

CANNABIS CONTROL COMMISSION: SECOND ANNUAL ACTIVITIES REPORT

October 10, 2019

Report as mandated by Chapter 55 of the Acts of 2017, *An Act
to Ensure Safe Access to Marijuana*



LEGISLATIVE MANDATE

Under Chapter 55 of the Acts of 2017, *An Act to Ensure Safe Access to Marijuana* (Act), the Cannabis Control Commission (Commission) is charged with implementing the statutory and regulatory schemes governing the adult-use and medical-use of marijuana programs. The following report is issued pursuant to Section 31 of the Act, which provides in relevant part:

“The commission shall annually submit a complete and detailed report of the commission’s activities, including a review of the implementation and enforcement of this chapter and the governance structure established in this chapter, not more than 90 days after the end of the fiscal year to the governor, the attorney general, the treasurer and receiver-general, the clerks of the house of representatives and the senate, the chairs of the joint committee on marijuana policy and the chairs of the house and senate committees on ways and means.” St. 2017, c. 55, § 31.

EXECUTIVE SUMMARY

Purpose

This report provides information regarding the implementation under the Act of the adult-use marijuana program pursuant to the aforementioned legislative mandate, inclusive of the medical-use program, which the Commission successfully transferred from the Department of Public Health on December 24, 2018.

Findings

The Commission continues to focus on the legislative mandate to establish and implement the adult-use marijuana program. In addition, the Commission took on the administration of the medical-use program and integrated the operations of the program into the overall structure of the Commission. To that end, the Commission made significant progress in the operational areas identified by the Legislature, specifically in the areas of law, licensing and enforcement, communications, community outreach, constituent services, public records, research, and administration, which includes finance, personnel, facilities, and technology.



INTRODUCTION

On November 8, 2016, Ballot Question 4 “Legalize Marijuana” passed with 53.6% of the vote. At that time, Massachusetts joined seven other states, in addition to the District of Columbia, which legalized marijuana for adult-use (a.k.a., recreational use). The resulting law, Chapter 334 of the Acts of 2016, *The Regulation and Taxation of Marijuana Act*, which was amended by Chapter 55 of the Acts of 2017, *An Act to Ensure Safe Access to Marijuana*, delegated to the Commission authority over the adult-use program. In September 2017, the Governor, Treasurer, and Attorney General appointed five Commissioners to serve in full-time positions. The Executive Director began in November 2017 and the agency is currently staffed by a total of 61 employees, including Commissioners and the Executive Director.

The mission of the Commission is to honor the will of the voters of Massachusetts by safely, equitably and effectively implementing and administering the laws enabling access to medical and adult use marijuana in the Commonwealth.

The Commission continues to foster the creation of a safely regulated industry that creates entrepreneurial and employment opportunities and incremental tax revenues in and to communities across the state and already serves as a best practice model for other states. The Commission developed policies, procedures, and a regulatory structure to encourage and enable full participation in the marijuana industry by people from communities that were previously disproportionately harmed by marijuana prohibition and enforcement and positively impact those communities. With these programs and regulations in place, the Commission continues to build an industry that prioritizes participation by small and larger participants and with full and robust participation by minorities, women, and veterans.

At the time of this report, 66 adult use Marijuana Establishments were authorized by the Commission to operate, and those establishments have reported \$316,000,000 in gross sales since the first retail establishments opened in November of 2018.

IMPLEMENTATION OF ADULT-USE & MEDICAL MARIJUANA PROGRAMS

Law

Promulgation of the Adult-Use Regulations

The Commission published the first iteration of regulations, 935 CMR 500.000: *Adult Use of Marijuana*, were in the Massachusetts Register on March 23, 2018. On September 24, 2019, the Commission voted to approve a set of changes to 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000: *Medical Use of Marijuana* after a public comment period and several public meetings. The changes included removing the \$50 annual patient fee for certified patients, creating a regulatory framework for social consumption and delivery, and enhancing protections around the statutory limitations regarding ownership and control. These regulations are expected to be published in the register in November of this year.



The Commission will continue to consider and review in light of the experience garnered since both the adult-use and medical-use markets came online and plans to re-open the regulatory process in early 2020.

Transfer of the Medical Marijuana Program & Promulgation of Medical-Use Regulations

On December 24, 2018, the Medical Marijuana Program was successfully transferred from the Department of Public Health to the Commission, as was mandated by Section 64(d) of Chapter 55 of the Acts of 2017. The transfer included the transition of 22 Program staff to the Commission, including the patient support center, compliance officers, and medical applications staff. As part of the transfer agreement, the Commission also adopted the medical-use regulations and left them largely unmodified at the time of the transfer. The Commission has now had oversight of the Program for 9 months and has integrated the Program into the overall structure of the existing Commission. As such, the Commission has recommended and approved a series of changes by way of the current regulatory review process. The new regulations, both adult- and medical-use will be published before the end of the calendar year.

Guidance

In addition to the regulations, the Commission regularly approves of guidance for licensing and other administrative processes implicated by its legislative mandate. To date, the Commission has issued 24 guidance documents, on topics meant to assist consumers, patients, applicants, business owners, and local officials. Guidance documents are available at <https://mass-cannabis-control.com/guidancedocuments/>.

Licensing & Enforcement

Through the adult-use program, the Legislature required the Commission to certify priority applicants, license Marijuana Establishments, register marijuana agents and laboratory agents, and approve applicants for the Social Equity program. To that end, the Commission and its vendors designed and implemented Massachusetts Cannabis Industry Portal (MassCIP), its electronic registration system, and its electronic seed-to-sale tracking system, Metrc.

Priority Applicants

Between April 17, 2018, and May 22, 2018, the Commission completed the application process for priority certification. In total, 322 applications were submitted, with 82 RMD applicants and 123 economic empowerment applicants ultimately granted priority certification. The Commission issued its first provisional license to an economic empowerment priority applicant in July of 2019. The first Social Equity Program applicant received a final license in February 2019 and commenced operations in March 2019.

Application Process



The Commission is authorized by the Legislature to license Marijuana Establishments, and when necessary, seek enforcement of licensees' compliance with the adult-use marijuana laws. At the time of this report, the licensing process is as follows:

1. Application

Applicants apply for licensure through the Commission's licensing portal. Once begun, an application can be paused or completed at any time. The application process is broken up into four "packets", which cover different requirements. The Commission does not review applications until all four packets have been submitted. At the time of this report, there are a total of 4,269 open applications of all types before the Commission, including those that have been approved, denied, withdrawn, or are incomplete. An application is considered "pending" when all four packets have been submitted and it is pending a completeness review or third-party responses. At the time of this report, there are 370 provisionally approved applications before the Commission.

2. Provisional Licensure

Provisional licenses are granted by the Commission during its regularly scheduled public meetings. Commissioners are given staff recommendations on each applicant and each license is discussed and voted on publicly. A provisional license permits the licensee to move forward with the investigatory phase of the process. At the time of this report, there are 99 provisionally licensed applications authorized by the Commission.

3. Final License

After a provisionally licensed Marijuana Establishment is inspected by Commission staff to ensure that it is in compliance with applicable laws and regulations, the Commission grants the establishment a final license through the same process outlined above for provisional licenses. At the time of this report, there are 89 final licenses authorized by the Commission.

4. Commence Operations

Once a Marijuana Establishment has completed the final review process with Commission staff, Commission staff issues a Commence Operations notice, which authorizes the Establishment to begin operations after three calendar days. At the time of this report, 66 Marijuana Establishments have been issued Commence Operations notices.

Communications

The Commission is in regular contact with members of the public through various formats. Commissioners regularly attend and present at public events. In the last year,



Commissioners have made or participated in over 100 presentations or panel discussions before stakeholder groups that included community organizations, chambers of commerce, public health organizations, travel and tourism bureaus, attorneys, municipal officials, and law enforcement.

The Commission's website (www.MassCannabisControl.Com), received over 1,500,000 page views and 560,000 visits to date. In addition to information on the Commission and the Cannabis Advisory Board, there are regular updates to the website on issues concerning the law, regulations, guidance, and licensing. The Commission also manages the Medical Use of Marijuana Program website (www.Mass.Gov/MedicalMarijuana) and is currently redesigning www.MassCannabisControl.Com to integrate the medical program's content and better serve all Commission constituents. The new website is scheduled to launch later this calendar year.

More than 7,500 individuals and entities receive a periodic newsletter via email, with an open rate of over 50%. The Commission has expanded its social media presence to include Instagram (@CannabisControlCommission, 1,300 followers) and LinkedIn (@CannabisControlCommission, 700 followers) in addition to Twitter (@MA_Cannabis, 5,600 followers) and Facebook (@MassCCC, 1,700 followers). Through these various channels, the Commission continues to communicate with the public regarding the work of the agency and the emerging industry.

Public Awareness Campaign

The Commission collaborated with the Department of Public Health, pursuant to Section 51 of the Act, to develop a \$2M statewide public awareness campaign. The campaign, titled More About Marijuana (www.MoreAboutMJ.Org), was developed in partnership with MORE Advertising, and utilized third-party research, surveys, and focus groups consisting of Massachusetts residents.

The key messages of the campaign include youth prevention, responsible adult-use, and the dangers of home manufacturing. The campaign roll out has primarily focused on youth prevention and responsible use. The dangers of home manufacturing content will be made available to the public in the coming months.

The campaign was distributed through a 14-week integrated communications plan, utilizing broadcast media (tv and radio), out-of-home (billboards and transit posters), and digital (social media, search engine marketing, and display ads). Print collateral and branded outreach materials were also produced and are available to the public through the Massachusetts Health Promotion Clearinghouse (<https://massclearinghouse.ehs.state.ma.us/category/Cannabis.html>).

The public awareness campaign has generated more than 800,000 MoreAboutMJ.Org views; 3,600,000 campaign video views; 237,000 campaign ad clicks; 150,000,000 out-of-home impressions; and 20,800,000 digital and social media impressions. Additionally, the More About



MJ campaign has been recognized by the [Telly Awards](#) and [MarCom Awards](#) for excellence in marketing and communications.

Post-campaign surveys have been administered to Massachusetts residents to assess campaign effectiveness. The data is being reviewed by the Commission's Research department and will be released to the public at a later date.

Community Outreach

The Commission has spent its outreach efforts in the last year with a focus on the planning, promoting, and launching the Social Equity Program. While this has been the main focus, it has not been the only. The Commission continues to build collaborative partnerships with communities and constituencies throughout the Commonwealth, promote and increase engagement with the Commission, include communities disproportionately harmed by marijuana arrests and incarceration, and engage with people of color, women, veterans and farmers, in accordance with the state law and the Commission's mission statement.

Social Equity Program

The Social Equity Program is designed to build a pathway for individuals disproportionately impacted by prohibition to enter the cannabis industry. Its overall mission is to decrease the disparities in life outcomes for impacted individuals and improve the quality of life in areas of disproportionate impact.

The goals of the program are to:

- Reduce barriers to entry in the commercial marijuana industry, regardless of desired specialty within the industry;
- Provide professional and technical services as well as mentoring for individuals and businesses facing systemic barriers; and
- Promote sustainable, socially, and economically reparative practices in the commercial marijuana industry in Massachusetts.

To qualify for the Social Equity Program, an applicant must meet one of the following criteria:

- Residency in an area of disproportionate impact for at least 5 of the past 10 years and income may not exceed 400% of federal poverty level.
- Applicant has a past drug conviction and residency in Massachusetts for at least the preceding 12 months; or
- Applicant has been married to or is the child of a person with a drug conviction and residency in Massachusetts resident for at least the preceding 12 months.

The application for the program opened in December of 2018. The deadline for the first cohort closed on July 8, 2019. A Request for Responses (RFR) seeking vendors to teach the



Program opened in February of 2019 and closed in May. After a robust selection process, six vendors were chosen to participate in the program. The Commission launched the Program this summer by holding three exclusive orientation seminars across the Commonwealth for accepted applicants. The program will continue to be rolled out through the end of this calendar year and into 2020.

Constituent Services

The Commission handles inquiries from the public and ensures a timely response. Constituents may email, call, or write in with their opinions, questions, comments, and concerns. The Commission generally receives an average of 40-50 inquiries per day. The Director of Constituent Services liaises with other departments and staff to resolve constituent cases that require their review. The staff also attends community meetings and events to ensure that people can speak directly with Commission representatives. Constituents generally have questions and comments regarding compliance with marijuana laws, marijuana policy, the industry, marijuana establishments and related state laws. While the Commission cannot and does not provide legal or business guidance, the staff attempts to answer constituents' questions as completely as possible or refer them to the appropriate resources. On December 24, 2018, the Medical Use of Marijuana Program transferred from the Department of Public Health, and the program is now a part of the Commission. Commission staff routinely responds to patient inquiries as well.

Public Records and Transparency

As of September 23, 2019, the Commission's Records Access Officer has received and responded to 134 requests for public records.

Although certain materials are withheld during the licensing and investigative process, the Commission's goal is to promote transparency. To that end, it regularly posts the following:

- Applicants That Have Submitted All Required Packets by City/Town and License Type, which can be found on the Commission's public documents page, found at: <https://mass-cannabis-control.com/documents/>.
- Segregated application information via Executive Summaries for those entities approved for provisional licensure, which can be found at <https://mass-cannabis-control.com/documents/>.

The Commission has posted to its website the applications of Marijuana Establishments that have commenced operations. Additionally, the Commission launched its open data platform in order to provide readily available information to the public. The open data platform can be located at <https://opendata.mass-cannabis-control.com/>. The Commission is continuing to explore technological solutions to increase the public's access to Commission records.

Administration



Finance

The adult-use program is funded through the Marijuana Regulation Fund, which is subject to appropriation. The Legislature's FY20 budget funded the operations of the Commission, in line item 1070-0840, at \$9,152,761, the public awareness campaign in line item 1070-0841 at \$1,000,000, and oversight of the medical program in line item 1070-0842 at \$3,266,981. In FY19, the Commission's expenditures across the three line items totaled \$10.2 million.

Personnel

The Human Resources department is responsible for creating and implementing policies, processes and programs to support the Commissions' mission and strategic vision and creating a great place to work. The Commission has a strong commitment to attracting, rewarding, developing and retaining an inclusive, diverse, and talented workforce. At the time of this report, the Commission employs 61 staff. This includes Medical Marijuana Program employees who transitioned to the Commission from the Department of Public Health at the end of 2018.

Facilities

The Commission currently occupies approximately 4,500 square feet of office space at 101 Federal Street in Boston. The Commission, through the Division of Capital Asset Management, has finalized leases for office space in Worcester and a satellite office in downtown Boston to accommodate both the medical-use and adult-use programs. The Commission's future headquarters will be located at Union Station in Worcester in more than 14,000 square feet. The satellite office will be located at 50 Franklin Street in Boston and occupies 4,500 square feet.

Technology

The Commission's licensing platform, MassCIPortal, has managed the intake applications, as well as the issuance licenses. On November 20th, 2018, the first Marijuana Retail stores opened. Both locations provided sales and marijuana tracking data to the Commission's seed to sale system, Metrc, which is closely coupled with the licensing platform. In addition, all functionality related to badging of registered agents has been implemented.

The Commission's technology staff continues to address the needs of the organization by enhancing the network technology and standardizing desktop and laptop computers, desk and cell phones. In preparation for the two new locations (50 Franklin and Union Station), the Commission is enabling a secure, always on Virtual Private Network (VPN) technology for users as and has created a new domain that will support the mission, vision, and security required for the Commission technology processing.

The Commission has implemented a Business Intelligence and Open Data technology that supports operational insight and transparency related to (1) Marijuana Establishment



licenses and (2) marijuana establishment agent registrations. The portal has been deployed to the public under <https://opendata.mass-cannabis-control.com/>.

Lastly, the Commission has completed development related to the migration of the Medical Marijuana Patient System into the MassCIPortal environment. This migration will allow for faster changes to the system, shared resources, and enable a roadmap for system consolidation in the near future.

Research

Chapter 55 of the Acts of 2017 requires the Commission to develop a research agenda to better understand the social and economic trends of cannabis in the Commonwealth. Section 17(a)(i-vii) enumerates seven categories of study with the purpose of informing future decisions that would aid in the closure of the illicit marketplace and inform the Commission on the public health impacts of cannabis and cannabis legalization.

The Commission's Research Department stratified categories of study into separate reports. Since January 2019, the Commission has released three of these comprehensive research reports (enumerated below). All reports include original data analysis and extensive state-of-science literature reviews. The aims of each research report are fourfold: (1) establish a baseline prior to adult-use cannabis legalization to provide a point of reference for future years; (2) assess gaps in systematic data collection in the Commonwealth that is needed to fulfil the statutorily required annual research mandate, (3) discuss strategic plans for upcoming reports, and (4) present considerations for the Commonwealth based on a comprehensive assessment of items included in each report and as outlined in Chapter 55 Section 17(b).

The first report assessed two research agenda items laid out in Section 17(a)(ii): (1) Incidents of impaired driving; and (2) State of science around identifying a quantifiable level of marijuana-induced impairment of motor vehicle operation. The second report was drawn from requirements in Chapter 55 Section 17(a)(vii), which included: Compilation of data on the number of civil penalties, arrests, prosecutions, incarcerations and sanctions imposed for violations of Chapter 94C for possession, distribution or trafficking of marijuana or marijuana products, including the age, race, gender, country of origin, state geographic region and average sanctions of the persons charged. The third report addressed requirements in Chapter 55 Section 17(a)(iii), which included: Patterns of use, methods of consumption, sources of purchase and general perceptions of marijuana among minors.

Commission Research Reports Released January 2019- October 2019:

(1) *A Baseline Review and Assessment of Cannabis Use and Public Safety Part 1: Operating under the Influence of Cannabis: Literature Review and Preliminary Data in Massachusetts (January 2019);*

https://mass-cannabis-control.com/wp-content/uploads/2019/01/FINAL-RR1-PS1-Cannabis-Impaired-Driving_2019-1-18.pdf;



(2) *A Baseline Review and Assessment of Cannabis Use and Public Safety Part 2: 94C Violations and Social Equity: Literature Review and Preliminary Data in Massachusetts* (April 2019); and

<https://mass-cannabis-control.com/wp-content/uploads/2019/04/1.-RR2-94C-Violations-FINAL.pdf>

(3) *A Baseline Review and Assessment of Cannabis Use and Youth: Literature Review and Preliminary Data in Massachusetts* (September 2019).

https://mass-cannabis-control.com/wp-content/uploads/2019/09/A-Baseline-Review-and-Assessment-of-Cannabis-Use-and-Youth-Literature-Review-and-Preliminary-Data-in-MA_Sept19.pdf

In December 2019, the Commission plans to release the Industry Report, *A Baseline Review and Assessment of the Massachusetts Cannabis Industry*, which assesses Chapter 55 Section 17(a)(v) agenda items, including: (1) Market analysis examining the expansion or contraction of the illicit marketplace and the expansion or contraction of the legal marketplace, including estimates and comparisons of pricing and product availability in both markets, and (2) Ownership and employment trends in the marijuana industry examining participation by racial, ethnic and socioeconomic subgroups, including identification of barriers to participation in the industry.

Additionally, work is underway to conduct a baseline assessment of impacts to the healthcare system, and an assessment of cannabis-related disciplinary actions in schools, as well as continuing the primary collected surveys included in the Marijuana Baseline Health Study (MBHS). These agenda items will be included in future reports.

Chapter 55 asserts that the research agenda shall not be limited to the categories listed in the legislation, thus, the Research Department in collaboration with varying academic researchers, will be releasing two additional research reports in 2019 pertinent to assessing impacts of cannabis policy in the Commonwealth.

The first report, “*Special Report: A Baseline Review and Assessment of the Massachusetts Cannabis Industry’s Required Positive Impact Plans*” planned for presentation and release in October 2019, is a collaboration with a Rappaport Institute Summer intern and the Commission’s Research Department. This report assesses the progression, regulation, and success of Marijuana Establishment licensees’ “Positive Impact Plans” in achieving the intended results.

The second report, “*Special Report: Evaluating the Impact of Cannabis Legalization in Massachusetts: State of the Data*” planned for presentation and release on November 7, 2019, is a collaboration with a contractor at the University of Massachusetts Amherst and the Commission’s Research Department. This study collaboration was procured to assist the Commission to comprehensively assess all potential data available in the Commonwealth that may be utilized to accomplish the research mandate, as well as other potential cannabis outcome



topics of interest to the Commissioners and staff, including effects on: (1) Energy and environment; (2) Social equity, and (3) Specific cohorts who may be adversely affected, including: (a) Persons with substance use or mental health disorders, (b) Pregnant and breastfeeding women, and (c) Veterans.

The Research Department continues to work internally as well as with various state agencies, academic researchers, and other entities to employ primary and secondary data collection methods to examine a spectrum of items. As cannabis policy research gains interest nationwide across diverse stakeholders and academic disciplines, the Commission set both long- and short-term goals to ensure the research is of high quality, impactful, comprehensive, and collaborative.

CONCLUSION

This report identifies the activities of the Commission in the second year since establishment as well as the operational needs implicated by the implementation of the adult-use and medical-use marijuana programs. As the report demonstrates, the Commission continues to meet statutory requirements.

