered Qualifying Patients in multiple servings shall include the following statement on the exterior of the package in a printed font that is no smaller than ten-point Times New Roman, Helvetica or Arial, including capitalization: "INCLUDES MULTIPLE SERVINGS."
2. Packaging for Marijuana Products in solid form sold or displayed for Registered Qualifying Patients in multiple servings shall allow a Registered Qualifying Patient to easily perform the division into single servings.
   a. Edibles in a solid form shall be easily and permanently scored to identify individual servings.
   b. Notwithstanding 935 CMR 501.105(6)(c)2.a., where a product is unable, because of its form, to be easily and permanently scored to identify individual servings, the product shall be packaged in a single serving size. The determination of whether a product can be easily and permanently scored shall be decided by the Commission consistent with sub-regulatory guidelines established by the Commission and provided to Licensees.

(d) Each single serving of an Edible contained in a multiple-serving package may be marked, stamped or otherwise imprinted with the symbol issued by the Commission under 935 CMR 501.105(5) that indicates that the single serving is a Marijuana Product.

(e) Serving size shall be determined by the MTC.

(f) CMOs shall comply with the packaging requirements in 935 CMR 500.105(6): *Packaging of Marijuana and Marijuana Products* for adult use sales or 935 CMR 501.105(6) for medical use sales.

(7) Packaging and Labeling Pre-approval. Prior to Marijuana or Marijuana Product being sold at an MTC, a CMO, a Licensee or License Applicant may submit an application for packaging and label approval to the Commission. An application for preapproval may be submitted at any time prior to Marijuana or Marijuana Product being sold or at any time a substantive change is made to the packaging or labeling of Marijuana or Marijuana Product. The Commission shall charge a fee for packaging and labeling preapproval pursuant to 935 CMR 501.005.

(a) Packaging and labeling preapproval review shall be limited to the physical attributes of, and statutorily required warnings on, the packaging and label, including but not limited to legibility, but may not include a review of specific Independent Testing Laboratory test results required pursuant to 935 CMR 501.105(5). The packaging and labeling preapproval process shall be in addition to the requirements of 935 CMR 501.105(5) and (6).

(b) In addition to an application for packaging and labeling preapproval in a form and manner determined by the Commission, an applicant for preapproval shall submit electronic files of the following to the Commission:

1. For packaging preapproval, two images of the packaging, one depicting the front of the packaging and one depicting the back of the packaging. Photographs shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.
2. For labeling preapproval, one image of each label requested for review. Photographs shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.

(c) The Commission shall make every effort to make a preapproval determination based

on information submitted. In the event that a preapproval determination is unable to be made conclusively based on submitted photographs, the Commission may request to view the packaging or label in person or through a video conference. Any such request by the Commission shall be made to the applicant electronically or in writing.

(8) Inventory.

(a) Subject to Marijuana or Marijuana Products being entered into the Seed-to-sale SOR, a Marijuana Establishment may Transfer product to an MTC, and an MTC may Transfer product to a Marijuana Establishment as long as there is no violation of the dosing limitations set forth in 935 CMR 500.150(4): *Dosing Limitations* or the limitations on total MTC inventory as set forth in 935 CMR 501.105(8)(m). Such Transfers cannot violate provisions protecting patient supply under 935 CMR 501.140(12). An MTC shall limit its Transfer of inventory of seeds, plants, and Usable Marijuana to reflect the projected needs of Registered Qualifying Patients.

(b) Real-time inventory shall be maintained as specified by the Commission and in 935 CMR 501.105(8)(c) and (d) including, at a minimum, an inventory of Marijuana plants, Marijuana plant seeds and Clones in any phase of development such as Propagation, Vegetation, and Flowering, Marijuana ready for dispensing, all MIPs, and all damaged,defective, expired, or contaminated Marijuana and MIPs awaiting disposal.

(c) An MTC shall:

1. Establish inventory controls and procedures for the conduct of inventory reviews, and comprehensive inventories of Marijuana and MIPs in the process of cultivation, and finished, stored Marijuana;
2. Conduct a monthly inventory of Marijuana in the process of cultivation and finished, stored Marijuana;
3. Conduct a comprehensive annual inventory at least once every year after the date of the previous comprehensive inventory; and
4. Promptly transcribe inventories if taken by use of an oral recording device.

(d) The record of each inventory shall include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory.

(e) An MTC shall attach plant tags to all Marijuana, Clones, and plants and attach package tags to all Finished Marijuana and Marijuana Products, and track all Marijuana seeds, Clones, plants, and Marijuana Products, using a Seed-to-sale methodology in a form and manner to be approved by the Commission.

(f) The failure to enter inventory into the Seed-to-sale SOR may result in the suspension or revocation of an MTC License.

(g) The use of the Seed-to-sale SOR does not preclude an MTC from using a secondary electronic tracking system so long as it complies with 935 CMR 501.105(8). The MTC shall seek approval from the Commission, in a form and manner determined by the Commission, to integrate its secondary system with the Seed-to-sale SOR.

(h) Prior to the point of sale, an MTC shall specify the suggested retail price for any Marijuana or Marijuana Product intended for patient sale.

(i) An MTC shall limit its inventory of seeds, plants, and Usable Marijuana to reflect the projected needs of Registered Qualifying Patients.

(j) An MTC may acquire Marijuana and Marijuana Product from or distribute Marijuana or Marijuana Product to another MTC or Marijuana Establishment in accordance with 935 CMR 501.140(8) and subject to the following:

1. The distribution and acquisition of Marijuana and Marijuana Product, including MIPs, to and from all other MTCs does not exceed, cumulatively, 45% of the MTC's total annual inventory of Marijuana as measured by weight, or for Marijuana Product, including MIPs, as measured by its combined dry weight equivalent in Marijuana concentrate; except that such requirement shall not apply to CMOs; and
2. A documented emergency occurs such as loss of crop, vandalism, or theft, or other circumstance as approved by the Commission.

(k) Any distribution and acquisition of Marijuana and MIPs shall be tracked in the Seed-to-sale SOR in a form and manner determined by the Commission. Any distribution of Marijuana and MIPs that is not tracked in the Seed-to-sale SOR may result in the suspension or revocation of an MTC License or other administrative action.

(l) An MTC may not engage in a transfer of inventory that would violate the provisions protecting patient supply under 935 CMR 501.140(12).

(m) A CMO shall implement procedures for electronic separation of medical-and adult-use Marijuana, MIPs, and Marijuana Products in the Seed-to-sale SOR.

(n) A CMO shall designate whether Marijuana or MIPs, or Marijuana Products are

intended for sale for adult use or medical use through the SOR. Products shall be transferred to the appropriate license within the Seed-to-sale SOR prior to sale. After the point of sale, there shall be a reconciliation of that inventory in the SOR.

(9) Recordkeeping. Records of an MTC shall be available for inspection by the Commission, on request. The financial records of an MTC shall be maintained in accordance with generally accepted accounting principles. Written records that are required and are subject to inspection include, but are not limited to, all records required in any section of 935 CMR 501.000 in addition to the following:

(a) Operating procedures as required by 935 CMR 501.105(1);

(b) Inventory records as required by 935 CMR 501.105(8)(d);

(c) Seed-to-sale Electronic Tracking System records for all Marijuana and MIPs as required by 935 CMR 501.105(8)(e);

(d) The following personnel records:

1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;

2. A personnel record for each MTC and Laboratory Agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the MTC and shall include, at a minimum, the following:

a. All materials submitted to the Commission pursuant to 935 CMR 501.029 and 501.030;

b. Documentation of verification of references;

c. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;

d. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;

e. A copy of the application that the MTC submitted to the Commission on behalf of any prospective MTC agent;

f. Documentation of periodic performance evaluations;

g. Notice of completed Responsible Vendor Training Program and in-house training for MTC Agents required under 935 CMR 501.105(2); and

h. A record of any disciplinary action taken.

3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;

4. Personnel policies and procedures, including, at a minimum, the following:

a. Code of ethics;

b. Whistle-blower policy; and

c. A policy which notifies persons with disabilities of their rights under https://www.mass.gov/service-details/about-employment-rights or a comparable link, and includes provisions prohibiting discrimination and providing reasonable accommodations; and

5. All background check reports obtained in accordance with M.G.L. c. 6, § 172, 935 CMR 501.029, 935 CMR 501.030, and 803 CMR 2.00: *Criminal Offender Record Information (CORI)*;

(e) Business records, which shall include manual or computerized records of:

1. Assets and liabilities;

2. Monetary transactions;

3. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;

4. Sales records that indicate the name of the Registered Qualifying Patient or Personal Caregiver to whom Marijuana has been dispensed, including the quantity, form, and cost;

5. Salary and wages paid to each employee, stipend paid to each board of directors member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with an MTC, including Persons or Entities Having Direct or Indirect Control over the MTC.

(f) Waste disposal records as required under 935 CMR 501.105(12); and

(g) Following closure of an MTC, all records shall be kept for at least two years at the expense of the MTC and in a form and location acceptable to the Commission.

(10) Liability Insurance Coverage or Maintenance of Escrow.

(a) An MTC shall obtain and maintain general liability insurance coverage for no less than

$1,000,000 per occurrence and $2,000,000 in aggregate, annually, and product liability insurance coverage for no less than $1,000,000 per occurrence and $2,000,000 in aggregate, annually, except as provided in 935 CMR 501.105(10)(b) or otherwise approved by the Commission. The deductible for each policy shall be no higher than $5,000 per occurrence.

(b) An MTC that documents an inability to obtain minimum liability insurance coverage as required by 935 CMR 501.105(10)(a) may place in escrow a sum of no less than $250,000 or such other amount approved by the Commission, to be expended for coverage of liabilities.

(c) The escrow account required pursuant to 935 CMR 501.105(10)(b) shall be replenished within ten business days of any expenditure.

(d) Reports documenting compliance with 935 CMR 501.105(10) shall be made in a manner and form determined by the Commission pursuant to 935 CMR 501.000.

(e) A CMO shall maintain the insurance coverage or escrow account required under 935 CMR 500.105(10): *Liability Insurance Coverage or Maintenance of Escrow* or 501.105(10) per location.

(11) Storage Requirements.

(a) An MTC shall provide adequate lighting, ventilation, temperature, humidity, space, and equipment, in accordance with applicable provisions of 935 CMR 501.105 and 501.110.

(b) An MTC shall have separate areas for storage of Marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached, until such products are destroyed.

(c) MTC storage areas shall be maintained in a clean and orderly condition.

(d) MTC storage areas shall be free from infestation by insects, rodents, birds, and pests of any kind.

(e) MTC storage areas shall be maintained in accordance with the security requirements of 935 CMR 501.110.

(12) Waste Disposal.

(a) All recyclables and waste, including organic waste composed of or containing Finished Marijuana and MIPs, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations. All exterior waste receptacles located on the MTC's Premises shall be locked and secured to prevent unauthorized access, and the potential for Diversion, theft or loss.

(b) Liquid waste containing Marijuana or by-products of Marijuana Processing shall be disposed of in compliance with all applicable state and federal requirements including, but not limited to, for discharge of pollutants into surface water or groundwater (Massachusetts Clean Waters Act, M.G.L. c. 21, §§ 26 through 53; 314 CMR 3.00: *Surface Water Discharge Permit Program*; 314 CMR 5.00: *Groundwater Discharge Permit Program*; 314 CMR 12.00: *Operation, Maintenance and Pretreatment Standards for Wastewater Treatment Works and Indirect Dischargers*; the Federal Clean Water Act, 33 U.S.C. 1251 *et seq*., the National Pollutant Discharge Elimination System Permit Regulations at 40 CFR Part 122, 314 CMR 7.00: *Sewer System Extension and Connection Permit Program*), or stored pending disposal in an industrial wastewater holding tank in accordance with 314 CMR 18.00: *Industrial Wastewater Holding Tank and Container Construction, Operation, and Record Keeping Requirements*.

(c) Organic material, recyclable material and solid waste generated at an MTC shall be redirected or disposed of as follows:

1. Organic and recyclable material shall be redirected from disposal in accordance with the waste disposal bans described at 310 CMR 19.017: *Waste Bans*.
2. To the greatest extent feasible:
   a. Licensees shall recycle any material classified as recyclable in 310 CMR 16.02; and
   b. Any Marijuana containing organic material as defined in 310 CMR 16.02: *Definitions* shall be ground up and mixed with other organic material as defined in 310 CMR 16.02 at the MTC such that the resulting mixture renders any Marijuana unusable for its original purpose. Once such Marijuana has been rendered unusable, the organic material may be composted or digested at an aerobic or anaerobic digester at an operation that complies with the requirements of 310 CMR 16.00: *Site Assignment Regulations for Solid Waste Facilities*.
3. Solid waste containing Marijuana generated at an MTC shall be rendered unusable for its original purpose. Once such Marijuana has been rendered unusable, the resulting

solid waste may be brought to a solid waste transfer facility or a solid waste disposal facility that holds a valid permit issued by the Department of Environmental Protection or by the appropriate agency in the jurisdiction in which the facility is located.

(d) An MTC Agent shall witness and document how the solid waste or organic material containing Marijuana is rendered unusable on-site including, but not limited to, the grinding up, mixing, storage and removal from the MTC in accordance with 935 CMR 501.105(12). When Marijuana Products or waste is disposed or handled, the MTC shall create and maintain an electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the name of the MTC Agent present during the disposal or other handling, with their signature. An MTC shall keep these records for at least three years. This period shall automatically be extended for the duration of any disciplinary action and may be extended by an order of the Commission.

(13) Transportation Between MTCs.

(a) General Requirements.

1. A licensed MTC shall be licensed to transport its Marijuana and Marijuana Products to other licensed establishments, including Marijuana Establishments, except as otherwise provided in 935 CMR 501.105(13).

2. Marijuana Products may only be transported between licensed MTCs by registered MTC Agents.

3. A Marijuana Transporter licensed pursuant to 935 CMR 500.050(9) may Transfer Marijuana and Marijuana Products to or from an MTC.

4. The originating and receiving licensed MTCs shall ensure that all transported Marijuana Products are linked to the Seed-to-sale SOR. For the purposes of tracking, seeds and Clones will be properly tracked and labeled in a form and manner determined by the Commission.

5. Any Marijuana Product that is undeliverable or is refused by the destination MTC shall be transported back to the originating establishment.

6. All vehicles transporting Marijuana Products shall be staffed with a minimum of two MTC Agents. At least one agent shall always remain with the vehicle when the vehicle contains Marijuana or Marijuana Products.

a. Notwithstanding 935 CMR 501.105(13)(a)6., an Independent Testing Laboratory shall ensure that all vehicles operated by the Independent Testing Laboratory or a Marijuana Transporter used solely for transporting Marijuana or Marijuana Products for testing purposes in accordance with 935 CMR 501.160 that contain Marijuana and Marijuana Products with a total Wholesale value in excess of $5,000 in the vehicle are staffed with a minimum of two Agents.

b. Notwithstanding 935 CMR 501.105(13)(a)6., for all vehicles transporting Marijuana or Marijuana Products solely for testing purposes in accordance with 935 CMR 501.160 that contain Marijuana and Marijuana Products with a total Wholesale value of $5,000 or less in the vehicle, an Independent Testing Laboratory or Marijuana Transporter may staff the vehicle with one Agent.

7. Prior to leaving an MTC for the purpose of transporting Marijuana Products, the originating MTC shall weigh or count inventory, and account for, on video, all Marijuana Products to be transported.

8. Within eight hours after arrival at the destination MTC, the destination MTC shall re-weigh or re-count inventory, and account for, on video, all Marijuana Products transported.

9. When videotaping the weighing, counting, inventorying, and accounting of Marijuana Products before transportation or after receipt, the video shall show each product being weighed, the weight, and the manifest.

10. Marijuana Products shall be packaged in sealed, labeled, and tamper or child-resistant packaging prior to and during transportation.

11. In the case of an emergency stop during the transportation of Marijuana Products, a log shall be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. Licensees shall comply with applicable requirements of 935 CMR 501.110(9).

12. An MTC transporting Marijuana Products shall ensure that all transportation times and routes are randomized.

13. An MTC transporting Marijuana Products shall ensure that all transport routes remain within the Commonwealth.

14. All vehicles and transportation equipment used in the transportation of Cannabis Products or Edibles requiring temperature control for safety shall be designed,

maintained, and equipped as necessary to provide adequate temperature control to prevent the Cannabis products or Edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).

15. All vehicles shall be equipped with a video system that includes one or more video cameras in the storage area of the vehicle and one or more video cameras in the driver area of the vehicle and which shall remain operational at all times during the entire transportation process and which shall have:

a. The ability to produce a clear color still photo whether live or recorded; and

b. A date and time stamp embedded in all recordings which shall always be synchronized and set correctly and may not significantly obscure the picture.

(b) Reporting Requirements.

1. MTC agents shall document and report any unusual discrepancy in weight, count, or inventory to the Commission and Law Enforcement Authorities not more than 24 hours of the discovery of such a discrepancy.

2. MTC agents shall report to the Commission and Law Enforcement Authorities any vehicle accidents, Diversions, Inversions, losses, or other reportable incidents that occur during transport, not more than 24 hours of such accidents, Diversions, Inversions, losses, or other reportable incidents.

(c) Vehicles.

1. A vehicle used for transporting Marijuana Products shall be:

a. Exclusively owned or leased by the MTC or otherwise licensed by the Commission as a Third-party Transporter;

b. Properly registered, inspected, and insured in the Commonwealth (documentation of such status shall be maintained as records of the MTC, and shall be made available to the Commission on request);

c. Equipped with an alarm system approved by the Commission; and

d. Equipped with functioning heating and air conditioning systems appropriate for maintaining correct temperatures for storage of Marijuana Products.

2. Marijuana Products may not be visible from outside the vehicle.

3. Any vehicle used to transport or deliver Marijuana or Marijuana Products must comply with applicable Massachusetts Registry of Motor Vehicles (RMV) requirements, but may not include any additional external marking that indicate the vehicle is being used to transport or deliver Marijuana or Marijuana Products.

4. When transporting Marijuana Products, no other products may be transported or stored in the same vehicle.

5. No firearms may be located within the vehicle or on an MTC Agent.

(d) Storage Requirements.

1. Marijuana Products shall be transported in a secure, locked storage compartment that is a part of the vehicle transporting the Marijuana Products.

2. The storage compartment shall be sufficiently secure that it cannot be easily removed.

3. If an MTC is transporting Marijuana Products for more than one licensed MTC at a time, the Marijuana Products for each Licensee shall be kept in a separate locked storage compartment during transportation and separate manifests shall be maintained for each MTC.

4. If an MTC is transporting Marijuana Products to multiple other establishments, it may seek the Commission's permission to adopt reasonable alternative safeguards.

(e) Communications.

1. Any vehicle used to transport Marijuana Products shall contain a global positioning system (GPS) monitoring device that is:

a. Not a mobile device that is easily removable;

b. Attached to the vehicle at all times that the vehicle contains Marijuana Products;

c. Monitored by the MTC during transport of Marijuana Products; and

d. Inspected by the Commission prior to initial transportation of Marijuana Products, and after any alteration to the locked storage compartment.

2. Each MTC Agent transporting Marijuana Products shall always have access to a secure form of communication with personnel at the originating location when the vehicle contains Marijuana and Marijuana Products.

3. Secure types of communication include, but are not limited to:

a. Two-way digital or analog radio (UHF or VHF);

b. Cellular phone; or

c. Satellite phone.

4. When choosing a type of secure communications, the following shall be taken into consideration:

a. Cellular signal coverage;
b. Transportation area;
c. Base capabilities;
d. Antenna coverage; and
e. Frequency of transportation.

5. Prior to, and immediately after leaving the originating location, the MTC Agents shall use the secure form of communication to contact the originating location to test communications and GPS operability.

6. If communications or the GPS system fail while on route, the MTC Agents transporting Marijuana Products shall return to the originating location until the communication system or GPS system is operational.

7. The MTC Agent or Agents transporting Marijuana Products shall contact the originating location when leaving any scheduled location or making any unscheduled stops.

8. The originating location shall have an MTC Agent assigned to monitoring the GPS unit and secure form of communication, who shall log all official communications with MTC Agents transporting Marijuana Products.

(f) Manifests.

1. An MTC shall complete a manifest prior to transporting Marijuana or Marijuana Products between Marijuana Establishments or an MTC. An MTC may utilize a physical or electronic manifest during the transportation of Marijuana or Marijuana Products.

2. Prior to transport, the manifest shall be securely transmitted to the destination MTC by facsimile or email.

3. On arrival at the destination MTC, an MTC Agent at the destination MTC shall compare the manifest produced by the agents who transported the Marijuana Products to the copy transmitted by facsimile or email. This manifest shall, at a minimum, include:

a. The originating MTC name, address, and registration number;
b. The names and registration numbers of the agents who transported the Marijuana Products;
c. The name and registration number of the MTC Agent who prepared the manifest;
d. The destination MTC name, address, and registration number;
e. A description of the Marijuana Products being transported, including the weight and form or type of product;
f. The mileage of the transporting vehicle at departure from originating MTC and mileage on arrival at destination MTC, as well as mileage on return to originating MTC;
g. The date and time of departure from originating MTC and arrival at destination MTC for each transportation;
h. A signature line for the MTC Agent who receives the Marijuana Products;
i. The inventory weight or count before departure and on receipt;
j. The date and time that the transported products were reweighed and re-inventoried;
k. The name of the MTC Agent at the destination MTC who reweighed and re-inventoried products; and
l. The vehicle make, model and license plate number.

4. The manifest shall be maintained within the vehicle during the entire transportation process, until the delivery is completed.

a. If utilizing a physical copy of the manifest, the licensed MTC Agent must be able to access the physical copy at any time during transportation.
b. If utilizing an electronic manifest, the licensed MTC Agent must be able to access the electronic manifest at any time during transportation.

5. An MTC shall retain all transportation manifests for no less than one year and make them available to the Commission on request.

(g) Requirements for Agents.

1. Each employee or agent transporting or otherwise handling Marijuana Products for an MTC shall be registered as an MTC Agent and have a driver's license in good standing issued by the Massachusetts Registry of Motor Vehicles for all classes of vehicle the MTC agent will operate for the MTC prior to transporting or otherwise handling Marijuana Products.

2. An MTC Agent shall carry his or her Agent Registration Card at all times when transporting Marijuana Products and shall produce his or her Agent Registration Card

to the Commission or Law Enforcement Authorities on request.

(h) MTCs engaged in transportation operations shall use best management practices to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts.

(i) A CMO can transport adult use and medical use Marijuana and Marijuana Products if it is appropriately licensed to do so. Where a CMO is transporting both adult use and medical use Marijuana, MIPs and Marijuana Products, the CMO shall comply with the more restrictive security provisions.

(14) Access to the Commission, Emergency Responders, and Law Enforcement.

(a) The following individuals shall have access to an MTC or MTC transportation vehicle:

1. Representatives of the Commission as authorized by St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, and 935 CMR 501.000.
2. Representatives of other state agencies of the Commonwealth; and
3. Emergency responders while responding to an emergency.

(b) 935 CMR 501.000 may not be construed to prohibit access to authorized law enforcement personnel or local public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction

(15) Energy Efficiency and Conservation. An MTC shall demonstrate consideration of the following factors as part of its operating plan and application for licensure:

(a) Identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities;

(b) Consideration of opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;

(c) Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and

(d) Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

(16) Bond.

(a) Prior to commencing operations, an MTC shall provide proof of having obtained a surety bond in an amount equal to its licensure fee payable to the Marijuana Regulation Fund to ensure payment of the cost incurred for:

1. the destruction of Cannabis goods necessitated by a violation of M.G.L. c. 94G, 94I, or 935 CMR 501.000;
2. The costs and compensation of a Court Appointee;
3. The cessation of operation of the MTC; or
4. Such other uses that the Commission may authorize to ensure public health, safety and welfare

(b) All bonds required under 935 CMR 501.000 shall be issued by a corporate surety licensed to transact surety business in the Commonwealth.

(c) If the MTC is unable to secure a surety bond, as required by 935 CMR 501.105(16)(a) it may place in escrow a sum of no less than $5,000 or such other amount approved by the Commission, to be expended for coverage of liabilities.

(d) The escrow account required pursuant to 935 CMR 501.105(16)(c) shall be replenished within ten business days of any expenditure required under 935 CMR 501.105, except if the MTC has ceased operations. Documentation of the replenishment shall be promptly sent to the Commission.

(17) Reports to the Commission. The Commission may require ongoing reporting on operational, quality, and financial information in a form and manner determined by the Commission.

(18) Requirements on the Expiration, Revocation, or Voiding of Certificate of Licensure of MTC.

(a) If a License to operate expires without being renewed, is revoked, or becomes void, the MTC shall:

1. Immediately discontinue cultivation and production of Marijuana;
2. Weigh or count inventory of all unused Marijuana in all stages of cultivation and all MIPs in any stage of production, and create and maintain a written record of all such items;

3. Dispose of the unused Marijuana in accordance with 935 CMR 501.105(12) after approval by the Commission. Such disposal shall be in the public interest; and
4. Maintain all records as required by 935 CMR 501.105(9)(g).

(b) If the MTC does not comply with the requirements of 935 CMR 501.105(15)(a), the Commission shall have the authority to, at the MTC's expense, secure the MTC, and after a period of 30 calendar days, seize, and destroy the inventory and equipment and contract for the storage of MTC records.

(19) Prohibitions.

(a) Unless otherwise authorized by the Commission, an MTC may not dispense, deliver, or otherwise transfer Marijuana to a person other than a Registered Qualifying Patient or to his or her Personal Caregiver, to another MTC or to a laboratory as provided for in 935 CMR 501.105(13).

(b) Unless otherwise authorized by the Commission, an MTC may not acquire Marijuana or Marijuana plants, except through the cultivation of Marijuana by that MTC or another MTC as specified in 935 CMR 501.105(13); provided, however that an MTC may acquire Marijuana seeds, cuttings or genetic plant material. Cuttings or genetic plant material may only be acquired within 90 days of receiving a final Certificate of Licensure, or such other time period approved by the Commission and otherwise as authorized under 935 CMR 501.105(13).

(c) Unless authorized by the Commission, an MTC is prohibited from acquiring, possessing, cultivating, delivering, Transferring, transporting, supplying, or dispensing Marijuana for any purpose except to assist Registered Qualifying Patients.

(d) An MTC may not give away any Marijuana except as required pursuant to 935 CMR 501.050(1)(g). An MTC may not provide any samples of Marijuana.

(e) An MTC may not receive orders for Marijuana in any manner other than from a Registered Qualifying Patient or Personal Caregiver in person at the MTC, except in the cases of delivery, in which an order may be received by telephone or through a password-protected, internet-based platform.

(f) An MTC may not fill orders for Marijuana in any manner other than to a Registered Qualifying Patient or Personal Caregiver in person at the MTC, except in the case of delivery, in which an order may be delivered only to the Residence of a Registered Qualifying Patient or Personal Caregiver or the Caregiving Institution of a Registered Qualifying Patient. The Qualifying Patient or caregiver receiving the delivery shall possess a temporary or an annual Registration Card and valid photo identification as required pursuant to 935 CMR 501.140(2). An MTC is prohibited from delivering adult use Marijuana.

(g) Unless authorized by the Commission, an MTC may not sell any service or good other than Marijuana and Marijuana Products, including MIPs and Marijuana seeds, Branded Goods, and other Marijuana Accessories.

(h) Consumption of Marijuana or Marijuana Products on the Premises or grounds of any MTC is prohibited; provided, however, that an MTC may administer medical use Marijuana for the purposes of teaching use of vaporizers, or demonstration of use of other products as necessary. An MTC is prohibited from administering adult use Marijuana.

(i) An MTC may not adulterate Marijuana, including with psychoactive additives or other illegal substances.

501.110: Security Requirements for Medical Marijuana Treatment Centers

(1) General Requirements. An MTC shall implement sufficient security measures to deter and prevent unauthorized entrance into areas containing Marijuana, theft of Marijuana and ensure the safety of MTC employees, Qualifying Patients and the general public. Security measures to protect the Premises, Registered Qualifying Patients, Personal Caregivers, and MTC agents of the MTC shall include, but are not limited to, the following:

(a) Positively identifying and allowing only Registered Qualifying Patients, Personal Caregivers, MTC agents, Marijuana Courier agents, as applicable, and, subject to the requirements of 935 CMR 501.110(4)(e), outside vendors, contractors, and Visitors, access to the MTC;

(b) Preventing individuals from remaining on the Premises of the MTC if they are not engaging in activity expressly or by necessary implication permitted by M.G.L. c. 94I, and 935 CMR 501.000;

(c) Disposing of Marijuana in accordance with 935 CMR 501.105(12), in excess of the quantity required for normal, efficient operation as established within 935 CMR 501.105;

(d) Securing all entrances to the MTC to prevent unauthorized access;

(e) Establishing Limited Access Areas which, after receipt of a final License, shall be accessible only to specifically authorized personnel limited to include only the minimum number of employees essential for efficient operation;
(f) Storing all finished Marijuana in a secure, locked safe or vault and in such a manner as to prevent Diversion, Inversion, theft, and loss;
(g) Keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, Processing, or storage, including prior to disposal, of Marijuana and MIPs securely locked and protected from entry, except for the actual time required to remove or replace Marijuana;
(h) Keeping all locks and security equipment in good working order;
(i) Prohibiting keys, if any, from being left in the locks, or stored or placed in a location accessible to persons other than specifically authorized personnel;
(j) Prohibit accessibility of security measures, such as combination numbers, passwords, or electronic or biometric security systems, to persons other than specifically authorized personnel;
(k) Ensure that the outside perimeter of the MTC is sufficiently lit to facilitate surveillance;
(l) Ensuring that all Marijuana and Marijuana Products are kept, sold or stored out of plain sight and are not visible from a public place, outside of the MTC, without the use of binoculars, optical aids or aircraft;
(m) Develop emergency policies and procedures for securing all product following any instance of Diversion, Inversion, theft, or loss of Marijuana, and conduct an assessment to determine whether additional safeguards are necessary;
(n) Develop sufficient additional safeguards as required by the Commission for MTCs that present special security concerns;
(o) At MTCs where transactions are conducted in cash, establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public;
(p) Sharing the MTC's floor plan or layout of the facility with Law Enforcement Authorities in a manner and scope as required by the municipality and identifying when the use of flammable or combustible solvents, chemicals or other materials are in use at the MTC;
(q) Sharing the MTC's security plan and procedures with Law Enforcement Authorities, in the municipality where the MTC is located and periodically updating Law Enforcement Authorities if the plans or procedures are modified in a material way; and
(r) Inside the MTC, all Marijuana shall be kept in a Limited Access Area inaccessible to any persons other than MTC agents, except for displays allowable under 935 CMR 501.105(4)(a)4. Inside the MTC, all Marijuana shall be stored in a locked, access-controlled space in a Limited Access Area during nonbusiness hours.

(2) Alternative Security Provisions.
(a) Notwithstanding the requirements specified in 935 CMR 501.110(1) and (5) through (7), if an MTC has provided other, specific safeguards that may be regarded as an adequate substitute for those requirements, such measures may be taken into account by the Commission in evaluating the overall required security measures. For purposes of cash handling and cash transportation, only alternative safeguards that comply with the requirements of 935 CMR 501.110(7)(b) shall be considered to be adequate substitutes.
(b) The applicant or Licensee shall submit a request for an alternative security provision to the Commission on a form as determined and made available by the Commission. Upon receipt of the form, the Commission shall submit the request to the chief law enforcement officer in the municipality where the MTC is located or will be located. The Commission shall request that the chief law enforcement officer review the request and alternative security provision requested and, within 30 days;
1. Certify the sufficiency of the requested alternate security provision; or
2. Provide the Commission with a statement of reasons why the alternative security provision is not sufficient in the opinion of the chief law enforcement officer.
(c) The Commission shall take the chief law enforcement officer's opinion under consideration in determining whether to grant the alternative security provision, provided that it may not be determinative. If no response is received from the chief law enforcement officer or a delegee within 30 days of submitting the request to the chief law enforcement officer, the Commission shall proceed with a determination.

(3) Buffer Zone. An MTC Entrance may not be closer than 500 feet from the nearest School Entrance, unless a city or town adopts an ordinance or bylaw that reduces the distance

requirement.

(a) The buffer zone distance of 500 feet shall be measured in a straight line from the geometric center of the MTC Entrance to the geometric center of the nearest School Entrance unless there is an Impassable Barrier within those 500 feet; in these cases, the buffer zone distance shall be measured along the center of the shortest publicly-accessible pedestrian travel path from the geometric center of the MTC Entrance to the geometric center of the nearest School Entrance.

(b) The buffer zone distance of 500 feet may be reduced if a city or town adopts an ordinance or bylaw that reduces the distance requirement.

(4) Limited Access Areas.

(a) All Limited Access Areas shall be identified by the posting of a sign that shall be a minimum of 12" x 12" and which states: "Do Not Enter - Limited Access - Area Access Limited to Authorized Personnel Only" in lettering no smaller than one inch in height.

(b) All Limited Access Areas shall be clearly described by the filing of a diagram of the licensed Premises, in the form and manner determined by the Commission, reflecting walls, partitions, counters, and all areas of entry and exit, including loading areas. Said diagram shall also show all Propagation, Vegetation, Flowering, Processing, production, storage, disposal, and retail sales areas.

(c) At all times following receipt of a final License, access to Limited Access Areas shall be limited to persons that are essential to operations in these areas and specifically permitted by the MTC, representatives of the Commission acting in accordance with their authority under the adult use, medical use and CMO laws; Commission Delegee(s); and local law enforcement authorities, fire safety personnel and emergency medical services acting within their lawful jurisdiction and official capacity.

(d) An MTC agent shall visibly display an identification badge issued by the MTC or the Commission at all times while at the MTC or transporting Marijuana.

(e) Following receipt of a final License, all outside vendors, contractors, and Visitors shall obtain a Visitor Identification Badge prior to entering a Limited Access Area, and shall be escorted at all times by an MTC agent authorized to enter the Limited Access Area. The Visitor Identification Badge shall be visibly displayed at all times while the Visitor is in any Limited Access Area. All Visitors shall be logged in and out, and that log shall be available for inspection by the Commission at all times. All Visitor Identification Badges shall be returned to the MTC upon exit.

(5) Security and Alarm Systems.

(a) An MTC shall have an adequate security system to prevent and detect Diversion, Inversion, theft, or loss of Marijuana or unauthorized intrusion, utilizing commercial grade equipment, which shall, at a minimum, include:

1. A perimeter alarm on all entry and exit points and perimeter windows;
2. A failure notification system that provides an audible, text, or visual notification of any failure in the surveillance system. The failure notification system shall provide an alert to designated employees of the MTC within five minutes after the failure, either by telephone, email, or text message;
3. A Duress Alarm, Panic Alarm, or Holdup Alarm connected to local public safety or law enforcement authorities;
4. Video cameras in all areas that may contain Marijuana, vaults or safes for the purpose of securing cash, at all points of entry and exit, and in any parking lot, which shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed at all safes, vaults, sales areas, and areas where Marijuana is cultivated, harvested, Processed, prepared, stored, handled, Transferred or dispensed, or where cash is kept and Processed. Cameras shall be angled to allow for the capture of clear and certain identification of any individual entering or exiting the MTC or area;
5. 24-hour recordings from all video cameras that are available for immediate viewing by the Commission upon request and that are retained for at least 90 calendar days. Recordings may not be destroyed or altered, and shall be retained as long as necessary if the MTC is aware of a pending criminal, civil, or administrative investigation, or legal proceeding for which the recording may contain relevant information;
6. The ability to immediately produce a clear, color, still image (live or recorded);
7. A date and time stamp embedded on all recordings. The date and time shall be synchronized and set correctly and may not significantly obscure the picture;
8. The ability to remain operational during a power outage for a minimum of four hours and, if it appears likely that the outage will last for more than four hours, the MTC takes sufficient steps to ensure security on the premises in consultation with the

Commission; and

9. A video recording that allows for the exporting of still images in an industry standard image format, including .jpg, .bmp, and .gif. Exported video shall have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. Exported video shall be able to be saved in an industry standard file format that can be played on a standard computer operating system. All recordings shall be erased or destroyed prior to disposal.

(b) All security system equipment and recordings shall be maintained in a secure location to prevent theft, loss, destruction, and alterations.

(c) In addition to the requirements listed in 935 CMR 501.110(5), the MTC shall have a back-up alarm system, with all capabilities of the primary system, provided by a company supplying commercial grade equipment, which may not be the same company supplying the primary security system, or shall demonstrate to the Commission's satisfaction alternate safeguards to ensure continuous operation of a security system.

(d) Access to surveillance areas shall be limited to persons that are essential to surveillance operations, law enforcement authorities acting within their lawful jurisdiction, fire safety personnel, security system service personnel, representatives of the Commission as authorized by M.G.L. c. 94I, and 935 CMR 501.000, and Commission Delegee(s).

(e) A current list of authorized employees and service personnel that have access to the surveillance room shall be available to the Commission upon request. If on-site, surveillance rooms shall remain locked and may not be used for any other function.

(f) All security equipment shall be in good working order and shall be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test.

(g) Trees, bushes and other foliage outside of the MTC shall be maintained so as to prevent a person or persons from concealing themselves from sight.

(6) Security and Alarm Requirements for MTCs Operating Outdoors.

(a) An MTC that is an operating outdoors shall implement adequate security measures to ensure that outdoor areas are not readily accessible to unauthorized individuals and to prevent and detect Diversion, Inversion, theft or loss of Marijuana which shall, at a minimum, include:

1. A perimeter security fence designed to prevent unauthorized entry to the cultivation facility with signs notifying observers that it is a Limited Access Area;
2. Commercial-grade, nonresidential locks;
3. A security alarm system that shall:
   a. Be continuously monitored, whether electronically, by a monitoring company or other means determined to be adequate by the Commission; and
   b. Provide an alert to designated employees of the MTC within five minutes after a notification of an alarm or a system failure, either by telephone, email or text message.
4. Video cameras at all points of entry and exit and in any parking lot which shall be appropriate for the normal lighting conditions of the area under surveillance. The cameras shall be directed at all safes, vaults, sales areas, and areas where Marijuana is cultivated, harvested, Processed, prepared, stored, handled, Transferred or dispensed and for the purpose of securing cash. Cameras shall be angled so as to allow for the capture of clear and certain identification of any person entering or exiting the MTC or area;
5. Recordings from all video cameras which shall be enabled to record 24 hours each day and be available for immediate viewing by the Commission on request for at least the preceding 90 calendar days or the duration of a request to preserve the recordings for a specified period of time made by the Commission, whichever is longer. Video cameras may use motion detection sensors to begin recording, so long as the motion detection sensor system provides an alert to designated employees of the MTC in a manner established in the MTC's written security procedures and approved by the Commission or a Commission Delegee. If an MTC receives notice that the motion detection sensor is not working correctly, it shall take prompt action to make corrections and document those actions. Recordings may not be destroyed or altered, and shall be retained as long as necessary if the MTC is aware of a pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information;
6. The ability to immediately produce a clear, color still image whether live or recorded;
7. A date and time stamp embedded in all recordings, which shall be synchronized and

set correctly at all times and may not significantly obscure the picture;

8. The ability to remain operational during a power outage for a minimum of four hours and, if it appears likely that the outage will last for more than four hours, the MTC takes sufficient steps to ensure security on the premises in consultation with the Commission; and

9. A video recording that allows for the exporting of still images in an industry standard image format, including .jpg, .bmp and .gif. Exported video shall have the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place. Exported video shall also have the ability to be saved in an industry standard file format that may be played on a standard computer operating system. All recordings shall be erased or destroyed prior to disposal.

(b) All security system equipment and recordings shall be maintained in a secure location so as to prevent theft, loss, destruction and alterations.

(c) In addition to the requirements listed in 935 CMR 501.110(5), the MTC shall have a back-up alarm system, with all capabilities of the primary system, provided by a company supplying commercial grade equipment, which may not be the same company supplying the primary security system, or shall demonstrate to the Commission's satisfaction alternate safeguards to ensure continuous operation of a security system.

(d) Access to surveillance areas shall be limited to persons that are essential to surveillance operations, law enforcement authorities acting within their lawful jurisdiction, fire safety personnel, security system service personnel and the Commission. A current list of authorized employees and service personnel that have access to the surveillance room shall be available to the Commission on request. If the surveillance room is on-site of the MTC, it shall remain locked and may not be used for any other function.

(e) All security equipment shall be in good working order and shall be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test.

(f) Security plans and procedures shared with law enforcement authorities pursuant to 935 CMR 501.110(1)(q) shall include:

1. A description of the location and operation of the security system, including the location of the central control on the Premises;
2. A schematic of security zones;
3. The name of the security alarm company and monitoring company, if any;
4. A floor plan or layout of the facility in a manner and scope as required by the municipality; and
5. A safety plan for the manufacture and production of Marijuana Products as required pursuant to 935 CMR 501.101(1)(C).

(7) Cash Handling and Transportation Requirements.

(a) An MTC with a contract to deposit funds with a financial institution that conducts any transaction in cash shall establish and implement adequate security measures and procedures for safe cash handling and cash transportation to financial institutions or Massachusetts Department of Revenue (DOR) facilities to prevent theft and loss, and to mitigate associated risks to the safety of employees, customers and the general public. Adequate security measures shall include:

1. An on-site secure locked safe or vault maintained in an area separate from retail sales areas used exclusively for the purpose of securing cash;
2. Video cameras directed to provide images of areas where cash is kept, handled and packaged for transport to financial institutions or DOR facilities, provided that the cameras may be motion-sensor activated cameras and provided, further, that all cameras be able to produce a clear, still image whether live or recorded;
3. A written process for securing cash and ensuring transfers of deposits to the MTC's financial institutions and DOR facilities on an incremental basis consistent with the requirements for deposit by the financial institution or DOR facilities;
4. Use of an armored transport provider that is licensed pursuant to M.G.L. c. 147, § 25 (watch, guard or patrol agency) and has been approved by the financial institution or DOR facility.

(b) Notwithstanding the requirement of 935 CMR 501.110(7)(a)4., an MTC may request an alternative security provision under 935 CMR 501.110(2) for purposes of cash transportation to financial institutions and DOR facilities. Any approved alternative security provision shall be included in the security plan shared with law enforcement in the municipality in which the MTC is licensed and periodically updated as required under 935 CMR 501.110(1)(q). To be determined to provide a sufficient alternative, any such

alternative safeguard shall include, but may not be limited to:

1. Requiring the use of a locked bag for the transportation of cash from an MTC to a financial institution or DOR facility;
2. Requiring any transportation of cash be conducted in an unmarked vehicle;
3. Requiring two registered MTC Agents employed by the Licensee to be present in the vehicle at all times during transportation of deposits;
4. Requiring real-time GPS tracking of the vehicle at all times when transporting cash;
5. Requiring access to two-way communications between the transportation vehicle and the MTC;
6. Prohibiting the transportation of Marijuana or Marijuana Products at the same time that cash is being transported for deposit to a financial institution or DOR facility; and
7. Approval of the alternative safeguard by the financial institution or DOR facility.

(c) All written safety and security measures developed under this section shall be treated as security planning documents, the public disclosure of which would jeopardize public safety.

(8) Security Requirements for MTC Patient Delivery Operations.

(a) An MTC authorized to perform Patient delivery (MTC) or a Marijuana Courier performing deliveries to Patients and Caregivers on behalf of an MTC, shall implement adequate security measures to ensure that each vehicle used for transportation of Marijuana and Marijuana Products are not readily accessible to unauthorized individuals and to prevent and detect Diversion, Inversion, theft or loss of Marijuana. Security measures shall, at a minimum, include for each operational delivery vehicle:

1. A vehicle security system that includes an exterior alarm;
2. A secure, locked storage compartment that is a part of the vehicle and not easily removable for the purpose of transporting the Marijuana or Marijuana Products.
3. A secure, locked storage compartment that is secured to the vehicle and not easily removable for the purpose of transporting and securing cash used as payment for deliveries of Marijuana or Marijuana Products.
4. A means of secure communication between each vehicle and the MTC's or Marijuana Courier's dispatching location which shall be capable of being monitored at all times that a vehicle is performing a delivery route. Means of communication shall include:
   a. Two-way digital or analog radio (UHF or VHF);
   b. Cellular phone; or
   c. Satellite phone.
5. A global positioning system (GPS) monitoring device that is:
   a. Not a mobile device and that is attached to the vehicle at all times that the vehicle contains Marijuana or Marijuana Products; and
   b. Monitored by the MTC or Marijuana Courier at a fixed location during the transportation of Marijuana or Marijuana Products for the purpose of Patient delivery with location checks occurring at least every 30 minutes. The MTC or Marijuana Courier may delegate monitoring of the GPS to the Third-party Technology Platform Provider with which the MTC or Marijuana Courier has a contract, provided that the MTC Licensee or Marijuana Courier shall be responsible for ensuring that monitoring occurs as required 935 CMR 501.110(8) and the contract is made available for inspection and on request, submitted to the Commission.
6. A video system that includes one or more video cameras in the storage area of the vehicle and one or more video cameras in the driver area of the vehicle and which shall remain operational at all times during the entire transportation process and which shall have:
   a. The ability to produce a clear color still photo whether live or recorded; and
   b. A date and time stamp embedded in all recordings which shall be synchronized and set correctly at all times and may not significantly obscure the picture.
7. All security equipment on vehicles shall be in good working order and shall be inspected and tested at regular intervals, no to exceed 30 calendar days from the previous inspection and test.

(b) The maximum retail value of Medical-use Marijuana or Marijuana Products allowed in an MTC's vehicle at any one time shall not exceed $5,000; provided, however, that a vehicle with two Agents shall be allowed to have the maximum retail value of up to $10,000. Each Marijuana Product shall be associated with a specific Individual Order. For purposes of this provision, "maximum retail value" shall mean the aggregate value of Medical-use Marijuana and Marijuana Products as priced on the day of the order for Patient

delivery. The Agent or Agents shall remain inside the vehicle at all times that the vehicle contains Marijuana or Marijuana Products, unless completing a Patient delivery.

(c) MTC Agent or Agents shall take all necessary steps to secure the vehicle at all times when Marijuana or Marijuana Products are in the vehicle.

(d) The Commission may establish required training programs for MTC and Marijuana Courier Agents that shall be completed within a reasonable period of time and at the expense of the MTC or Marijuana Courier. Trainings shall include, but may not be limited to, the requirements of 935 CMR 501.105(2)(b)7.:

(e) An MTC agent shall document and report any unusual discrepancy in inventory to the Commission and local law enforcement within 24 hours of the discovery of such a discrepancy.

(f) An MTC shall report to the Commission and local law enforcement any vehicle accidents, Diversions, Inversions, losses, or other reportable incidents that occur during transport immediately and, under no circumstances, more than 24 hours of becoming aware of any accidents, Diversions, Inversions, losses, or other reportable incidents and shall otherwise comply with the incident reporting requirements set forth under 935 CMR 501.110(9).

(g) The following individuals shall have access to MTC operations and vehicles, including video recordings:

1. Representatives of the Commission in the course of responsibilities authorized by 935 CMR 501.000;
2. Representatives of other state agencies of the Commonwealth of Massachusetts acting within their jurisdiction; and
3. Law Enforcement Authorities and emergency medical services in the course of responding to an emergency.

(h) 935 CMR 501.000 may not be construed to prohibit access to authorized law enforcement personnel or local public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction.

(i) All vehicles used by the MTC for Patient delivery are subject to inspection and approval by the Commission prior being put into use. It shall be the MTCs responsibility to make the Commission aware of its intent to introduce a new vehicle into operation and ensure an inspection of the vehicle prior to commencing operation.

(j) Firearms are strictly prohibited from MTC vehicles and from MTC agents performing home deliveries.

(9) Incident Reporting.

(a) An MTC shall immediately notify appropriate Law Enforcement Authorities and the Commission any breach of security or other reportable incident defined herein immediately and, in no instance, more than 24 hours following discovery of the breach or incident. Notification shall occur, but not be limited to, during the following occasions:

1. Discovery of inventory discrepancies;
2. Diversion, Inversion, theft, or loss of any Marijuana Product;
3. Any criminal action involving the MTC or an MTC Agent or occurring on or in the MTC Premises;
4. Any suspicious act involving the sale, cultivation, distribution, Processing, or production of Marijuana by any person;
5. Unauthorized destruction of Marijuana;
6. Any loss or unauthorized alteration of records related to Marijuana, Registered Qualifying Patients, Personal Caregivers, or MTC Agents;
7. An alarm activation or other public safety event that requires response by federal, state or local personnel;
8. The failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours;
9. A significant motor vehicle crash that occurs while transporting or delivering Finished Marijuana Products and would require the filing of a Motor Vehicle Crash Operator Report pursuant to M.G.L. c. 90 § 26; provided however that a motor vehicle crash that renders the Licensee's vehicle inoperable shall be reported immediately to state and local law enforcement so that Marijuana or Marijuana Products may be adequately secured;
10. Any medical event or health and safety emergency that requires response by federal, state or local personnel;
11. Any notice issued to the Licensee from federal, state or local officials indicating to the Licensee a received complaint or cited violation related to the Licensee's operation; or

12. Any other breach of security.

(b) An MTC shall, within ten calendar days, provide notice to the Commission of any incident described in 935 CMR 501.110(9)(a), by submitting an incident report in the form and manner determined by the Commission which details the circumstances of the event, any corrective actions taken, and confirmation that the appropriate Law Enforcement Authorities were notified.

(c) All documentation related to an incident that is reportable pursuant to 935 CMR 501.110(9)(a) shall be maintained by an MTC for no less than one year or the duration of an open investigation, whichever is longer, and made available to the Commission and to Law Enforcement Authorities acting within their lawful jurisdiction upon request.

(10) Security Audits. An MTC shall, on an annual basis, obtain at its own expense a security system audit by a vendor approved by the Commission. A report of such audit shall be submitted, in a form and manner determined by the Commission, no later than 30 calendar days after the audit is conducted. If the audit identifies concerns related to the MTC's security system, the MTC shall also submit a plan to mitigate those concerns within ten business days of submitting the audit.

501.120: Additional Operational Requirements for the Cultivation, Acquisition, and Distribution of Marijuana

(1) In addition to the general operational requirements for MTCs required under 935 CMR 501.105 and security requirements provided in 935 CMR 501.110, MTCs shall comply with additional operational requirements for the cultivation, acquisition, and distribution of Marijuana required under 935 CMR 501.120.

(2) Except as authorized by 935 CMR 501.140(3)(c) and unless otherwise authorized by the Commission, only an MTC is permitted to cultivate medical-use Marijuana, except for a Registered Qualifying Patient granted a Hardship Cultivation Registration or that Patient's Personal Caregiver. Prior to commencing operations, MTCs shall disclose all growing media and plant nutrients intended to be used during the cultivation process. In all instances, MTCs shall disclose all growing media and plant nutrients being used upon request.

(3) Unless otherwise authorized by the Commission, a cultivation location of an MTC may cultivate Marijuana for only that MTC, and up to two additional MTCs locations operated by the same entity Owner.

(4) All phases of the cultivation of Marijuana shall take place in a designated, Limited Access Areas where Marijuana is not visible from a public place without the use of binoculars, aircraft or other optical aids. Marijuana is not visible if it cannot be reasonably identified.

(5) Application of Pesticides shall be performed in compliance with M.G.L. c. 132B, and 333 CMR 2.00: *General Information* through 333 CMR 14.00: *Protection of Children and Families from Harmful Pesticides*. Any testing results indicating noncompliance shall be immediately reported to the Commission, who may refer any such result to the MDAR.

(6) An MTC selling or otherwise Transferring Marijuana to another MTC or Marijuana Establishment shall provide documentation of its compliance, or lack thereof, with the testing requirements of 935 CMR 501.160.

(7) An MTC may label Marijuana and MIPS with the word "organic" only if all cultivation is consistent with US Department of Agriculture organic requirements at 7 CFR Part 205 and consistent with the MDAR requirements for Pesticide usage.

(8) Soil for cultivation shall meet federal standards identified by the Commission including, but not limited to, the US Agency for Toxic Substances and Disease Registry's Environmental Media Evaluation Guidelines for residential soil levels.

(9) The cultivation process shall use best practices to limit contamination including, but not limited to, mold, fungus, bacterial diseases, rot, pests, Pesticides not in compliance with 935 CMR 501.120(5), mildew, and any other contaminant identified as posing potential harm. Best practices shall be consistent with state and local law including, but not limited to, the Commission's Guidance on Integrated Pest Management.

(10) Any application of plant nutrient to land used for the cultivation of Marijuana shall comply with St. 2012, c. 262, as amended by St. 2013, c. 118, § 26, and 330 CMR 31.00: *Plant Nutrient Application Requirements for Agricultural Land and Non-agricultural Turf and Lawns*.

(11) MTC cultivation operations shall satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals including, but not limited to, those related to water quality and quantity, wastewater, solid and hazardous waste management, and air pollution control, including prevention of odor and noise pursuant to 310 CMR 7.00: *Air Pollution Control* as a condition of obtaining a final License under 935 CMR 501.103(2) and as a condition of renewal under 935 CMR 501.103(4). MTC cultivation operations shall adopt and use additional best management practices as determined by the Commission, in consultation with the working group established under St. 2017, c. 55, § 78(b) or applicable departments or divisions of the EOEEA, to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and shall provide energy and water usage reporting to the Commission in a form determined by the Commission. Each License renewal application under 935 CMR 501.103(4) must include a report of the MTC cultivation operations' energy and water usage over the 12-month period preceding the date of application.

(12) MTC cultivation operations shall be subject to the following minimum energy efficiency and equipment standards:

(a) The building envelope for all facilities, except Greenhouses, shall meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: *State Building Code*), International Energy Conservation Code (IECC) Section C.402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Chapters 5.4 and 5.5 as applied or incorporated by reference in 780 CMR*: State Building Code*, except that facilities using existing buildings may demonstrate compliance by showing that the envelope insulation complies with code minimum standards for Type Factory Industrial F-1, as further defined in guidelines issued by the Commission.

Lighting used for MTC cultivation operations shall meet one of the following compliance paths:

1. Horticulture Lighting Power Density may not exceed 36 watts per square foot, except for Tier 1 and Tier 2 which may not exceed 50 watts per square foot;
2. All horticultural lighting used in a facility is listed on the current Design Lights Consortium Solid-State Horticultural Lighting Qualified Products List ("Horticultural QPL") or other similar list approved by the Commission as of the date of License application, and lighting Photosynthetic Photon Efficacy (PPE) is at least 15 % above the minimum Horticultural QPL threshold rounded up to the nearest 0.1 μmol/J (micromoles per joule); or
3. A facility seeking to use horticultural lighting not included on the Horticultural QPL or other similar list approved by the Commission shall seek a waiver pursuant to 935 CMR 501.850 and provide documentation of third-party certification of the energy efficiency features of the proposed lighting. All facilities, regardless of compliance path, shall provide third-party safety certification by an OSHA NRTL or SCC-recognized body, which shall certify that products meet a set of safety requirements and standards deemed applicable to horticultural lighting products by that safety organization.

(b) Heating Ventilation and Air Conditioning (HVAC) and dehumidification systems shall meet Massachusetts State Building Code requirements and all Massachusetts amendments (780 CMR: *State Building Code*), IECC Section C.403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: *State Building Code*). As part of the documentation required under 935 CMR 501.120(11) an MTC engaged in cultivation operations shall provide a certification from a Massachusetts Licensed Mechanical Engineer that the HVAC and dehumidification systems meet Massachusetts building code as specified in 935 CMR 501.120(11) and that such systems have been evaluated and sized for the anticipated loads of the facility.

(c) Safety protocols shall be established and documented to protect workers, Qualifying Patients, or Visitors (*e.g.*, eye protection near operating Horticultural Lighting Equipment).

(d) The requirements in 935 CMR 501.120(12)(b) and (c) may not be required if an indoor MTC cultivation operation is generating 80% or more of the total annual on-site energy use for all fuels (expressed on a MWh basis) from an on-site clean or renewable generating

source, or renewable thermal generation, as provided in M.G.L. c. 25A, §§ 11F and 11F½. Additionally, the Licensee shall document that renewable energy credits or alternative energy credits representing the portion of the Licensee's energy usage not generated on-site have been purchased and retired on an annual basis.

(e) Prior to final licensure, an MTC applicant shall demonstrate compliance with 935 CMR 501.120(11) by submitting an energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation, together with submission of building plans under 935 CMR 501.103(1)(a). To the extent updates are required to the information provided for initial licensure, the MTC shall submit an updated energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation, together with a renewal application submitted under 935 CMR 501.103(4).

(f) A CMO with a final Certificate of Licensure issued before November 1, 2019 shall have until July 1, 2020 to comply with 935 CMR 501.120(11), except that any additions to or renovations to a facility shall comply with 935 CMR 501.120(11). An MTC with a final Certificate of Licensure issued before November 1, 2019 shall have until January 1, 2021 to comply with 935 CMR 501.120(11), except that any additions to or renovations to a facility shall comply with 935 CMR 501.120(11). An MTC subject to 935 CMR 501.120(12)(g) may apply for an additional six-month extension if it agrees to install meters to monitor energy usage, water usage and other data determined by the Commission as necessary in order to provide reports on energy usage, water usage, waste production and other data in a form and manner determined by the Commission.

(g) For purposes of 935 CMR 501.120(11), the following terms shall have the following meanings:

1. Horticultural Lighting Equipment (HLE) means any lighting equipment (*e.g.* fixtures, bulbs, ballasts, controls, *etc*.) that uses energy for the cultivation of plants, at any stage of growth (*e.g.* germination, cloning/mother plants, Propagation, Vegetation, Flowering, and harvest).
2. Horticulture Lighting Square Footage (HLSF) means an area to be calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain plants at any point in time, at any stage of growth, including all of the space(s) within the boundaries, HLSF may be noncontiguous, but each unique area included in the total HLSF calculations shall be separated by an identifiable boundary which includes, but is not limited to: interior walls, shelves, Greenhouse walls, hoop house walls, garden benches, hedge rows, fencing, garden beds, or garden plots. If plants are being cultivated using a shelving system, the surface area of each level shall be included in the total HLSF calculation.
3. Lighting Power Density (HLPD) means a measure of total watts of Horticultural Lighting Equipment per total Horticulture Lighting Square Footage, (HLE/HLSF = HLPD) expressed as number of watts per square foot.

(13) In addition to the written operating policies required under 935 CMR 501.105(1), MTC cultivation operations, including CMO Marijuana Cultivators, shall maintain written policies and procedures for the cultivation, production, Transfer or distribution of Marijuana, as applicable, which shall include, but not be limited to:

(a) Methods for identifying, recording, and reporting Diversion, Inversion, theft, or loss, for correcting all errors and inaccuracies in inventories, and for maintaining accurate inventory. The policies and procedures, at a minimum, shall comply with 935 CMR 501.105(8);

(b) Policies and procedures for handling voluntary and mandatory recalls of Marijuana. Such procedures shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by an MTC to remove defective or potentially defective Marijuana from the market, as well as any action undertaken to promote public health and safety;

(c) Policies and procedures for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated Marijuana is segregated from other Marijuana and destroyed. Such procedures shall provide for written documentation of the disposition of the Marijuana. The policies and procedures, at a minimum, shall comply with 935 CMR 501.105(12);

(d) Policies and Procedures for Transportation. The policies and procedures, at a minimum, shall comply with 935 CMR 501.105(13);

(e) Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. The policies and procedures, at a

minimum, shall comply with 935 CMR 501.105(15) and 501.120(11);
(f) Policies and procedures for ensuring fire safety in cultivation activities including, but not limited to, the storage and processing of chemicals or fertilizers, in compliance with the standards set forth in 527 CMR 1.00: *Massachusetts Comprehensive Fire Code*; and
(g) Policies and procedures for the Transfer, acquisition, or sale of Marijuana between MTCs and Marijuana Establishments.

501.130: Additional Operational Requirements for Handling and Testing Marijuana and for Production of MIPs

(1) In addition to the general operational requirements for MTCs required under 935 CMR 501.105 and security requirements provided in 935 CMR 501.110, MTCs shall comply with additional operational requirements required under 935 CMR 501.130.

(2) Production of Edibles shall take place in compliance with the following:
(a) All Edibles shall be prepared, handled, and stored in compliance with the sanitation requirements in in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*; and
(b) Any Edible that is made to resemble a typical food or drink product shall be packaged in an opaque package and labeled as required by 935 CMR 501.105(5)(c).

(3) An MTC engaged in product manufacturing operations shall meet all applicable environmental laws, regulations, permits and other applicable approvals including, but not limited to, those related to water quality and quantity, wastewater, solid and hazardous waste management and air pollution control, including prevention of odor and noise pursuant to 310 CMR 7.00: *Air Pollution Control*, and to use additional best management practices as determined by the Commission in consultation with the working group established under St. 2017, c. 55, § 78(b) or applicable departments or divisions of the EOEEA to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts.

(4) An MTC selling or otherwise Transferring Marijuana to another MTC or Marijuana Establishment shall provide documentation of its compliance, or lack thereof, with the testing requirements of 935 CMR 501.160, and standards established by the Commission for the conditions, including time and temperature controls, necessary to protect Marijuana Products against physical, chemical, and microbial contamination as well as against deterioration of finished products during storage and transportation.
(a) An MTC shall retain all records of purchases from any manufacturer or supplier of any ingredient, additive, device, component part or other materials obtained by the MTC in relation to the manufacturing of Marijuana Vaporizer Devices and such records shall be made available to the Commission on request.
(b) An MTC shall maintain records of the name and business address of the manufacturer of any cartridge, battery, atomizer coil, hardware or other component of Marijuana Vaporizer Products manufactured by the Licensee. Further, the MTC shall, on request by the Commission, identify the materials used in the device's atomizer coil (*e.g.*, titanium, titanium alloy, quartz, copper, nichrome, kanthal, or other specified material) or state if such information cannot be reasonably ascertained.
(c) A copy of the Certificate of Analysis for each thickening agent, thinning agent or terpene infused or incorporated into a Marijuana Vaporizer Device during production shall be retained by an MTC and provided as a part of a wholesale transaction with any MTC or Marijuana Retailer.
(d) An MTC that wholesales Marijuana Vaporizer Devices to an MTC or Marijuana Retailer shall provide the recipient with the information insert required by 935 CMR 501.105(5)(c) or the necessary information to produce such an insert and the appropriate labeling information required by 935 CMR 501.000.

(5) Written policies and procedures for the production and distribution of Marijuana, which shall include, but not be limited to:
(a) Methods for identifying, recording, and reporting Diversion, Inversion, theft, or loss, and for correcting all errors and inaccuracies in inventories. The policies and procedures, at a minimum, shall comply with 935 CMR 501.105(8);
(b) A procedure for handling voluntary and mandatory recalls of Marijuana. Such procedure shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by an MTC to remove defective or

potentially defective Marijuana from the market, as well as any action undertaken to promote public health and safety;

(c) A procedure for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated Marijuana or Marijuana Products are segregated from other Marijuana and destroyed. Such procedures shall provide for written documentation of the disposition of the Marijuana or Marijuana Products. The policies and procedures, at a minimum, shall comply with 935 CMR 501.105(12);

(d) Policies and procedures for transportation and Patient or Personal Caregiver patient delivery;

(e) Policies and procedures for the Transfer, acquisition, or sale of Marijuana between MTCs, and if applicable, Marijuana Establishments and CMOs;

(f) Policies and procedures to ensure that all Edibles are prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*; and

(g) Policies and procedures for ensuring safety in all processing activities and the related uses of extraction equipment in compliance with the standards set forth in 527 CMR 1.00: *Massachusetts Comprehensive Fire Code*.

(6) Product Database. An MTC engaged in product manufacturing operations, after receiving a Provisional License, but prior to receiving a Certificate to Commence Operations, shall provide the following information about the finished Marijuana Products it intends to produce prior to commencement of operations. This information may be used by the Commission for its Product Database.

(a) The MTC shall provide the following:

1. Marijuana Product type;
2. Marijuana Product brand name;
3. List of direct ingredients;
4. List of indirect ingredients;
5. Serving size, including a description of what constitutes a serving size for a product that is not already a single serving;
6. Potency;
7. A photograph of a finished Marijuana Product, against a white background, outside of but next to the Marijuana Product's packaging, including any external or internal packaging, provided however that where single servings of a multi-serving product are unable to be easily identified because of its form, a description of what constitutes a single serving shall be provided (*e.g.*, a single serving is a 1" x 1" square), and where an Edible cannot be stamped, for example, due to size or a coating, the photograph of the Edible outside of but next to its external and internal packaging, such as the wrapper, and labeling information for the Edible;
8. A photograph of the Marijuana Product, against a white background, inside the packaging; and
9. A list of Marijuana Products to be sold based on anticipated or executed agreements between the MTC and another MTC or Marijuana Establishment.

(b) Photographs shall be submitted in a form and manner determined by the Commission.

(c) An MTC shall provide the information required under 935 CMR 501.130(6)(a) for each Marijuana Product that it produces prior to the product being made available for sale and shall update the information whenever a substantial change to the product information occurs. Substantial changes, including changes to information listed in 935 CMR 501.130(6)(a)1. through 9., shall be submitted to the Commission for inclusion in the Product Database prior to the transfer of the Marijuana Product.

(7) Notwithstanding a stricter municipal or state regulation, an MTC shall identify the method of extraction (*e.g.*, Butane, Propane, CO_2) on a physical posting at all entrances of the MTC. The Posting shall be a minimum of 12" x 12" and identify the method of extraction in lettering no smaller than one inch in height. An MTC shall post a copy of a permit to keep, store, handle or otherwise use flammable and combustible material at each place of operation within the facility.

(8) Except for a Registered Qualifying Patient or Personal Caregiver, who are not subject to 935 CMR 501.105, only a licensed MTC is permitted to produce MIPs. Unless otherwise authorized by the Commission, an MIP production facility of an MTC may produce MIPs for only that MTC, and up to two additional MTCs under an entity.

501.140: Additional Operational Requirements for Patient Sales

(1) In addition to the general operational requirements for MTCs required under 935 CMR 501.105 and security requirements provided in 935 CMR 501.110, MTCs engaged in patient sales shall comply with additional operational requirements for MTCs under 935 CMR 501.140.

(2) Verification of Patient and Caregiver Certification

(a) Upon entry into an MTC by a Registered Qualifying Patient or Personal Caregiver, or arrival at a residence for delivery to a Registered Qualifying Patient of Personal Caregiver, an MTC or Marijuana Courier Agent shall immediately inspect the Patient's or caregiver's temporary or annual Registration Card and proof of government-issued identification.

1. The government-issued identification card shall contain a name, photograph, and date of birth, and shall be limited to one of the following:
   a. A driver's license;
   b. A government issued identification card;
   c. A military identification card; or
   d. A passport.
2. An MTC may dispense only to a Registered Qualifying Patient who has a current valid certification with the Commission or Other Jurisdictions that permit the medical use of marijuana or their Personal Caregiver. Pursuant to 935 CMR 501.010(8), a Certifying Healthcare Provider shall have defined the calendar day length of valid certification of a Qualifying Patient.
3. Qualifying Patients younger than 18 years old do not have to have a separate means of identification to enter an MTC.
4. A Qualifying Patient younger than 18 years old cannot enter an MTC without their Caregiver.

(b) An MTC shall make interpreter services available that are appropriate to the population served, including for the visually and hearing impaired. Such services may be provided by any effective means.

(3) Patient Allotment.

(a) For a Registered Qualifying Patient certified for 60 days or longer, the amount of Marijuana dispensed, including Marijuana contained in MIPs, shall be no more than a 60-day supply in each 60-day period as defined in 935 CMR 501.002 (*e.g.*, a Patient with a 60-day supply of ten ounces who is certified for 90 days may receive up to ten ounces in the first 60 days and five ounces in the remaining 30 days, while a Patient certified for 180 days may receive up to ten ounces in each 60-day period).

(b) For a Registered Qualifying Patient whose Certifying Healthcare Provider has determined that he or she requires a 60-day supply other than ten ounces in accordance with 935 CMR 501.010(9), the amount of Marijuana dispensed, including Marijuana contained in MIPs, shall be adjusted accordingly so that the amount of Marijuana dispensed, including Marijuana contained in MIPs, shall be no more than a 60-day supply as certified by the Certifying Healthcare Provider in each 60-day period.

(c) A Registered Qualifying Patient may possess up to 12 flowering plants and up to 12 Vegetative plants, excluding Clones and cuttings. If one or more Qualifying Patients collectively require more than this amount at one residence in order to maintain a 60-day supply, then a Hardship Cultivation Registration is required.

(4) Unauthorized Sales and Right to Refuse Sales.

(a) An MTC shall refuse to sell Marijuana to any Registered Qualifying Patient or Personal Caregiver who is unable to produce a temporary or an annual Registration Card and valid proof of identification, or who does not have a valid certification in the Commission supported interoperable database.

(b) An MTC shall refuse to dispense to a Registered Qualifying Patient or Personal Caregiver if in the opinion of the MTC agent, the Patient or the public would be placed at risk. In any instance of denial, an MTC shall notify the Patient's Certifying Healthcare Provider within 24 hours.

(c) An MTC may not sell to a Patient or caregiver an amount of Marijuana or Marijuana Products that would exceed the Patient's 60-day Supply.

(d) An MTC is prohibited from selling Marijuana Products containing nicotine.

(e) An MTC is prohibited from selling Marijuana Products containing alcohol, if sales of such alcohol would require licensure pursuant to M.G.L. c. 138.

(5) Recording Sales.

(a) An MTC shall only utilize a point-of-sale system approved by the Commission.

A retailer is prohibited from utilizing software or other methods to manipulate or alter sales data.

1. An MTC shall conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. The MTC shall use industry best practices to ensure its analysis does not compromise system security.

An MTC shall maintain records that it has performed the monthly analysis and produce it on request to the Commission. If a retailer determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:

2. It shall immediately disclose the information to the Commission;

3. It shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and

4. Take such other action directed by the Commission to comply with 935 CMR 501.105.

(b) An MTC shall adopt separate accounting practices at the point-of-sale for Marijuana and Marijuana Product sales, and non-Marijuana sales.

(c) For non-Marijuana sales, an MTC shall comply with Massachusetts tax laws, and DOR rules and regulations including, but not limited to, 830 CMR 62C.25.1: *Record Retention*, and *DOR Directive* 16-1 regarding recordkeeping requirements.

(d) At the point of sale, and in a form and manner determined by the Commission, an MTC shall comply with tracking requirements in 935 CMR 501.015(3) and (4) including, but not limited to, Qualifying Patient and, where applicable, Personal Caregiver information, and amount of medical-use Marijuana or MIPs sold.

(e) An MTC shall accurately track and maintain these records for no less than one year, except as otherwise provided in 935 CMR 501.140(5)(e) for taxable non-Marijuana sales, and shall be readily available to the Commission or its representatives on request. Such records shall include:

1. Date and time of transaction;

2. Name and agent registration number of the MTC Agent conducting the transaction;

3. Specific name, strength, dose, quantity, and type of Marijuana and MIPs sold during the transaction;

4. Name of Patient, and where applicable, Personal Caregiver, receiving the Marijuana, MIPs or Marijuana accessory or other taxable non-Marijuana item; and

5. Any other additional information the Commission may deem necessary.

(f) The Commission may audit and examine the point-of-sale system used by an MTC in order to ensure compliance with 935 CMR 501.140(5);

(6) Patient Education.

(a) An MTC shall provide educational materials about Marijuana to Registered Qualifying Patients and their Personal Caregivers.

1. An MTC shall have an adequate supply of up to date educational material available for distribution.

2. Educational materials shall be available in languages accessible to all Patients served by the MTC, including for the visually and hearing impaired.

3. Such materials shall be made available for inspection by the Commission upon request.

(b) The educational material shall include at least the following:

1. A warning that Marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using Marijuana, and that it should be kept away from children;

2. A warning that when under the influence of Marijuana, driving is prohibited by M.G.L. c. 90, § 24, and machinery should not be operated;

3. Information to assist in the selection of Marijuana, describing the potential differing effects of various strains of Marijuana, as well as various forms and routes of administration;

4. Materials offered to Registered Qualifying Patients and their Personal Caregivers to enable them to track the strains used and their associated effects;

5. Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the

desired effect. The impact of potency shall also be explained;
6. A discussion of tolerance, dependence, and withdrawal;
7. Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;
8. A statement that Registered Qualifying Patients may not distribute Marijuana to any other individual, and that they shall return unused, excess, or contaminated product to the MTC from which they purchased the product, for disposal; and
9. Any other information required by the Commission.

(c) The educational material cannot include:
1. Any statement, design, representation, picture, or illustration that encourages or represents the use of Marijuana for any purpose other than to treat a Debilitating Medical Condition or related symptoms;
2. Any statement, design, representation, picture, or illustration that encourages or represents the recreational use of Marijuana;
3. Advertising, marketing, and branding that asserts that its products are safe, or represent that its products have curative or therapeutic effects, other than labeling required pursuant to M.G.L. c. 94G, § 4(a½)(xxvi), unless supported by substantial evidence or substantial clinical data with reasonable scientific rigor as determined by the Commission; and
4. Any statement, design, representation, picture, or illustration portraying anyone younger than 21 years old.

(7) Testing. No Marijuana Product, including Marijuana, may be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 501.000. The product shall be deemed to comply with the standards required under 935 CMR 501.160.

Potency levels derived from the Cannabinoid Profile, including the amount of delta-nine-tetrahydrocannabinol (Δ9-THC) and other Cannabinoids, contained within Finished Marijuana or Marijuana Product to be sold or otherwise marketed shall be recorded in the Seed-to-sale SOR.

(8) Repackaging. Repackaged Marijuana shall comply with the labeling and packaging requirements under 935 CMR 501.105(5) and 500.105(6).

(9) Advance Contactless Order Fulfillment.

(a) An MTC may allow for advance ordering of Marijuana and Marijuana Products by telephone, website or Third-party Platform, which shall be available for inspection prior to commencing operations and on request.

(b) MTCs may fulfill advance orders through contactless means by not requiring contact between a Qualified Patient or Personal Caregiver and Registered Marijuana Agent.

(c) Any physical unit used for the purpose of the fulfillment of an advance contactless order (order) shall ensure that access to orders of Marijuana or Marijuana Products is limited to the Qualifying Patient or Personal Caregiver who placed the advance order.

(d) Any physical unit used for the purpose of order fulfillment of Marijuana or Marijuana Products shall be located within the MTC building and bolted or otherwise permanently affixed to the MTC Premises.

(e) An MTC that adopts a contactless means of fulfilling orders shall have a written operations plan which shall be submitted to the Commission prior to commencing these operations and on request. The plan shall include a detailed description of how the MTC will ensure that advance contactless order fulfillment complies with the requirements of:
1. 935 CMR 501.105(3)(b) and (c) for the safe storage of Marijuana and Marijuana Products;
2. 935 CMR 501.110(1)(a) for the purposes of limiting access to Qualifying Patient or Personal Caregivers;
3. 935 CMR 501.110(5)(a)4. for the video surveillance of all advance contactless orders; and
4. 935 CMR 501.140(8).

(f) Orders placed in advance may not be retained in a physical unit used for the purpose of contactless order fulfillment overnight or outside of business hours.

(10) Product Database. An MTC engaged in patient sales that purchases wholesale Marijuana Products from another licensed Marijuana Product Manufacturer for the purpose of Repackaging Marijuana Products for sale to a Qualifying Patient shall provide the Commission with the following information. This information may be used by the Commission for its

Product Database.

(a) The MTC shall provide the following:

1. A photograph of a finished Marijuana Product outside of but next to the Marijuana Product's packaging; provided however, that where single servings of a multi-serving product are unable to be easily identified because of its form, a description of what constitutes a single serving shall be provided (*e.g.*, a single serving is a 1" x 1" square);
2. A photograph of the Marijuana Product inside packaging; and
3. The name of the MTC or Marijuana Establishment Product Manufacturer that produced the Marijuana Product.

(b) Photographs submitted shall be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI. Photographs shall be against a white background.

(c) The MTC shall provide the information required under 935 CMR 501.140(8) for each Marijuana Product it Repackages for sale prior to the product being made available for sale and shall update the information whenever a substantial change to packaging or label of the Marijuana Product occurs. For purposes of 935 CMR 501.140(10)(c), a substantial change shall be a change to the physical attributes or content of the package or label.

(11) Sale of Marijuana Vaporizer Devices.

(a) MTCs offering Marijuana Vaporizer Devices for sale to Registered Qualifying Patients shall include signage at the point of sale, that is legible and enlarged and contains the following statements:

1. "Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled."
2. "Patients shall have access to the test results of Marijuana Vaporizer Devices including copies of any Certificates of Analysis provided be the device's manufacturer."

(b) MTCs shall provide a physical insert to Registered Qualifying Patients that accompanies all purchased Marijuana Vaporizer Devices that states, including capitalization and emphasis, the following: “Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled."

(c) The sale of disposable and reusable vaporizer pens and devices shall be accompanied by a product insert identifying the materials used in the vaporizer device's atomizer coil (*e.g.*, titanium, titanium alloy, quartz, copper, nichrome, kanthal, or other specified material), and manufacturer identification of the device hardware, cartridge, battery and other components;

(d) An MTC shall make available the information contained in 935 CMR 501.105(5)(c)6. in the product description at the point of sale and as part of any product list posted on the MTC's website or Third-party Technology Platforms or applications employed for preordering or delivery.

(e) An MTC shall retain all records of purchases from any supplier of any ingredient, additive, device, component part or other materials provided to the MTC about Marijuana Vaporizer Devices sold at MTCs. Such records shall be made available to the Commission upon request.

(12) Physical Separation of Marijuana and MIPs or Marijuana Products for Medical or Adult Use. A CMO shall provide for physical separation between medical and adult use sales areas. Separation may be provided by a temporary or semi permanent physical barrier, such as a stanchion, that, in the opinion of the Commission, adequately separates sales areas of MIPs for medical use from sales areas of Marijuana Products for adult use for the purpose of patient confidentiality.

(a) A CMO shall provide for separate lines for sales of Marijuana or MIPs for medical use from Marijuana Products for adult use within the sales area, provided that the holder of a patient registration card may use either line and may not be limited only to the medical use line, so long as the CMO can record the patient's transaction in accordance with 935 CMR 501.105(5)(d).

(b) A CMO shall additionally provide a patient consultation area, an area that is separate from the sales floor that is enclosed to allow privacy and for confidential visual and auditory consultation with Qualifying Patients.

(c) A CMO's patient consultation area shall have signage stating, "Consultation Area". The private consultation area shall be separate from the sales area. It shall be accessible by a Qualifying Patient or caregiver without having to traverse a Limited Access Area.

(d) A CMO shall use best efforts to prioritize Patient and caregiver identification

verification and physical entry into its retail area.

(13) Patient Supply.

(a) A CMO shall ensure access to a sufficient quantity and variety of Marijuana Products, including Marijuana, for Patients registered under 935 CMR 501.000.

1. Where the CMO has been open and dispensing for a period of less than six months, the license shall reserve 35% of the MTC's Marijuana Products.

2. Where the CMO has been open and dispensing for a period of six months or longer, the licensee shall maintain a quantity and variety of Marijuana Products for Patients registered under 935 CMR 501.000, sufficient to meet the demand indicated by an analysis of sales data collected by the Licensee during the preceding six months in accordance with 935 CMR 500.140(5): *Recording Sales* and 935 CMR 501.140(5).

(b) Marijuana products reserved for patient supply shall, unless unreasonably impracticable, reflect the actual types and strains of Marijuana Products documented during the previous six months. If a substitution shall be made, the substitution shall reflect as closely as possible the type and strain no longer available.

(c) On a biannual basis, the CMO shall submit to the Commission an inventory plan to reserve a sufficient quantity and variety of medical use Marijuana Products for Registered Qualifying Patients, based on reasonably anticipated patient needs as documented by sales records over the preceding six months. On each occasion that the supply of any product within the reserved patient supply is exhausted and a reasonable substitution cannot be made, the CMO shall submit a report to the Commission in a form determined by the Commission.

(d) Marijuana Products reserved for patient supply shall be either maintained on-site at the retailer or easily accessible at another location operated by the Licensee and transferable to the retailer location within 48 hours of notification that the on-site supply has been exhausted. CMOs shall perform audits of available patient supply on a weekly basis and retain those records for a period of six months.

(e) The Commission shall, consistent with 935 CMR 500.301 or 501.301, inspect and audit CMOs to ensure compliance with 935 CMR 500.140: *Additional Operating Requirements for Retail Sales*. The Commission may, in addition to the issuance of a deficiency statement under 935 CMR 500.310: *Deficiency Statements* or 935 CMR 501.310 and a plan of correction under 935 CMR 500.320: *Plans of Correction* or 935 CMR 501.320, demand that the CMO take immediate steps to replenish its reserved patient supply to reflect the amounts required under 935 CMR 500.140(15)(a) or 935 CMR 501.140(13)(a). Failure to adequately address a deficiency statement or follow a plan of correction shall result in administrative action by the Commission pursuant to 935 CMR 500.450: *Marijuana Establishment License: Grounds for Suspension, Revocation and Denial of Renewal Applications,* and 935 CMR 500.500: *Hearings and Appeals of Actions on Licenses* or 935 CMR 501.450 and 501.500.

(f) CMOs may transfer Marijuana Products reserved for medical-use to adult-use within a reasonable period of time prior to the date of expiration provided that the product does not pose a risk to health or safety.

(14) Prohibition on Monopolies.

(a) It shall be a violation of 935 CMR 501.000 for any MTC to monopolize or attempt to monopolize, or combine or conspire with any other person or entity including, but not limited, to a Third-party Technology Platform Provider, to monopolize any part of licensed activities authorized under 935 CMR 501.000.

(b) It shall be a violation of 935 CMR 501.000 for any MTC engaged in activities authorized under 935 CMR 501.000 to make a contract for services with a Third-party Technology Platform Provider for the listing of a MTC's Marijuana or Marijuana Products on the condition, agreement or understanding that the parties to the contract shall not deal in Marijuana or Marijuana Products, either generally or specific brands or categories of Finished Marijuana Products, of a competitor or competitors of the parties where the effect of such contract or such condition, agreement or understanding may be to lessen substantially competition or tend to create a monopoly in any activity engaged in under 935 CMR. 501.000.

501.145: Patient Delivery

(1) General Requirements.

(a) An MTC, or a Marijuana Courier acting on behalf of an MTC, shall obtain Commission approval prior to engaging in the delivery of Marijuana and Marijuana

Products directly to a Registered Qualified Patient or Caregiver. An MTC shall comply with 935 CMR 501.110(8) and 935 CMR 501.110(9) and adhere to its policies and procedures for Patient delivery approved pursuant to 935 CMR 501.101(1)(c)12.

(b) All individuals delivering Marijuana and Marijuana Products for an MTC directly to Registered Qualifying Patients and Caregivers shall be employees of the MTC Licensee and shall hold a valid MTC agent registration; or, where a Marijuana Courier provides delivery services on behalf of an MTC, employees duly registered as agents of the Marijuana Courier.

(c) All Marijuana and Marijuana Products delivered by or on behalf of an MTC in fulfillment of an Individual Order shall be obtained from the MTC with which the Individual Order was placed. An MTC cannot pick up Marijuana or Marijuana Products from another MTC to fulfill an Individual Order.

(d) An MTC or Marijuana Courier may use a Third-party Technology Platform Provider to facilitate the ordering of Marijuana or Marijuana Products.

1. All agreements between an MTC or Marijuana Courier and a Third-party Technology Platform Provider shall be available for inspection and subject to the control limitations under 935 CMR 501.050(1)(b).
2. The Commission shall be notified in writing within five days of any Substantial Modification to an agreement between an MTC or Marijuana Courier and a Third-party Technology Platform Provider.
3. Any Third-party Technology Platform shall comply with privacy and patient protection standards established by the Commission.
4. The Commission shall be notified in writing on an ongoing basis of any new or additional or assigned agreements between an MTC or Marijuana Courier and a Third-party Technology Platform Provider within five days.

(e) The maximum retail value of Marijuana or Marijuana Products allowed in an MTC's vehicle at any one time shall not exceed $5,000 when conducting deliveries to Patients with one MTC Agent present; provided, however, that a vehicle with two MTC Agents shall be allowed to deliver Marijuana and Marijuana Products with a maximum retail value of $10,000. All Marijuana and Marijuana Products shall be associated with a specific Individual Order. For purposes of 935 CMR 501.145(1)(e), "maximum retail value" shall mean the aggregate value of Marijuana and Marijuana Products as priced on the day of the order for delivery.

(f) The maximum wholesale value of Marijuana or Marijuana Products allowed in an MTC's vehicle at any one time shall not exceed $5,000 when conducting Wholesale activities with one MTC Agent present; provided, however, that a vehicle with two Agents shall be allowed to have a total Wholesale value in excess of $5,000. All Marijuana or Marijuana Products shall be associated with a specific order. For purposes of this provision, "maximum wholesale value" shall mean the aggregate value of Marijuana and Marijuana Products as priced on the day of the order for wholesale.

(g) All Marijuana and Marijuana Product deliveries shall be tracked using the Seed-to-sale SOR as designated by the Commission.

(h) All deliveries shall be completed between 7:00 A.M. to 11:00 P.M. local time. A Host Community may set alternative delivery hours by municipal ordinance or by-law; provided, however, that a municipality shall not set an earlier time to begin deliveries nor set a later time to complete deliveries.

(i) Every effort shall be made to minimize the amount of cash carried in an MTC or Marijuana Courier vehicle at any one time. MTCs and Marijuana Couriers shall use best efforts to implement platforms for the electronic payment of funds. Where cash is carried in an MTC vehicle, the storage and transport of cash shall comply with the requirements of 935 CMR 501.110(7).

(2) Orders. All orders for deliveries made by an MTC or Marijuana Courier shall comply with the following requirements:

(a) All Marijuana and Marijuana Products delivered by or on behalf of an MTC shall comply with 935 CMR 501.145(1)(c).

(b) An MTC shall only deliver Marijuana or Marijuana Products for which it has received a specific order from a Registered Qualifying Patient or Caregiver. MTCs are prohibited from delivering Marijuana or Marijuana Products without a specific order destined for an identified Qualifying Patient or Caregiver. An order may be generated directly through the MTC or through a Third-party Technology Platform identified to the Commission under 935 CMR 501.145(1)(d).

(c) MTCs shall deliver Marijuana or Marijuana Products only to the primary residence and be prohibited from delivering Marijuana or Marijuana Products to college or

university- designated dormitories or housing, federally-subsidized housing, shelters or residential programs. An Institutional Caregiver shall only receive delivery at their Caregiving Institution.

(d) Orders for Patient delivery shall be received by the MTC and completed after confirmation of the Registered Qualifying Patient's or Personal Caregiver's Residence.

(e) MTCs shall only deliver one Individual Order, per Qualifying Patient or Caregiver, during each delivery.

(f) Only Marijuana and Marijuana Products that are Shelf-stable may be delivered. Products that are perishable, or time and temperature controlled to prevent deterioration may not be allowed to be delivered by or on behalf of an MTC.

(g) For Patient delivery, each order shall be labeled and packaged in accordance with 935 CMR 501.105(5) and (6).

(h) Any Marijuana or Marijuana Product that is undeliverable or is refused by the Qualifying Patient or Caregiver shall be transported back to the originating MTC that provided the product once all other deliveries included on a delivery manifest have been made. It shall be the responsibility of the MTC, or the MTC in conjunction with the Marijuana Courier performing the delivery, to ensure that any undelivered product is returned to the MTC's physical location and stored in accordance with 935 CMR 501.105(11). A process for ensuring that undelivered Marijuana and Marijuana Products can be returned to the MTC by the Marijuana Courier shall be a term of the Delivery Agreement.

(3) Vehicle and Transport Requirements for Patient Delivery.

(a) Vehicles used for Patient delivery by an MTC or Marijuana Courier shall be owned or leased by the MTC or Marijuana Courier and shall be properly registered as commercial vehicles, inspected and insured in the Commonwealth of Massachusetts.

(b) Vehicles and transportation operations of an MTC or Marijuana Courier shall comply with 935 CMR 501.105(13) and 501.110(7).

(c) The MTC or Marijuana Courier shall maintain a separate log for each vehicle in use for home deliveries. For each delivery, the MTC or Marijuana Courier shall record:

1. The location of the originating MTC and date and time the vehicle leaves the location;
2. The mileage of the transporting vehicle at departure from the MTC, mileage on arrival at each Registered Qualifying Patient or Caregiver destination, and mileage on return to the MTC;
3. The date and time of departure from the MTC and arrival at each patient destination for each delivery; and
4. An entry indicating the date and time of the last delivery in an order.

(d) An MTC or Marijuana Courier may not transport products other than Marijuana and Marijuana Products during times when and MTC or Marijuana Courier is performing home deliveries.

(4) Manifests.

(a) Every Patient delivery shall have a manifest produced by the MTC. A manifest shall be completed in duplicate, with the original manifest remaining with the originating MTC, and a copy to be kept with the MTC or Marijuana Courier agent during the delivery. The manifest shall be signed by the Registered Qualifying Patient or Caregiver receiving the Marijuana or Marijuana Products and the MTC or Marijuana Courier agent acting on behalf of the MTC. A signed manifest shall serve as the written record of the completion of the delivery.

(b) The manifest shall, at a minimum, include:

1. The originating MTC's name, address, and License number;
2. The names and agent numbers of the MTC or Marijuana Courier agents performing the delivery;
3. The Patient or caregiver's name, address, and registration number;
4. A description of the Marijuana or Marijuana Products being transported, including the weight, form or type of product, cost and transaction number entered in the patient sales system;
5. Signature lines for the agents who transported the Marijuana or Marijuana Products;
6. A signature line for the person who receives the Marijuana or Marijuana Products; and
7. The MTC or Marijuana Courier vehicle make, model, and license plate number.

(c) The manifest shall be maintained within the vehicle during the entire transportation process, until all the deliveries are completed.

(d) An MTC shall retain all transportation manifests for no less than one year and make them available to the Commission on request.

501.150: Edibles

(1) Production of Edibles. Edibles shall be produced in compliance with the following:
(a) Any Edibles that is made to resemble a typical food or drink product shall be packaged and labeled as required by M.G.L. c. 94G, § 4(a½)(xxiv) and (xxvi), and 935 CMR 501.105(5) and (6).
(b) The manufacture or sale of Edibles in the following shapes and types is prohibited:
1. The distinct shape of a human, animal, fruit, or sporting-equipment item; or
2. A shape that bears the likeness or contains characteristics of a realistic or fictional human, animal, fruit, or sporting-equipment item including artistic, caricature, or cartoon renderings.
(c) Edibles that are geometric shapes and simply fruit-flavored are not considered fruit and are permissible.

(2) Sanitary Requirements. All Edibles shall be prepared, handled, and stored in compliance with the requirements in 935 CMR 501.105(3) and (11).

(3) Additional Labeling and Packaging Requirements for Edibles.
(a) In addition to the requirements set forth in M.G.L. c. 94G, § 4(a½)(xxiv) and (xxvi), and 935 CMR 501.105(5) and (6), every MTC shall ensure that the following information or statement is Affixed to every container holding an Edible:
1. If the retail Edible MIP is perishable or time and temperature controlled, a statement that the Edible shall be refrigerated.
2. The date on which the Edible was produced.
3. A nutritional fact panel that shall be based on the number of THC servings within the container.
4. Information regarding the size of each serving for the product by milligrams, the total number of servings of Marijuana in the product, and the total amount of active THC in the product by milligrams (mg). For example: "The serving size of active THC in this product is X mg, this product contains Y servings of Marijuana, and the total amount of active THC in this product is (X*Y) mg."
5. A warning that the impairment effects of Edibles may be delayed by two hours or more.
(b) Once a label with a use-by date has been Affixed to a container holding an Edible , a Licensee may not alter that date or affix a new label with a later use-by date.
(c) Each single serving of an Edible within a multi-serving package of Edibles shall be easily separable in order to allow an average person 21 years of age or older to physically separate, with minimal effort, individual servings of the product.
(d) Each single serving of an Edible contained in a multi-serving package of Edibles shall be marked, stamped, or otherwise imprinted with the symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana consistent with 935 CMR 501.105(5)(a)8. Alternatively, a Licensee may ensure that each single serving of an Edible is individually wrapped and shall mark, stamp, or otherwise imprint each individual wrapper with the symbol or easily recognizable mark issued by the Commission that indicates the serving contains Marijuana consistent with 935 CMR 500.105(5)(a)8.
(e) Each single serving of an Edible contained in a packaged unit of multiple Edible may be marked, stamped, or otherwise imprinted with a symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana.

501.160: Testing of Marijuana and Marijuana Products

(1) No Marijuana Product, including Marijuana, may be sold or otherwise marketed for medical use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 501.000. Testing of Marijuana Products shall be performed by an Independent Testing Laboratory in compliance with a protocol(s) established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determined by the Commission including, but not limited to, the Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers and Colocated Marijuana Operations. Testing of environmental media (*e.g.*, soils, solid growing media, and water) shall be performed in compliance with the Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana

Dispensaries published by the Commission.

(2) Marijuana and Marijuana Products shall be tested for the Cannabinoid profile and for contaminants as specified by the Commission including, but not limited to, mold, mildew, heavy metals, plant growth regulators, and the presence of Pesticides. The Commission may require additional testing. In addition to these contaminant tests, final ready-to-sell Marijuana Vaporizer Products shall be screened for heavy metals and Vitamin E Acetate (VEA) in accordance with the Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers and Colocated Marijuana Operations issued by the Commission.

(3) The Commission may, at its discretion, require additional testing where necessitated to safeguard public health or safety and so identified by the Commission.

(4) An MTC shall have a written policy for responding to laboratory results that indicate contaminant levels are above acceptable limits established in the protocols identified in 935 CMR 501.160(1). Such policy shall be available to Registered Qualifying Patients and Personal Caregivers.

(a) Any such policy shall include:

1. Notifying the Commission within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the Production Batch submission of any information regarding contamination immediately upon request by the Commission; and
2. Notifying the Commission of any information regarding contamination as specified by the Commission or immediately upon request by the Commission.

(b) The notification shall be from both the MTC and the Independent Testing Laboratory, separately and directly.

(c) The notification from the MTC shall describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.

(5) An MTC shall maintain the results of all testing for no less than one year. Testing results shall be valid for a period of one year. Marijuana and Marijuana Products with testing dates in excess of one year shall be deemed expired and may not be dispensed, sold, Transferred or otherwise conveyed until retested.

(6) The sale of seeds is not subject to these testing provisions.

(7) Clones are subject to these testing provisions, but are exempt from testing for metals.

(8) All transportation of Marijuana and Marijuana Products to and from Independent Testing Laboratories providing Marijuana testing services shall comply with 935 CMR 501.105(13).

(9) All storage of Marijuana and Marijuana Products at a laboratory providing Marijuana testing services shall comply with 935 CMR 501.105(11).

(10) All excess Marijuana and Marijuana Products shall be disposed of in compliance with 935 CMR 501.105(12), either by the Independent Testing Laboratory returning excess Marijuana or Marijuana Products to the source MTC for disposal or by the Independent Testing Laboratory disposing of it directly;

(11) No Marijuana or Marijuana Product shall be sold or otherwise marketed for adult use that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 501.160; and

(12) A Licensee that receives notice that Marijuana or a Marijuana Product it has submitted for testing has failed any test for contaminants shall either reanalyze the Marijuana or Marijuana Product without remediation, take steps to remediate the identified contaminants or dispose of the Marijuana or Marijuana Product.

(a) Reanalysis by a Second ITL. If the Licensee chooses to reanalyze the sample, a sample from the same batch shall be submitted for reanalysis at the ITL that provided the initial failed result. If the sample passes all previously failed tests at the initial ITL, a sample from the same batch previously tested shall be submitted to a second ITL other than the original ITL for a Second Confirmatory Test. To be considered passing and therefore safe for sale, the sample shall have passed the Second Confirmatory Test at a second ITL. Any

Marijuana and Marijuana product that fails the Second Confirmatory Test may not be sold, transferred or otherwise dispensed to Consumers, Patients or Licensees without first being remediated. Otherwise, the MTC shall dispose of any such product.

(b) Remediation. If the Licensee chooses to remediate, a new test sample shall be submitted to any licensed ITL, which may include the initial ITL, for a full-panel test. Any failing Marijuana or Marijuana product may be remediated a maximum of two times. Any Marijuana or Marijuana product that fails any test after the second remediation attempt may not be sold, transferred or otherwise dispensed to Consumers, Patients or Licensees. The MTC shall dispose of any such product.

(c) If the Licensee chooses to dispose of the Marijuana or Marijuana Products, it shall do so in compliance with 935 CMR 501.105(12).

501.170: Municipal Requirements

(1) An MTC and Independent Testing Laboratory and their agents shall comply with all local rules, regulations, ordinances, and bylaws.

(2) Nothing in 935 CMR 501.000 shall be construed to prohibit lawful local oversight and regulation, including fee requirements, that does not conflict or interfere with the operation of 935 CMR 501.000.

501.180: Host Community Agreement Requirements for License Applicants, MTCs, and Host Communities

(1) 935 CMR 501.180 is governed by M.G.L. c. 94G § 3(d)(1) through (5), as amended by St. 2022, c. 180 which went into effect on November 9, 2022. Pursuant to M.G.L. c. 94G, § 4(a), the Commission is authorized to review, regulate, enforce, and approve HCAs and to develop a Model Host Community Agreement.

(2) General Requirements for Host Community Agreements. The Commission shall review and approve each HCA as part of a completed License application and at each License renewal. The parties to an HCA relative to an application for licensure are a License Applicant and a Host Community. The parties to an HCA relative to an application for renewal of licensure are a Host Community and an MTC.

(a) A License Applicant seeking a new License to operate an MTC shall negotiate and execute a compliant HCA with a Host Community, unless a compliant HCA Waiver has been submitted pursuant to 935 CMR 501.180(5). A compliant HCA or compliant HCA waiver must be submitted in order for a License application to be deemed complete pursuant to 935 CMR 501.102.

(b) An MTC seeking renewal of a License to continue to operate in a Host Community shall have an HCA that complies with 935 CMR 501.180 unless a compliant HCA Waiver has been submitted pursuant to 935 CMR 501.180(5).

(c) An HCA submitted by a License Applicant or Medical Marijuana Treatment Center which is determined to conform with the Model Host Community Agreement will be presumed compliant for purposes of this section.

(d) A Host Community shall negotiate the terms of an HCA in good faith.

(e) Each of the parties shall ensure that HCAs satisfy the following minimum acceptable requirements:

1. The parties shall ensure that references in an HCA to a License Applicant or MTC are consistent with both the business entity name certified and recorded with the Secretary of the Commonwealth and the business entity name stated either in a License Applicant's license application or on an MTC's license record as maintained by the Commission.

2. The parties shall ensure that HCAs set forth all of a Host Community's conditions for allowing an MTC or a License Applicant to operate in the community. A Host Community may not contract for any purpose, on any terms, or under any conditions inconsistent with any applicable provision of Massachusetts General Laws. No Host Community may impose an unreasonable condition or a term that is Unreasonably Impracticable in an HCA. A condition may be presumed reasonable if:

a. The condition is required under a Host Community's local rules, regulations, ordinances, or bylaws;

b. The condition has been deemed necessary to ensure public safety and proposed by the chief law enforcement authority and/or fire protection chief in a Host Community with explanation and detail why the condition is necessary for public

safety.

c. The condition has been deemed necessary to ensure public health and proposed by the chief public health authority in a Host Community with explanation and detail why the condition is necessary for public health;

d. The condition is a local requirement customarily imposed by a Host Community on other, non-cannabis businesses operating in the community;

e. The condition is required by law;

f. The condition does not conflict with other laws; or

g. The condition is otherwise deemed reasonable by the Commission based on particular circumstances presented by an HCA or contracting parties.

3. The parties shall ensure that HCAs include a statement of all stipulated responsibilities between a Host Community and a License Applicant or between a Host Community and an MTC including, but not limited to, the following:

a. A provision requiring a Host Community to annually transmit its invoice of claimed impact fees to an MTC within one month of the anniversary of the date an MTC received final licensure;

b. A provision explicitly identifying any generally occurring fees to be charged by a Host Community. Generally occurring fees are customarily imposed on other non-cannabis businesses operating in a Host Community and shall not be considered a CIF (*e.g.*, routine water, property tax, sewer, trash pickup *etc*.).

4. The parties shall ensure that HCAs include the following information:

a. The specific MTC license operations permitted under the terms of the HCA;

b. The name, signature, and title of the individual(s) authorized to enter into HCAs on behalf of a Host Community as a contracting authority;

c. The name, signature, and title of the individual(s) authorized to enter into HCAs on behalf of a License Applicant or an MTC as an authorized representative;

d. The date(s) of execution by both parties;

e. The effective date of an HCA; and

f. The duration of an HCA.

5. The parties shall ensure that HCAs provide clear, specific terms regarding a Host Community's assessment of a CIF if applicable, including, but not limited to, a provision requiring a Host Community to transmit its invoice of claimed impact fees to an MTC within one month of the anniversary of an MTC's final license date.

(f) The parties may include a clause in an HCA whereby the parties voluntarily agree to bring HCA disputes before a private mediator retained by the parties. Neither party may unilaterally compel private mediation.

(g) Approval of HCAs may be conditioned on a Host Community being in good compliance standing with the Commission relative to any HCA to which the Host Community is a contracting party.

(h) The Commission may deem a provision of an HCA invalid, and therefore unenforceable, based on a finding that the provision violates M.G.L. c. 94G, 935 CMR 500.000: *Adult Use of Marijuana* or 935 CMR 501.000. The Commission may also declare an HCA or a provision of an HCA voidable upon deeming the HCA as a contract of adhesion.

(i) The Commission may decline to approve an HCA on the basis of any other ground that serves the purposes of M.G.L. cc. 94G and 94I, 935 CMR 500.000, or 935 CMR 501.000.

(j) An MTC that seeks a name change pursuant to 935 CMR 501.104(1) after execution of an HCA must provide notice of the change to the Host Community in a form and manner determined by the Commission. An MTC that seeks a location change to another Host Community shall submit a new HCA to the Commission. An MTC that seeks a location change within the same Host Community after execution of an HCA may be required to provide an amended HCA to the Commission. An MTC that submits a Change of Ownership request for the transfer of a license may be required to submit a new or amended HCA to the Commission.

(k) Prohibitions.

1. No License Applicant, MTC, or Host Community shall enter into an HCA that includes a promise to make a future monetary payment, in-kind contribution, or charitable contribution. A License Applicant or MTC may voluntarily provide organizations with monetary payments, in-kind contributions and charitable contributions after executing an HCA, as long as a License Applicant or MTC's actions are not performed because of a condition imposed by a Host Community, whether explicitly or implicitly.

2. A contractual financial obligation, other than a CIF, that is explicitly or implicitly a factor considered in or included as a condition of an HCA is unenforceable, subject to

the following exceptions:

a. References in an HCA to an MTC's obligations to pay any fees associated with sales tax, excise tax on Marijuana and Marijuana Products, optional local tax, or as otherwise provided in M.G.L. c. 94G, M.G.L. c. 64H, and M.G.L. c. 64N.

b. References in an HCA to an MTC's obligations to pay a Host Community for generally occurring fees associated with operating in a Host Community (*e.g.*, water, sewer, property tax, *etc*.).

3. No Host Community may mandate or otherwise require that the CIF be a certain percentage of an MTC's total or gross sales as a term or condition of an HCA.

4. A Host Community shall not demand a CIF exceeding 3% of the gross sales of an MTC as a term or condition of an HCA.

5. No License Applicant, MTC, or Host Community will use Inducements to negotiate or execute an HCA. No municipality or Host Community shall negotiate or renegotiate an HCA through the use of undue influence, duress, coercion, intimidation, threats, or any strong-arm tactics including by threat of dissolution of the HCA.

6. No Host Community may rely on other written instruments, contracts, or agreements to impose terms or conditions on a License Applicant, Marijuana Establishment, or Medical Marijuana Treatment Center outside of an HCA.

(l) The following terms, conditions, or clauses are prohibited in an HCA:

1. A provision that discourages any party from bringing a civil cause of action or other legal challenge relative to an HCA or to an individual term or provision of an HCA;

2. A provision that requires a License Applicant or MTC to make upfront payments as a condition for operating in the Host Community;

3. A provision that affords a Host Community sole and absolute discretion on how a Host Community will spend a CIF;

4. A provision waiving an MTC's ability to dispute whether impact fees claimed by a Host Community are Reasonably Related and properly due and payable as a CIF;

5. A provision that categorically deems a Host Community's claimed impact fees to be reasonably related or that otherwise excuse a Host Community from calculating impact fees based on the actual operations of an MTC;

6. A provision that imposes legal, overtime, or administrative costs or any costs other than a CIF on an MTC with the exception of an MTC's tax obligations or its responsibility for paying routine, generally occurring municipal fees;

7. A provision that obligates an MTC to set aside money in an escrow, bond, or other similar account for a Host Community's use or purposes;

8. A provision that requires an MTC to make any additional payments or obligations including, but not limited to, monetary payments, in-kind contributions, providing staffing, advance payments, or charitable contributions by an MTC to a Host Community or any other organization.

9. A provision including or otherwise deeming good faith estimates, unquantifiable costs, generalized expenses, or pro-rated expenses as a CIF.

(3) Review and Certification of Host Community Agreements. The Commission, through its Executive Director or the director's delegee, shall review an HCA submitted by a License Applicant or an MTC and make a determination certifying whether the HCA, in whole or in part, satisfies Commission requirements.

(a) The Commission shall complete its review of an HCA within 90 days of receiving an HCA from an MTC. The Commission may request additional information or send a determination notice identifying deficiencies in an HCA. Submission of an amended HCA resets the 90-day period of Commission review.

(b) Review of HCAs Submitted by License Applicants.

1. All applications for initial licensure submitted on or after March 1, 2024, must include an HCA that complies with 935 CMR 501.000 *et seq*. or a compliant HCA Waiver.

2. The Commission may request additional information from a License Applicant or a Host Community in connection with its review.

3. The Commission shall send a notice of its HCA determination to both a License Applicant and a Host Community within 90 days of receipt of an HCA.

4. If the Commission determines that a License Applicant's HCA does not comply with 935 CMR 501.180, then the HCA determination notice shall state the following:

a. The factual basis for the Commission's finding of noncompliance, including identification of the noncompliant term(s), condition(s), or provision(s) of the HCA, if applicable;

b. The parties' option to correct the noncompliance and submit an amended HCA;

and

c. The parties' option to submit an HCA Waiver that complies with 935 CMR 501.180(5); and

5. Failure to submit a compliant HCA or a compliant HCA Waiver with an application for licensure may result in an application remaining incomplete pursuant to 935 CMR 501.102.

(c) Review of HCAs Submitted by an MTC.

1. All renewal applications submitted on or after March 1, 2024, must include an HCA that complies with 935 CMR 501.000 *et seq*. or a compliant HCA Waiver.

2. The Commission may request additional information from an MTC or a Host Community in connection with its review.

3. The Commission shall send a notice of its HCA determination to both an MTC and a Host Community within 90 days of receipt of the HCA. The determination notice shall identify whether the HCA, in whole or in part, complies with 935 CMR 501.180.

4. If the Commission determines that an MTC's HCA does not comply with 935 CMR 501.180, then the HCA determination notice shall provide the following:

a. The factual basis for the Commission's finding of noncompliance, including identification of the noncompliant term(s), condition(s), or provision(s) of the HCA, if applicable;

b. The parties' option to correct the noncompliance and submit an amended HCA;

c. The parties' option to submit an HCA Waiver that complies with 935 CMR 501.180(5); and

d. The parties' option to proceed under an executed HCA that conforms with the Commission's Model Host Community Agreement, to be relied on in the interim until the parties come to an agreement;

5. A Host Community shall notify an MTC if it no longer intends to continue as a Host Community for an MTC. A Host Community shall not discontinue relations with an MTC in bad faith. On receipt of a notice of discontinuance from a Host Community, the MTC shall notify the Commission. On receipt of a notice of discontinuance, an MTC may submit a request for equitable relief to the Commission consistent with 935 CMR 501.180(3)(c)(6).

6. If a Host Community discontinues relations with an MTC, or on submission of a mutual abrogation agreement executed by both a Host Community and an MTC, an MTC may submit a request for equitable relief to the Commission.

a. An MTC's request for equitable relief must identify facts, information, and any documentation to support why an MTC should be considered for equitable remedies. An MTC shall ensure that the request for equitable relief includes a Host Community's notice under 935 CMR 501.180(3)(c)5.

b. Commission Staff will conduct a paper review of the petition and make a recommendation to the Commission.

c. The Commission may exercise its discretion whether to grant one or more of the following equitable remedies to an MTC:

(i) Extension of a License expiration date without incurring additional prorated fees;

(ii) Waiver of a Change of Location fee;

(iii) institution of procedures for winding down an MTC's operations at the licensed Premises;

(iv) Other equitable relief as determined by the Commission.

d. If the Commission grants or denies equitable relief to an MTC, the agency will provide notice of its decision to an MTC and a Host Community. A Host Community or an MTC may seek relief from a court of competent jurisdiction.

7. Failure to submit a compliant HCA or compliant HCA Waiver may constitute grounds for denial of a renewal application.

8. Any action subsequently taken to deny an MTC's renewal application due to failure to produce a compliant HCA or a compliant HCA Waiver shall afford MTCs a right to hearing pursuant to 935 CMR 501.500.

a. If an MTC elects a hearing pursuant to 935 CMR 501.500, the administrative proceeding must be conducted pursuant to 801 CMR 1.01, Formal Rules.

b. A Host Community may seek intervention as a party to the hearing.

(d) Complaints Alleging Noncompliance with 935 CMR 501.180

1. Consistent with its power to enforce HCAs, the Commission may, at its discretion, investigate any complaint alleging noncompliance with the requirements in this section and take enforcement action as provided in 935 CMR 501.000.

2. An interested person may file a complaint with the Commission alleging

noncompliance with an HCA requirement under 935 CMR 501.180. Nothing in this subdivision shall be construed to prevent an MTC or a Host Community from bringing a private breach of contract action in a court of competent jurisdiction regarding an alleged breach of specific promises mutually agreed to in the parties' HCA.

3. If the Commission substantiates an allegation of noncompliance with HCA regulatory requirements, then the Commission may take administrative or enforcement action against a Licensee or a Host Community including sending a notice of deficiency, requesting additional information, or otherwise taking action as provided under 935 CMR 501.000.

4. Failure by a Host Community to correct the noncompliant conduct may result in one or more of the following:

a. Issuance of sanctions pursuant to 935 CMR 501.360;

b. Loss of a Host Community's good compliance standing for purposes of 935 CMR 501.180(2)(e);

c. Identification of a Host Community lack of good compliance standing in a form and manner determined by the Commission; or

d. Abstaining from consideration of any new license applications affiliated with a Host Community until a Host Community's good compliance standing is restored.

(4) Community Impact Fees.

(a) General Requirements. Pursuant to M.G.L. c. 94G, § 4(a½), the Commission is charged with establishing criteria for reviewing, certifying, and approving CIFs.

1. To qualify as a CIF, an impact fee alleged by a Host Community must be Reasonably Related.

2. On certification by the Commission, a CIF becomes properly due and payable unless disputed by an MTC consistent with 935 CMR 501.180(4)(c)4.a.

3. A Host Community may assess a CIF as a condition of allowing a License Applicant or an MTC to operate or continue to operate in its community. A Host Community may also opt not to assess a CIF.

4. A Host Community may also opt not to assess a CIF.

5. A Host Community shall ensure that the initial invoice period of claimed impact fees covers a one-year period that starts from the date the Commission grants an MTC a final license. A Host Community shall further ensure that all subsequent, one-year invoice periods are consistent with the anniversary of an MTC's final license date. The Commission will not certify any impact fees attributable to dates outside of the applicable invoice period.

6. A Host Community seeking to assess a CIF shall transmit an itemized invoice to an MTC in a form and manner determined by the Commission documenting claimed impact fees arising from the preceding year of an MTC's operations.

a. Sunshine Requirement: A Host Community shall ensure that impact fee invoices include a specific description of how the claimed impact fees were spent, including each line item for each good or service charged stating its cost, purpose, and relation to an MTC's operations.

b. A Host Community shall transmit its impact fee invoice to an MTC no later than one month after the anniversary of the date the MTC received a final license from the Commission. A Host Community's failure to transmit the impact fee invoice to an MTC within the prescribed time shall result in a forfeiture of any CIF for the applicable year of operations.

c. A Host Community shall ensure that the impact fee invoice is restricted to the license number(s) operating from the licensed Premises alleged to have impacted the community. For CMOs, a Host Community shall transmit an impact fee invoice to a Marijuana Establishment and an MTC.

7. Within 30 calendar days of receiving a Host Community's invoice of claimed impact fees, an MTC shall submit the invoice and any supporting documentation, if applicable, to the Commission in a form and manner determined by the Commission.

8. An MTC that has agreed to pay a CIF under its HCA shall annually pay any undisputed CIF no later than the end of the current fiscal year or within 90 days of the date of the Commission's CIF certification, whichever is later. This subdivision shall not be construed to require an MTC to pay a CIF if an MTC's payment obligation is the subject of a nonfrivolous legal dispute either through the Commission's administrative hearing process or before a court of competent jurisdiction.

(b) Prohibited Practices.

1. A Host Community shall not attempt to collect impact fees relating to any operations occurring prior to the date an MTC is granted a final license by the

Commission.

2. A Host Community shall not attempt to collect impact fees from any MTC that has held a final license for more than nine years.

3. In circumstances where the licensed Premises is the site of multiple final licenses, no Host Community may amplify its assessment of claimed impact fee(s) by assigning the same impact fee(s) to each final license operating from the licensed Premises without regard to the distinct operations of each licensed entity.

4. No Host Community may rely on other written instruments, contracts, or agreements to assess Community Impact Fees. No Host Community may include additional payments or obligations in its invoice of claimed impact fees, including but not limited to monetary payments, in-kind contributions and charitable contributions by an MTC to a Host Community or any other organization.

5. A Host Community shall not include any legal costs incurred by a Host Community to defend against a lawsuit brought by an MTC in its invoice of claimed impact fees.

6. No Host Community may modify the effective date of a preexisting CIF for any final license that becomes subject to an ownership or control change under 935 CMR 501.104(1).

(c) Commission Review and Certification of CIFs. The Commission, through its Executive Director, shall review a Host Community's invoice of claimed impact fees and make a determination certifying, in whole or in part, the CIF that may be assessed for the preceding year of an MTC's operations based on a finding that an impact fee(s) is Reasonably Related to an MTC's operations.

1. An MTC shall provide verification of its Gross Annual Sales, including wholesale revenue generated by Marijuana Cultivators and Marijuana Product Manufacturers, to the Commission with its transmission of a Host Community's invoice of claimed impact fees.

a. An MTC shall submit a summary of all sales of Marijuana, Marijuana Products, Marijuana Accessories and MTC Branded Goods for that license to patients and other Licensees, as applicable.

b. If product was wholesaled or otherwise sold or transferred to other Licensees at no cost or reduced cost, an MTC shall apply the average cost per gram or milligram to the amount sold or transferred to establish and report the fair market value of the product, and include that amount in its summary submission.

2. The Commission may make a final determination on Gross Annual Sales relying on the factors in 935 CMR 501.180(4)(c)3., and any additional information gathered. The Gross Annual Sales determined by the Commission, pursuant to 935 CMR 501.180(4)(c)3., shall be used for purposes of the CIF in circumstances where product was wholesaled or otherwise sold or transferred to other Licensees at no cost or reduced cost, and shall not be used for any other purposes related to other obligations, including tax filings, for an MTC.

3. The Commission may determine the Gross Annual Sales of an MTC using the following factors:

a. Patient Sales as represented by an MTC;

b. Patient Sales as represented by the Commission Seed-to-sale System of Record;

c. Fair Market Value of wholesaled or transferred Marijuana, Marijuana Products, Marijuana Accessories and MTC Branded Goods;

d. Any wholesaled or transferred Marijuana, Marijuana Products, Marijuana Accessories and MTC Branded Goods that has been refunded or is otherwise the subject of a voided sale;

e. Value of services rendered, wholesaled or transferred Marijuana, Marijuana Products, Marijuana Accessories and MTC Branded Goods as represented by the Commission Seed-to-sale System of Record; and

f. Other factors as determined necessary by the Commission to calculate the Gross Annual Sales by the licensee in the absence of available information as listed in 935 CMR 501.180(4)(c)2.

4. The Commission shall provide notice of its CIF determination to an MTC and a Host Community. The Commission's notice will provide an MTC with the following options:

a. An MTC may request an administrative hearing before an independent Hearing Officer of the Commission pursuant to 935 CMR 501.500 to challenge the findings of fact and conclusions of law. Any administrative proceeding elected by an MTC must be conducted pursuant to 801 CMR 1.01: *Formal Rules*. The Host Community may seek intervention as a party to the hearing; or

b. A Licensee may seek court intervention to independently review a Host

Community's claimed impact fees by bringing a breach of contract action against a Host Community in a court of competent jurisdiction.

5. The parties may elect to bring a dispute between the parties before a private mediator retained by the parties at any time if such mediation is a term of the HCA or is voluntarily elected by the parties. Neither party may unilaterally compel private mediation.

6. After a CIF dispute has resolved, an MTC must provide proof of payment of the certified CIF with its renewal application. If an MTC prevails in a CIF dispute, an MTC must also provide proof that its CIF payment obligation has been eliminated.

(5) Waiver of Host Community Agreements.

(a) A Host Community may waive the regulatory requirement to have a compliant HCA by submitting an HCA Waiver to the Commission that complies with 935 CMR 501.180(5).

(b) An HCA Waiver constitutes a total relinquishment of the requirement that an Applicant or MTC enter into an HCA with a Host Community. No party to an HCA may use an HCA Waiver to waive individual provisions of an HCA.

(c) An HCA Waiver may be submitted relative to an application for licensure or an application for renewal of licensure. A Host Community and an Applicant or MTC may also submit an HCA Waiver after both parties have executed an HCA.

(d) Acceptance of an HCA Waiver is limited to the specific application or license number(s) stated in the HCA Waiver request.

(e) The Commission shall determine whether an HCA Waiver complies with 935 CMR 501.180(5).

(f) An HCA Waiver that sets an expiration date or any conditions is deemed noncompliant.

(g) An HCA Waiver determined to be the result of an Inducement is deemed noncompliant.

(h) If a Host Community elects to submit an HCA Waiver, a Host Community's submission shall be in a form and manner determined by the Commission and include, at minimum, the following information:

1. Identification of the specific application or license number intended to be exempt from the requirement to have a compliant HCA;

2. Identification of a License Applicant or MTC in a manner consistent with both the business entity name certified and recorded with the Secretary of the Commonwealth of Massachusetts and the business entity name stated either in a License Applicant's license application or on an MTC's license record as maintained by the Commission.

3. Printed name and signature of the individual(s) authorized to represent and act on behalf of a Host Community;

4. Printed name and signature of the individual(s) authorized to represent and act on behalf of an Applicant or MTC;

5. The date of each parties' signature; and

6. An attestation that the HCA Waiver was mutually agreed upon by both parties and executed in good faith.

(i) An HCA Waiver that is executed and recorded with the Commission remains in full force and effect until such time as it is rescinded. An HCA Waiver may only be rescinded on Commission approval of an HCA subsequently executed and submitted by the parties.

(j) An HCA waiver is not subject to review under the criteria in 935 CMR 501.850 regarding general waivers.

501.181: Minimum Acceptable Equity Standards Governing Municipalities and Host Communities

(1) 935 CMR 501.181 is governed by M.G.L. c. 94G §§ 3 and 4, as amended by St. 2022, c. 180. Pursuant to M.G.L. c. 94G § 3, the Commission must establish minimum acceptable standards for Host Communities to promote and encourage full participation in the regulated Marijuana industry by people from communities that were disproportionately harmed by Marijuana prohibition and enforcement and to positively impact those communities.

(2) M.G.L. c. 94G § 4(a)(xxxi) and (xxxii) empowers the Commission to establish procedures for municipalities to promote and encourage full participation in the regulated Marijuana industry during negotiations of HCAs with Social Equity Businesses and to develop minimum acceptable standards governing HCA negotiations with Social Equity Businesses. The Commission is further authorized to develop best practices for HCA negotiations between municipalities and License Applicants that have been designated as Social Equity Program

Participants or Economic Empowerment Priority Applicants.

(3) Equity Standards for Host Communities to Promote and Encourage Full Participation in the regulated Marijuana industry.

(a) Municipalities are presumed to have met the Commission's minimum acceptable equity standards for promoting and encouraging full participation in the regulated Marijuana industry by taking one of the following actions:

1. Adopting an ordinance or bylaw to exclusively permit Social Equity Businesses for 3 years or until the goals of the exclusivity period have been met;
2. Adopting the Model Ordinance or Bylaw created by the Commission to permit Social Equity Businesses; or
3. Creating a Local Approval Process for equity applicants that is administered on a 1:1 basis, where a General Applicant may be approved only after a Social Equity Business has commenced operations. Host Communities may choose to administer a 1:1 Local Approval Process until such time as 50% of the Licensees operating in the Host Community are Social Equity Businesses.

(b) Notwithstanding 935 CMR 501.181(3)(a), a Host Community shall adopt, but not be limited to, the following transparent practices to promote and encourage full equity participation:

1. A Host Community shall publicize certain information in a conspicuous location at its offices and on its website which shall, at minimum, include:
   a. All required steps of a Host Community's Local Approval Process, including, but not limited to, all associated fees, deadlines, and meeting schedules for local bodies involved in the Local Approval Process;
   b. Identification of key individuals involved in a Host Community's Local Approval Process including, but not limited to, their name, title, business address, and business contact information such as email address or phone number;
   c. A list of all documentation required by a Host Community's Local Approval Process, in downloadable form and paper form;
   d. Identification of application criteria for local approval to operate a MTC and scoring methodologies relied on by a Host Community;
   e. General scoring information for all applicants and a Host Community's scoring of each individual applicant;
   f. A Host Community's explanation, in narrative form, of its reasoning for the approval or denial of an application; and
   g. Any other information required by the Commission.
2. A Host Community shall develop an equity plan to promote and encourage full participation in the regulated cannabis industry by individuals from communities disproportionately harmed by cannabis prohibition and enforcement and shall publicize its equity plan in a conspicuous location at its offices and on its website. A Host Community's equity plan shall:
   a. Encourage applications from business and individuals that would meet the definition of Social Equity Businesses, Social Equity Program Participants, and Economic Empowerment Priority Applicants as determined by the Commission; and
   b. Include goals, programs, and measurements a Host Community will utilize to promote and encourage equity participation.
3. A Host Community shall publish data regarding its total applicant pool, which shall identify each Social Equity Business and License Applicant that has been designated as a Social Equity Program Participant or Economic Empowerment Priority Applicant, or who have been pre-verified pursuant to 935 CMR 501.101(4),
4. The Commission may require the Host Community to report data to the Commission.

(c) A municipality or Host Community shall adhere to best practices for HCA negotiations with individuals or entities pre-verified or verified pursuant to 935 CMR 501.101(4), Social Equity Businesses, and License Applicants that have been designated as Social Equity Program Participants or Economic Empowerment Priority Applicants including, but not limited to, the following:

1. A Host Community shall develop a standard evaluation form, or use a form developed by the Commission, that scores components of an application. The evaluation form shall include consideration of equity in the overall evaluation score, which must comprise not less than 25% of the total evaluation score. This equity component shall include:
   a. whether an individual, entity, or License Applicant is pre-verified or verified

pursuant to 935 CMR 501.101(4);

b. whether the License Applicant is a Social Equity Program Participant;

c. whether the License Applicant is an Economic Empowerment Priority Applicant;

d. whether a License Applicant or pre-verified individual or entity has a prior Marijuana-related criminal offense or conviction;

e. whether a License Applicant or pre-verified individual or entity is part of an Area of Disproportionate Impact, as identified by the Commission; or

f. whether a pre-verified individual is of Black, African American, Hispanic, Latino, Native American or indigenous descent, or a majority of a pre-verified entity or License Applicant entity is comprised of individuals that are of Black, African American, Hispanic, Latino, Native American or indigenous descent.

2. In circumstances where a Host Community imposes a cap on the number of Marijuana Establishments or MTCs that may obtain local approval to operate, if a Host Community later decides to allow additional Marijuana Establishments or MTCs, at least 50 percent of those licenses, but no less than 1 license, above the previously-established

cap shall be reserved for: License Applicants that are Social Equity Businesses; License Applicants that have been designated as Social Equity Program Participants, Economic Empowerment Priority Applicants, or both; or individuals or entities verified or pre-verified pursuant to 935 CMR 500.101(7), including pre-verified individuals or entities that have already been designated as Social Equity Businesses, Economic Empowerment Applicants, or both. A Host Community seeking exemption from this regulatory requirement may submit a waiver request pursuant to 935 CMR 501.850. Such request must include identification of proposed compensating features, as provided under 935 CMR 501.850(2)(b).

(d) Host Communities must adopt local rules or bylaws to comply with 935 CMR 501.181(3) on or before May 1, 2024. A Host Community shall submit an attestation in a form and manner determined by the Commission affirming that it has adopted local laws to effectuate compliance with 935 CMR 501.181(3) and identifying the specific laws passed. In addition, a Host Community shall submit its equity plan and any other documentation of its compliance with 935 CMR 501.181(3).

(e) Any interested person may file a complaint with the Commission alleging noncompliance with an equity requirement under 935 CMR 501.181. If the Commission substantiates an allegation of noncompliance with 935 CMR 501.181, a Host Community shall be fined after first receiving notice and opportunity for corrective action pursuant to 935 CMR 501.310 and 935 CMR 501.320. A Host Community shall be fined in an amount equal to the annual total of CIFs received from all Marijuana Establishments and MTCs operating in the Host Community during the prior calendar year.

1. The Commission shall afford a Host Community a right to a hearing pursuant to 935 CMR 501.500.

2. All fines collected shall be deposited into the Cannabis Social Equity Trust Fund established in M.G.L. c. 94G, § 14A.

3. The Commission may identify on its website any municipality or Host Community that has been assessed a fine for equity noncompliance.

4. Fine assessments pursuant to 935 CMR 501.181(3) shall take effect no sooner than May 1, 2025.

(4) Equity Standards for Host Communities during HCA Negotiations with Equity Parties.

(a) A Host Community shall prioritize negotiations of HCAs with equity parties. The equity party to negotiations of an HCA for an application for licensure is: a License Applicant that is a Social Equity Business; a License Applicant that has been designated as Social Equity Program Participants, Economic Empowerment Priority Applicants or both; or an individual or entity verified or pre-verified pursuant to 935 CMR 500.101(7), including pre-verified individuals or entities that are not yet a License Applicant but have already been designated as Social Equity Businesses, Economic Empowerment Applicants, or both. A Host Community may waive or reduce fees for an equity party to an HCA negotiation, including, but not limited to CIFs, zoning and occupancy fees.

(b) Required practices. At minimum, a municipality or Host Community shall take the following actions during HCA negotiations with an equity party to promote and encourage their full participation:

1. Engage in an ongoing dialogue by providing multiple opportunities for discussion and negotiation of HCA terms including, at minimum, two conferences with an equity party;

2. Include any attorney, authorized representative, or other advocate, if elected by an equity party, in all negotiation discussions and conferences;
3. Promote language access by providing a certified interpreter or translator to assist an equity party who is a Non-English speaker during all negotiation discussions and conferences;
4. Provide reasonable opportunities for an equity party to review a proposed HCA, HCA term or condition outside of a negotiation conference, or to seek review or input by a third party of their choice.
5. Negotiate the terms of an HCA in good faith, including consideration of flexible terms that may mitigate particular challenges affecting an equity party, such as access to capital, with all terms and clauses conspicuously identified and openly discussed; and
6. Allow an equity party to propose an amendment to, or seek cancellation of, an HCA within 30 days from the date of execution of the HCA.

(c) Prohibited practices.
1. No municipality or Host Community shall negotiate an HCA with an equity party through the use of undue influence, duress, coercion, intimidation, threats, or any strong-arm tactics.
2. No municipality or Host Community shall threaten loss of an equity party's position in its local application queue or delay to the processing of an equity party's application.
3. No municipality or Host Community shall compel an equity party to sign an HCA in any manner that conflicts with the practices required in 935 CMR 501.181(4)(c).
4. No municipality or Host Community shall negotiate or discontinue negotiations with an equity party in bad faith.

(5) Equity Standards for Host Communities to Positively Impact Communities that were Disproportionately Harmed by Marijuana Prohibition and Enforcement

(a) A Host Community must develop a plan to positively impact one or more of the following communities:
1. Past or present residents of the geographic "areas of disproportionate impact," which have been defined by the Commission and identified in its Guidance for Identifying Areas of Disproportionate Impact. The designation of these areas will be re-evaluated periodically.
2. State-designated Economic Empowerment Priority Applicants
3. State-designated Social Equity Program participants
4. Massachusetts residents who have past drug convictions
5. Massachusetts residents with parents or spouses who have drug convictions.

(b) A Host Community shall publicize said plan in a conspicuous location at its offices and on its website. The plan shall outline the goals, programs, and measurements the Host Community will pursue.

501.200: Counties of Dukes County and Nantucket

(1) To the extent permitted by law, MTCs operating from locations in the Counties of Dukes County and Nantucket (the "island counties") may operate in full compliance with 935 CMR 501.000.

(2) If an MTC operating from locations in the island counties are prevented from operating in full compliance with 935 CMR 501.000 by operation of law, they are not required to utilize Independent Testing Laboratories until such time as a laboratory is located on the island where the MTC is located or the establishment can transport Marijuana Products to the mainland of Massachusetts.

(3) If MTCs operating from locations in the island counties are prevented from utilizing Independent Testing Laboratories by operation of law, they are required to test Marijuana Products in a manner that is not unreasonably impracticable, but also adequately protects the public health in the opinion of the Commission. Such testing may include:

(a) A modified on-Premises testing system approved by the Commission if the label on any Marijuana or Marijuana Product so tested discloses in capital letters: “WARNING: LIMITED TESTING FOR CONTAMINANTS AND PESTICIDES”;

(b) A testing facility in the island counties that does not meet the criteria for an Independent Testing Laboratory, but is approved by the Commission for testing by MTCs located in the island counties; or

(c) Such other testing system approved by the Commission.

(4) An MTC performing Patient delivery operations in the island counties may only perform deliveries to Residences located in the same county as the MTC which the delivery order originates from until such time as it permitted to deliver to other locations by law.

501.300: Complaints Process

(1) In a time and manner determined by the Commission, a dedicated telephone number, email address or other means shall be provided for members of the public or Qualifying Patients to notify the Commission of complaints regarding MTCs, MTC Agents or Host Communities.

(2) The Commission may, at its discretion, investigate or decline to investigate any complaint or refer a complaint to another law enforcement or regulatory authority.

501.301: Inspections and Compliance

(1) Pursuant to M.G.L. c. 94I and M.G.L. c. 94G, §§ 4(a)(xvii) through (xx), the Commission or a Commission Delegee may inspect an MTC and affiliated vehicles at any time without prior notice to determine the MTC's compliance with the act and 935 CMR 501.000. All areas, activities and records of an MTC and activities and records of MTC agents are subject to such inspection. Submission of an application by or issuance of a License to an MTC constitutes consent for such inspection

(2) An MTC shall allow immediate access to the facility on being presented with photo identification documenting the Commission representative's affiliation with the Commission or a Commission Delegee's affiliation with a state agency with lawful jurisdiction over the operations of an MTC.

(3) An MTC or Host Community shall immediately on request make available to the Commission or a Commission Delegee all information that may be relevant to an inspection or investigation of an incident or a complaint.

(4) An MTC or Host Community shall make all reasonable efforts to facilitate the inspection or investigation of an incident or a complaint, including the taking of samples, photographs, video or other evidence or recordings, and complying with demands for examination and inspection in accordance with 935 CMR 501.302.

(5) During an inspection, the Commission or a Commission Delegee may direct an MTC to test Marijuana for contaminants including, but not limited to, mold, mildew, heavy metals, plant-growth regulators, and the presence of Pesticides not approved for use on Marijuana pursuant to 935 CMR 501.120(5).

(6) An inspection or other investigation may be made prior to the issuance of a License or the renewal of a License. Additional inspections may be made whenever the Commission or a Commission Delegee deems it necessary for the enforcement of M.G.L. c. 94I and M.G.L. c. 94G, and 935 CMR 501.000.

(7) The failure to cooperate with an inspection or investigation or otherwise comply with 935 CMR 501.301 may result in administrative or disciplinary action against the Licensee or Host Community.

501.302: Compliance Examination

(1) After an MTC has been licensed, the Commission or a Commission Delegee pursuant to M.G.L. c. 94I and M.G.L. 94G, § 4(a)(xx), has the authority to demand access to its papers, books, documents, records, correspondence, electronic communications, and other tangible things to examine and inspect. Such examination and inspection may include interrogatories to parties or subpoenas to compel the production of papers, books, documents, records, correspondence, electronic communications, and other tangible things. The examination and inspection of an MTC may also include the interview of material witnesses, registered agents or Close Associates whom the Commission has determined is involved in the financing, management or operation of the MTC.

(2) Administrative Subpoenas. The Commission or a Commission Delegee may, during a preliminary investigation prior to a hearing, issue, modify, amend or rescind subpoenas. Material witnesses, registered agents, or other Persons whom the Commission has determined are involved in the financing, management or operation of an MTC may petition the Commission to modify, amend or rescind subpoenas.

(3) General Provisions. Administrative subpoenas for compliance examination and inspection shall be issued in the name of the Commission by the Commission or a Commission Delegee. Service may be made in a form and manner determined by the Commission including, but not limited to, by the consent of the parties.

(4) Enforcement of *Subpoenas*. On the failure of a person to comply with a *subpoena*, and not subsequently vacated or modified by the Commission or a Commission Delegee, the Commission or a Commission Delegee may apply to the Superior Court for an order to compel compliance with the *subpoena*; an order for costs and fees associated with the issuance and enforcement of the *subpoena*; or an order of contempt for any failure by a party to comply with a court order.

(5) The failure to cooperate with provisions of 935 CMR 501.302 may result in administrative or disciplinary action against the Licensee.

501.303: Unannounced Purchase for Purpose of Investigative Testing (Secret Shopper Program).

(1) Secret Shopper Program Authorized. The Commission or a Commission Delegee may at any time and without prior notice, authorize an employee, outside vendor or contractor, or other agent to pose as a customer and purchase any Marijuana or Marijuana Products from any registered or licensed MTC. The Commission or a Commission Delegee, may authorize such purchase for any investigative purposes that are consistent with St. 2012, c. 369, St. 2016, c. 334, ~~as amended by~~ St. 2017, c. 55, St. 2022, c. 180, M.G.L. c. 94G, M.G.L. c. 94I, 935 CMR 500.000: *Adult Use of Marijuana*, or 935 CMR 501.000 including, but not limited to, investigative testing for compliance with laboratory testing standards and identification check requirements. The purchasing employee, outside vendor or contractor, or agent shall document the purchase, including the date, time and place of purchase, type and amount of Marijuana or Marijuana Products, and any other information required by the Commission.

(2) Custody and Preservation of Purchases. The Marijuana or Marijuana Products purchased as part of the program shall be securely stored during transport in a manner to prevent contamination or spoilage.

(3) Contamination and Spoilage During Storage or Transport. Any contamination or spoilage of purchases under the Secret Shopper Program during storage or transport while under the control of the purchaser shall be promptly documented by the purchaser in writing and reported to the Commission. The Commission or a Commission Delegee, may authorize the disposal of the contaminated or spoiled purchase, pursuant to the regulations concerning waste disposal under 935 CMR 501.105(12).

(4) Use of Secret Shopper Investigative Results. Results of investigations conducted under Secret Shopper Program shall be promptly submitted to the Commission.

(a) All investigative results shall be retained as part of the records for the licensed MTC from which the purchase originated.

(b) The MTC may be notified of any investigative results determined to be noncompliant at a time and manner determined by the Commission.

(c) After the MTC is notified of the investigative results, such results may be used by the Commission to take action on the License of the MTC pursuant to 935 CMR 501.340, 501.350, 501.450, 501.500 or assess fines or other civil penalties pursuant to 935 CMR 501.360.

(d) Without notice to the MTC, the Commission may share such investigative results with any other law enforcement or regulatory authorities.

(e) The Commission may elect to conduct further evaluation of the investigative results at any time for verification or for other purposes reasonably related to sanitation, public health or public safety.

(5) The failure to cooperate with provisions of 935 CMR 501.303 may result in administrative or disciplinary action against the Licensee.

501.310: Deficiency Statements

After an inspection in which a violation of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. 94I, 935 CMR 500.000: *Adult Use of Marijuana*, or 935 CMR 501.000 is observed or a violation is otherwise determined to have occurred, the Commission shall issue a deficiency statement citing every violation identified, a copy of which shall be left with or sent to the MTC or Host Community.

501.320: Plans of Correction

(1) An MTC or Host Community shall submit to the Commission a written plan of correction for any violations cited in the deficiency statement issued pursuant to 935 CMR 501.310, within ten business days after receipt of the statement.

(2) A plan shall state, with respect to each deficiency, the specific corrective step(s) to be taken, a timetable for such steps, and the date by which compliance with will be achieved. The timetable and the compliance dates shall be consistent with achievement of compliance in the most expeditious manner possible.

(3) The Commission shall review the plan of correction, and shall notify the MTC or Host Community of either the acceptance or rejection of the plan or any component of the plan.

(4) An unacceptable plan shall be amended and resubmitted within five business days after receipt of such notice.

(5) The approval of a plan of correction shall not preclude the Commission from issuing an order for further corrective action fixing a reasonable time for correction of the violation, assessing an administrative fine, or taking any other administrative action authorized under the Commission's regulations.

(6) An MTC or Host Community shall notify the Commission once the plan of correction has been fully implemented and completed.

501.321: Administrative Hold

(1) Pursuant to M.G.L. c. 94I and M.G.L. c. 94G, § 4(a)(xix), the Commission or a Commission Delegee may order an Administrative Hold of Marijuana, Marijuana Products or MIPs to examine and inspect an MTC to ensure compliance with the provisions of 935 CMR 501.000, prevent the destruction of evidence, prevent the Diversion or Inversion of Marijuana or Marijuana Products, or as otherwise necessary to protect the public health, safety, or welfare.

(2) An MTC subject to an Administrative Hold shall retain its inventory pending further investigation by the Commission or a Commission Delegee pursuant to the following procedure:

(a) If during an investigation or inspection of an MTC, the Commission has reasonable cause to believe certain Marijuana or Marijuana Products are noncompliant under 935 CMR 501.000, or otherwise constitutes a threat to the public health, safety or welfare, the Commission may issue a notice to administratively hold any Marijuana or Marijuana Product. The notice shall identify the Marijuana or Marijuana Product subject to the Administrative Hold and a concise statement stating the reasons relied on in the issuance of the Administrative Hold.

(b) Following the issuance of a notice of Administrative Hold, the Commission will identify and mark the Marijuana or Marijuana Product subject to the Administrative Hold in the Commission's Seed-to-sale SOR. The MTC shall continue to comply with all inventory requirements including, but not limited to, 935 CMR 501.105(8).

(c) The MTC shall completely and physically segregate the Marijuana or Marijuana Product subject to the Administrative Hold in a Limited Access Area, where it shall be safeguarded by the MTC.

(d) While the Administrative Hold is in effect, the MTC shall be prohibited from selling, transporting or otherwise Transferring or destroying the Marijuana or Marijuana Product

subject to the Administrative Hold, except as otherwise authorized by the Commission.

(e) While the Administrative Hold is in effect, the MTC shall safeguard the Marijuana or Marijuana Product subject to the Administrative Hold and shall fully comply with all security requirements including, but not limited to, 935 CMR 501.110.

(f) An Administrative Hold shall not prevent an MTC from the continued possession, cultivation or harvesting of the Marijuana or Marijuana Product subject to the Administrative Hold, unless otherwise provided by an order of the Commission. All Marijuana or Marijuana Products subject to an Administrative Hold shall be put into separately tracked Production Batches.

(g) An Administrative Hold shall not prevent an MTC from voluntarily surrendering Marijuana or Marijuana Products subject to an Administrative Hold, except that the MTC shall comply with the waste disposal requirements in 935 CMR 501.105(12).

(h) At any time after the initiation of the Administrative Hold, the Commission or a Commission Delegee may modify, amend or rescind the Administrative Hold.

(i) The failure to cooperate with provisions of 935 CMR 501.321 may result in administrative or disciplinary action against the Licensee.

501.330: Limitation of Sales

(1) If the Commission or a Commission Delegee determines that an MTC does not substantially comply with applicable provisions of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, or 935 CMR 501.000, the Commission or a Commission Delegee may order that the MTC dispose of and may not sell Marijuana or Marijuana Products, after a date specified.

(2) The Commission or a Commission Delegee shall not make such a determination until an MTC has been notified that the MTC does not substantially comply with applicable provisions of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, or 935 CMR 501.000, that an order to dispose of or limit sales is contemplated, and that the MTC has a reasonable opportunity to correct the deficiencies.

(3) An order that an MTC dispose of and may not sell Marijuana or Marijuana Products pursuant to 935 CMR 501.330(1) may be rescinded when the Commission or a Commission Delegee finds that the MTC is in substantial compliance with the applicable provisions of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, M.G.L. c. 94I, or 935 CMR 501.000.

501.335: Removal and Prohibition of Marijuana and Marijuana Products

(1) Pursuant to M.G.L. c. 94G, § 4(a½)(xxxi) and M.G.L. c. 94I, the Commission or a Commission Delegee may order the removal or prohibition of sales by more than one Licensee of categories of product types, of specific product types or of specific brands of products after notice and a determination that Marijuana, Marijuana Products, and Marijuana Accessories (for the purposes of 935 CMR 501.335, "Product"), which based on preliminary evidence, pose a substantial risk to the public health, safety or welfare including, but not limited to, that the product is especially appealing to Persons under 21 years of age.

(a) The Commission may vote to initiate a complaint about a Product and refer that complaint to the Executive Director and Enforcement staff for investigation.

(b) In consultation with the Executive Director, Enforcement staff may conduct an investigation and make a recommendation as to the Removal of Product. The recommendation shall be based on credible and reliable evidence and provide a specific description of the scope of removal and specify whether the removal or prohibition on sales applies to one of the following:

1. Category of Product Type(s). A type of Product including, but not limited to, Marijuana seeds, Marijuana Clones, Edibles, Beverages, topical products, ointments, oils, Tinctures, oral dosage forms or any other Product identified by the Commission or a Commission Delegee.
2. Specific Product Type(s). A specific type of Product within a category of Products, but not including other types of Product within the same category.
3. Specific Brand of Product(s). One or more specific Product types or category types Manufactured by a Marijuana Product Manufacturer or a specific Product type or category type Manufactured by multiple Marijuana Product Manufacturers subject to an agreement including, but not limited to, a partnership, product licensing,

distribution, branding, advertising, marketing or sales agreement.

(2) After receiving a recommendation from Enforcement staff, the Executive Director may act to address the substantial risk to the public health, safety or welfare including, but not limited to:

(a) Refer the matter to a Hearing Officer with expertise to evaluate scientific evidence to conduct an informal hearing;

(b) If credible and reliable evidence has been evaluated and found to meet the standard of a substantial risk to public health, safety or welfare, if one is not yet issued, order the quarantine or Removal of Product or prohibition on sales of a Product pending consideration by a Hearing Officer; or

(c) Refer the matter to the Commission.

(3) When a matter is referred by the Executive Director, the Hearing Officer may conduct an informal hearing.

(a) If necessary and in consultation with the Executive Director, the Hearing Officer may develop a process for the purpose of identifying the Licensees and Registrants that may be impacted by a current or future order including, but not limited to, identifying those Licensees and Registrants to whom providing adequate notice and an opportunity to be heard shall be given.

(b) The Hearing Officer shall exercise discretion in admitting and weighing evidence including, but not limited to, testimony and evidence from:

1. Licensees and Registrants; and
2. Subject-matter experts.

(c) The Hearing Officer shall issue findings of fact and make a recommended decision to the Executive Director.

(d) To the extent that the Hearing Officer recommends that Products be removed or prohibited, this recommendation shall be based on credible and reliable evidence that the Product poses a substantial risk to the public health, safety and welfare.

(4) The Executive Director may refer the matter to the Commission and make a recommendation.

(5) On referral by the Executive Director, prior to issuing any order, the Commission shall deliberate on the Executive Director's recommendation at a public meeting of the Commission.

(a) If there is a recommendation that the Products be removed and prohibited, this recommendation shall be based on credible and reliable evidence that the Product poses a substantial risk to the public health, safety and welfare.

(b) An order shall require a vote by the Commission.

(c) The Commission or a Commission designee shall send written notice of the action taken against an identified Licensee or Registrant and the basis for that action. The notice shall include, but not be limited to, the following information:

1. the Commission's statutory and regulatory authority, including its jurisdiction over the subject matter; and its authority to take action with regards to the License or registration;
2. the factual basis for that action;
3. the extent to which the product poses a substantial risk to the public health, safety and welfare; and
4. the current restrictions on the Licensee's or Registrant's operations or sales or other use of Products, if any, including the method and timing of the Removal of Product including, but not limited to, whether the Product shall be destroyed in accordance with 935 CMR 501.105(12).

(d) The Commission or a Commission designee may modify, amend or rescind a notice on condition(s) just to all the parties.

(6) On receipt of the order, the Licensee and its associated agents will immediately comply with the requirements of the order and, if requested by the Commission, post notice at public entrances to the establishment or other notice in a form and manner determined by the Commission.

(7) The order shall be transmitted immediately to all other Licensee(s) or Registrant(s) that may reasonably be affected by the order by electronic and certified mail.

(8) The order may be posted on the Commission's website.

(9) It shall be a violation of 935 CMR 501.000 for Licensees to produce, sell or otherwise make available the categories of Product Types, Specific Product Types or Specific Brands of Products identified in the order.

(10) An MTC subject to the order shall accept Registered Qualifying Patients' returns of unused and unopened product for a period of 30 days after the effective date of the order.

(11) The failure to cooperate with provisions of this section may result in further administrative or disciplinary action against the Licensees or Registrants.

501.340: Quarantine Order

(1) Pursuant to its authority under M.G.L. c. 94I and M.G.L. c. 94G, §§ 4(a)(xix) and 4(a½)(xxxi), a Quarantine Order may be imposed by the Commission or a Commission Delegee to immediately quarantine or otherwise restrict the sale or use of Marijuana, Marijuana Products or MIPs by a Licensee or Registrant to protect the public health, safety or welfare.

(2) If, based on complaint(s) inspection(s), affidavit(s), or other credible evidence, the Commission or a Commission Delegee determines that a Licensee or Registrant or the Marijuana, Marijuana Products, MIPs, cultivated, produced or sold by a Licensee or Registrant pose an immediate or serious threat to the public health, safety, or welfare, the Commission or a Commission Delegee may issue an order to the Licensee that:

(a) Quarantines or otherwise restricts the sale or use of Marijuana, Marijuana Products, or MIPs, prepared by or in the possession of the Licensee; or

(b) Quarantines or otherwise restricts the sales or use of Marijuana, Marijuana Products, or MIPs to the extent necessary to avert a threat, pending final investigation results.

(3) On receipt of the order, the Licensee and its associated agents will immediately comply with the requirements of the order and, if requested by the Commission, post notice at the public entrances to the MTC or Independent Testing Lab or other notice in a form and manner determined by the Commission or a Commission Delegee.

(4) The Commission or a Commission Delegee may modify, amend or rescind the order at any time after its issuance on condition(s) just to all the parties.

(5) To the extent that the issuance of a Quarantine Order is to investigate a risk to public safety, health and welfare, a Licensee shall not have a right to a hearing, unless and until the order remains in effect beyond 21 calendar days without any further action by the Commission or a Commission Delegee.

(6) The failure to cooperate with provisions of 935 CMR 501.340 may result in administrative or disciplinary action against the Licensees or Registrants.

501.350: Cease and Desist Order and Summary Suspension Order

(1) Pursuant to its authority under M.G.L. c. 94I, and M.G.L. c. 94G, §§ 4(a) and 4(a½), a Cease and Desist or a Summary Suspension Order may be imposed by the Commission or a Commission Delegee prior to a hearing to protect the public health, safety, or welfare.

(2) If based on inspection(s), affidavit(s) or other credible evidence, the Commission or a Commission Delegee determines that a Licensee or Registrant, or the Marijuana, Marijuana Products, MIPs cultivated, produced, or sold by a Licensee or Registrant, pose an immediate or serious threat to the public health, safety, or welfare, the Commission or a Commission Delegee may:

(a) Issue a Cease and Desist Order that requires cessation of any or all operations including, but not limited to, the cultivation, product manufacturing, Transfer, sale, delivery or transportation of Marijuana, Marijuana Products, or MIPs; or

(b) Issue a Summary Suspension Order that requires the immediate suspension of a License and its associated registrations and cessation of all operations.

(3) Notice of Violations.

(a) For a Cease and Desist or Summary Suspension Order issued under 935 CMR 501.350(2), the Commission or a Commission Delegee shall send written notice of the action taken against a Licensee or Registrant and the basis(es) for that action, which shall include, but not be limited to, the following information:

1. The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to take action with regards to the License or registration;
2. The factual basis(es) of the action;
3. The immediate threat to the public health, safety, and welfare;
4. The alleged violation(s) of law, including the alleged noncompliance with law, regulation, guideline or other applicable requirement;
5. The current restriction(s), if any, on the Licensee's or Registrant's operations;
6. Requirements for the continued maintenance and security of any Marijuana and Marijuana Products;
7. The potential for further disciplinary action(s), sanction(s) or fine(s); and
8. The Licensee's right to a hearing, if any.

(b) The Commission or a Commission Delegee may modify, amend or rescind the order at any time after its issuance on condition(s) just to all the parties.

(4) On receipt of the order issued under 935 CMR 501.350(2), the Licensee and its associated agents will immediately comply with the requirements of the order and, if requested, post notice at public entrances to the MTC or Independent Testing Lab or other notice in a form and manner determined by the Commission or a Commission Delegee.

(5) Hearings. Pursuant to its authority under M.G.L. c. 94I, § 7, M.G.L. c. 94G, § 4(a)(xxiv) and (g), the Commission has the authority to administer the administrative hearing process and to delegate to a Hearing Officer the authority to conduct an administrative hearing.

(a) Hearing Request. On written request filed with the Commission, a Licensee shall be afforded a hearing on an order issued under 935 CMR 501.350(2). The hearing request shall be submitted in a form and a manner determined by the Commission or a Commission Delegee including, but not limited to, the request shall be made no later than 21 calendar days after the effective date of the order. A request for a hearing is filed on the date the request is received by the Commission.

1. A timely request for a hearing shall specifically identify each issue and fact in dispute and state the position of the Licensee or Registrant, the pertinent facts to be adduced at the hearing, and the reasons supporting that position.
2. The failure to timely file a request for a hearing or to state the basis of the hearing request will result in dismissal of the challenge to the findings set forth in the Notice of Violations.

(b) Hearing Notice. If a hearing is requested in a timely manner under 935 CMR 501.350(5)(a), the Hearing Officer shall provide notice and a hearing promptly after that request, or as soon as is practicable, or at a time mutually agreed by the parties.

(c) Conduct of the Hearing.

1. The hearing shall be conducted pursuant to Standard Adjudicatory Rules of Practice and Procedure, which includes 801 CMR 1.01: *Formal Rules*, 801 CMR 1.02: *Informal/Fair Hearing Rules*, and 801 CMR 1.03: *Miscellaneous Provisions Applicable to All Adjudicatory Proceedings*.
2. The scope of the hearing shall be limited to whether there existed prior to, or at the time of the order(s) issued pursuant to 935 CMR 501.350(2), or an amended or a modified order, an immediate or serious threat to the public health, safety, or welfare.
3. If the Commission proves by a preponderance of the evidence that there existed an immediate or serious threat to the public health, safety, or welfare, the Hearing Officer shall affirm the order.
4. The Hearing Officer shall electronically mail a copy of the recommended decision to each Licensee or Registrant and their attorney(s) of record, and mail a copy on written request.

(6) The requirements of the order issued under 935 CMR 501.350(2) shall remain in effect until one of the following events has occurred:

(a) The Commission modifies, amends or rescinds the order;

(b) There is a Final Decision on the merits of a Commission order, including judicial review of the order, unless the order is vacated or modified by a court of competent

jurisdiction or rescinded by the Commission;
(c) There is a Final Decision on the merits of a subsequently issued Order to Show Cause under 935 CMR 501.370, including judicial review of the order, unless the order is vacated or modified by a court of competent jurisdiction or rescinded by the Commission; or
(d) Until such time as is otherwise established under the procedures set forth in 935 CMR 501.500.

501.360: Fines and Sanctions

The Commission or a Commission Delegee may issue an order to a Licensee or a Host Community to show cause as to why a fine or other financial penalty against a Licensee, Registrant, or Host Community should not be imposed for any acts or omissions determined to be in violation of the state Marijuana laws, including 950 CMR 501.000.

(1) Notice of Fines or Sanctions. The Commission or a Commission Delegee shall send written notice of the action taken against a Licensee, Registrant, or Host Community and the basis(es) for that action which shall include, but not be limited to, the following information:
(a) The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to issue the order with regards to the License, registration or HCA;
(b) The factual basis(es) of the order;
(c) The alleged violation(s) of law;
(d) An assessment of an administrative fine of up to $50,000 per violation, or an order for corrective action fixing a reasonable time for correction of the violation or both; and
(e) Notice to the Licensee, Registrant, or Host Community that they may request a hearing in accordance with 935 CMR 501.500.

(2) An administrative fine up to $50,000 may be assessed for each violation.
(a) The decision to impose any fine shall identify the factors considered by the Commission or a Commission Delegee in setting the amount.
(b) Each day during which a violation continues may constitute a separate violation, and each instance and provision of the state Marijuana laws, including M.G.L. c. 94I, and 935 CMR 501.000, that is violated may constitute a separate violation.

(3) The Commission or a Commission Delegee, in determining the amount of fine or financial penalty to impose may consider greater or lesser amount depending on aggravating or mitigating circumstances including, but not limited to:
(a) Aggravating Circumstances.
1. Duration and severity of violation;
2. Whether the Licensee, Registrant, or Host Community has previously been subject to an administrative or enforcement action including, but not limited to, a notice of deficiency;
3. Whether the Licensee, Registrant, or Host Community knew or had reason to know of the violation including, but not limited to, warning or issuance of a notice of deficiency; and
4. Whether the offense:
a. Constitutes grounds for denial of a renewal application or suspension or revocation of licensure;
b. Involved multiple Persons or Entities Having Direct or Indirect Control or agents of the Licensee, Registrant, or Host Community;
c. Involved any compensating features associated with a valid waiver issued pursuant to 935 CMR 501.850;
d. Involved a person younger than 21 years old or a Registered Qualifying Patient or Caregiver;
e. Involved or affected multiple Qualifying Patients;
f. Involved or exposed the public to risk of Diversion or Inversion; or
g. Created a risk to the public health, safety or welfare.
(b) Mitigating Circumstances.
1. Whether the Commission learned of the violation or risk of violation from the Licensee, Registrant, or Host Community prior to investigation;
2. The financial impact of corrective measures, if any, which provide safeguards exceeding the minimum requirements of 935 CMR 501.000. However, financial impact shall not include any cost associated with loss of economic opportunity due to

noncompliance or costs of corrective action necessary to achieve compliance with minimum requirements of 935 CMR 501.000;
3. The Licensee's, Registrant's, or Host Community's good faith efforts to avoid a violation;
4. The Licensee's, Registrant's, or Host Community's degree of cooperation in the investigation; and
5. The Licensee's, Registrant's, or Host Community's willingness to accept responsibility.
6. The Licensee's or Registrant's compliance with the training requirements pursuant to 935 CMR 501.105(2)(b);
7. The Licensee's or Registrant's status as current or past leader pursuant to the Leadership Ratings Program under 935 CMR 501.040; and
8. Other particular mitigating circumstances presented by the Licensee, Registrant, or Host Community.

(4) The fine or financial penalty shall be due and payable within 30 calendar days of the date of one of the following:
(a) The date of the assessment; or
(b) If a hearing is requested pursuant to 935 CMR 501.500, the date of the final agency action.

(5) Failure to timely pay the fine or financial penalty may result in further action being taken by the Commission or a Commission Delegee including, but not limited to, suspension or revocation of a License or registration, or loss of a Host Community's good compliance standing with the Commission, as declared and identified pursuant to the procedures set forth in 935 CMR 501.180(3)(d).

(6) If remaining unpaid at the time of licensure renewal, the fine or financial penalty shall be added to the fee for renewal of the License. A License may not be renewed without the payment of the renewal fee and if applicable, an unpaid fine or financial penalty.

(7) All fines and financial penalties collected by or on behalf of the Commission, pursuant to 935 CMR 501.360, shall be made payable to the Commission and deposited into the Marijuana Regulation Fund.

(8) The failure to cooperate with provisions of 935 CMR 501.360, may result in administrative or disciplinary action against the Licensees, Registrants, or Host Communities.

501.370: Orders to Show Cause

(1) If, after investigation, the Commission or a Commission Delegee determines that there are grounds to suspend or revoke a License or registration, it may also issue an Order to Show Cause why the Licensee or registration should not be suspended or revoked.

(2) Notice of Violations. The Commission or a Commission Delegee shall send written notice of the action taken against a Licensee or Registrant and the basis for that action, which shall include, but not be limited to, the following information:
(a) the Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to issue the order with regards to the License or registration;
(b) the factual basis(es) of the order;
(c) the alleged violation(s) of law, including the alleged noncompliance with law, regulation, guideline or other applicable requirement;
(d) the restriction(s) on the Licensee's or Registrant's operations or the sale or use of Marijuana, Marijuana Products, or MIPs, if any;
(e) the potential for further disciplinary action(s), sanction(s) or fine(s); and
(f) the right to a hearing, if any.

(3) The Commission or a Commission Delegee may modify, amend or rescind an order issued pursuant to 935 CMR 501.370.

501.400: Medical Marijuana Treatment Center License: Grounds for Denial of Application for Licensure

Each of the following, in and of itself, constitutes full and adequate grounds for denying an

applicant on an application for an MTC License and the associated individuals and entities, but not for the renewal of a License.

(1) The applicant failed to complete the application process within the time required by the Commission.

(2) Information provided by the applicant was deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.

(3) The application indicates an inability to maintain and operate an MTC in compliance with the requirements of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94I, and 935 CMR 501.000 including, but not limited to, 935 CMR 501.105 and 935 CMR 501.110 based on the submission of information required by 935 CMR 501.101(1) and (2).

(4) The applicant has been determined to be unsuitable pursuant to any one or more of the factors listed in 935 CMR 501.800 and 501.801.

(5) The applicant failed to comply with the control limitations listed in 935 CMR 501.050(1)(b) or would likely fail to comply with such limitations if a License were granted.

(6) An applicant had its License or registration revoked or application denied in the Commonwealth or an Other Jurisdiction.

(7) Any other ground that serves the purposes of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94I, or 935 CMR 501.000.

501.415: Void Medical Marijuana Treatment Center License

An MTC License is void if the MTC Ceases to Operate or transfers its location without Commission approval or adds a Person or Entity Having Direct or Indirect Control to the License without Commission approval.

501.450: Medical Marijuana Treatment Center Registration or License: Grounds for Suspension, Revocation and Denial of Renewal Applications

Each of the following, in and of itself, constitutes full and adequate grounds for suspending or revoking an MTC's License or denying a renewal application for an MTC License.

(1) The MTC is not operational within the time projected in the License application or the time otherwise approved by the Commission.

(2) Information provided by the MTC was deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.

(3) The MTC has failed to comply with any requirement of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94I, and 935 CMR 501.000, or any applicable law or regulation including, but not limited to, the laws and regulations of the Commonwealth relating to taxes, child support, workers' compensation, and professional and commercial insurance coverage.

(4) The MTC has failed to submit a plan of correction as required or to implement the plan as submitted pursuant to 935 CMR 501.320.

(5) The MTC has assigned or attempted to change ownership or assign its License to another entity without prior approval of the Commission under 935 CMR 501.104.

(6) The Licensee failed to comply with the control limitations listed in 935 CMR 501.050(1)(b) or would likely fail to comply with such limitations, if a renewal License were granted.

(7) There has been a lack of responsible operation of the MTC, as shown by, but not limited

to, one or more of the following:

(a) Failure to maintain the MTC in a clean, orderly, and sanitary fashion;

(b) Permitting an MTC agent to use a Registration Card belonging to a different person;

(c) Repeated failure to verify the proper temporary or annual registration documents for a Patient or Personal Caregiver, in accordance with 935 CMR 501.015(3) and 501.020(2), prior to permitting that individual on the Premises of an MTC or making sales of Marijuana or MIPs to that individual; or

(d) Other incompetent or negligent operation.

(8) The financial management of the MTC has resulted in the filing of a petition for a Court Appointee related to the financial solvency of the MTC.

(9) A Licensee fails to satisfy the requirements of 935 CMR 501.104(3)(e) or (4), as applicable.

(10) A Person on an MTC License has maintained a substandard level of compliance with the statutory and regulatory requirements for the operation of an MTC, healthcare facility or facility for providing Marijuana for medical purposes in an Other Jurisdiction including, but not limited to, failure to correct deficiencies, a limitation on, or a suspension, revocation, or refusal to grant or renew a registration or License to operate, or certification for Medicaid or Medicare.

(11) The conduct or practices of the MTC demonstrate a lack of suitability as specified in 935 CMR 501.800 and 501.801.

(12) An individual or entity on an MTC License or MTC Agent has a history of criminal conduct as evidenced by any criminal proceedings that resulted in conviction, guilty plea, plea of *nolo contendere*, or admission to sufficient facts in the Commonwealth or Other Jurisdictions.

(13) An individual or entity listed on an MTC License has committed, permitted, aided or abetted or conspired to commit any illegal practice(s) in the operation of any MTC including, but not limited to, engaging in the Diversion or Inversion of Marijuana or Marijuana Products.

(14) The MTC has failed to cooperate or give information to a law enforcement official acting within his or her lawful jurisdiction related to any matter arising out of conduct at any MTC.

(15) The conduct or practices of the MTC have been detrimental to the safety, health, or welfare of Registered Qualifying Patients, Personal Caregivers, or the public.

(16) The MTC does not have sufficient financial resources to meet the requirements of M.G.L. c. 94I, or 935 CMR 501.000.

(17) Any other ground that serves the purposes of St. 2016, c. 334, as amended by St. 2017, M.G.L. c. 94I, or 935 CMR 501.000.

501.500: Hearings and Appeals of Commission Actions

(1) The Commission has the authority to administer the administrative hearing process under M.G.L. c. 94I, § 7 and M.G.L. c. 94G, § 4(a)(xxiv) and (g).

(2) A Licensee or Host Community shall be afforded a hearing on any adverse action taken pursuant to:

(a) 935 CMR 501.360;

(b) 935 CMR 501.370;

(c) 935 CMR 501.450; or

(d) Any other notice of the Commission that specifies that the Licensee, Registrant, or Host Community has a right to challenge the findings of fact and conclusions of law set forth in the Commission's notice using the process set forth in 935 CMR 501.500.

(3) Notice(s).

(a) Notice of Violation(s) includes a notice issued in accordance with 935 CMR 501.360 or 935 CMR 501.370.

(b) Notice of Other Action(s). The Commission or a Commission Delegee shall send written notice of the action including, but not limited to, a denial of a renewal License, taken against a Licensee, Registrant, or Host Community and the basis(es) for that action, which shall include, but not be limited to, the following information:

1. The Commission's statutory and regulatory authority, including its jurisdiction over the subject matter and its authority to take action with regards to the License or registration, or HCA;
2. The factual basis(es) for that action;
3. The alleged violation(s) of law;
4. The current restriction(s) on the Licensee's or Registrant's operations or the sale or use of Marijuana, Marijuana Products, or MIPs, if any;
5. The potential for further disciplinary action(s), sanction(s) or fine(s); and
6. The Licensee, Registrant, or Host Community's right to a hearing, if any.

(c) The Commission or a Commission Delegee may modify, amend or rescind a notice issued under 935 CMR 500.500(3)(c).

(4) Hearing Request. The hearing request shall be submitted in a form and a manner determined by the Commission or a Commission Delegee including, but not limited to, the request shall be made no later than 30 days after the effective date of the notice. A request for a hearing is filed on the date the request is received by the Commission.

(a) A timely request for a hearing shall specifically identify each issue and fact in dispute and state the position of the Licensee, Registrant, or Host Community, the pertinent facts to be adduced at the hearing, and the reasons supporting that position.

(b) The failure to timely file a request for a hearing or to state the basis of the hearing request will result in dismissal of the challenge to the findings set forth in the notice of violation(s) or action(s).

(c) If a timely request for a hearing is made, the Licensee Registrant, or Host Community may also seek to stay any action until there has been a final agency action pursuant to 935 CMR 501.500(7) or 935 CMR 501.500(12); provided however, that if the Commission issues an order or notice on the basis of information that ongoing operations pose an immediate or serious threat to the public health, safety, or welfare, and that operations without restrictions during the pendency of the administrative appeal could reasonably be expected to endanger the health, safety, or welfare of the public, there will be no stay.

(d) Nothing in 935 CMR 501.500 shall preclude the Commission or a Commission Delegee from issuing a stay.

(5) Hearing Officer. The Commission shall designate a Hearing Officer or delegate this designation to the Executive Director.

(6) Hearing Officer's Authority to Take Action in the Event of Waiver, Default or Summary Decision.

(a) Waiver. If a Licensee, Registrant, or Host Community fails to request a hearing in a timely manner or otherwise waives their right to a hearing, the Hearing Officer may assume the truth of the allegations set forth in the notice and recommend to the Commission disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.

(b) Default. If a Licensee, Registrant, or Host Community defaults, the Hearing Officer or a Commission Delegee may assume the truth of the allegations set forth in the notice and recommend to the Commission appropriate disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.

(c) Summary Decision. If there is no genuine issue of fact to be determined by a hearing, the Hearing Officer may assume the truth of the allegations set forth in the notice and recommend to the Commission disciplinary action(s), sanction(s) or fine(s) or an informal disposition of the matter.

(d) For actions without a hearing under 935 CMR 501.500, the Hearing Officer may conduct an evidentiary hearing on the appropriateness of disciplinary action(s), sanction(s) or fine(s).

(7) Commission's Authority to Review, Approve or Reject Informal Dispositions. At any time, the Commission or a Commission Delegee may, in its discretion, review, approve or reject an informal disposition, but only on a showing that the alleged violations have been corrected, and a submission of a written waiver of its right to judicial review.

(8) Hearing Notice. If a hearing is requested in a timely manner under 935 CMR 501.500(4),

the Hearing Officer shall provide notice and a hearing within a reasonable time after that request, or as soon as is practicable, or at a time mutually agreed by the parties.

(a) The hearing notice should comply with M.G.L. c. 30A, § 11(1).

(b) Prior to the commencement of a proceeding, a Hearing Officer may conduct conference(s) and refer or require the parties to participate in settlement negotiations. If the parties reach a settlement, the Hearing Officer shall suspend the proceedings pending Commission consideration of the matter under 935 CMR 501.500(7).

(9) Conduct of the Hearing.

(a) To the extent that a Hearing Officer conducts a proceeding, it shall be conducted pursuant to M.G.L. c. 30A and the Standard Adjudicatory Rules of Practice and Procedure, which includes 801 CMR 1.01: *Formal Rules*, 801 CMR 1.02: *Informal/Fair Hearing Rules*, and/or 801 CMR 1.03: *Miscellaneous Provisions Applicable to All Adjudicatory Proceedings*.

(b) In the case of an Order to Show Cause, why a License or Registration should not be suspended or revoked, the hearing shall be conducted pursuant to M.G.L. c. 30A, §§ 10, 11 and 12.

(c) If after the commencement of the hearing, the parties reach a settlement, the Hearing Officer shall suspend the proceedings pending Commission consideration of the matter under 935 CMR 501.500(7).

(10) Reopening of Hearings. At any time before the Commission's Final Decision is issued, on the motion of any party or on their own initiative, the Commission by a majority vote or the Hearing Officer may on good cause shown reopen the hearing for the purpose of receiving new evidence.

(11) Hearing Officer's Recommended Decision.

(a) Burden of proof.

1. For a notice of violation(s), the Commission or a Commission Delegee bears the burden of proving the violation(s) of law.

2. For a notice of action(s) including, but not limited to, the denial of a renewal License, the Licensee bears the burden of proving the qualifications for licensure.

(b) The Hearing Officer will make a recommended decision to the Commission.

1. The recommended decision may affirm, modify, or overturn the actions proposed in the Commission's notice of violation(s) or action(s).

2. The recommended decision shall be in writing to the Commission for its consideration, which shall include, but not be limited to, a statement of reasons, including determination of each issue of fact or law necessary to the decision.

3. The Hearing Officer may recommend disciplinary action(s), sanction(s) or fine(s), or an informal disposition of the matter and provide reasons for the recommendation, including whether the recommendation is consistent with the notice of violation(s) or action(s) and the Commission's prior disciplinary action(s), sanction(s) or fine(s).

4. The Hearing Officer shall electronically mail a copy of the recommended decision to each party or their attorney(s) of record and on request, mail a copy of the recommended decision to each party or their attorney(s) of record.

(c) Within 21 calendar days of the issuance of the recommended decision, the parties may submit to the Commission written objections and arguments regarding the Hearing Officer's recommended decision.

(12) Final Decision.

(a) The Commission may affirm, adopt, modify, amend, or reverse the recommended decision of the Hearing Officer or remand the matter for further consideration.

(b) The Commission's decision shall be considered the Final Decision, unless its authority to render a Final Decision is delegated.

1. The Final Decision shall be in writing. The drafting of the decision may be delegated to the General Counsel so long as the Commission votes on the substance of the Final Decision.

2. The Final Decision may incorporate by reference the Hearing Officer's recommended decision in whole or in part. The Commission shall consider the parties' written objections and arguments regarding the Hearing Officer's recommended decision under 935 CMR 501.500(11)(c), but is not required to respond to these submissions.

3. The Final Decision shall include, but not be limited to, the following:
   a. A statement of reasons, including determination of each issue of fact or law necessary to the decision; and
   b. Any disciplinary action(s), sanction(s) or fine(s), or an informal disposition of the matter.

(c) The vote on the Final Decision shall be supported and signed by at least three Commissioners. As part of its vote, the Commission may delegate to the General Counsel action(s) needed to finalize the decision including, but not limited to, the stamping of Commissioners' signatures.
(d) The Commission's Final Decision is a final agency action reviewable pursuant to M.G.L. c. 30A, § 14.
(e) The Commission or a Commission Delegee shall electronically mail a copy of the recommended decision to each Licensee, Registrant, or Host Community or their attorney(s) of record and on request, mail a copy of the recommended decision to each Licensee, Registrant, or Host Community or their attorney(s) of record.

(13) Appeals. Any Person aggrieved by a Final Decision may appeal that decision to the Superior Court in accordance with M.G.L. c. 30A, § 14. The filing of an appeal shall not operate as a stay of enforcement of the Commission's decision, but the Commission may in its discretion stay enforcement.

501.800: Suitability Standard for Licensure and Registration

(1) Pursuant to M.G.L. c. 94G, §§ 4(a)(xii), (xiv), 21(a)(ii) and M.G.L. c. 94I, the Commission may make, in an exercise of its discretion, a suitability or cure determination based on a factual basis.

(2) The Commission may also delegate suitability determinations to the Executive Director, who may appoint a Suitability Review Committee (Committee) to advise the Executive Director.

(3) All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 501.800.

(4) Suitability Review Process.
(a) Designated Enforcement staff (staff) shall conduct background checks and gather information and evidence applicable to a subject's suitability and make a recommendation as to suitability and, as appropriate, a cure. Staff may make an adverse suitability recommendation on finding information and evidence that would result in a Mandatory Disqualification, Presumptive Negative Suitability Determination or that would support a Negative Suitability Recommendation.

(b) Before making an adverse suitability recommendation, staff shall consult with the Executive Director or the Executive Director's delegee(s). The Executive Director may dispose of the matter or direct the Committee to institute a review of suitability or take any action consistent with M.G.L. c. 94G.
(c) If the Executive Director institutes a suitability review, the staff shall send the written notice of an adverse suitability recommendation that identifies the Person subject to suitability review, the particular offenses or conduct relied on and whether that the offenses or conduct results in a Mandatory Disqualification or Presumptive Negative Suitability Determination, or supports a Negative Suitability Recommendation, and reasons for that determination.
(d) The notice of an adverse suitability recommendation shall provide an opportunity to cure the suitability issue by removing the subject from its application. To the extent that an applicant can propose a cure, for example, by removing a subject from an application, the cure shall be done in a manner determined by the Commission.
(e) The notice of an adverse suitability recommendation shall provide the subject with the opportunity to request an informal proceeding before the Suitability Review Committee.
(f) A request for an informal proceeding shall be submitted in a form and manner determined by the Commission and no later than 14 business days following the effective date of the adverse suitability recommendation. Requests received after 14 business days may be considered at the discretion of the Executive Director or the Committee.
(g) On notification of an adverse suitability recommendation and receipt of an informal

proceeding request, the Committee shall initiate a proceeding, make a recommendation and/or take other action(s) after consultation with the Executive Director.

(h) If an applicant or a subject does not make a timely request for an informal proceeding before the Committee, the Executive Director may forward the adverse suitability recommendation to the Committee for a review, make a suitability determination, or take any action consistent with M.G.L. c. 94G.

(5) The Committee shall:

(a) Consider and review whether offense(s) or information resulting in a Mandatory Disqualification or a Presumptive Negative Suitability Determination under 935 CMR 501.801: *Table A*, 935 CMR 501.802: *Table B* and 935 CMR 501.803: *Table C*, as applied to the subject, renders the subject unsuitable for licensure or registration;

(b) Consider and review whether offense(s) or information not otherwise set forth in 935 CMR 501.801: *Table A*, 935 CMR 501.802: *Table B* and 935 CMR 501.803: *Table C* would result in a Negative Suitability Recommendation and renders the subject unsuitable for licensure or registration; and

(c) Subsequent to its review of a suitability matter, make recommendations to the Executive Director, or the Commission, or a Commission Delegee.

(6) When reviewing an adverse suitability recommendation by staff that there is an offense resulting in a Mandatory Disqualification, the Commission shall consider credible and reliable information demonstrating that:

(a) The disqualifying event was based on erroneous information or evidence; and

(b) The subject can demonstrate that prior to the informal proceeding, the adverse suitability recommendation can no longer be supported because the error was corrected.

(7) When reviewing an offense resulting in a Presumptive Negative Suitability Determination, the committee shall take into consideration the following factors:

(a) Nature and specific circumstances of the offense or incident:

1. Time since the offense or incident;
2. Number of offenses or incidents;
3. If criminal, sentence imposed and length, if any, of incarceration;
4. If criminal, sentence imposed and length, if any, of parole or probation; and
5. Relationship of offense or incident to nature of work to be performed;

(b) Mitigating factors:

1. Age of the subject at the time of the offense or incident; and
2. Whether offenses or incidents were committed in association with dependence on drugs or alcohol from which the subject has since recovered;

(c) Conduct since time of the offense or incident:

1. If criminal, any relevant evidence of rehabilitation or lack thereof, such as information about compliance with conditions of parole or probation, including orders of no contact with victims and witnesses; and
2. The subject's conduct and experience since the time of the offense including, but not limited to, professional or educational certifications obtained; and

(d) Any other relevant information, including information submitted by the subject to the Committee or requested by the Commission.

(8) The Committee may make a Negative Suitability Determination in the following circumstances:

(a) On the receipt of the staff's Negative Suitability Recommendation that there is credible and reliable information:

1. The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare if a License or registration is granted or renewed; and
2. The risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of an MTC.

(b) On review of this recommendation, the Committee shall consider whether the staff has carried its burden of demonstrating:

1. The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare if a License or registration is granted or renewed; and
2. The risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of an MTC.

(9) Where an MTC Agent listed on the application for licensure in accordance with 935 CMR 501.101(1) is found to have no suitability issue under 935 CMR 501.801: *Table A*, or to have overcome any suitability issue, the Agent shall not be subject to a subsequent suitability review under 935 CMR 501.802: *Table B* and 935 CMR 501.803: *Table* C.

(a) Nothing in 935 CMR 501.800 relieves the requirement that the applicant or Licensee conduct background checks on its agents and disclose to the Commission's staff any suitability issue(s) that arise as a result of those checks.

(b) Any subsequent disclosure of background check information for an MTC Agent required to be listed and evaluated pursuant to 935 CMR 501.101(1), will be assessed pursuant to 935 CMR 501.801: *Table A* or on other grounds for a Negative Suitability Determination only.

(c) Nothing in 935 CMR 501.800 precludes the Commission from initiating a suitability review based on background information received after the Commission's initial suitability review.

(10) The Executive Director in consultation with the Committee may determine that a subject's suitability warrants the Commission's consideration. The Executive Director may also remand a matter to staff for further investigation prior to making a determination. The Commission may consider the determination when acting on the application or renewal.

501.801: Suitability Standard for Licensure

(1) In accordance with M.G.L. c. 94I and M.G.L. c. 94G, § 5, the Commission is prohibited from licensing an MTC where an individual who is a Person Having Direct or Indirect Control has been convicted of a felony or offense in an Other Jurisdiction that would be a felony in the Commonwealth, except a prior conviction solely for a Marijuana offense or solely for a violation of M.G.L. c. 94C, § 34, unless the offense involved distribution of a controlled substance, including Marijuana, to a minor.

(2) For purposes of determining suitability based on background checks in accordance with 935 CMR 501.101(1)(b):

(a) All conditions, offenses, and violations are construed to include Massachusetts law or like or similar law(s) of Other Jurisdictions.

(b) All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy, and solicitation.

(c) Juvenile dispositions shall not be considered as a factor for determining suitability.

(d) Where applicable, all look back periods for criminal conditions, offenses, and violations included in 935 CMR 501.801: *Table A* commence on the date of disposition; provided, however, that if disposition results in incarceration in any institution, the look back period shall commence on release from incarceration.

(e) Unless otherwise specified in Table, a criminal condition, offense or violation include both convictions, which include guilty pleas and pleas of *nolo contendere*, and dispositions resulting in continuances without a finding or other disposition constituting an admission to sufficient facts, but shall exclude other non-conviction dispositions.

(3) Licensees and Registered Agents shall remain suitable at all times a License or registration remains in effect. An individual subject to this section shall notify the Commission in writing of any charge or conviction of an offense that would result in a presumptive negative suitability determination or mandatory disqualification under 935 CMR 501.801: *Table A*, 935 CMR 501.802: *Table B* and 935 CMR 501.803: *Table C* within ten days of such individual's arrest or summons, and within ten days of the disposition on the merits of the underlying charge. Failure to make proper notification to the Commission may be grounds for disciplinary action. If the Commission lawfully finds a disqualifying event and the individual asserts that the record was sealed, the Commission may require the individual to provide proof from a court evidencing the sealing of the case.

Table A: MTC Licensees. Shall apply to applicants, Licensees and Persons or Entities Having Direct or Indirect Control in accordance with 935 CMR 501.101(1) and 935 CMR 501.103(4).

Time Period	Precipitating Issue	Result
Present (during time from start	**Open/Unresolved Criminal Proceedings**:	Mandatory

of application process through action on application or renewal).	Any outstanding or unresolved criminal proceeding, the disposition of which may result in a felony conviction under the laws of the Commonwealth or Other Jurisdictions, but excluding any criminal proceeding based solely on a Marijuana-related offense or a violation of M.G.L. c. 94C, § 32E(a) or 34.	Disqualification
Present	**Outstanding or Unresolved Criminal Warrants**	Presumptive Negative Suitability Determination
Present	**Submission of Untruthful Information to the Commission Including, but Not Limited to:** Submission of information in connection with a License application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure; or Making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.	Presumptive Negative Suitability Determination
Present	**Open/Unresolved Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)**	Presumptive Negative Suitability Determination
Present	**Open Professional or Occupational License Cases**	Presumptive Negative Suitability Determination
Indefinite	**Sex Offender Registration**: Required to register as a sex offender in Massachusetts or an Other Jurisdiction.	Mandatory Disqualification
Indefinite	**Felony Convictions in Massachusetts or an Other Jurisdiction Including, but Not Limited to**: Felony weapons violation involving narcotics; Felony involving violence against a person; Felony involving theft or fraud; Felony drug, excluding conviction solely for a Marijuana-related offense or solely for a violation of M.G.L. c. 94C, § 34.	Mandatory Disqualification
Indefinite	**Conviction or Continuance without a Finding (CWOF) for Any Distribution of a Controlled**	Mandatory Disqualification

	Substance to a Minor	
Indefinite	**Non-felony Weapons Violations, Including Firearms, Involving Narcotics**	Presumptive Negative Suitability Determination
Indefinite	**Firearms-related Crimes**	Presumptive Negative Suitability Determination
Indefinite	**Multiple Crimes of Operating under the Influence** Two offenses within a ten-year period; or Three or more offenses within any period of time.	Presumptive Negative Suitability Determination
Preceding Five Years	**Multiple Crimes** During the five years immediately preceding the application for licensure that separately may not result in a negative determination of suitability but may, if taken together and tending to show a pattern of harmful behavior, result in a negative determination of suitability depending on the type and severity of the crimes	Presumptive Negative Suitability Determination
Preceding Five Years	**Crimes of Domestic Violence Including, but Not Limited to**: Violation of an abuse prevention restraining order under M.G.L. c. 209A; Violation of a harassment prevention order under M.G.L. c. 258E	Presumptive Negative Suitability Determination
Preceding Five Years	**Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)** The applicant or a Licensee held a License that was revoked, a renewal application that was denied, or a similar action taken with relation to their Marijuana business in Massachusetts or Other Jurisdiction, whether by administrative action or stipulated agreement.	Mandatory Disqualification
More than Five and Less than Ten Years	**Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)** The applicant or a Licensee held a License that was revoked, a renewal application that was denied, or a similar action taken with relation to their Marijuana business in Massachusetts or Other Jurisdiction, whether by administrative action or stipulated agreement.	Presumptive Negative Suitability Determination
Preceding Five Years	The applicant's or Licensee's prior actions	May make a

	posed or would likely pose a risk to the public health, safety, or welfare; and the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of an MTC.	Negative Suitability Determination in accordance with 935 CMR 501.800(8)

501.802: Suitability Standard for Registration as a Medical Marijuana Treatment Center Agent

(1) In accordance with M.G.L. c. 94G, § 4(a½)(iii), the Commission has established qualifications for licensure and minimum standards for employment that are directly and demonstrably related to the operation of an MTC and similar to qualifications for licensure and employment standards in connection with alcohol as regulated under M.G.L. c. 138; provided, that a prior conviction solely for a Marijuana-related offense or for a violation of M.G.L. c. 94C, § 34 shall not disqualify an individual or otherwise affect eligibility for employment or licensure in connection with an MTC, unless the offense involved the distribution of a controlled substance, including Marijuana, to a minor.

(2) For purposes of determining suitability based on background checks in accordance with 935 CMR 501.030 and 501.101.

(a) All conditions, offenses, and violations are construed to include Massachusetts law or like or similar law(s) of Other Jurisdictions.

(b) All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy and solicitation.

(c) Juvenile dispositions shall not be considered as a factor for determining suitability.

(d) Where applicable, all look back periods for criminal conditions, offenses, and violations included in 935 CMR 501.802: *Table B* and 935 CMR 501.803: *Table C* commence on the date of disposition; provided however, that if disposition results in incarceration in any institution, the look back period shall commence on release from incarceration.

(e) Unless otherwise specified in 935 CMR 501.802: *Table B* and 935 CMR 501.803: *Table C*, a criminal condition, offense or violation shall include both convictions, which include guilty pleas and pleas of *nolo contendere*, and dispositions resulting in continuances without a finding or other disposition constituting an admission to sufficient facts, but shall exclude other non-conviction dispositions. All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 501.800. In addition to the requirements established in 935 CMR 501.800, the Suitability Review Committee shall:

1. Consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 501.802: *Table B* and 935 CMR 501.803: *Table C* renders the subject unsuitable for registration, regardless of the determination of the Licensee; and

2. Consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process in accordance with 803 CMR 2.17: *Requirement to Maintain a Secondary Dissemination Log* and 803 CMR 2.18: *Adverse Employment Decision Based on CORI or Other Types of Criminal History Information Received from a Source Other than the DCJIS.*

(3) Registered Agents shall remain suitable at all times a License or registration remains in effect. An individual subject to this section shall notify the Commission in writing of any charge or conviction of an offense that would result in a presumptive negative suitability determination or mandatory disqualification under 935 CMR 501.802: *Table B* and 935 CMR 501.803: *Table C* within ten days of such individual's arrest or summons, and within ten days of the disposition on the merits of the underlying charge. Failure to make proper notification to the Commission may be grounds for disciplinary action. If the Commission lawfully finds a disqualifying event and the individual asserts that the record was sealed, the Commission may require the individual to provide proof from a court evidencing the sealing of the case.

Table B: MTC Agents. Shall apply solely to applicants for registration as an MTC Agent at an MTC licensed pursuant to 935 CMR 501.101.

Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal).	**Open/Unresolved Criminal Proceedings**: Any outstanding or unresolved criminal proceeding for an offense involving the distribution of a controlled substance, including Marijuana, to a minor.	Presumptive Negative Suitability Determination
Present	**Open Professional or Occupational License Cases**	Presumptive Negative Suitability Determination
Present	**Open/Unresolved Marijuana License or Registration Violations (Massachusetts or Other Jurisdictions)**: An outstanding or unresolved violation of the regulations as included in 935 CMR 501.000 or a similar statute or regulations of Other Jurisdictions, which has either (a) remained unresolved for a period of six months or more; or (b) the nature of which would result in a determination of unsuitability for registration.	Presumptive Negative Suitability Determination
Present	**Submission of Untruthful Information to the Commission Including, but Not Limited to**: Submission of information in connection with an agent application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure; or Making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.	Presumptive Negative Suitability Determination
Indefinite	**Conviction or Continuance without a Finding (CWOF) for Any Distribution of a Controlled Substance to a Minor**	Mandatory Disqualification
Indefinite	The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of an MTC.	May make a Negative Suitability Determination in accordance with 935 CMR 501.800(8)

501.803: Suitability Standard for Registration as a Laboratory Agent

(1) 935 CMR 501.803 shall apply to Laboratory Agents in their capacity as employees or

volunteers for an Independent Testing Laboratory licensed pursuant to 935 CMR 501.029 registered with the DCJIS pursuant to 803 CMR 2.04: *iCORI Registration* and the Commission for purposes of determining suitability for registration as a Laboratory Agent with the Licensee.

(2) For purposes of determining suitability based on background checks performed in accordance with 935 CMR 501.803:

(a) All conditions, offenses, and violations are construed to include Massachusetts law or similar law(s) of Other Jurisdictions.

(b) All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy, and solicitation.

(c) Juvenile dispositions shall not be considered as a factor for determining suitability.

(d) Where applicable, all look back periods for criminal conditions, offenses, and violations included in 935 CMR 501.803: *Table C* commence on the date of disposition; provided however, that if disposition results in incarceration in any institution, the look back period shall commence on release from incarceration.

(e) Unless otherwise specified in 935 CMR 501.803: *Table C*, a criminal condition, offense or violation shall include both convictions, which include guilty pleas and pleas of *nolo contendere*, and dispositions resulting in continuances without a finding or other disposition constituting an admission to sufficient facts, but shall exclude other non-conviction dispositions.

(f) All suitability determinations will be made in accordance with the procedures set forth in 935 CMR 501.800. In addition to the requirements established in 935 CMR 501.800 shall:

1. Consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 501.803: *Table C* renders the subject unsuitable for registration, regardless of the determination of the Licensee; and
2. Consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process in accordance with 803 CMR 2.17: *Requirement to Maintain a Secondary Dissemination Log* and 803 CMR 2.18: *Adverse Employment Decision Based on CORI or Other Types of Criminal History Information Received from a Source Other than the DCJIS.*

(3) Laboratory Agents shall remain suitable at all times a License or registration remains in effect. An individual subject to this section shall notify the Commission in writing of any charge or conviction of an offense that would result in a presumptive negative suitability determination or mandatory disqualification under 935 CMR 501.803: *Table C* within ten days of such individual's arrest or summons, and within ten days of the disposition on the merits of the underlying charge. Failure to make proper notification to the Commission may be grounds for disciplinary action. If the Commission lawfully finds a disqualifying event and the individual asserts that the record was sealed, the Commission may require the individual to provide proof from a court evidencing the sealing of the case.

(4) In accordance with M.G.L. c. 94G, § 15(b)(5), the Commission is prohibited from issuing a registration to a Laboratory Agent who has been convicted of a felony drug offense in the Commonwealth or Other Jurisdictions that would be a felony drug offense in the Commonwealth.

Table C: Registration as a Laboratory Agent. Shall apply solely to applicants for registration as a Laboratory Agent in accordance with 935 CMR 501.803 at an MTC registered or licensed pursuant to 935 CMR 501.052, or 935 CMR 500.050: *Marijuana Establishments*.

Time Period	Precipitating Issue	Result
Present (during time from start of application process through action on application or renewal).	**Open/Unresolved Criminal Proceedings**: any outstanding or unresolved criminal proceeding, the disposition of which may result in a felony conviction under the laws of the Commonwealth or a similar law in Other	Mandatory Disqualification

	Jurisdictions.	
Present	**Open/Unresolved Marijuana Business-related License Violations (Massachusetts or Other Jurisdictions)**: an outstanding or unresolved violation of the regulations as included in 935 CMR 501.000 or a similar statute or regulations in Other Jurisdictions that has either (a) remained unresolved for a period of six months or more; or (b) the nature of which would result in a determination of unsuitability for registration.	Presumptive Negative Suitability Determination
Present	**Submission of Untruthful Information to the Commission Including, but Not Limited to**: Submission of information in connection with an agent application, waiver request or other Commission action that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity including lack of disclosure or insufficient disclosure; or Making statements during or in connection with a Commission inspection or investigation that are deceptive, misleading, false or fraudulent, or that tend to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure.	Presumptive Negative Suitability Determination
Present	**Open Professional or Occupational License Cases**	Mandatory Disqualification
Indefinite	**Felony Convictions in Massachusetts or Other Jurisdictions** for drug offenses or trafficking crimes under M.G.L. c. 94C, § 32E, or like crimes in Other Jurisdictions.	Mandatory Disqualification
Preceding Five Years	**Felony Convictions or CWOF in Massachusetts or Other Jurisdictions** for crimes of violence against a person, "violent crime" to be defined the same way as under M.G.L. c. 140, § 121 and M.G.L. c. 127, § 133E.	Presumptive Negative Suitability Determination
Preceding Seven Years	**Felony Convictions or CWOF in**	Presumptive Negative

	Massachusetts or Other Jurisdictions for crimes of dishonesty or fraud.	Suitability Determination
Preceding Five Years	The applicant's or Licensee's prior actions posed or would likely pose a risk to the public health, safety, or welfare; and the risk posed by the applicant's or Licensee's actions relates or would likely relate to the operation of an MTC.	May make a Negative Suitability Determination in accordance with 935 CMR 500.800(8)

501.820: Confidentiality

(1) All records made or received by the Commission shall be public records and shall be available for disclosure on request pursuant to 935 CMR 501.820, and 950 CMR 32.00: *Public Records Access*, except the following, which shall be exempt from disclosure to the extent permitted by law:

(a) All records exempt from disclosure pursuant to M.G.L. c. 4, § 7, cl. 26;

(b) All records to the extent that they contain "personal data" pursuant to M.G.L. c. 66, § 1;

(c) All records to the extent that they contain "personal information" pursuant to M.G.L. c. 93H, § 1;

(d) All records which contain CORI as defined by 803 CMR 2.02: *Definitions*;

(e) All records which contain CHRI as defined by 803 CMR 7.02: *Definitions*; and

(f) All Confidential Records as defined in 935 CMR 501.002.

(2) The Commission shall maintain the confidentiality of all medical records including, but not limited to:

(a) All Confidential Records and information contained in the Confidential Database, including applicants for registration as a Qualifying Patient, Personal Caregiver, Institutional Caregiver, Certifying Healthcare Provider, Card Holder; or Registered Qualifying Patients, Personal Caregivers, Institutional Caregivers, Certifying Healthcare Providers, Card Holders; and

(b) Other identifying patient information.

(3) All records protected from disclosure under 935 CMR 501.820(1) or pursuant to the laws of an Other Jurisdiction may be disclosed by the Commission:

(a) If disclosure is required pursuant to a state or federal law;

(b) To the individual or the individual's authorized representative, if the individual executes a written release in a form and manner determined by the Commission;

(c) To the Commission staff for the purpose of carrying out their official duties;

(d) To the Commission Delegee(s) as authorized by the Commission;

(e) To other government officials and agencies acting within their lawful jurisdiction, which includes, but is not limited to:

1. Law enforcement personnel for the sole purpose of verifying a cardholder's registration and certification; and

2. The Board of Registration in Medicine when necessary in connection with referrals to said Board concerning violations of 935 CMR 501.000.

(f) To a healthcare professional who has a *Bona Fide* Healthcare Professional Patient Relationship with the Qualifying Patient to facilitate dispensing of Medical-use Marijuana;

(g) To an MTC or any state agency to facilitate dispensing of medical-use Marijuana;

(h) To the Commission staff if required in the course of an administrative or a judicial proceeding; or

(i) If an individual or entity obtains an order from a court of competent jurisdiction.

(4) Nothing in 935 CMR 501.820 shall prevent the Commission from acting in accordance with its authority.

501.830: Petitions for the Adoption, Amendment or Repeal of Regulations

(1) Any interested Person may file a petition with the Commission pursuant to M.G.L. c. 30A,

§ 4, for the adoption, amendment or repeal of any regulation. Such petition shall be submitted in written and electronic form, be signed by the petitioner or petitioner's representative, and include the following information:

(a) The name, address, and relevant contact information for the petitioner or the petitioner's representative;

(b) The petitioner's specific interest in the regulation;

(c) The petitioner's request for the adoption, amendment or repeal of a regulation, including proposed regulatory language;

(d) If the request is to amend an existing regulation, a copy of the existing regulation with changes clearly marked on paper and electronic copies; and

(e) The reasons for the request including, but not limited to, citation to any relevant legal authority, arguments and evidence, including data, that supports the request.

(2) After receipt of a petition for submitted in accordance with 935 CMR 501.830, the Commission may consider the petition at an open meeting pursuant to M.G.L. c. 30A, § 20, and determine, in its discretion, whether to take any action on or as a result of the petition. The Commission may also delegate the review of petitions to its Executive Director.

(3) Within a reasonable time, the Commission or a Commission Delegee will notify the petitioner as to its determination, if any, concerning the petition.

(4) The submission of a petition for the adoption, amendment or repeal of any regulation pursuant to 935 CMR 501.830(1), and any action, inaction, determination or notice by the Commission pursuant to 935 CMR 501.830(2) and 935 CMR 501.830(3) with respect thereto, shall not constitute the adoption, amendment or repeal of a regulation, unless or until regulations are duly promulgated by the Commission in accordance with M.G.L. c. 30A, *State Administrative Procedure Act*, and 950 CMR 20.00: *Preparing and Filing Regulations*.

501.840: Nonconflict with Other Laws

(1) Nothing in 935 CMR 501.000 shall be construed to limit the applicability of other law as it pertains to the rights of landlords, employers, Law Enforcement Authorities, or regulatory agencies, except as otherwise provided in 935 CMR 501.000.

(2) Nothing in 935 CMR 501.000:

(a) Allows the operation of a motor vehicle, boat, or aircraft while under the influence of Marijuana;

(b) Requires any health insurance provider, or any government agency or authority, to reimburse any person for the expenses of the medical use of Marijuana;

(c) Requires any healthcare professional to authorize the use of medical Marijuana for a Qualifying Patient;

(d) Requires any accommodation of any on-site medical use of Marijuana in any place of employment, school bus or on school grounds, in any youth center, in any correctional facility, or of smoking medical Marijuana in any public place;

(e) Supersedes Massachusetts law prohibiting the possession, cultivation, transport, distribution, or sale of Marijuana for nonmedical purposes;

(f) Requires the violation of federal law or purports to give immunity under federal law; or

(g) Poses an obstacle to federal enforcement of federal law.

(3) Nothing in 935 CMR 501.000 shall be construed to limit the scope of practice of a nurse practitioner pursuant to M.G.L. c. 112, § 80I.

501.850: Waivers

(1) The Commission may delegate its authority to the Executive Director to waive a regulatory requirement promulgated under M.G.L. c. 94G, § 4 and M.G.L. c. 94I, § 7. The Executive Director may determine the form and manner of the waiver process. There can be no waiver of statutory requirements.

(2) The Commission may waive applicability of one or more of the requirements imposed by 935 CMR 501.000 on the submission of written documentation and a finding that:

(a) Compliance would cause undue hardship to the requestor;

(b) If applicable, the implementation of compensating features acceptable to the

Commission;
(c) The noncompliance with the regulatory requirement would not jeopardize the health, safety, or welfare of any Registered Qualifying Patient or the public; and
(d) The granting of the waiver would not constitute a waiver of any statutory requirements.

(3) Waiver of Security Requirements. Any waiver of security requirements under 935 CMR 501.850, shall be requested under 935 CMR 501.110(2)(b).

(4) An adverse decision on a waiver request does not entitle an applicant or Licensee to a hearing or judicial review.

501.860: Notice

(1) The Commission shall maintain a list of individuals or entities that request notice.

(2) Notice shall be provided, in a time and manner to be determined by the Commission, to those individuals or entities on the list in advance for:
(a) Meetings of the Cannabis Control Commission;
(b) Meetings of the Cannabis Advisory Board; and
(c) Other events determined by the Commission, in its discretion.

(3) The individual or entity is responsible for ensuring that the information provided to the Commission for the purpose of receiving notice remains current.

501.900: Severability

The provisions of 935 CMR 501.000 are severable. If a court of competent jurisdiction declares any section, subsection, paragraph, or provision unconstitutional or invalid, the validity of the remaining provisions shall not be affected.

REGULATORY AUTHORITY

935 CMR 501.000: M.G.L. c. 10, §76, M.G.L. c. 94G, M.G.L. c. 94I, St. 2012, c. 369, St. 2016, c. 334, St. 2017, c. 55, and St. 2022, c. 180.

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

Cannabis Control Commission

Public Meeting

January 14, 2026 at 10:00 am

In-Person with Remote Access via Microsoft Teams

Agenda

1. Call to Order
2. Commissioner Comments and Updates
3. Commission Discussion and Votes
4. New Business Not Anticipated at Time of Posting
5. Next Meeting Date
6. Adjournment

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

Commission Discussion & Votes

Commission Discussion and Votes

1. Delivery Exclusivity Report and Recommendations;
   Draft Regulatory Amendments Related to Delivery Exclusivity Revisions to 935 CMR 500, regarding delivery exclusivity

2. Other Regulatory Considerations, if needed*;*
   Including, but not limited to, Amendments to Secret Shopper Program at 935 CMR 500.303 and 501.303, and Amendments to Social Consumption Exclusivity at 935 CMR 500.050(6)(g)2.

Cannabis Control Commission
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Delivery Exclusivity Working Group

Report and Recommendations

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Delivery Background

- After several revisions, in 2021 the Commission established the current regulatory structure for its delivery licenses.

- The new license classes established were Marijuana Delivery Courier, Marijuana Delivery Operator, and Microbusiness with Delivery Endorsements.

- These license(s) were touted as a major development to the agency's ongoing commitment to ensure meaningful participation in the industry by people disproportionately impacted by marijuana prohibition, as well as efforts to combat unregulated cannabis delivery.

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Delivery Exclusivity Period Established

- This regulatory revision established a three-year exclusivity period for SEPs and EEAs.
- The period began on April 1, 2022, when the first Marijuana Delivery Operator received its notice to commence operations.
- The exclusivity period, which continued for 36 months, and was extended by a vote of the board for one year until April 1, 2026.

Delivery Exclusivity Regulations:

935 CMR 500.050(10)(b) and 935 CMR 500.050(11)(f):

2. The Commission may vote to extend that period following a determination that the goal of the exclusivity period to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law ***has not been met***.

3. The licenses shall generally be available to applicants after the 36-month period unless the Commissioners affirmatively votes to extend the period of exclusivity by a period of 12 months after the first 36-month period. ***Any subsequent extension of the exclusivity period would require the Commission affirmatively to find that the goals and objectives of the exclusivity period have not been met***.

Delivery Exclusivity Criteria for Assessment

a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law;

b. Overall rates of participation in the regulated Marijuana industry by people of color;

c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants;

d. Number of registered agents who are Social Equity Program Participants;

e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments;

f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends; and

g. Any other information the Commission determines relevant.

Cannabis Control Commission

Working Group Background

- WG established to collect data and report out recommendations to the board on whether to extend the delivery exclusivity period. Specifically, the WG was tasked to:
- (1) Review Regulatory & Economic Factors.
- (2) Gather Stakeholder & Industry Feedback.
- (3) Analyze Market Performance & Licensing Data.
- (4) Develop Policy Recommendations.
- (5) Evaluate the Impact of the Delivery Exclusivity Period.

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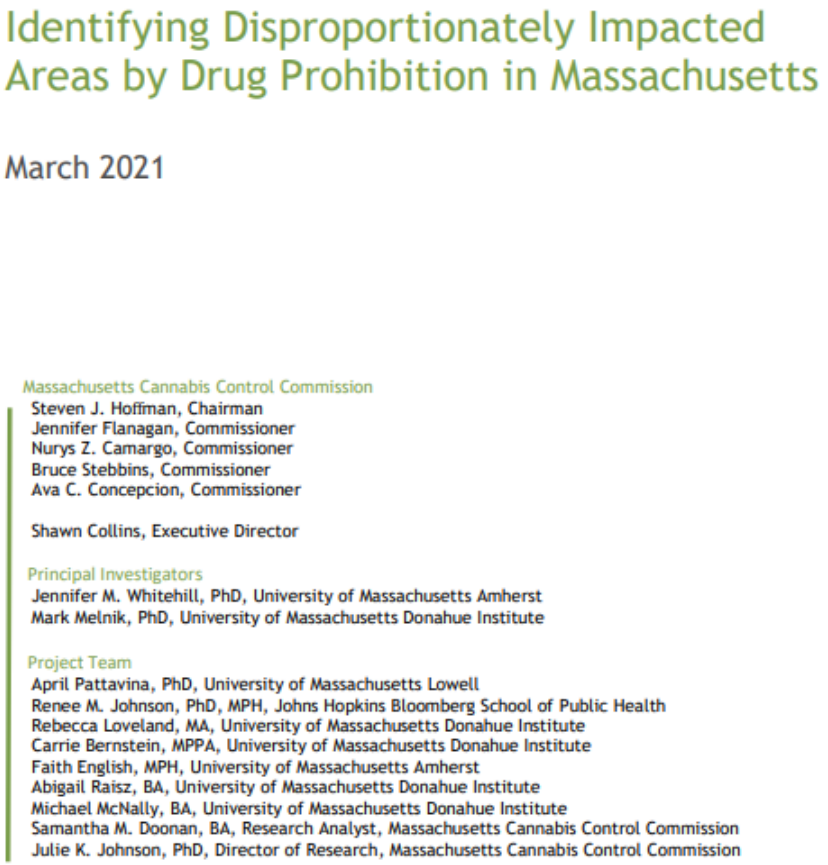
Collaboration with the University of Massachusetts Donahue Institute

University of Massachusetts Donahue Institute (UMDI)

- The University of Massachusetts Donahue Institute (UMDI) is a nationally-renowned research and training center that addresses critical questions and develops innovative solutions to help organizations and agencies from both the public and private sectors meet challenges, measure success, and set goals.
- The Commission previously worked with UMDI's Economic & Public Policy Research group to conduct the 2021 study ***Identifying Disproportionately Impacted Areas by Drug Prohibition in Massachusetts***



Identifying Disproportionately Impacted Areas by Drug Prohibition in Massachusetts

March 2021

Massachusetts Cannabis Control Commission
Steven J. Hoffman, Chairman
Jennifer Flanagan, Commissioner
Nurys Z. Camargo, Commissioner
Bruce Stebbins, Commissioner
Ava C. Concepcion, Commissioner

Shawn Collins, Executive Director

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Julie K. Johnson, PhD, Director of Research, Massachusetts Cannabis Control Commission

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Research Responsibilities Matrix

Data Collection Method	CCC Staff	UMass Donahue
Regulation Review	Regulatory mapping Data extraction Content analysis	Interpretation Policy implications
Licensee and applicant survey	Tool/instrument review Survey implementation (Formstack setup) Data collection	Survey design Analysis
Interviews and Focus Group	Protocol/instrument review Participant outreach Logistics support	Recruitment Facilitation Data collection Analysis
Public Comments Feedback and Meeting Minutes	Protocol/instrument review Document analysis Quality review	Interpretation
Administrative Industry Data (Financial, Agents info, Demographics, Ownership)	Data extraction from Metrc and MassCIP Cleaning and linking Anonymization Documentation	Analysis design Script development Analysis

UMDI – Delivery Exclusivity Period Assessment

Over summer and fall 2025, UMDI supported the Delivery Exclusivity Working Group in a two-phase project to evaluate the progress toward the goals of this policy.

- **Phase 1: Goal Setting and Analysis Plan**
  - Focused on defining goals of the exclusivity period and criteria for success of the program
  - Evaluated existing available data and determined methodology and analysis plan for Phase 2
- **Phase 2: Data Analysis, Findings and Recommendations**
  - Focused on evaluating goals defined in Phase 1
  - Collected and analyzed: CCC data, Social Equity Trust Fund data, qualitative data (interviews; focus group; public comment, survey with program applicants and licensees)
  - Wrote the assessment and established findings and recommendations

Delivery Exclusivity Period Assessment – Key Findings

- **UMDI completed an external assessment of delivery exclusivity using both qualitative and quantitative data to:**
  - Evaluate the exclusivity period and benchmark its impact;
  - Identify structural barriers and issues that impede business feasibility; and
  - Reach conclusions on policy extension and provide recommendations about program/industry interventions.

- **Key takeaways include:**
  - The program has admirable intentions and made progress towards the goals outlined by CCC leaders in Phase 1, though generally speaking, those goals were *not met*
  - We identified a number of structural impediments that licensees and potential licensees face in the marketplace
  - We ultimately recommend an extension to allow the program to continue to mature, interventions to be realized, and businesses to stabilize. At the same time, we recommend continued consideration from CCC to remove structural barriers to maximize the effectiveness of the program

Phase 1 Methodology

Phase 1 *(ended August 2025)*			
Internal Data Evaluation & Discovery	Key Stakeholder Interviews	Regulation Review and Content Analysis	Goal Setting and Analysis Plan

Summary and Analytical Takeaways of Phase 1

- **One-on-one interviews with past and current Cannabis Control Commissioners** revealed a lack of clear measurable goals to evaluate success, structural and support limitations within the Commission, and insufficient training and mentorship for equity licensees;
- **A focus group conducted with the Commission's Equity Programming and Community Outreach (EPCO) Staff** highlighted persistent structural and financial barriers that participants face in establishing viable cannabis businesses;
- **Analysis of feedback given during the policy's public comment period** strongly favored continued protection of the delivery exclusivity period;
- **Result: development of analysis plan using CCC data to operationalize evaluation criteria A-G**

  Using insights from key informant interviews and a review of data sources, UMDI created methods for determining if the exclusivity policy had met its goals

  Where possible, CCC data was benchmarked against external sources

Phase 2 Methodology

Phase 2 *(ended in December 2025/January 2026)*				
Quantitative Data Analysis	Group Interview with Equity Programming Staff	Delivery Exclusivity Licensees & Applicants Survey	Regulation Review & Public Comments Feedback	Report

Phase II Main Findings: Goals are unmet or partially met

Regulatory Goal	Status
a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law	Partially met
b. Overall rates of participation in the regulated Marijuana industry by people of color	Partially met
c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants	Partially met
d. Number of registered agents who are Social Equity Program Participants	Partially met
e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments	Not met
f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends	Not met
g. Any other information the Commission determines relevant	Partially met

Table 3: Structure of Analysis based on Regulatory Evaluation Goals

Goal A: Partially Met

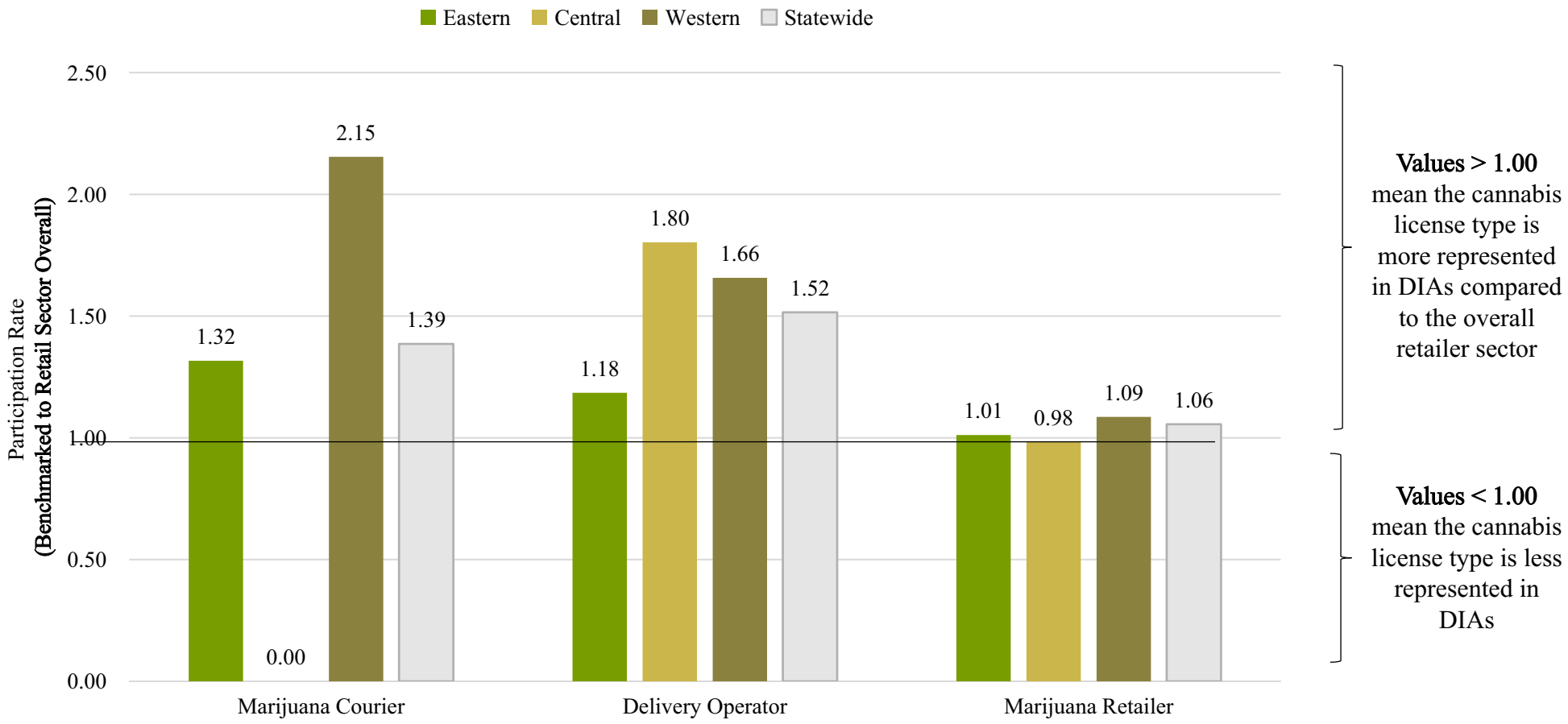
Businesses in DIAs have achieved full participation in the cannabis industry, though there are challenges in the application pipeline for cannabis businesses located in these areas.

- **Partially met:** Delivery couriers and operators are geographically well represented in areas of disproportionate impact (DIAs) relative to non-cannabis businesses.
- **Partially met:** Delivery license types are also more likely to be in DIAs compared to other cannabis license types, such as marijuana retailers.
- **Not met:** Delivery businesses in DIAs take longer to receive licensure and to commence operations compared to delivery businesses in other parts of the state.
- **Not met:** Delivery licensees in DIAs are more likely to remain in the pre-revenue stages of business formation (i.e. before the commence operations stage) compared to delivery licensees outside of DIAs and to other marijuana license types.
- **Partially met:** The Cannabis Social Equity Trust Fund (CSETF) is proportionally more likely to fund delivery businesses in DIAs compared to other areas. In contrast, marijuana retailers located in DIAs are no more likely to receive a CSETF grant than marijuana retailers located outside of DIAs.

Goal A: Partially Met

$$\textbf{Participation Rate} = \frac{\%\ \textit{of Delivery Licenses in DIAs}}{\%\ \textit{of Comparison Sector in DIAs}}$$

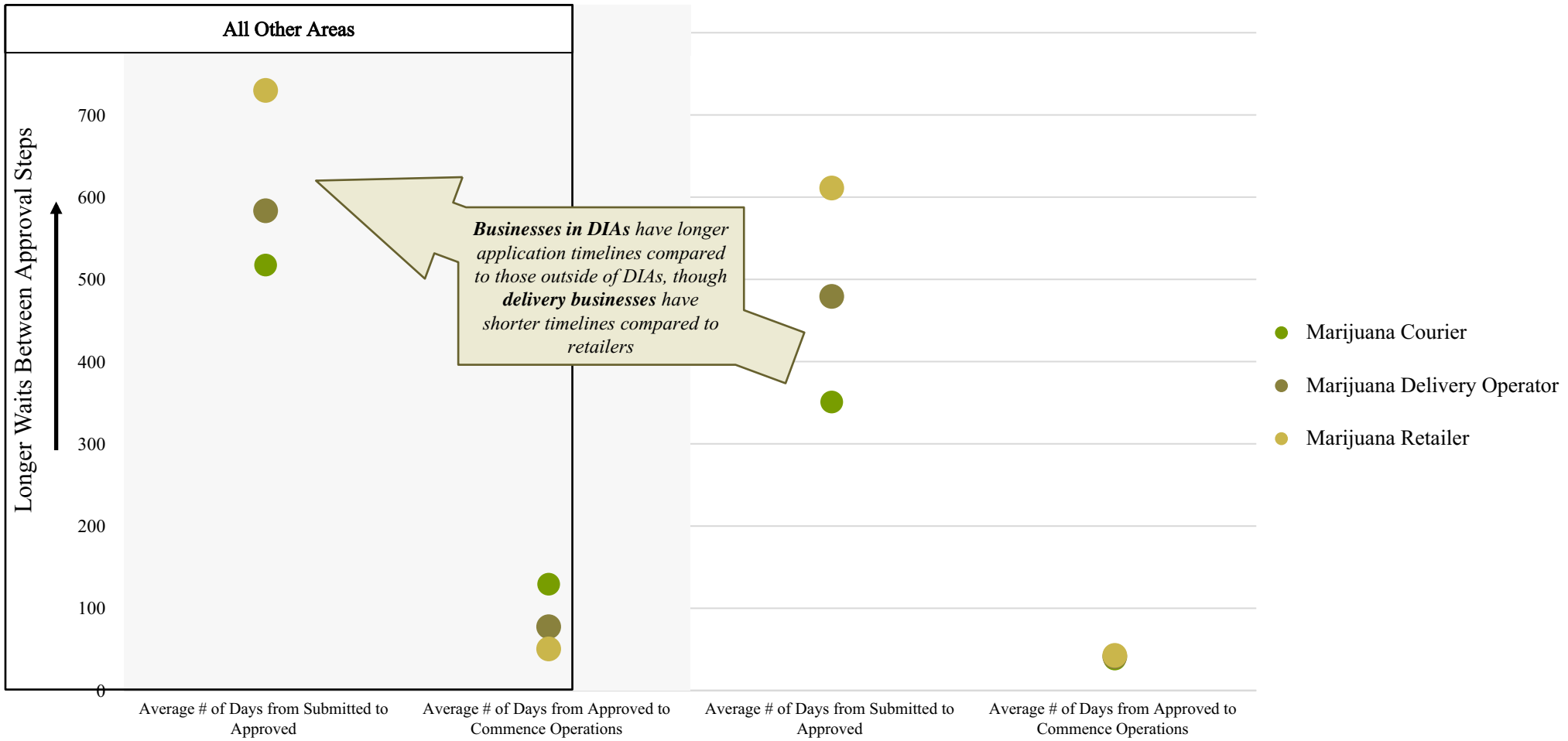
Rates of Participation for Disproportionately Impacted Areas, Benchmarked to the Retail Sector Overall



Source: Massachusetts Cannabis Control Commission; Massachusetts Executive Office of Labor and Workforce Development, ES-202

Goal A: Partially Met

Average Number of Days Between Approval Steps by License Types for Areas of Disproportionate Impact



Source: Massachusetts Cannabis Control Commission
Note: Couriers, Delivery Operators, and Retailers all had similar average wait times from approval to commence ops in areas outside of DIAs, and so the dots in the lower right overlap.

Goal B: Partially Met

People of color are represented in the cannabis industry and among delivery licensees, though many still face barriers when opening non-delivery businesses

- **Partially met:** There is higher participation in the cannabis industry among people of color for delivery license types compared to all other license types and compared to business ownership rates for people of color in the state overall.
- **Partially met:** Delivery businesses that are majority owned by people of color spend less time in the approval process and can therefore reach commence operations quicker.
- **Partially met:** Majority PoC-owned delivery licensees are more likely to be in the commence operations stage as compared to all other delivery licensees.
- **Not met:** The benefits of the delivery exclusivity policy, however, are not fully shared outside of the delivery license types, and people of color seem to still face barriers when opening businesses in the cannabis industry.

Goal B: Partially Met

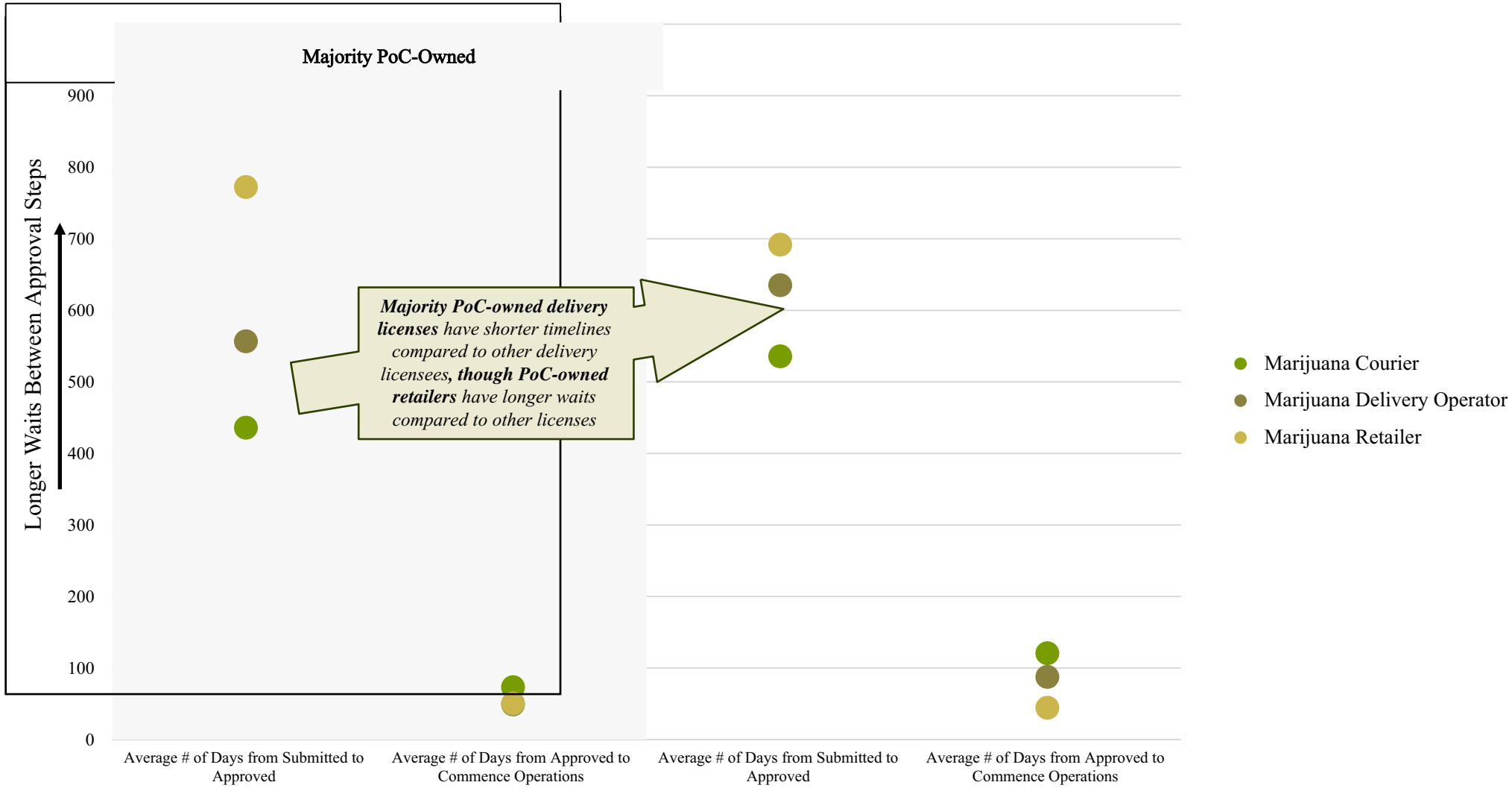
Participation of People of Color in the Cannabis Industry by License Type

License Type	Agents		All Persons with Authority		Owners		Licenses	
	PoC n	% PoC	PoC n	% PoC	PoC n	% PoC	Majority PoC n	% Majority PoC
Craft Marijuana Cooperative	0	0%	1	7%	1	33%	1	50%
Independent Testing Laboratory	12	8%	5	10%	3	14%	1	8%
Marijuana Courier	**53**	**49%**	**29**	**42%**	**13**	**41%**	**11**	**58%**
Marijuana Courier Pre-Certification	**-**	**-**	**174**	**60%**	**116**	**64%**	**62**	**68%**
Marijuana Cultivator	440	13%	85	8%	48	12%	24	12%
Marijuana Delivery Operator	**101**	**66%**	**39**	**40%**	**25**	**38%**	**18**	**53%**
Marijuana Delivery Operator Pre-Certification	**-**	**-**	**125**	**47%**	**81**	**49%**	**52**	**55%**
Marijuana Microbusiness	14	13%	6	8%	2	5%	2	11%
Marijuana Product Manufacturer	465	16%	65	8%	33	11%	20	14%
Marijuana Research Facility	0	0%	0	0%	0	0%	0	0%
Marijuana Retailer	1689	22%	191	11%	103	16%	41	13%
Marijuana Transporter with Other Existing ME License	35	60%	3	19%	1	13%	1	25%
Third Party Marijuana Transporter	14	12%	3	19%	0	0%	0	0%
Total	**2,823**	**20%**	**726**	**16%**	**426**	**23%**	**233**	**25%**
Massachusetts Working Age Population (18+)	**980,403**	**17%**	**980,403**	**17%**	-	-	-	-
Massachusetts Establishments	**-**	**-**	**-**	**-**	**119,842**	**16%**	**119,842**	**16%**

Source: CCC; U.S. Census Bureau American Community Survey, 2024 1-Year Estimates via Social Explorer; U.S. Census Bureau, Non-Employer Statistics.
Note: Agents data based on approved applications only. Persons with Authority are based on "active" licenses, therefore totals may not match between agents and persons with authority. Agents data does not include pre-certification licenses.

Goal B: Partially Met

Average Number of Days between Approval Steps by License Type For Business Owners of Color



Source: Massachusetts Cannabis Control Commission

Goal C: Partially Met

This goal is partially met. However, survey respondents across various delivery license types report difficult conditions in acquiring a license.

- **Partially met:** 30% of licenses are owned by EEA/SEP participants, driven largely by delivery license types.
- **Not met:** Nearly all respondents to the survey reported the process of getting a license to be difficult or extremely difficult, and reported facing barriers such as unaffordable start-up costs, followed by lack of financing options, and too much paperwork.

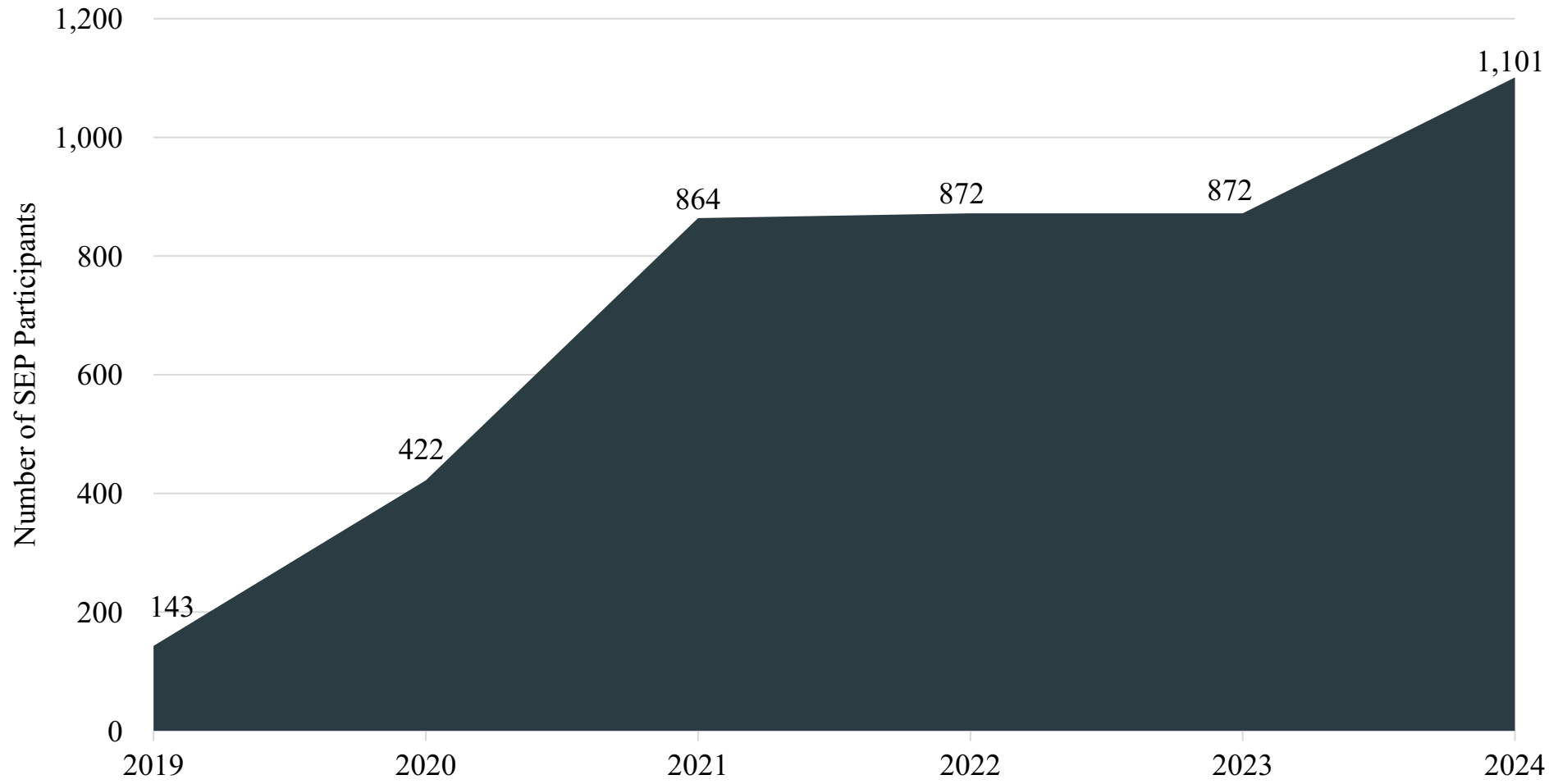
Goal D: Partially Met

This goal is partially met; SEP participation is increasing, though people of color are less likely to have active SEP licenses

- **Partially met:** Except for a lull between 2021 and 2022, SEP participation has steadily increased since the program was introduced.
- **Partially met:** The majority of SEP participants are people of color.
- **Not met:** However, people of color have a slightly lower proportion of active SEP licenses compared to all other participants.

Goal D: Partially Met

Cumulative Number of SEP Participants, 2019-2024



Source: Massachusetts Cannabis Control Commission

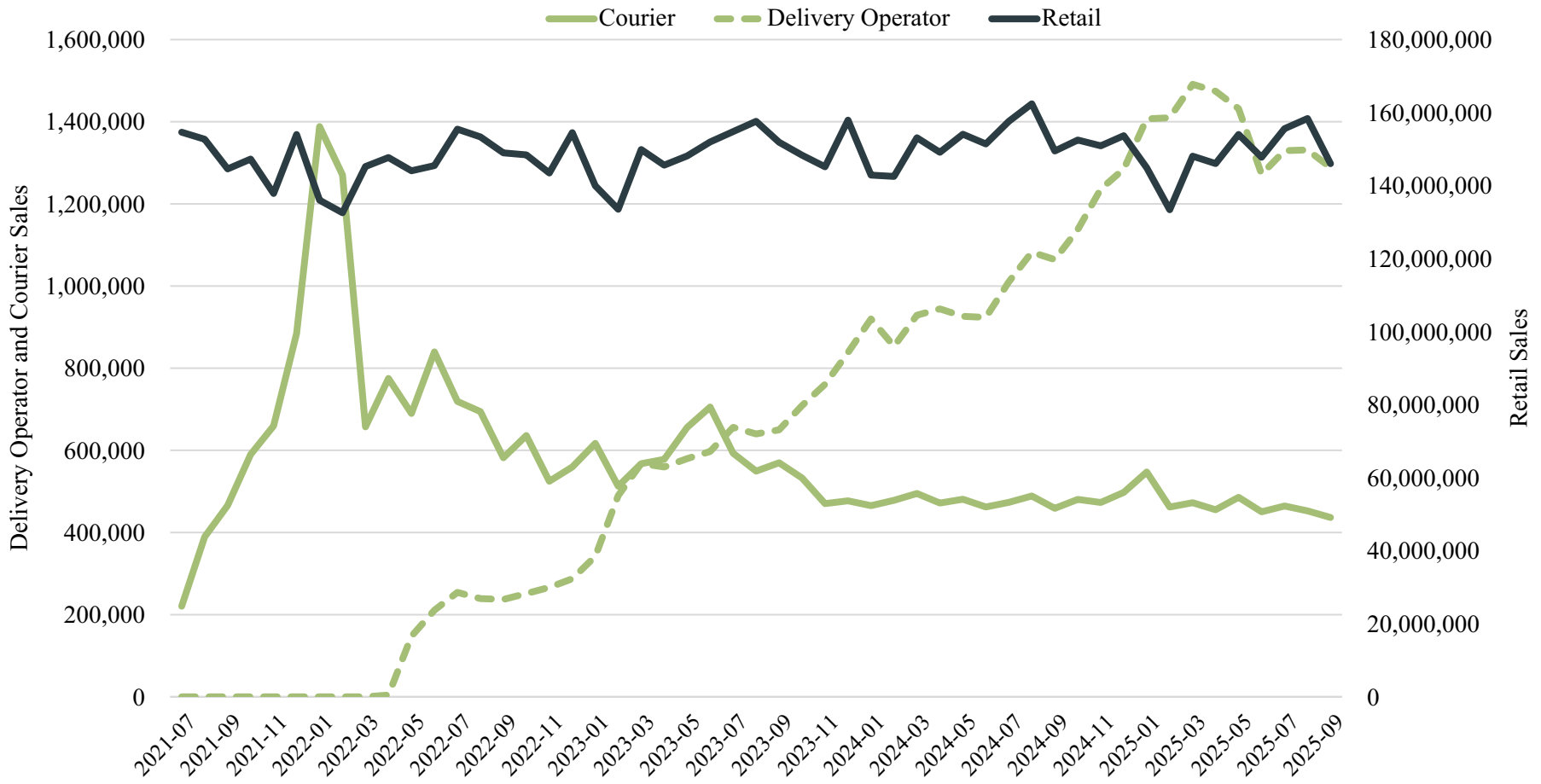
Goal E: Not Met

Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years and, in combination with geographic restrictions on marijuana business operations, have negatively impacted business performance of delivery and brick-and-mortar dispensaries.

- **Not met:** The rates of delivery business formation are much lower for delivery businesses compared to cannabis retail businesses.
- **Partially met:** Sales growth has been positive for delivery operators over the past several years. But couriers and retailers have seen stagnant sales over the same period.
- **Not met:** Business costs have increased over the past 5 years for retailers and transportation & logistics businesses across the United States. At the same time, marijuana product prices in Massachusetts have fallen since legalization, reducing profit margins and threatening business performance.
- **Not met:** Only 59% of towns and cities in the state allow delivery, limiting the markets in which delivery businesses can compete.
- **Not met:** Average sales per establishment have been in decline virtually since the beginning of the legal cannabis market, threatening the financial sustainability of operations.

Goal E: Not Met

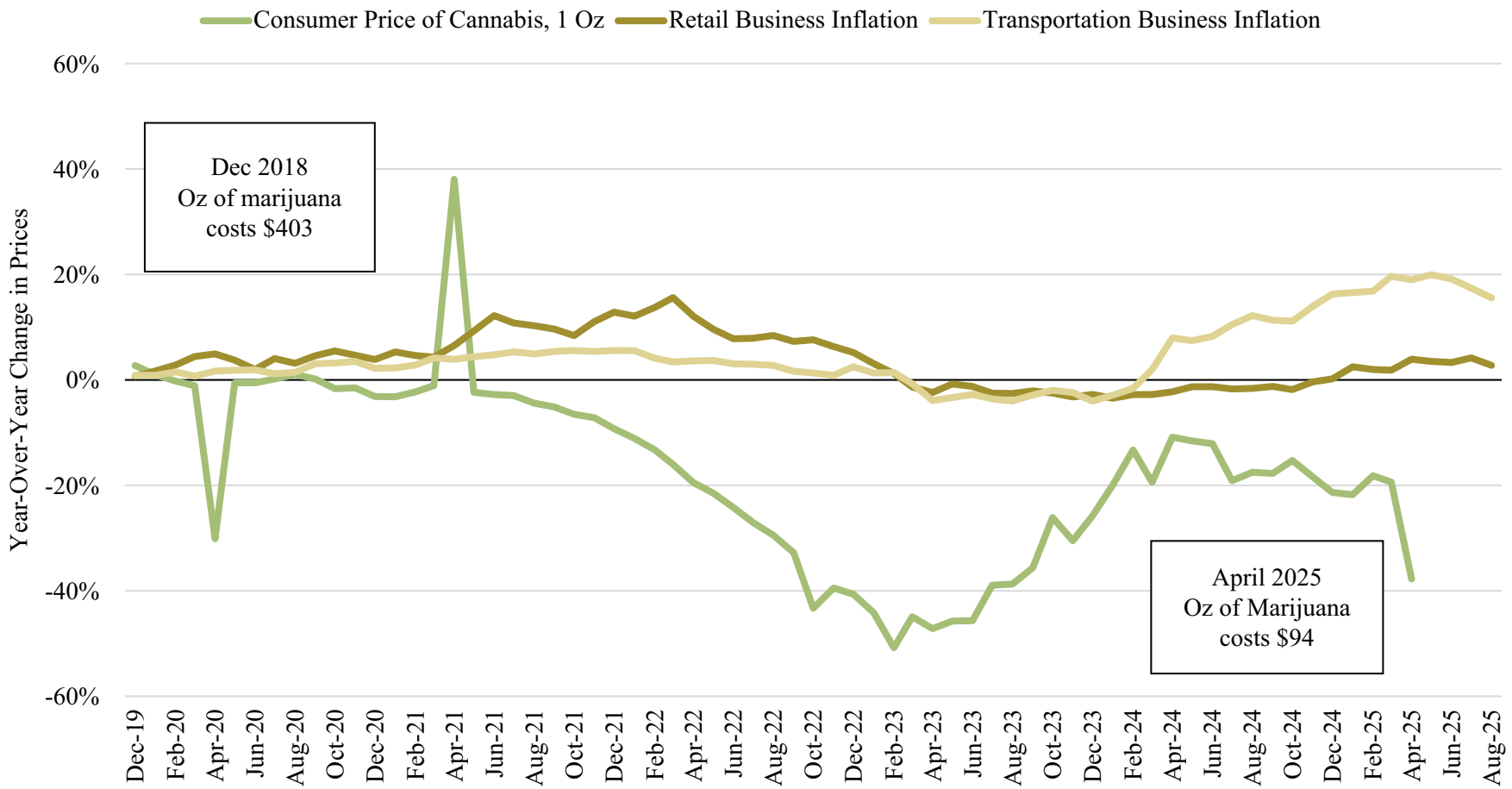
Monthly Sales by License Type (Not Adjusted for Inflation)



Source: Massachusetts Cannabis Control Commission
Note: Delivery endorsement sales were not included in this graph. The very small portion of delivery endorsement sales in the industry does not fit with the scales in this figure.

Goal E: Not Met

Year-over-Year Change in Prices for Marijuana Vs. Producer Inflation in Retail and Transportation Establishments, 2019-2025



Source Cannabis Control Commission; U.S. Bureau of Labor Statistics, Producer Price Index

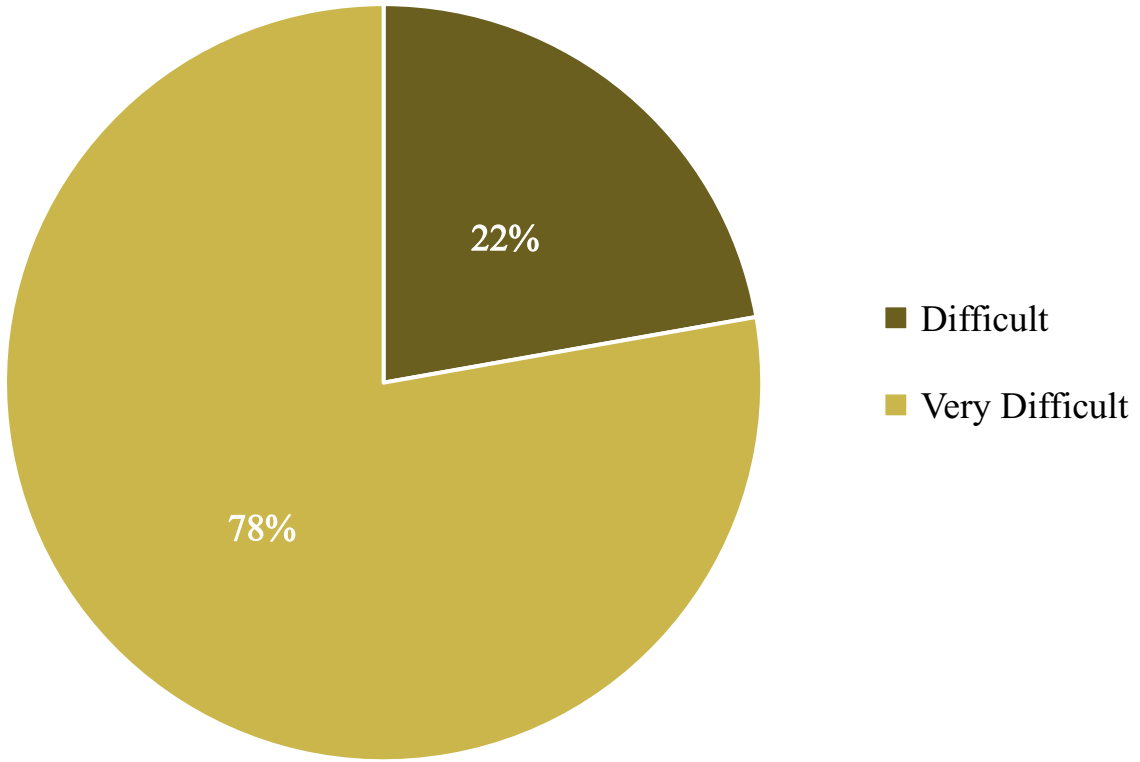
Goal F: Not Met

Despite some progress on lowering costs through fee waivers, delivery exclusivity businesses report difficult financial conditions and unexpectedly high start-up costs. In addition, data show a shrinking pipeline of applicants and a lack of necessary funding for new businesses.

- **Not met:** All survey respondents characterized start-up cost feasibility as difficult to some extent, with the majority characterizing it as very difficult.
- **Not met:** There is a shrinking pipeline of prospective licensees, whether delivery or brick-and-mortar, who are interested in opening businesses in the cannabis industry.
- **Partially met:** There are proportionally fewer inactive courier and delivery operator applications than there are inactive retailer applications.
- **Partially met:** Licensing fees for delivery businesses are waived, representing significant savings for couriers and delivery operators as average licensing fees for other license types can approach $10,000.
- **Not met:** CSETF Awards for prospective businesses, which may have financial needs in the pre-licensure phase, seem more difficult to acquire, which can be a challenge for some businesses that are exploring delivery functions.
- **Not met:** Most respondents feel either neutral (39%) or very negative (33%) about their current business conditions, and the majority of respondents (67%) anticipate barriers to fulfilling their business plans in the next year, primarily citing barriers related to the delivery exclusivity period ending.

Goal F: Not Met

Survey Question: To What Degree were Business Start-Up Costs Feasible for your Individual Financial Situation (Participants characterized feasibility on a five-point Likert scale from Very Difficult to Very Easy)



Source: CCC and UMDI Survey of Cannabis Businesses and License Applicants
N = 18, Only Operators (not Applicants) answered this question

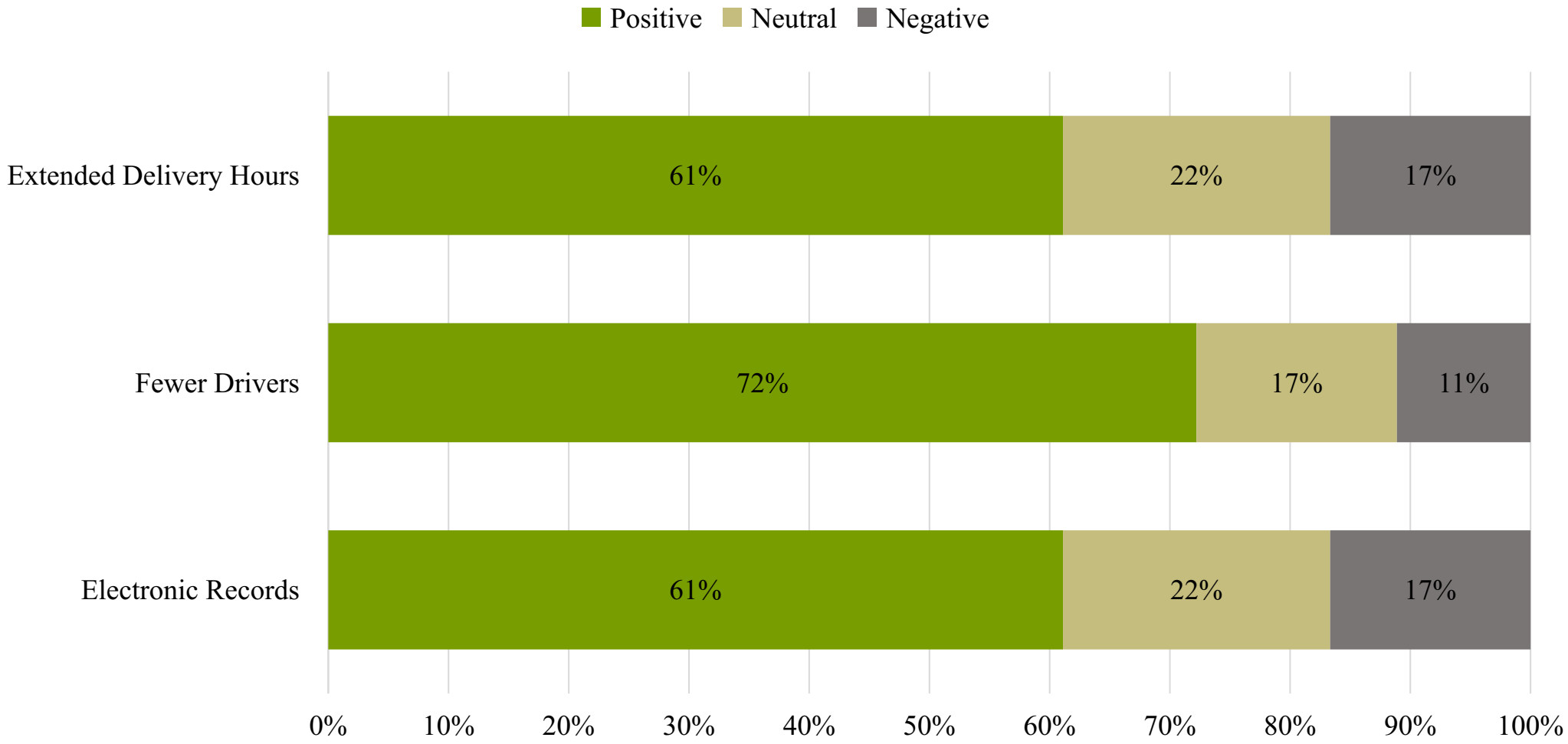
Goal G: Partially Met

While improvements to regulations, namely the removal of the two-driver rule, have positively impacted businesses, significant barriers in negotiating HCAs and inconsistencies across municipalities remain. The CSETF has been highly beneficial and well-utilized by SEP participants, though the most commonly suggested improvement is for more funding to be made available.

- **Partially met:** Respondents felt that all regulatory changes to the number of drivers, electronic records and delivery hours had generally positive impacts on their business.
- **Not met:** Reported experiences working with municipalities were generally negative, and many survey respondents reported experiencing significant barriers to entering the cannabis industry specifically due to negotiating HCAs.
- **Not met:** Most respondents felt as if these barriers have not changed over time, though slightly more respondents felt these barriers got worse (28%) as opposed to better (22%).
- **Partially met:** The Social Equity Trust Fund is well-utilized and highly beneficial for SEP participants.
- **Partially met:** The most common purpose of CSETF grants was reported to be professional services, utilized by 24 of the 31 respondents who are currently using the fund.

Goal G: Partially Met

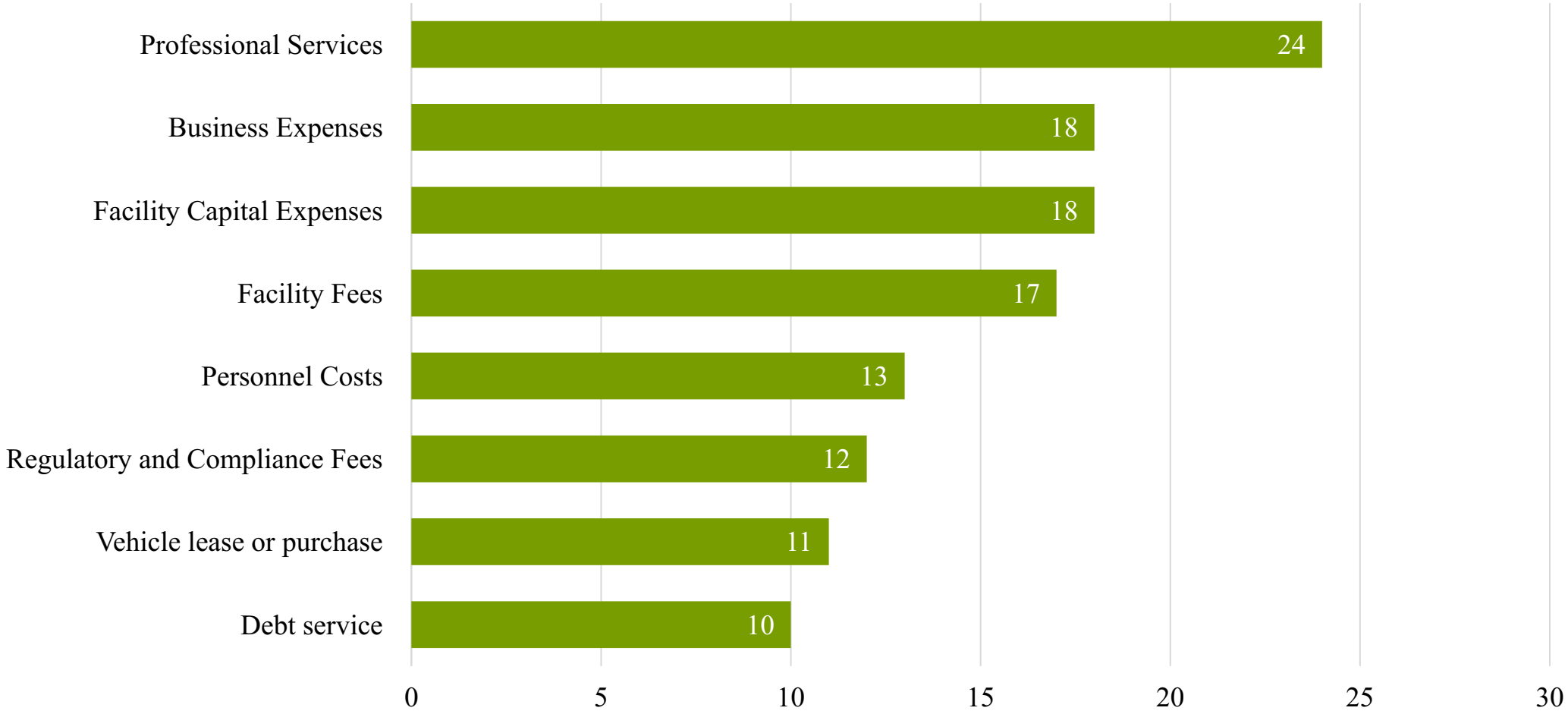
Impacts of Regulatory Changes on Cannabis Businesses



Source: CCC and UMDI Survey of Cannabis Businesses and License Applicants
N = 18, Only Operators (not Applicants) answered this question

Goal G: Partially Met

CSETF Grant Purposes



Source: CCC and UMDI Survey of Cannabis Businesses and License Applicants
N = 31, Applicants and Operators answered this question

Conclusions and Recommendations

The program has made progress on its goals, but failed to meet them in aggregate

Data collection, most notably the survey and interviews, has revealed **structural issues** that impede the policy from meeting its goals

- **Costly start-up**

  Expected and unexpected costs remain high for participants, such as legal fees and accounting fees which ultimately cost significantly more than expected for some survey respondents due to the lengthy application process

- **Lengthy and confusing application process**

  Excessive and confusing requirements, lengthy negotiations with municipalities, and contract procurement caused the application process to take longer and cost more, also delaying the ability to start making profit

- **Extensive and prohibitive requirements**

  The two-phase application process, HCA requirements for delivery operators, and other aspects of the application which are not necessarily vital to starting business operations act as additional roadblocks preventing applicants from realizing their business goals.

- **Seemingly underdeveloped and unsustainable market conditions**

  Ultimately, DE operators make up a very small share of the industry, about 5% of licensees, and of marijuana sales, about 0.7% of sales. The average courier business has agreements with only roughly two retailers. Therefore, there appear to be unrealized opportunities for couriers to partner with greater numbers of retailers and expand their delivery capacities.

Conclusions

The Delivery Exclusivity period should be extended

- The initial exclusionary period did not allow time for the first entrants into the market to flourish
- Our research produced two major findings:
  1. While the program has made notable progress towards its goals, they have not been met
  2. There are several structural issues prevented the program from achieving success in the timeline provided
- Extending the program is necessary but not sufficient – addressing structural issues is just as important
- Extension of “several years” recommended

  Three years appears to have been too limited a time frame for the effects of the policy and its follow-up interventions to be measurably realized

  We suggest that the period be extended for an additional five to seven years

Recommendations to Address Structural Issues

Our findings suggest both that the program has not had enough time to be successful AND that there are a number of impediments (structural, regulatory, cost-related and market-related issues) that are preventing the program from being fully successful.

Therefore, we recommend for any time frame that is selected, that an evaluation take place during that time to assess the program and efforts to change some of the structural and regulatory issues.

- Recommendations to address barriers
  - Streamline and simplify as much of the licensing process as possible
  - Streamline municipal involvement
  - Streamline the application process for licensing
  - Bolster access to capital
  - Create channels to accelerate connections across the industry
- Recommendations to improve data systems to enable effective assessments in the future
  - Include new measures in CCC datasets
  - Address gaps in data about the Cannabis Social Equity Trust Fund
  - Improve tracking of SEP and EEP participants in the industry across administrative data sets
  - Include delivery courier information in the sales database
  - Add fields to the agent-level data to specify job types to allow the determination of who is an employee
  - Improve future assessments of Delivery Exclusivity

Next regulatory steps

To adopt the Donahue Institute's recommendations, the Commission must undergo formal rulemaking.

1/14:	**Public Meeting – Commissioners to potentially VOTE on draft amendments for public comment & hearing.**
1/16:	**DEADLINE TO FILE** Notice for Public Comment and Hearing with draft amendments filed with the Secretary to be published on 1/30.
1/30:	Publication of Notice for Public Comment & Hearing by the Secretary. Comment period runs until 2/23.
2/20:	21 days statutory notice date for compliance with M.G.L. c. 30A.
2/23:	**Proposed Public Hearing date and end of comment period.**
2/23-3/2:	Commissioners, legal and staff to review public comments. Legal to revise redlined draft amendments.
3/2-3/12:	**Proposed Public Meeting 1st week of March for Commissioners to VOTE on final regulatory amendments.**
3/13:	**DEADLINE TO FILE** final regulations with the Secretary for promulgation on 3/27/26.
3/27:	**Final Delivery Exclusivity regulations promulgated.**

Commission Discussion and Votes

2. Other Regulatory Considerations, if needed*;*
   Including, but not limited to, Amendments to Secret Shopper Program at 935 CMR 500.303 and 501.303, and Amendments to Social Consumption Exclusivity at 935 CMR 500.050(6)(g)2.

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

Upcoming Meetings & Adjournment

Upcoming Meetings and Important Dates

Next Meeting Date

January 15, 2026

Public Meeting
Hybrid via Teams
10:00 am

**Public Meeting dates are tentative and subject to change*

2026 Public Meetings	
January 27	June 25
February 12	July 9
February 26	July 23
March 12	August 13
March 26	September 10
April 16	September 24
April 30	October 8
May 7	October 29
May 21	November 12
June 11	December 10

Cannabis Control Commission

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The Commission is in recess until 4:15