

HOUSE No. 3776

House, No. 3768, as changed by the committee on Bills in the Third Reading and as amended and passed to be engrossed by the House. June 21, 2017.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act to ensure the public health and safety of patient and consumer access to medical and adult use of marijuana in the Commonwealth.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to regulate forthwith marijuana in the commonwealth, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Sections 76 and 77 of chapter 10 of the General Laws are hereby repealed.

2 SECTION 2. The General Laws are hereby amended by inserting after chapter 10 the
3 following chapter:-

4 CHAPTER 10A.

5 THE MASSACHUSETTS CANNABIS CONTROL COMMISSION

6 Section 1. The general court finds and declares that:

7 (1) ensuring public confidence in the integrity of the cannabis licensing process and
8 in the strict oversight of all cannabis establishments through a rigorous regulatory scheme is the
9 paramount policy objective of this chapter;

10 (2) establishing the financial stability and integrity of cannabis licensees, as well as
11 the integrity of their sources of financing, is an integral and essential element of the regulation
12 and control of cannabis under this chapter;

13 (3) cannabis licensees shall be held to the highest standards of licensing and shall
14 have a continuing duty to maintain their integrity and financial stability;

15 (4) applicants for cannabis licenses and cannabis licensees shall demonstrate their
16 commitment to efforts to combat substance use and a dedication to community mitigation, and
17 shall recognize that the privilege of licensure bears a responsibility to identify, address and
18 minimize any potential negative consequences of cannabis establishments;

19 (5) any license awarded by the commission shall be a revocable privilege and may be
20 conditioned, suspended or revoked upon: (i) a breach of the conditions of licensure, including
21 failure to keep commitments made to the commonwealth in return for receiving a cannabis
22 license; (ii) any civil or criminal violations of the laws of the commonwealth; or (iii) a finding by
23 the commission that a cannabis licensee is unsuitable to operate a cannabis establishment or
24 perform the duties of their licensed position;

25 (6) the power and authority granted to the commission shall be construed as broadly
26 as necessary for the implementation, administration and enforcement of this chapter;

27 (7) there should be no punishment under state law for the acquisition, purchase,
28 possession, cultivation, processing, transfer, transportation, selling, distribution, dispensation or
29 administering of marijuana, marijuana accessories and related supplies and educational materials
30 consistent with the requirements of this chapter; and

31 (8) the commission shall promote and encourage full participation in the regulated
32 marijuana industry by people from communities that have previously been disproportionately
33 harmed by marijuana prohibition and enforcement and to positively impact those communities.

34 Section 2. As used in this chapter the following words shall, unless the context clearly
35 requires otherwise, have the following meanings:-

36 “Adult use cannabis”, marijuana or marijuana accessories sold by an adult use cannabis
37 licensee to a consumer.

38 “Adult use cannabis establishment”, the premises approved under an adult use cannabis
39 license.

40 “Adult use cannabis license”, a license issued by the commission that permits the licensee
41 to operate an adult use cannabis establishment.

42 “Adult use cannabis licensee”, a person or entity who holds an adult use cannabis license
43 under this chapter.

44 “Affiliate”, a person who directly or indirectly controls, or is controlled by, or is under
45 common control with, a specified person.

46 “Applicant”, a person who has applied for a license to engage in activity regulated under
47 this chapter.

48 “Application”, a written request for a finding of suitability to receive a license or engage
49 in an activity which is regulated by this chapter.

50 “Bona fide healthcare professional-patient relationship”, a relationship between a
51 registered healthcare professional, acting in the usual course of his or her professional practice,
52 and a patient in which the healthcare professional has conducted a clinical visit, completed and
53 documented a full assessment of the patient’s medical history and current medical condition, has
54 explained the potential benefits and risks of medical use cannabis, and has a role in the ongoing
55 care and treatment of the patient.

56 “Bureau”, the investigations and enforcement bureau in the commission.

57 “Business”, a corporation, sole proprietorship, partnership, limited liability company or
58 any other organization formed for the purpose of carrying on a commercial enterprise.

59 “Cannabinoid”, any of several compounds produced by marijuana plants that have
60 medical and psychotropic effects.

61 “Cannabinoid profile”, amounts, expressed as the dry-weight percentages, of delta-nine-
62 tetrahydrocannabinol, cannabidiol, tetrahydrocannabinolic acid and cannabidiolic acid in a
63 marijuana product. Amounts of other cannabinoids may be required by the commission.

64 “Cannabis”, marijuana.

65 “Cannabis employee”, an employee of a cannabis establishment registered pursuant to
66 this chapter.

67 “Cannabis establishment”, the premises approved under a cannabis license, including, but
68 not limited to, an adult use cannabis establishment, a medical use cannabis establishment, a
69 marijuana product manufacturer or a marijuana cultivator.

70 “Cannabis license”, a license issued by the commission that permits the licensee to
71 operate an adult use cannabis establishment, a medical use cannabis establishment, a marijuana
72 product manufacturer or a marijuana cultivator.

73 “Cannabis licensee”, a person or entity who holds an adult use cannabis license, a
74 medical use cannabis license, license, a marijuana product manufacturer license or a marijuana
75 cultivator license under this chapter.

76 “Card holder”, a registered qualifying patient, personal caregiver, or agent of a medical
77 use cannabis establishment who has been issued and possesses a valid registration card.

78 “Chair”, the chair of the commission.

79 “Close associate”, a person who holds a relevant financial interest in, or is entitled to
80 exercise power in, the business of an applicant or licensee and, by virtue of that interest or
81 power, is able to exercise a significant influence over the management or operation of a cannabis
82 establishment or business licensed under this chapter.

83 “Commission”, the Massachusetts cannabis control commission.

84 “Commissioner”, a member of the commission.

85 “Consumer”, a person who is at least 21 years of age.

86 “Cultivation batch”, a collection of marijuana plants from the same seed or plant stock
87 that are cultivated and harvested together, and receive an identical propagation and cultivation
88 treatment, including, but not limited to: growing media, ambient conditions, watering and light
89 regimes and agricultural or hydroponic inputs. The cannabis licensee shall assign and record a
90 unique, sequential alphanumeric identifier to each cultivation batch for the purposes of
91 production tracking, product labeling and product recalls.

92 “Cultivation registration”, a registration issued to a medical use cannabis establishment
93 for growing medical use cannabis under the terms of this chapter, or to a qualified patient or
94 personal caregiver.

95 “Debilitating medical condition”, cancer, glaucoma, positive status for human
96 immunodeficiency virus, acquired immune deficiency syndrome, hepatitis C, amyotrophic lateral
97 sclerosis, Crohn's disease, Parkinson's disease, multiple sclerosis and other conditions as
98 determined in writing by a registered qualifying patient's registered healthcare professional.

99 “Division”, the division of cannabis enforcement in the office of the attorney general.

100 “Electronic certification” a document signed or executed electronically by a registered
101 healthcare professional, stating that in the healthcare professional's professional opinion, the
102 potential benefits of marijuana for medical use would likely outweigh the health risks for the
103 qualifying patient. Such certification shall be made only in the course of a bona fide healthcare
104 professional-patient relationship and shall specify the qualifying patient's debilitating medical
105 condition(s). Electronic certifications upon submission by a healthcare professional to the
106 commission shall automatically generate a temporary registration.

107 “Executive director”, the executive director of the commission.

108 “Finished marijuana”, usable marijuana, cannabis resin or cannabis concentrate.

109 “Gross retail cannabis revenue”, the total of all sums actually received by an adult use
110 cannabis licensee from the retail sale of adult use marijuana, adult use marijuana products or
111 adult use marijuana accessories to consumers.

112 “Healthcare professional”, a duly Massachusetts licensed physician or certified nurse
113 practitioner authorized by the commission to issue written certifications.

114 “Hemp”, the plant of the genus cannabis or any part of the plant, whether growing or not,
115 with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3 per cent on a dry
116 weight basis of any part of the plant of the genus cannabis, or per volume or weight of marijuana
117 product, or the combined per cent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic
118 acid in any part of the plant of the genus cannabis regardless of moisture content.

119 “Hemp products”, products made from industrial hemp including, but not limited to,
120 cloth, cordage, fiber, food, fuel, paint, paper, particle board, plastics, seed, seed meal, seed oil
121 and certified seed for cultivation if such seeds originate from industrial hemp varieties.

122 “Holding company”, a corporation, association, firm, partnership, trust or other form of
123 business organization, other than a natural person, which, directly or indirectly, owns, has the
124 power or right to control or has the power to vote any significant part of the outstanding voting
125 securities of a corporation or any other form of business organization which holds or applies for
126 a cannabis license; provided, however, that a “holding company”, in addition to any other
127 reasonable use of the term, shall indirectly have, hold or own any such power, right or security if
128 it does so through an interest in a subsidiary or any successive subsidiaries, notwithstanding how

129 many such subsidiaries may intervene between the holding company and the cannabis licensee or
130 applicant.

131 “Host community”, a municipality in which a cannabis establishment is located or in
132 which an applicant has proposed locating a cannabis establishment.

133 “Independent testing laboratory”, a laboratory that is licensed by the commission and is:

134 (i) accredited to the most current International Organization for Standardization 17025 by a
135 third-party accrediting body that is a signatory to the International Laboratory Accreditation
136 Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the
137 commission; (ii) independent financially from any medical use cannabis licensee or
138 establishment or any adult use cannabis licensee or establishment for which it conducts a test;
139 and (iii) qualified to test marijuana in compliance regulations promulgated by commission
140 pursuant to this chapter..

141 “Industrial hemp”, shall have the same meaning as in section 116 of chapter 128

142 “Institutional investor”, any of the following entities having a 5 per cent or greater
143 ownership interest in a cannabis establishment or cannabis licensee: a corporation, bank,
144 insurance company, pension fund or pension fund trust, retirement fund, including funds
145 administered by a public agency, employees’ profit-sharing fund or employees’ profit-sharing
146 trust, an association engaged, as a substantial part of its business or operation, in purchasing or
147 holding securities, or any trust in respect of which a bank is a trustee or co-trustee, investment
148 company registered under the federal Investment Company Act of 1940, collective investment
149 trust organized by banks under part 9 of the federal Rules of the Comptroller of Currency, closed
150 end investment trust, chartered or licensed life insurance company or property and casualty

151 insurance company, investment advisor registered under the federal Investment Advisers Act of
152 1940 and such other persons as the commission may reasonably determine to qualify as an
153 institutional investor for with the purposes of this chapter.

154 “Intermediary company”, a corporation, association, firm, partnership, trust or other form
155 of business organization, other than a natural person, which is a holding company with respect to
156 a corporation or other form of business organization which holds or applies for a cannabis
157 license, and is a subsidiary with respect to a holding company.

158 “Laboratory agent”, an employee of an independent testing laboratory who transports,
159 possesses or tests marijuana.

160 “License”, a cannabis license.

161 “Licensee”, a cannabis licensee.

162 “Locked area”, a closet, room, greenhouse or other indoor or outdoor area equipped with
163 locks or other security devices, accessible only to registered and authorized cannabis
164 establishment employees, registered qualifying patients or registered personal caregivers.

165 “Major policymaking position”, the executive or administrative head of the commission
166 and any person whose salary equals or exceeds that of a state employee classified in Step 1 of
167 Job Group XXV of the general salary schedule in section 46 of chapter 30 and who reports
168 directly to the commission or the administrative head of any bureau or other major administrative
169 unit within the commission and persons exercising similar authority.

170 “Manufacture”, to compound, blend, extract, infuse or otherwise make or prepare a
171 marijuana product, including the production of marijuana-infused products.

172 “Marijuana”, all parts of any plant of the genus cannabis, not excepted below and
173 whether growing or not; the seeds thereof; and resin extracted from any part of the plant; and
174 every marijuana product, compound, manufacture, salt, derivative, mixture or preparation of the
175 plant, its seeds or resin including tetrahydrocannabinol as defined in section 1 of chapter 94C;
176 provided, however, that “marijuana” shall not include: (i) the mature stalks of the plant, fiber
177 produced from the stalks, oil or cake made from the seeds of the plant, any other compound,
178 manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil or cake made
179 from the seeds of the plant or the sterilized seed of the plant that is incapable of germination; (ii)
180 hemp; or (iii) the weight of any other ingredient combined with marijuana to prepare topical or
181 oral administrations, food, drink or other products.

182 “Marijuana accessories”, equipment, products, devices or materials of any kind that are
183 intended or designed for use in planting, propagating, cultivating, growing, harvesting,
184 manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing,
185 packaging, repackaging, storing, containing, ingesting, inhaling or otherwise introducing
186 marijuana into the human body.

187 “Marijuana concentrate”, the resin extracted from any part of the plant of the genus
188 cannabis and every compound, manufacture, salt, derivative, mixture or preparation of that resin,
189 but shall not include the weight of any other ingredient combined with marijuana to prepare
190 marijuana products.

191 “Marijuana cultivator”, an entity licensed by the commission to cultivate, process and
192 package marijuana, to deliver marijuana to cannabis establishments and to transfer marijuana to
193 other cannabis establishments, but not to consumers or card holders.

194 “Marijuana cultivator license”, a license issued by the commission that permits the
195 licensee to cultivate, process and package marijuana, to deliver marijuana to cannabis
196 establishments and to transfer marijuana to other cannabis establishments, but not to consumers
197 or card holders.

198 “Marijuana-infused product”, a product infused with marijuana that is intended for use or
199 consumption, including, but not limited to: edible products, beverages, ointments, aerosols, oils
200 and tinctures; provided, however, that marijuana-infused products created or sold by a cannabis
201 licensee shall not be considered a food or a drug as defined in section 1 of chapter 94C.

202 “Marijuana product manufacturer”, an entity licensed by the commission to obtain,
203 manufacture, process and package marijuana, to deliver marijuana to cannabis establishments
204 and to transfer marijuana to other cannabis establishments, but not to consumers or card holders.

205 “Marijuana product manufacturer license”, a license issued by the commission that
206 permits the licensee to obtain, manufacture, process and package marijuana, to deliver marijuana
207 to cannabis establishments and to transfer marijuana to other cannabis establishments, but not to
208 consumers or card holders.

209 “Marijuana products”, products that have been manufactured and contain marijuana or an
210 extract from marijuana, including concentrated forms of marijuana and products composed of
211 marijuana and other ingredients that are intended for use or consumption, including edible
212 products, marijuana-infused products, beverages, topical products, ointments, oils and tinctures.

213 “Medical use cannabis”, marijuana or marijuana accessories sold by a medical use
214 cannabis licensee to a card holder for medical use.

215 “Medical use cannabis establishment”, the premises approved under a medical use
216 cannabis license.

217 "Medical use cannabis license", a license issued by the commission that permits the
218 licensee to operate a medical use cannabis establishment.

219 “Medical use cannabis licensee”, a person or entity who holds a medical use cannabis
220 license under this chapter.

221 “Medical use of marijuana”, the acquisition, cultivation, possession, processing,
222 including development of related products such as food, tinctures, aerosols, oils or ointments,
223 transfer, transportation, sale, distribution, dispensing or administration of marijuana for the
224 benefit of registered qualifying patients in the treatment of debilitating medical conditions, or the
225 symptoms thereof.

226 “Municipality”, a city or town.

227 “Mycotoxin”, a secondary metabolite of a microfungus that is capable of causing death or
228 illness in humans and other animals. For the purposes of this chapter, mycotoxin shall include
229 alfatoxin B1, alfatoxin B2, alfatoxin G1, alfatoxin G2, and ochratoxin A.

230 “Operations certificate”, a certificate of compliance issued by the commission to a
231 cannabis licensee.

232 “Person”, an individual, corporation, association, operation, firm, partnership, trust or
233 other form of business association.

234 “Personal caregiver”, a person who is at least 21 years old who has registered with the
235 commission and agreed to assist with a qualifying patient's medical use of marijuana, and is not

236 the registered qualifying patient’s certifying healthcare provider. Personal caregivers are
237 prohibited from consuming medical use cannabis obtained for the personal, medical use of the
238 registered qualifying patient. An employee of a hospice provider, nursing or medical facility
239 providing care to a qualifying patient may also serve as a personal caregiver.

240 “Personal use”, (i) acquiring, possessing, cultivating, processing, transferring,
241 transporting, purchasing, using or manufacturing 1 ounce or less of marijuana, except that not
242 more than 5 grams of marijuana may be in the form of marijuana concentrate; (ii) possessing,
243 within the person’s primary residence, up to 10 ounces of marijuana and any marijuana produced
244 by marijuana plants cultivated on the premises and possessing, cultivating or processing not
245 more than 6 marijuana plants for personal adult use, so long as not more than 12 plants are
246 cultivated on the premises at 1 time; provided, however that said marijuana and marijuana plants
247 are secured by a lock and are not visible from a public place without the use of binoculars,
248 aircraft or other optical aids; and provided further, that said marijuana plants shall not be
249 cultivated or processed outside of an area that is equipped with a lock or other security device
250 pursuant to regulations promulgated by the commission; (iii) assisting another person who is 21
251 years of age or older in any of the acts described in this definition; (iv) transferring without
252 consideration or remuneration up to 1 ounce of marijuana, except that not more than 5 grams of
253 marijuana may be in the form of marijuana concentrate, to a person 21 years of age or older,
254 provided, that the transfer is not marketed, advertised or otherwise promoted to the public; and
255 (v) acquiring, possessing, cultivating, processing, transferring, transporting, purchasing, using or
256 manufacturing of hemp.

257 “Process” or “processing”, to harvest, dry, cure, trim and separate parts of the marijuana
258 plant by manual or mechanical means, except it shall not include manufacture.

259 “Production batch”, a batch of finished plant material, cannabis resin, cannabis
260 concentrate or marijuana-infused product made at the same time, using the same methods,
261 equipment and ingredients. The licensee shall assign and record a unique, sequential
262 alphanumeric identifier to each production batch for the purposes of production tracking, product
263 labeling and product recalls. All production batches shall be traceable to 1 or more marijuana
264 cultivation batches.

265 “Qualification” or “qualified”, the process of licensure set forth by the commission to
266 determine that all persons who have a professional interest in a cannabis license, or the business
267 of a cannabis licensee, meet the same standards of suitability to operate or conduct business with
268 a cannabis establishment.

269 “Qualifying patient”, a person who has been diagnosed by a registered healthcare
270 professional as having a debilitating medical condition.

271 “Registration card”, a personal identification card issued by the commission to a
272 registered qualifying patient, personal caregiver, laboratory agent or agent of a medical use
273 cannabis establishment. The registration card facilitates verification of an individual registrant’s
274 status, including, but not limited to, verification that a registered healthcare professional has
275 provided a written certification to the qualifying patient; that the patient has designated the
276 individual as a personal caregiver; that a laboratory agent has been registered with the
277 commission and is authorized to possess and test marijuana; or that an agent has been registered
278 with the commission and is authorized to work at a medical use cannabis establishment. A
279 temporary registration issued to a qualifying patient shall be deemed a registration card.

280 The registration card shall facilitate identification for the commission and law
281 enforcement of those individuals who are exempt from criminal and civil penalties for conduct
282 pursuant to the medical use of marijuana.

283 “Residual solvent”, a volatile organic chemical used in the manufacture of a marijuana
284 product and that is not completely removed by practical manufacturing techniques.

285 “Sixty-day supply”, that amount of medical use cannabis that a registered qualifying
286 patient would reasonably be expected to need over a period of 60 calendar days for the
287 qualifying patient’s personal medical use, up to 10 ounces of marijuana or as otherwise defined
288 by the commission.

289 “Subsidiary”, a corporation, a significant part of whose outstanding equity securities are
290 owned, subject to a power or right of control, or held with power to vote, by a holding company
291 or an intermediary company, or a significant interest in a firm, association, partnership, trust or
292 other form of business organization, other than a natural person, which is owned, subject to a
293 power or right of control, or held with power to vote, by a holding company or an intermediary
294 company.

295 “Temporary Registration” an interim registration document for patients and their personal
296 caregivers generated automatically upon the commission's receipt of a healthcare professional's
297 electronic certification. The temporary registration document shall constitute a registration card
298 for patients and their personal caregivers to access medical use cannabis establishment.
299 Temporary registration shall expire 14 days after the commission issues the registration card.

300 “Terpenoid”, an isoprene that are the aromatic compounds found in cannabis, including,
301 but not limited to: limonene, myrcene, pinene, linalool, eucalyptol, δ -terpinene, β -caryophyllene,
302 caryophyllene oxide, nerolidol and phytol.

303 “Transfer”, the sale or other method, either directly or indirectly, of disposing of or
304 parting with property or an interest therein, or the possession thereof, or of fixing a lien upon
305 property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by
306 or without judicial proceedings, as a conveyance, sale, payment, pledge, mortgage, lien,
307 encumbrance, gift, security or otherwise; provided, however, that the retention of a security
308 interest in property delivered to a corporation shall be deemed a transfer suffered by such
309 corporation.

310 “Unreasonably impracticable”, the measures necessary to comply with the regulations,
311 ordinances or by-laws adopted pursuant to this chapter subject licensees to unreasonable risk or
312 require such a high investment of risk, money, time or any other resource or asset that a
313 reasonably prudent businessperson would not operate a cannabis establishment.

314 “Written certification”, a document signed by a registered healthcare professional, stating
315 that in the professional opinion of the healthcare professional, the potential benefits of the
316 medical use cannabis would likely outweigh the health risks for the qualifying patient. Such
317 certification shall be made only in the course of a bona fide healthcare professional-patient
318 relationship and shall specify the qualifying patient's debilitating medical condition.

319 Section 3. (a) There shall be a Massachusetts cannabis control commission which shall
320 consist of 5 commissioners: 1 of whom shall be appointed by the governor who shall have a
321 background in public health, mental health, substance use, or toxicology; 1 of whom shall be

322 appointed by the attorney general who shall have a background in public safety; 1 of whom shall
323 be appointed by the treasurer and receiver-general who shall have a background in corporate
324 management, finance or securities; and 2 of whom shall be appointed by a majority vote of the
325 governor, attorney general, and treasurer and receiver-general, 1 of whom may have experience
326 in legal and policy issues related to a regulated industry and 1 of whom may have professional
327 experience in oversight or industry management, including commodities, production or
328 distribution in a regulated industry. The treasurer and receiver-general shall designate the chair
329 of the commission. The chair shall serve in that capacity throughout the term of appointment and
330 until a successor shall be appointed. Prior to appointment to the commission, a background
331 investigation shall be conducted into the financial stability, integrity and responsibility of a
332 candidate, including the candidate's reputation for good character, honesty and integrity. No
333 person who has been convicted of a felony shall be eligible to serve on the commission.

334 (b) Each commissioner shall be a resident of the commonwealth within 90 days of
335 appointment and, while serving on the commission, shall not: (i) hold, or be a candidate for,
336 federal, state or local elected office; (ii) hold an appointed office in a federal, state, or local
337 government; or (iii) serve as an official in a political party. Not more than 3 commissioners shall
338 be from the same political party.

339 (c) Each commissioner shall serve for a term of 5 years or until a successor is appointed
340 and shall be eligible for reappointment; provided, however, that no commissioner shall serve
341 more than 10 years. A person appointed to fill a vacancy in the office of a commissioner shall be
342 appointed in a like manner and shall serve for only the unexpired term of such commissioner.
343 The governor may remove a commissioner if the commissioner: (i) is guilty of malfeasance in
344 office; (ii) substantially neglects the duties of a commissioner; (iii) is unable to discharge the

345 powers and duties of the commissioner's office; (iv) commits gross misconduct; or (v) is
346 convicted of a felony.

347 (d) Three commissioners shall constitute a quorum and the affirmative vote of 3
348 commissioners shall be required for an action of the commission. The chair or 3 members of the
349 commission may call a meeting; provided, however, that notice of all meetings shall be given to
350 each commissioner and to other persons who request such notice. The commission shall adopt
351 regulations establishing procedures, which may include electronic communications, by which a
352 request to receive notice shall be made and the method by which timely notice may be given.

353 (e) Commissioners shall receive salaries not greater than three-quarters of the salary of
354 the commissioner of administration under section 4 of chapter 7; provided, however, that the
355 chair shall receive a salary equal to the salary of the commissioner of administration.
356 Commissioners shall devote their full time and attention to the duties of their office.

357 (f) The commission shall annually elect 1 of its members to serve as secretary and 1 of its
358 members to serve as treasurer. The secretary shall keep a record of the proceedings of the
359 commission and shall be the custodian and keeper of the records of all books, documents and
360 papers filed by the commission and of its minute book. The secretary shall cause copies to be
361 made of all minutes and other records and documents of the commission and shall certify that
362 such copies are true copies, and all persons dealing with the commission may rely upon such
363 certification.

364 (g) The chair shall have and exercise supervision and control over all the affairs of the
365 commission. The chair shall preside at all hearings at which the chair is present and shall
366 designate a commissioner to act as chair in the chair's absence. To promote efficiency in

367 administration, the chair shall make such division or re-division of the work of the commission
368 among the commissioners as the chair deems expedient.

369 (h) All of the commissioners shall, if so directed by the chair, participate in the hearing
370 and decision of any matter before the commission; provided, however, that at least 2
371 commissioners shall participate in the hearing and decision of matters other than those of formal
372 or administrative character coming before the commission; and provided further, that any such
373 matter may be heard, examined and investigated by an employee of the commission designated
374 and assigned by the chair, with the concurrence of 1 other commissioner. Such employee shall
375 make a report in writing relative to the hearing, examination and investigation of every such
376 matter to the commission for its decision. For the purposes of hearing, examining and
377 investigating any such matter, such employee shall have all of the powers conferred upon a
378 commissioner by this section. For each hearing, the concurrence of a majority of the
379 commissioners participating in the decision shall be necessary.

380 (i) The commission shall appoint an executive director. The executive director shall serve
381 at the pleasure of the commission, shall receive such salary as may be determined by the
382 commission, and shall devote full time and attention to the duties of the office. The executive
383 director shall be a person with skill and experience in management, shall be the executive and
384 administrative head of the commission and shall be responsible for administering and enforcing
385 the provisions of law relative to the commission and to each administrative unit thereof. The
386 executive director shall appoint and employ a chief financial and accounting officer and may,
387 subject to the approval of the commission, employ other employees, consultants, agents and
388 advisors, including legal counsel, and shall attend meetings of the commission. The chief
389 financial and accounting officer of the commission shall be in charge of its funds, books of

390 account and accounting records. No funds shall be transferred by the commission without the
391 approval of the commission and the signatures of the chief financial and accounting officer and
392 the treasurer of the commission. In the case of an absence or vacancy in the office of the
393 executive director or in the case of disability as determined by the commission, the commission
394 may designate an acting executive director to serve as executive director until the vacancy is
395 filled or the absence or disability ceases. The acting executive director shall have all of the
396 powers and duties of the executive director and shall have similar qualifications as the executive
397 director.

398 (j) The executive director may, subject to the approval of the commission, establish
399 within the commission such administrative units as may be necessary for the efficient and
400 economical administration of the commission and, when necessary for such purpose, may
401 abolish any such administrative unit or may merge any 2 or more units. The executive director
402 shall prepare and keep current a plan of organization of the commission, of the assignment of its
403 functions to its various administrative units, offices and employees and of the places at which
404 and the methods by which the public may receive information or make requests. A current copy
405 of the plan of organization shall be kept on file with the state secretary and in the office of the
406 secretary of administration and finance.

407 (k) The executive director may appoint such persons as the executive director shall
408 consider necessary to perform the functions of the commission.

409 (l) The commission may require a prospective employee to: (i) submit an application and
410 a personal disclosure on a form prescribed by the commission which shall include a complete
411 criminal history, including convictions and current charges for all felonies and misdemeanors;

412 (ii) undergo testing which detects the presence of illegal substances in the body; (iii) provide
413 fingerprints and a photograph consistent with standards adopted by the state police; and (iv)
414 provide authorization for the commission to conduct a credit check. The commission shall verify
415 the identification, employment and education of each prospective employee, including: (i) legal
416 name, including any alias; (ii) all secondary and post-secondary educational institutions attended
417 regardless of graduation status; (iii) place of residence; and (iv) employment history.

418 The commission shall not hire a prospective employee if the prospective employee has:
419 (i) been convicted of a felony; (ii) been convicted of a misdemeanor more than 10 years prior to
420 the prospective employee's application that, in the discretion of the commission, bears a close
421 relationship to the duties and responsibilities of the position for which employment is sought;
422 (iii) been dismissed from prior employment for gross misconduct or incompetence; or (iv)
423 intentionally made a false statement concerning a material fact in connection with the
424 prospective employee's application to the commission. If an employee of the commission is
425 charged with a felony while employed by the commission, the commission shall suspend the
426 employee, with or without pay, and terminate employment with the commission upon
427 conviction. If an employee of the commission is charged with a misdemeanor while employed by
428 the commission, the commission shall suspend the employee, with or without pay, and may
429 terminate employment with the commission upon conviction if, in the discretion of the
430 commission, the offense for which the employee has been convicted bears a close relationship to
431 the duties and responsibilities of the position held with the commission.

432 (m) Chapters 268A and 268B shall apply to the commissioners and to employees of the
433 commission; provided, however, that the commission shall establish a code of ethics for all
434 members and employees that shall be more restrictive than said chapters 268A and 268B. A copy

435 of the code shall be filed with the state ethics commission. The code shall include provisions
436 reasonably necessary to carry out the purposes of this chapter and any other laws subject to the
437 jurisdiction of the commission including, but not limited to: (i) prohibiting the receipt of gifts by
438 commissioners and employees from any cannabis licensee, applicant, close associate, affiliate or
439 other person or entity subject to the jurisdiction of the commission; (ii) prohibiting the
440 participation by commissioners and employees in a particular matter as defined in section 1 of
441 said chapter 268A that affects the financial interest of a relative within the third degree of
442 consanguinity or a person with whom such commissioner or employee has a significant
443 relationship as defined in the code; and (iii) providing for recusal of a commissioner in a
444 licensing decision due to a potential conflict of interest.

445 (n) Immediately upon assuming office, each commissioner and employee of the
446 commission, except for secretarial and clerical personnel, shall swear or affirm that the
447 commissioner or employee possesses no interest in a person licensed under this chapter. No
448 individual shall be employed by the commission if, during the period commencing 3 years prior
449 to employment, that individual held any direct or indirect interest in, or was employed by, a
450 licensee under this chapter.

451 (o) No employee of the commission shall pursue any other business or occupation or
452 other gainful employment outside of the commission without the prior written approval of the
453 commission that such employment will not interfere or be in conflict with the employee's duties
454 to the commission.

455 (p) No commissioner shall hold a direct or indirect interest in, or be employed by, an
456 applicant or by a person licensed by the commission for a period of 3 years after the termination
457 of employment with the commission.

458 (q) No employee of the commission holding a major policymaking position shall acquire
459 an interest in, or accept employment with, an applicant or licensee for a period of 2 years after
460 the termination of employment with the commission.

461 (r) No employee of the commission in a non-major policymaking position shall acquire
462 an interest in, or accept employment with, an applicant or licensee under this chapter for a period
463 of 1 year after termination of employment with the commission.

464 (t) The commissioners and those employees holding major policymaking positions shall
465 be sworn to the faithful performance of their official duties. The commissioners and those
466 employees holding major policymaking positions shall: (i) conduct themselves in a manner so as
467 to render decisions that are fair and impartial and in the public interest; (ii) avoid impropriety and
468 the appearance of impropriety in all matters under their jurisdiction; (iii) avoid all prohibited
469 communications; (iv) require staff and personnel subject to their direction and control to observe
470 the same standards of fidelity and diligence; (v) disqualify themselves from proceedings in
471 which their impartiality might reasonably be questioned; and (vi) refrain from financial or
472 business dealings which would tend to reflect adversely on impartiality.

473 (u) The commissioners and employees shall not own, or be in the employ of, or own any
474 stock in, a business which holds a license under this chapter, nor shall they have, directly or
475 indirectly, a pecuniary interest in, or be connected with, any such business or be in the employ of
476 or connected with any person financing any such business; provided, however, that immediate

477 family members of commissioners and employees holding major policymaking positions shall
478 not own, or be in the employ of, or own stock in, any business which holds a license under this
479 chapter. The commissioners and employees shall not personally, or through a partner or agent,
480 render professional services or make or perform any business contract with or for any regulated
481 entity, except contracts made with the commissioners for the furnishing of services, nor shall the
482 commissioners or employees directly or indirectly receive any commission, bonus, discount, gift
483 or reward from a regulated entity.

484 (v) The Massachusetts cannabis control commission shall be a commission for the
485 purposes of section 3 of chapter 12.

486 Section 4. The commission shall have all powers necessary or convenient to carry out and
487 effectuate its purposes including, but not limited to, the power to:

488 (1) appoint officers and hire employees;

489 (2) establish and amend a plan of organization that it considers expedient;

490 (3) execute all instruments necessary or convenient for accomplishing the purposes of
491 this chapter;

492 (4) enter into agreements or other transactions with a person, including, but not
493 limited to, a public entity or other governmental instrumentality or authority in connection with
494 its powers and duties under this chapter;

495 (5) appear on its own behalf before boards, commissions, departments or other
496 agencies of municipal, state or federal government;

497 (6) apply for and accept subventions, grants, loans, advances and contributions of
498 money, property, labor or other things of value from any source, to be held, used and applied for
499 its purposes;

500 (7) provide and pay for advisory services and technical assistance as may be
501 necessary in its judgment to carry out this chapter and fix the compensation of persons providing
502 such services or assistance;

503 (8) prepare, publish and distribute, with or without charge as the commission may
504 determine, such studies, reports, bulletins and other materials as the commission considers
505 appropriate;

506 (9) ensure that cannabis licenses shall not be issued to, or held by unqualified,
507 disqualified or unsuitable persons, and that there shall be no material involvement directly or
508 indirectly with a cannabis establishment or the ownership thereof by unqualified, disqualified or
509 unsuitable persons;

510 (10) require an applicant for a position which requires licensure under this chapter to
511 apply for such licensure and approve or disapprove any such application or other transactions,
512 events and processes as provided in this chapter;

513 (11) require a person who has a business association of any kind with a cannabis
514 licensee or applicant to be qualified for licensure under this chapter;

515 (12) determine which applicants shall be awarded cannabis licenses;

516 (13) deny an application or limit, condition, restrict, revoke or suspend a license,
517 registration, finding of suitability or approval of licensure, or fine a person licensed, registered,
518 found suitable or approved for licensure, for any cause that the commission deems reasonable;

519 (14) monitor the conduct of licensees and other persons having a material involvement,
520 directly or indirectly, including those persons required to be qualified for licensure, with a
521 licensee for the purpose of ensuring that licenses are not issued to or held, and that there is no
522 direct or indirect material involvement with a licensee, by an unqualified or unsuitable person or
523 by a person whose operations are conducted in an unsuitable manner or in unsuitable or
524 prohibited places as provided in this chapter;

525 (15) gather facts and information applicable to the commission's obligation to issue,
526 suspend or revoke licenses, registrations, finding of suitability or approval of licensure for: (i) a
527 violation of this chapter or any regulation adopted by the commission; (ii) willfully violating an
528 order of the commission directed to a licensee or a person required to be registered or qualified
529 for licensure under this chapter; (iii) the conviction of a criminal offense; or (iv) the violation of
530 any other offense which would disqualify such a licensee from holding a license, disqualify such
531 a person required to register under this chapter from registration, or disqualify such a person
532 required to be qualified under this chapter from licensure;

533 (16) conduct investigations into the qualifications of all applicants for employment by
534 the commission and all applicants for licensure;

535 (17) receive from the state police, the criminal history systems board or other criminal
536 justice agencies including, but not limited to, the Federal Bureau of Investigation and the Internal
537 Revenue Service, such criminal offender record information relating to criminal and background

538 investigations as necessary for the purpose of evaluating employees of, and applicants for
539 employment by, the commission, and evaluating licensees and applicants for licensure under this
540 chapter;

541 (18) be present, through its inspectors and agents, at all times, in cannabis
542 establishments for the purposes of: (i) certifying revenue; (ii) receiving complaints from the
543 public relating to the conduct of a cannabis licensee; (iii) examining records of revenues and
544 procedures and inspecting and auditing all books, documents and records of licensees; (iv)
545 conducting periodic reviews of operations and facilities for the purpose of regulations adopted
546 hereunder; and (v) exercising its oversight responsibilities with respect to cannabis control;

547 (19) inspect and have access to all equipment and supplies in a cannabis establishment
548 or on premises where cannabis equipment is manufactured, sold, distributed or tested;

549 (20) seize and remove from the premises of a cannabis licensee and impound any
550 cannabis, equipment, supplies, documents and records obtained or possessed in violation of this
551 chapter for the purpose of examination and inspection;

552 (21) seize and remove from the premises of a cannabis establishment and impound any
553 cannabis, equipment, supplies, documents and records obtained or possessed in violation of this
554 chapter for the purpose of examination and inspection;

555 (22) demand access to and inspect, examine, photocopy and audit all papers, books
556 and records of any affiliate of a cannabis licensee whom the commission suspects is involved in
557 the financing, operation or management of the cannabis licensee; provided, however, that the
558 inspection, examination, photocopying and audit may take place on the affiliate's premises or
559 elsewhere as practicable and in the presence of the affiliate or its agent;

560 (23) require that the books and financial or other records or statements of a cannabis
561 licensee be kept in a manner that the commission considers proper; levy and collect assessments,
562 fees and fines and impose penalties and sanctions for a violation of this chapter or any
563 regulations promulgated by the commission; collect taxes and fees under this chapter;

564 (24) restrict, suspend or revoke licenses issued under this chapter;

565 (25) conduct adjudicatory proceedings and promulgate regulations in accordance with
566 chapter 30A;

567 (26) hear appeals of the bureau’s suspension or revocation of a license or registration;

568 (27) refer cases for criminal prosecution to the appropriate federal, state or local
569 authorities;

570 (28) issue subpoenas and compel the attendance of witnesses at any place within the
571 commonwealth, administer oaths and require testimony under oath before the commission in the
572 course of an investigation or hearing conducted under this chapter;

573 (29) ensure that there is no duplication of duties and responsibilities between the
574 commission and bureau; provided, however, that the commission shall not place any restriction
575 upon the bureau’s ability to investigate or prosecute violations of this chapter or the regulations
576 adopted by the commission;

577 (30) maintain an official internet website for the commission;

578 (31) monitor any federal activity regarding cannabis; and

579 (32) adopt, amend or repeal regulations for the implementation, administration and
580 enforcement of this chapter.

581 (33) The commission shall adopt diversity licensing goals that provide meaningful
582 participation of communities disproportionately affected by cannabis prohibition and
583 enforcement, including minority business enterprises, women business enterprises and veteran
584 business enterprises. The commission shall, in consultation with the supplier diversity office
585 under the executive office of administration and finance, develop training programs designed and
586 implemented to achieve meaningful participation by minority persons, women, and veterans.
587 These programs shall include but not limited to; (i) recruitment of minority, women, and veteran
588 owned business enterprises to become licensed in cannabis related businesses; (ii) develop
589 workforce training for minorities, women, and veterans to enter into cannabis related businesses
590 and; (iii) create employer training to attract minorities, women, and veterans into the workforce.

591 In implementation of licensing of adult use marijuana retailers, the commission shall
592 prepare quarterly reports which shall include but are not limited to: (i) the total number of
593 licensed adult use marijuana retailers; (ii) the number and percentage of licenses provided to
594 minority, women, and veteran owned business; (iii) the total number and percentage of minority,
595 women, and veteran employees in the adult use marijuana industry. Said reports shall be
596 submitted to the treasurer and receiver general, the house and senate chairs of the joint
597 committee on marijuana policy, the clerks of the house and senate, and the Governor. The
598 commission shall post each quarterly report on its website.

599 For the purposes of this clause, the terms “minority business enterprise”, “women
600 business enterprise”, and “veteran business enterprise” shall have the same meanings as defined
601 in section 58 of chapter 7.

602 Section 5. (a) The commission shall promulgate regulations for the implementation,
603 administration and enforcement of this chapter including, without limitation, regulations that:

604 (1) prescribe the method and form of application which an applicant for a cannabis
605 license and a person required to be qualified for licensure shall follow and complete before
606 consideration by the commission;

607 (2) establish standards for the licensure of cannabis establishments and persons
608 required to be qualified for licensure, including, but not limited to updating that licensure;

609 (3) establish standards for the reporting or payment of licensure fees or taxes;

610 (4) prescribe the information to be furnished by an applicant, licensee or person
611 required to be qualified for licensure concerning such applicant, licensee or person’s antecedents,
612 habits, character, associates, criminal record, business activities and financial affairs, past or
613 present;

614 (5) prescribe the criteria for evaluation of the application for a cannabis license and
615 the application of a person required to be qualified for licensure;

616 (6) prescribe the information to be furnished by a cannabis licensee relating to the
617 licensee’s cannabis employees;

618 (7) require fingerprinting of an applicant for a cannabis license, a cannabis licensee, a
619 person required to be qualified for licensure and employees of a cannabis licensee or other
620 methods of identification;

621 (8) prescribe the manner and method of collection and payment of assessments and
622 fees and issuance of licenses;

623 (9) prescribe grounds and procedures for the revocation or suspension of a license or
624 registration;

625 (10) require quarterly financial reports and an annual audit prepared by a certified
626 public accountant attesting to the financial condition of a cannabis licensee and disclosing
627 whether the accounts, records and control procedures examined are maintained by the cannabis
628 licensee as required by this chapter and the regulations promulgated by the commission;

629 (11) prescribe the minimum procedures for effective control over the internal fiscal
630 affairs of a cannabis licensee, including provisions for the safeguarding of assets and revenues,
631 the recording of cash and evidence of indebtedness and the maintenance of reliable records,
632 accounts and reports of transactions, operations and events, including reports by the commission;

633 (12) provide for a minimum uniform standard of accounting procedures;

634 (13) prescribe requirements for record keeping by cannabis establishments and
635 procedures to track marijuana cultivated, processed, manufactured, delivered or sold by cannabis
636 establishments;

637 (14) establish registration requirements for employees working at the cannabis
638 establishment and minimum training requirements;

639 (15) require that all cannabis establishment employees be properly trained in their
640 respective professions;

641 (16) establish standards for the employment of individuals by cannabis establishments,
642 including, but not limited to, employees' obligations for registration and employers' obligations
643 for verifying an employee's registration;

644 (17) provide for the interim authorization of a cannabis establishment under this
645 chapter;

646 (19) in consultation with the department of public health and the department of
647 agricultural resources, establish health and safety standards for the cultivation, processing,
648 manufacturing and distribution of marijuana, including standards regarding sanitation for the
649 preparation, storage, handling and sale of food products, including compliance with state
650 sanitation requirements set forth in 105 CMR 500.000, health inspections provided however, that
651 the authority to promulgate regulations pertaining to the use of pesticides shall remain with the
652 department of agricultural resources;

653 (20) require the most current consumer product safety commission, set forth in 16 CFR
654 1700 et seq., certified child-resistant packaging of marijuana; require opaque containers; and
655 issue requirements for dividing each serving within a package containing multiple servings of a
656 marijuana product in a manner that allows consumers and card holders to easily identify a single
657 serving; provided, however, such single servings shall not exceed 10 milligrams of delta-nine-
658 tetrahydrocannabinol (Δ 9-THC);

659 (21) regulate the use of any advertising, marketing, and branding content that the
660 commission deems improper or objectionable in nature; provided, however, that nothing in this

661 chapter shall prevent an adult use cannabis licensee from selling branded merchandise which
662 complies with commission standards for advertising, marketing and branding;

663 (22) establish minimum standards for the requirement that all adult use cannabis
664 licensees possess and operate an interoperable publicly available application programming
665 interface seed-to-sale tracking system sufficient to ensure the appropriate track and trace of all
666 marijuana cultivated, processed or manufactured pursuant to this chapter;

667 (23) establish minimum security requirements for cannabis licensees, which shall
668 include but not be limited to the use of security cameras. Such requirements shall be sufficient to
669 deter and prevent theft and unauthorized entrance into areas containing marijuana;

670 (24) establish requirements for the safe disposal of excess, contaminated, adulterated
671 or deteriorated marijuana. In issuing such requirements, the commission shall consider policies
672 which promote the recycling of such waste, including, but not limited to, recycled industrial
673 products;

674 (25) establish the minimum liability insurance requirements or require a certain sum be
675 placed in escrow to expended for coverage liabilities;

676 (26) establish requirements for the potency or dosing limitations of marijuana sold by
677 cannabis licensees, including, but not limited, to a maximum amount per single serving;

678 (27) establish requirements sufficient to ensure for the virtual separation of marijuana
679 cultivated, processed, manufactured, delivered or sold by an adult use cannabis licensee that is
680 also licensed as a medical use cannabis establishment pursuant to this chapter. Such requirements

681 shall leverage seed-to-sale tracking technology and may allow for the appropriate transfer or
682 acquisition of marijuana seeds, clones, cuttings, plants or plant tissue between such entities;

683 (28) establish rules and regulations on the unlicensed manufacturing of marijuana
684 within a person's primary residence;

685 (29) prescribe the manner in which the a healthcare professional or a qualifying patient
686 shall register with the commission;

687 (30) prescribe requirements to prevent the sale, delivery or transfer of adult use
688 cannabis to persons under 21 years of age, or the purchase of adult use cannabis on behalf of a
689 person under 21 years of age;

690 (31) establish standards for manufacturing or extracting cannabinoid oils or butane
691 hash oil;

692 (32) prevent parties from interfering with the duties of the bureau, commission,
693 division, or agents thereof;

694 (33) establish a system of oversight of municipal opt-outs under subsection (b) of
695 section 6, and for ensuring proper enforcement of this chapter at state and municipal levels

696 (34) establish energy and environmental standards; provided, that such standards shall be
697 promulgated in consultation with the department of energy resources, the department of
698 environmental protection and the department of agricultural resources; and provided further, that
699 such standards shall require, at a minimum, that any cannabis establishment licensed as a
700 marijuana cultivator or marijuana product manufacturer demonstrate, as a condition of licensure,
701 compliance with such energy and environmental standards.

702 (35) administer a craft marijuana cultivator marijuana cooperative program in order to
703 promote and encourage full participation in the regulated marijuana industry by farmers and
704 small businesses; including but not limited to, the following criteria: (i) ownership interests in a
705 marijuana cultivator cooperative is limited to not more than 40 per cent by any single individual
706 or entity; (ii) a marijuana cultivator cooperative be limited to not more than 15,000 square feet of
707 growing space cultivation capacity; and (iii) a reasonable fee for licensure as a marijuana
708 cultivate marijuana cooperative program. For the purposes of this clause, the term “Craft
709 Cultivator Marijuana Cooperative”, shall mean a type of marijuana cultivator that is a
710 cooperative comprised of residents of the commonwealth.

711 (36) develop recommendations, in consultation with the department of agricultural
712 resources, to ensure farmers’ access to cannabis licenses and to allow for the growth, cultivation,
713 production and harvest of marijuana on farm or agricultural lands. The recommendations shall
714 include but not be limited to; (i) lands protected under an agricultural preservation restriction, to
715 the extent permitted by state and federal law; and (ii) the inclusion of cannabis and industrial
716 hemp as land in horticultural use for the purposes of assessment and taxation pursuant to the
717 provisions of chapter 61A.

718 The commission shall report to the general court its recommendations and any drafts of
719 legislation necessary to carry its recommendations into effect, by filing the report with the clerk
720 of the house of representatives and clerk of the senate within six months of the effective date of
721 this act.

722 (37) investigate, in conjunction with the department of public health, the effects of
723 marijuana and marijuana products with a high potency of tetrahydrocannabinol on the human

724 body and recommend whether there should be restrictions on the potency of
725 tetrahydrocannabinol in marijuana and marijuana products; and establish what that restriction
726 may be.

727 (b) The commission may, pursuant to section 2 of chapter 30A, promulgate, amend or
728 repeal any regulation promulgated under this chapter as an emergency regulation if such
729 regulation is necessary to protect the interests of the commonwealth in regulating a cannabis
730 establishment.

731 Section 6. (a) The provisions of this chapter shall apply to all municipalities; provided,
732 however, that a municipality may vote to reject the provisions of this chapter relative to adult use
733 cannabis establishments, medical use cannabis establishments, a marijuana product manufacturer
734 or a marijuana cultivator pursuant to subsection (b).

735 (b) A municipality may reject the provisions of this chapter relative to an adult use
736 cannabis establishment, a medical use cannabis establishment, a marijuana product manufacturer
737 or a marijuana cultivator by a vote conducted in the following manner: in a city having a Plan D
738 or Plan E charter, by a majority vote of its city council and approval of the city manager; in any
739 other city, by a majority vote of its city council and approval by the mayor or, in a city without a
740 mayor, the chief executive officer; and in a town, by a majority vote of the board of selectmen
741 and a majority vote of the town at a town meeting.

742 (c) An adult use cannabis establishment, a medical use cannabis establishment, a
743 marijuana product manufacturer or a marijuana cultivator seeking to operate in a municipality
744 which permits such operation shall execute an agreement with the host community setting forth
745 the conditions to have a cannabis establishment located within the host community which shall

746 include, without limitation, all stipulations of responsibilities between the host community and
747 the adult use cannabis establishment or medical use cannabis establishment. An agreement
748 between an adult use cannabis establishment or medical use cannabis establishment and a host
749 municipality shall include a community impact fee for the host community; provided, however,
750 that the community impact fee shall be reasonably related to the costs imposed upon the
751 municipality by the operation of the cannabis establishment. Any cost to a city or town by the
752 operation of a cannabis establishment shall be documented and considered a public record as
753 defined by clause Twenty-sixth of section 7 of chapter 4 of the General Laws.

754 (d) A municipality may adopt ordinances or by-laws that impose reasonable safeguards
755 on the operation of an adult use cannabis establishment, a medical use cannabis establishment,
756 marijuana product manufacturer or a marijuana cultivator consistent with this chapter and
757 regulations promulgated pursuant to this chapter; provided however that such ordinances and
758 bylaws may not be unreasonably impractical. The ordinances or by-laws may, without limitation:

759 (1) reasonably govern the time, place, manner and business dealings of an adult use
760 cannabis establishment or medical use cannabis establishment, including reasonable restriction
761 of certain marijuana accessories and public signage;

762 (2) reasonably restrict cultivation, processing and manufacturing activities if deemed
763 a public nuisance; and

764 (3) establish a civil penalty for violation of an ordinance or by-law enacted pursuant
765 to this subsection.

766 (e) No municipality may prohibit the transportation or delivery of marijuana or
767 otherwise adopt an ordinance or by-law that makes the transportation or delivery of marijuana
768 through said municipality unreasonably impracticable.

769 Section 7. (a) Any person at least 21 years old may acquire, possess, cultivate, process
770 and transport, marijuana, marijuana accessories and related supplies and educational materials
771 for personal use consistent with the requirements of this chapter.

772 (b) A cannabis licensee may acquire, purchase, possess, cultivate, process, transfer,
773 transport, sell, distribute, dispense or administer marijuana, marijuana accessories, related
774 supplies and educational materials consistent with the requirements of this chapter.

775 (c) Except as otherwise provided in this chapter, no person or licensee shall be arrested,
776 detained, prosecuted, penalized, sanctioned or disqualified and no person or licensee shall be
777 subject to seizure or forfeiture of assets under any general or special law for actions taken
778 consistent with chapter and any regulations promulgated pursuant to this chapter, including for
779 cultivating, propagating, breeding, harvesting, processing, manufacturing, packaging, storing,
780 possessing, transferring, delivering or selling marijuana in compliance with this chapter and any
781 regulations promulgated pursuant to this chapter.

782 (d) No person engaged in a profession, trade or occupation subject to licensure by the
783 commonwealth shall be subject to disciplinary action by a professional licensing board for
784 providing professional services to a cannabis licensee, registrant or any person engaging in
785 activity authorized by this chapter.

786 (e) Absent clear, convincing and articulable evidence that the person's actions related to
787 marijuana have created an unreasonable danger to the safety of a minor child, neither the

788 presence of cannabinoid components or metabolites in a person's bodily fluids nor conduct
789 permitted under this chapter related to the possession, consumption, transfer, cultivation,
790 manufacture or sale of marijuana, marijuana products or marijuana accessories by a person
791 charged with the well-being of a child shall form the sole or primary basis for substantiation,
792 service plans, removal or termination or for denial of custody, visitation or any other parental
793 right or responsibility.

794 Section 8. (a) The commission shall operate a medical use of marijuana program, which
795 shall permit a qualifying patient with a debilitating medical condition to obtain a written
796 certification from a healthcare professional with whom the patient has a bona fide healthcare
797 professional-patient relationship to purchase medical use cannabis from a medical use cannabis
798 establishment. Upon issuance of a written certification from a healthcare professional, the
799 commission shall issue a registration card to the qualifying patient. A medical use cannabis
800 establishment may sell medical use cannabis to a card holder.

801 (b) (1) A healthcare professional shall not be penalized, in any manner, or denied any
802 right or privilege, for: (i) advising a qualifying patient about the risks and benefits of medical use
803 cannabis within a bona fide healthcare professional-patient relationship; or (ii) providing a
804 qualifying patient with written certification, based upon a full assessment of the qualifying
805 patient's medical history and condition, including a debilitating medical condition, that medical
806 use cannabis may benefit a particular qualifying patient, within a bona fide healthcare
807 professional-patient relationship.

808 (2) A qualifying patient or a personal caregiver shall not be subject to arrest or
809 prosecution, or civil penalty, for medical use cannabis.

810 (3) No person shall be arrested or prosecuted for any criminal offense solely for being in
811 the presence of medical use cannabis or its use as authorized by this law.

812 (4) The lawful possession, cultivation, transfer, transport, distribution, or manufacture of
813 medical use cannabis as authorized by this section shall not result in the forfeiture or seizure of
814 any property.

815 (c) A medical use cannabis establishment and its employees registered with the
816 commission shall not be penalized or arrested for acquiring, possessing, cultivating, processing,
817 transferring, transporting, selling, distributing, or dispensing medical use cannabis and related
818 supplies and educational materials, to qualifying patients or their personal caregivers.

819 (d) The commission shall issue a cultivation registration to a qualifying patient applying
820 for such registration whose access to a medical use cannabis establishment is limited by verified
821 financial hardship, a physical incapacity to access reasonable transportation, or the lack of a
822 medical use cannabis establishment within a reasonable distance of the qualifying patient's
823 residence. The commission may deny a registration based on the provision of false information
824 by the applicant. Such registration shall allow the qualifying patient or the qualifying patient's
825 personal caregiver to cultivate a limited number of plants, sufficient to maintain a 60-day supply
826 of marijuana, and shall require cultivation and storage only in an enclosed, locked area.

827 (e) The commission shall maintain a confidential list of registered qualifying patients
828 issued medical use cannabis registration cards. Individual names and other identifying
829 information on the list shall be exempt from the provisions of section 10 of chapter 66, and not
830 subject to disclosure, except to employees of the commission in the course of their official duties

831 and to law enforcement officials of the commonwealth when verifying a card holder's
832 registration.

833 (f) No regulation of the commission regarding medical use cannabis shall be more
834 restrictive than any rule or regulation promulgated by the department of public health pursuant to
835 chapter 369 of the acts of 2012 and in effect on July 1, 2017.

836 Section 9. (a) The commission shall maintain a confidential, interoperable database
837 including, at a minimum, the qualifying patients issued a registration card for medical use of
838 marijuana, the healthcare professionals registered to issue written certifications, the name of any
839 medical use cannabis establishment and the quantity of medical use cannabis dispensed to a card
840 holder, and other pertinent information. Individual names and other identifying information shall
841 be exempt from section 10 of chapter 66, and not subject to disclosure, except to employees of
842 the commission in the course of their official duties, medical use cannabis establishments to
843 facilitate dispensing of medical use cannabis and to state or local law enforcement officials for
844 the purposes of conducting an investigation pursuant this chapter.

845 (b) Every registered qualifying patient shall have the right to confidentiality of all records
846 and communications related to their care provided by a medical use cannabis licensee or
847 establishment or by a registered healthcare professional to the extent provided by law. Such
848 records shall not be deemed public records as defined by clause Twenty-sixth of section 7 of
849 chapter 4. No provision of this subsection relating to confidentiality of records shall be construed
850 to prevent access to any such records by the commission or its agents, a healthcare professional
851 who has a bona fide healthcare professional-patient relationship with the patient, a medical use

852 cannabis establishment, or any state or local law enforcement official for the purposes of
853 conducting an investigation pursuant this chapter.

854 Section 10. (a) There shall be within the commission an investigations and enforcement
855 bureau which shall be the primary enforcement agent for civil matters under this chapter. The
856 bureau shall perform such functions as the commission may determine in relation to
857 enforcement, including the investigation of all licensees under this chapter. The bureau shall be
858 under the supervision and control of the deputy director of investigations and enforcement. The
859 deputy director shall be the executive and administrative head of the bureau and shall be
860 responsible for administering and enforcing the laws relative to the bureau and to each
861 administrative unit of the bureau. The duties of the deputy director as provided in this chapter
862 and in any other general or special law shall be exercised and discharged subject to the direction,
863 control and supervision of the chair.

864 (b) The bureau shall be a law enforcement agency and its employees shall have such law
865 enforcement powers as necessary to effectuate the purposes of this chapter, including the power
866 to receive intelligence on an applicant for a cannabis license, a cannabis licensee, a person
867 required to be qualified for licensure, or a person required to be registered under this chapter and
868 to investigate any suspected violations of this chapter.

869 (c) The bureau shall notify the division of violations of this chapter, regulations adopted
870 pursuant to this chapter, or any other state law related to cannabis or marijuana by a cannabis
871 licensee. The bureau and the division shall cooperate on the civil and criminal enforcement of the
872 laws and regulations related to cannabis or marijuana and may determine whether to proceed
873 with civil or criminal sanctions, or both, against a cannabis licensee.

874 (d) To further effectuate the purposes of this chapter with respect to the investigation and
875 enforcement of cannabis establishments and licensees, the bureau may obtain or provide
876 pertinent information regarding an applicant for a cannabis license, a cannabis licensee, a person
877 required to be qualified for licensure, or a person required to be registered under this chapter
878 from or to law enforcement entities or cannabis authorities and other domestic or foreign
879 jurisdictions, including the Federal Bureau of Investigation, and may transmit such information
880 to each other electronically.

881 (e) (1) The bureau may: (i) assess civil fees or fines for violations of this chapter,
882 regulations adopted pursuant to this chapter or any other state law related to cannabis or
883 marijuana; (ii) issue orders requiring persons to cease any action that violates this chapter,
884 regulations adopted pursuant to this chapter or any other state law related to cannabis or
885 marijuana; and (iii) condition, suspend or revoke any permit, registration or license issued
886 pursuant to this chapter or regulations adopted pursuant to this chapter.

887 (2) Except as otherwise provided in this chapter a natural person shall not be subject to a
888 penalty of more than: (i) \$300 per violation for a personal use violation involving the cultivation
889 of a permitted number of marijuana plants in an area that is not properly secured by a lock; (ii)
890 \$100 per violation for a personal use violation involving the possession of a permitted weight of
891 marijuana in an area that is not properly secured by a lock; (iii) \$100 per violation for a personal
892 use violation involving the possession or cultivation of a weight of marijuana not permitted by
893 law or regulation; or (iv) \$100 per violation for consuming or smoking marijuana in a public
894 place in a manner that is not authorized by law, regulation or ordinance.

895 (f) The bureau may assess civil fees or fines for violations of this chapter, or the
896 regulations adopted under this chapter, related to the following: (i) violations not described in
897 subsection (e); (ii) the employment of individuals by a cannabis establishment without proper
898 registration; (iii) an individual's employment with a cannabis establishment without proper
899 registration; (iv) the improper or expired licensure of a cannabis establishment; (v) the improper
900 reporting or payment of any licensure fee or tax; (vi) the sale, delivery or transfer of adult use
901 cannabis to any person under 21 years of age; (vii) the improper manufacturing or extraction of
902 cannabinoid oils or butane hash oil; (viii) interference with the duties of the bureau, commission,
903 division, or agents thereof; or (ix) the purchase of adult use cannabis on behalf of a person under
904 the age of 21.

905 (g) Any person aggrieved by an action of the bureau shall have the right to an
906 adjudicatory hearing on the fee, fine, order, licensure action or other action. The adjudicatory
907 hearing shall be conducted pursuant to chapter 30A, except as may be provided in this chapter or
908 any regulation adopted pursuant to this chapter.

909 Section 11. (a) A person under 21 years of age, except a registered qualifying patient who
910 is a card holder, who purchases or attempts to purchase marijuana or marijuana accessories, or
911 makes arrangements with any person to purchase or in any way procure marijuana or marijuana
912 accessories, or who willfully misrepresents such person's age, or in any way alters, defaces or
913 otherwise falsifies identification offered as proof of age with the intent of purchasing marijuana
914 or marijuana accessories shall be punished by a civil penalty of not more than \$100 and shall
915 complete a drug awareness program established pursuant to section 32M of chapter 94C. The
916 parents or legal guardian of any offender under the age of 18 shall be notified in accordance with
917 section 32N of said chapter 94C and the failure of such an offender to complete a drug awareness

918 program within 1 year of the offense may be a basis for delinquency proceedings for persons
919 under the age of 17 at the time of the person's offense.

920 (b) No person shall consume or smoke marijuana in a public place unless otherwise
921 authorized by law or ordinance or consume or smoke marijuana anywhere smoking tobacco is
922 prohibited.

923 (c) Civil penalties imposed pursuant to this chapter may also be enforced by the police
924 department serving a political subdivision of the commonwealth by utilizing the non-criminal
925 disposition procedures provided in section 21D of chapter 40 and any fines imposed shall enure
926 as provided in said section 21D of said chapter 40.

927 (d) Any cannabis possessed, used, manufactured, distributed, or sold in violation of this
928 chapter or any regulation adopted pursuant to this chapter shall be subject to seizure and
929 forfeiture. The commission shall promulgate regulations establishing a process for any such
930 seizure or forfeiture by the bureau.

931 Section 12. No person shall operate a cannabis establishment without a cannabis license.
932 No person shall be granted more than 3 adult use cannabis license, 3 medical use cannabis
933 license, 3 marijuana product manufacturer license or 3 marijuana cultivator license; provided,
934 however, that a person may hold 3 adult use cannabis license, 3 medical use cannabis license, 3
935 marijuana product manufacturer license and 3 marijuana cultivator license.

936 Section 13. (a) The commission shall prescribe the form of the application for cannabis
937 licenses which shall require, but not be limited to:

938 (1) the name of the applicant;

939 (2) the mailing address and, if a corporation, the state under the laws of which it is
940 incorporated, the location of its principal place of business and the names and addresses of its
941 directors and stockholders;

942 (3) the identity of each person having a direct or indirect interest in the business and
943 the nature of such interest; provided, however, that if the disclosed entity is a trust, the
944 application shall disclose the names and addresses of all beneficiaries; provided further, that if
945 the disclosed entity is a partnership, the application shall disclose the names and addresses of all
946 partners, both general and limited; and provided further, that if the disclosed entity is a limited
947 liability company, the application shall disclose the names and addresses of all members;

948 (4) an independent audit report of all financial activities and interests including, but
949 not limited to, the disclosure of all contributions, donations, loans or any other financial
950 transactions to or from a cannabis establishment in the past 5 years;

951 (5) clear and convincing evidence of financial stability including, but not limited to,
952 bank references, business and personal income and disbursement schedules, tax returns and other
953 reports filed by or with government agencies and business and personal accounting check
954 records and ledgers;

955 (6) information and documentation to demonstrate that the applicant has sufficient
956 business ability and experience to create the likelihood of establishing and maintaining a
957 successful cannabis establishment;

958 (7) a full description of the proposed internal controls and security systems for the
959 proposed cannabis establishment and any related facilities;

960 (8) an agreement that the applicant shall mitigate the potential negative public health
961 consequences associated with cannabis and the operation of a cannabis establishment, including:
962 (i) maintaining a smoke-free environment within the cannabis establishment under section 22 of
963 chapter 270; (ii) prominently displaying information on the signs of substance addiction and how
964 to access assistance; and (iii) instituting other public health strategies as determined by the
965 commission;

966 (9) the number of employees to be employed at the proposed cannabis establishment,
967 including detailed information on the pay rate and benefits for employees; and

968 (10) the location of the proposed cannabis establishment, which shall include the
969 address and any other information requested by the commission.

970 (b) Applications for licenses shall be public records under section 10 of chapter 66;
971 provided however, that trade secrets, competitively-sensitive or other proprietary information
972 provided in the course of an application for a cannabis license under this chapter, the disclosure
973 of which would place the applicant at a competitive disadvantage, may be withheld from
974 disclosure under said chapter 66.

975 Section 14. (a) Upon receipt of an application for a cannabis license, the commission
976 shall instruct the bureau to commence an investigation into the suitability of the applicant. In
977 evaluating the suitability of the applicant, the commission shall consider the overall reputation of
978 the applicant including, without limitation:

979 (1) the integrity, honesty, character and reputation of the applicant;

980 (2) the financial stability, integrity and background of the applicant;

981 (3) the business practices and the business ability of the applicant to establish and
982 maintain a successful cannabis establishment;

983 (4) whether the applicant has a history of compliance with cannabis licensing
984 requirements in other jurisdictions;

985 (5) whether the applicant, at the time of application, is a defendant in litigation
986 involving its business practices;

987 (6) the suitability of all parties in interest to the cannabis license, including affiliates
988 and close associates and the financial resources of the applicant; and

989 (7) whether the applicant is disqualified from receiving a license under this chapter;
990 provided, however, that in considering the rehabilitation of an applicant for a cannabis license,
991 the commission shall not automatically disqualify an applicant if the applicant affirmatively
992 demonstrates, by clear and convincing evidence, that the applicant has financial responsibility,
993 character, reputation, integrity and general fitness as such to warrant belief by the commission
994 that the applicant will act honestly, fairly, soundly and efficiently as a cannabis licensee.

995 (b) If the bureau determines during its investigation that an applicant has failed to: (i)
996 establish the applicant's integrity or the integrity of any affiliate, close associate, financial source
997 or any person required to be qualified for licensure by the commission; (ii) demonstrate
998 responsible business practices in any jurisdiction; or (iii) overcome any other reason, as
999 determined by the commission, as to why it would be injurious to the interests of the
1000 commonwealth in awarding the applicant a cannabis license, the bureau shall cease any further
1001 review and recommend that the commission deny the application.

1002 (c) If the bureau has determined that an applicant is suitable to receive a cannabis license,
1003 the bureau shall recommend that the commission commence a review of the applicant's entire
1004 application.

1005 Section 15. (a) An applicant for a cannabis license, and any person required by the
1006 commission to be qualified for licensure, shall establish its individual qualifications for licensure
1007 to the commission by clear and convincing evidence.

1008 (b) An applicant, licensee, registrant or a person required to be qualified for licensure
1009 shall have the continuing duty to provide any assistance or information required by the
1010 commission and to cooperate in any inquiry or investigation conducted by the commission.
1011 Refusal to answer or produce information, evidence or testimony by an applicant, licensee,
1012 registrant or person required to be qualified for licensure may result in denial of the application
1013 or suspension or revocation of the license or registration by the commission.

1014 (c) No applicant, licensee, registrant or person required to be qualified for licensure shall
1015 willfully withhold information from, or knowingly give false or misleading information to, the
1016 commission. If the commission determines that an applicant, or a close associate of an applicant,
1017 has willfully provided false or misleading information, such applicant shall not be eligible to
1018 receive a license under this chapter. Any licensee or other person required to be qualified for
1019 licensure under this chapter who willfully provides false or misleading information shall have its
1020 license conditioned, suspended or revoked by the commission.

1021 Section 16. (a) The commission shall require any person who is a close associate of a
1022 cannabis licensee or an applicant for a cannabis license, to be qualified for licensure by meeting

1023 the criteria provided in sections 14 and 17 and to provide any other information that the
1024 commission may require.

1025 (b) For each business that applies for a cannabis license, the commission shall determine
1026 whether each: (i) officer and director of a corporation, other than a publicly-traded corporation,
1027 (ii) general partner and limited partner of a limited partnership and (iii) member, transferee of a
1028 member's interest in a limited liability company, director and manager of a limited liability
1029 company which holds or applies for a cannabis license meets the standards for qualification of
1030 licensure pursuant to said sections 14 and 17 and, in the judgment of the commission, any of a
1031 business's individual stockholders, lenders, holders of evidence of indebtedness, underwriters,
1032 close associates, executives or agents.

1033 (c) A person owning more than 5 per cent of the common stock of the applicant
1034 company, directly or indirectly, or a holding, intermediary or subsidiary company of an applicant
1035 company may be required to meet the qualifications for licensure under said sections 14 and 17.
1036 The commission may waive the licensing requirements for institutional investors holding up to
1037 15 per cent of the stock of the applicant company or holding, intermediary or subsidiary
1038 company of the applicant company upon a showing by the person seeking the waiver that the
1039 institutional investor purchased the securities for investment purposes only and does not have
1040 any intention to influence or affect the affairs or operations of the applicant company or a
1041 holding, intermediary or subsidiary company of the applicant company. An institutional investor
1042 granted a waiver which subsequently determines to influence or affect the affairs or operations of
1043 the applicant company or a holding, intermediary or subsidiary company of the applicant
1044 company shall provide not less than 30 days' notice to the commission of such intent and the
1045 commission shall ensure that the institutional investor meets the qualifications for licensure

1046 under said sections 14 and 17 before the institutional investor may take an action that may
1047 influence or affect the affairs of the applicant company or a holding, intermediary or subsidiary
1048 company of the applicant company. Any company holding over 15 per cent of the applicant
1049 company, or a holding, intermediary or subsidiary company of an applicant company, shall be
1050 required to meet the qualifications for licensure under said sections 14 and 17.

1051 (d) A person who is required to be qualified for licensure under this section as a general
1052 or limited partner shall not serve as such a partner until that person obtains the required approval
1053 or waiver from the commission.

1054 (e) The commission shall require any person involved in the financing of a cannabis
1055 establishment or an applicant's proposed cannabis establishment to be qualified for licensure
1056 pursuant to said sections 14 and 17 and may allow such person to seek a waiver pursuant to the
1057 standards in subsection (c).

1058 (f) A person required to be qualified for licensure shall apply for qualification within 30
1059 days after taking a position with the business or otherwise becoming subject to this section. A
1060 person who is required to be qualified for licensure based on a decision of the commission
1061 pursuant to this section shall apply for qualification within 30 days after that decision.

1062 (g) If a corporation or other form of business organization applying for a cannabis license
1063 is, or if a corporation or other form of business organization holding a cannabis license is to
1064 become, a subsidiary, each holding company, intermediary company and other entity having an
1065 interest in the applicant shall be required to be qualified for licensure under said sections 14 and
1066 17.

1067 (h) The commission shall require that a company or individual that can exercise control
1068 or provide direction to a cannabis licensee or an applicant for a cannabis license or a holding,
1069 intermediary or subsidiary company of a cannabis licensee or applicant for a cannabis license be
1070 qualified for licensure under said sections 14 and 17; provided, however, that the commission
1071 may allow such person to seek a waiver under subsection (c).

1072 (i) The bureau shall investigate each person required to be qualified for licensure under
1073 this section and shall: (i) make a recommendation to the commission that the commission shall
1074 approve or deny the application for licensure; or (ii) extend the period for issuing a
1075 recommendation in order to obtain additional information necessary for a complete evaluation of
1076 the application for a license.

1077 Section 17. (a) The commission shall deny an application for a cannabis license or for
1078 licensure for a person required to be qualified for licensure pursuant to section 16, if the
1079 applicant or such person: (i) has been convicted of a felony, provided that an applicant that has
1080 been convicted of a felony may apply to the commission for a waiver if such conviction occurred
1081 25 years or more prior to the date of the submission of the application; (ii) submitted an
1082 application for a license under this chapter that contains false or misleading information has
1083 affiliates or close associates that would not qualify for a license or whose relationship with the
1084 applicant may pose an injurious threat to the interests of the commonwealth in awarding a
1085 cannabis license to the applicant.

1086 Section 18. (a) The commission may issue licenses based on the applications submitted to
1087 the commission to applicants who are qualified under the criteria set forth in this chapter, as
1088 determined by the commission.

1089 (b) A cannabis license and licensure issued to a person required to be qualified pursuant
1090 to section 16 shall be valid for an initial period of 1 year. The commission shall establish
1091 procedures for the renewal of a cannabis license, including a renewal fee, and for the renewal of
1092 licensure for persons required to be qualified pursuant to said section 16, including a renewal fee.

1093 (c) No cannabis licensee shall transfer a cannabis license or any direct or indirect interest
1094 in the cannabis license or a cannabis establishment without the majority approval of the
1095 commission. A person seeking to acquire a cannabis license through a transfer shall qualify for
1096 licensure under this chapter. The commission shall reject a cannabis license transfer or a transfer
1097 of interest in a cannabis establishment to a person who is not suitable pursuant to this chapter and
1098 may reject a proposed transfer that, in the opinion of the commission, would be disadvantageous
1099 to the interests of the commonwealth.

1100 (d) The commission shall not issue a cannabis license to an applicant if the property
1101 where the proposed cannabis establishment is to be located is within a radius of 500 feet
1102 measured in a straight line from the nearest point of the proposed cannabis establishment to the
1103 nearest point of a pre-existing public or private school providing education in pre-kindergarten,
1104 kindergarten or any grades 1 through 12, a daycare center, or any facility in which children
1105 commonly congregate.

1106 Section 19. (a) The commission shall prescribe the form of the cannabis license, which
1107 shall include, but not be limited to, the following license conditions for each licensee. The
1108 licensee shall:

1109 (1) have an affirmative obligation to abide by every statement made in its application
1110 to the commission, including all evaluation criteria and eligibility requirements;

- 1111 (2) comply with all laws of the commonwealth and all rules and regulations
1112 promulgated under this chapter;
- 1113 (3) pay to the commission of revenue the tax required pursuant to this chapter;
- 1114 (4) not change its business governing structure without the notification and approval
1115 of the commission;
- 1116 (5) not operate, invest in or own, in whole or in part, another cannabis licensee’s
1117 license or cannabis establishment;
- 1118 (6) cooperate with the commission and the attorney general in all cannabis-related
1119 investigations. Each cannabis licensee shall make readily available all documents, materials,
1120 equipment, personnel and any other items requested during an investigation; provided, however,
1121 that material that the cannabis licensee considers a trade secret or detrimental to the cannabis
1122 licensee if it were made public may, with the commission’s approval, be protected from public
1123 disclosure and the cannabis licensee may require nondisclosure agreements with the commission
1124 before disclosing such material;
- 1125 (7) cooperate with the commission and the attorney general with respect to the
1126 investigation of any criminal matter; provided, however, that the cannabis licensee shall, upon
1127 receipt of a criminal or civil process compelling testimony or production of documents in
1128 connection with a civil or criminal investigation, immediately disclose such information to the
1129 commission; and provided further, that this clause shall not prohibit private persons or public
1130 entities from seeking any remedy or damages against a cannabis licensee;

1131 (8) allow employees of the commission to conduct regulatory inspections of the
1132 licensee’s premises to ensure compliance with the regulations established by the commission;

1133 (9) have a duty to inform the commission of any action which the cannabis licensee
1134 reasonably believes would constitute a violation of this chapter, and shall assist the commission
1135 and any state law enforcement agency in the investigation and prosecution of such violation;
1136 provided, however, that no person who informs the commission of such an action shall be
1137 discriminated against by an applicant or cannabis licensee as a consequence for having supplied
1138 such information;

1139 (10) collect and annually report to the commission a detailed statistical report on the
1140 number, job titles, benefits and salaries of employees hired and retained in employment at the
1141 cannabis establishment;

1142 (11) employ only those persons registered by the commission;

1143 (12) provide to the commission aggregate demographic information with respect to the
1144 cannabis licensee’s customers in a manner and under a schedule to be defined by the
1145 commission;

1146 (13) keep conspicuously posted a notice containing the name and a telephone number
1147 for substance addiction and addiction services; provided, however, that the commission may
1148 require the cannabis licensee to provide this information in more than 1 language;

1149 (14) institute additional public health strategies as required by the commission; and

1150 (15) abide by an affirmative action program of equal opportunity by which the
1151 cannabis licensee guarantees to provide equal employment opportunities to all employees

1152 qualified for licensure in all employment categories, including persons with a disabilities, under
1153 the laws of the commonwealth.

1154 (b) No person shall transfer a cannabis license, a direct or indirect real interest, structure,
1155 real property, premises, facility, personal interest or pecuniary interest under a cannabis license
1156 issued under this chapter or enter into an option contract, management contract or other
1157 agreement or contract providing for such transfer in the present or future, without the notification
1158 to, and approval by, the commission. The commission may promulgate rules and regulations that
1159 create exemptions from the approval requirement.

1160 (c) The commission may include any reasonable additional requirements to the license
1161 conditions.

1162 Section 20. (a) No cannabis licensee shall operate a cannabis establishment without an
1163 operations certificate issued by the commission. An operations certificate shall only be issued
1164 upon compliance with the requirements of this chapter including, but not limited to: (i)
1165 implementation of all management controls required by the commission including, without
1166 limitation, controls on accounting and auditing; (ii) implementation of all security precautions
1167 required by the commission; (iii) an up-to-date listing of all employees; and (iv) registering of all
1168 employees. The operations certificate shall be conspicuously posted.

1169 (b) An adult use cannabis licensee or a medical use cannabis licensee may operate an
1170 adult use cannabis establishment or a medical use cannabis establishment from 8:00 a.m. to
1171 12:59 a.m. subject to its agreement with the host community; provided, however, that an adult
1172 use cannabis licensee and a medical use cannabis licensee shall register its hours of operation of
1173 the cannabis establishment with the commission.

1174 (c) Each cannabis licensee shall arrange its cannabis establishment in such a manner as to
1175 promote optimum security for the cannabis establishment operations.

1176 (d) No person under the age of 21 shall be permitted to: (i) purchase adult use cannabis,
1177 (ii) register as an employee of a cannabis establishment or (iii) be in an adult cannabis
1178 establishment. No adult use cannabis licensee, within its cannabis establishment or otherwise,
1179 shall authorize or conduct marketing and promotional communications relative to cannabis to
1180 target persons under the age of 21.

1181 (e) Each cannabis licensee shall file an emergency response plan with the fire department
1182 and police department of the host community which shall include, but not be limited to: (i) a
1183 layout identifying all areas within the facility and grounds, including support systems and the
1184 internal and external access routes; (ii) the location and inventory of emergency response
1185 equipment and the contact information of the emergency response coordinator for the cannabis
1186 establishment; (iii) the location of any hazardous substances and a description of any public
1187 health or safety hazards present on site; (iv) a description of any special equipment needed to
1188 respond to an emergency at the cannabis establishment; (v) an evacuation plan; and (vi) any
1189 other information relating to emergency response as requested by the commission, the fire
1190 department or the police department of the host community.

1191 Section 21. (a) No person shall be employed at a cannabis establishment unless such
1192 person has first registered as a cannabis employee with the commission. Registration as a
1193 cannabis employee shall be valid for 1 year but may be renewed annually thereafter pursuant to
1194 this section and regulations promulgated by the commission.

1195 (b) The commission shall prescribe the form for registering as a cannabis employee
1196 which shall include, but shall not be limited to: (1) the name and address of the person seeking to
1197 register as a cannabis employee; (2) an affidavit in which the person seeking to register shall
1198 verify that he or she has not been convicted of a felony, provided that a person seeking to register
1199 as a cannabis employee that has been convicted of a felony may apply to the commission for a
1200 waiver if such conviction occurred 25 years or more prior to the date of the submission of the
1201 registration; and (3) any other information the commission deems appropriate, including, but not
1202 limited to: (i) a detailed employment history; (ii) fingerprints; (iii) a criminal and arrest record;
1203 and (iv) any civil judgments pertaining to antitrust or security regulation against the person
1204 seeking to register as a cannabis employee.

1205 (c) Upon receipt of a registration form, the bureau may conduct an investigation of the
1206 person seeking to register as a cannabis employee, which shall include obtaining criminal
1207 offender record information from the department of criminal justice information services and
1208 exchanging fingerprint data and criminal history with the department of state police. If the
1209 bureau discovers that a person seeking registration pursuant to this section, falsely verified that
1210 he or she has not been convicted of a felony, the bureau shall notify the commission and the
1211 commission shall send written notification to the person seeking registration that the registration
1212 has been denied and the person is disqualified from employment at any cannabis establishment.

1213 (d) Within 30 days of receiving a form for registering as a cannabis employee, the
1214 commission shall deny registration if a person seeking to register as a cannabis employee: (1) is
1215 unable to verify that he or she has not been convicted of a felony and did not receive a waiver
1216 pursuant to this section; (2) made false statements on the registration form; (3) is under 21 years
1217 old; or (4) does not meet any further qualification for cannabis employees as required by the

1218 commission pursuant to regulations. If registration is denied pursuant to this subsection, the
1219 commission shall make written notification to the person seeking registration that his or her
1220 registration has been denied, including a statement of the reasons why the registration was
1221 denied.

1222 (e) If the commission does not deny registration pursuant to subsection (d), it shall
1223 register the person as a cannabis employee and send the person a written certificate of
1224 registration as a cannabis employee, which shall be valid for 1 year, subject to renewal.

1225 (f) The commission shall prescribe the form for annual renewal of registration as a
1226 cannabis employee, which shall include, but not be limited to: (1) the name and address of the
1227 person seeking to renew his or her registration as a cannabis employee; (2) an affidavit in which
1228 the person seeking to renew shall verify that he or she has not been convicted of a felony:- or has
1229 received a waiver pursuant to this section; and (3) any other information the commission deems
1230 appropriate.

1231 (g) If, at any point, the bureau discovers that a person registered as a cannabis employee,
1232 falsely verified that he or she has not been convicted of a felony, the bureau shall notify the
1233 commission and the commission shall send written notification to the cannabis employee that his
1234 or her registration has been revoked and he or she is disqualified from employment at any
1235 cannabis establishment.

1236 (h) No individual who has applied for and holds licensure pursuant to section 16 shall be
1237 required to register pursuant to this section.

1238 Section 22. Any healthcare professional that issues a written certification for medical use
1239 cannabis shall register with the commission pursuant to regulations promulgated by the
1240 commission.

1241 Section 23. Any qualifying patient receiving a written certification for medical use
1242 cannabis shall register with the commission pursuant to regulations promulgated by the
1243 commission.

1244 Section 24. (a) The commission may exempt any establishment registered and operating
1245 as a medical marijuana treatment center pursuant to chapter 369 of the acts of 2012 as of July 1,
1246 2017 from any licensing requirement of this chapter.

1247 (b) For the purposes of reviewing and approving an application for an adult use cannabis
1248 license, the commission shall identify applicants who are holders of a provisional or final
1249 certificate of registration pursuant to chapter 369 of the acts of 2012 and accompanying
1250 regulations. The commission shall consider issuance of a provisional or final certificate of
1251 registration as achieving accreditation status. The commission shall ensure an expedited review
1252 process for applicants for an adult use cannabis license who have achieved accreditation status
1253 and shall only require that such applicants submit specific information not previously required,
1254 analyzed, approved and recognized by the department of public health.

1255 Section 25. (a) Each labor organization, union or affiliate seeking to represent employees
1256 who are employed at a cannabis establishment shall register with the commission.

1257 (b) Neither a labor organization, nor its officers who are not otherwise licensed or
1258 registered under this chapter, may hold any financial interest in a cannabis establishment whose
1259 employees are represented by the organization.

1260 Section 26. No cannabis licensee shall offer to provide any complimentary cannabis,
1261 services, gifts, cash or other items of value to any person.

1262 Section 27. (a) An adult use cannabis licensee shall pay a daily excise of 16.75 per cent
1263 on gross retail cannabis revenue.

1264 All sums collected or received by the commissioner of revenue pursuant to this
1265 subsection shall be deposited in the Cannabis Revenue Fund established by section 28.

1266 (b) In addition to the daily excise imposed by subsection (a), an adult use cannabis
1267 licensee shall pay a daily excise of 5 per cent on gross retail cannabis revenue.

1268 All sums collected or received by the commissioner of revenue pursuant to this
1269 subsection shall be transferred by the commissioner of revenue to the treasurer of the host
1270 municipality from which the revenue was collected at least monthly.

1271 (c) The excise imposed pursuant to subsection (a) and subsection (b) shall be in addition
1272 to excise imposed upon the sale of property or services as provided in section 2 of chapter 64H
1273 and shall be paid by an adult use cannabis licensee to the commissioner of revenue at the time
1274 provided for filing the return required by section 16 of chapter 62C.

1275 (d) The excise imposed pursuant to subsection (a) and subsection (b) shall not apply to
1276 sales by a medical use cannabis licensee, a marijuana product manufacturer or a marijuana
1277 cultivator.

1278 Section 28. There shall be established and set up on the books of the commonwealth a
1279 fund to be known as the Cannabis Revenue Fund, hereinafter referred to as the fund. The fund
1280 shall be credited with any appropriations, bond proceeds or other monies authorized by the

1281 general court and specifically designated to be credited thereto, the proceeds of the assessments
1282 levied under this chapter, application fees for licenses issued under this chapter and such
1283 additional funds as are subject to the direction and control of the commission including, without
1284 limitation, all revenue received under this chapter as excises, fees, penalties, forfeitures, interest,
1285 costs of suits and fines.

1286 Expenditures from the fund shall be subject to appropriation; provided, however, that the
1287 annual operational cost of the commission shall be funded by the fund; provided, further, that the
1288 annual operational cost of the division of cannabis enforcement in the department of the attorney
1289 general shall be funded by the fund; and provided, further, that after funding the annual
1290 operational cost of the commission and the division not less than \$50,000,000 shall be expended
1291 annually on substance abuse prevention and treatment programs; provided, further, that
1292 \$5,000,000 of said funds shall be expended annually to school districts to provide substance use
1293 education, prevention, intervention support and training. Any funds remaining in the fund at the
1294 end of the fiscal year shall revert to the General Fund.

1295 Section 29. An adult use cannabis licensee shall be subject to chapters 62 to 62E,
1296 inclusive, and chapters 63 to 63B, inclusive.

1297 Section 30. (a) A cannabis establishment shall not be a certified project within the
1298 meaning of section 3F of chapter 23A. Cannabis establishments shall not be designated as
1299 economic opportunity areas within the meaning of section 3E of said chapter 23A. Cannabis
1300 establishments shall not be eligible for tax increment financing under section 59 of chapter 40 or
1301 special tax assessments set forth in section 3E of said chapter 23A. Cannabis establishments shall

1302 not be classified and taxed as recreational land under chapter 61B. Cannabis establishments shall
1303 not be designated as development districts within the meaning of chapter 40Q.

1304 (b) Unless otherwise provided, a cannabis establishment shall not be eligible for the
1305 following credits or deductions listed in chapter 62 or chapter 63: the investment tax credit under
1306 section 31A of chapter 63, the employment credit under section 31C of said chapter 63, the van
1307 pool credit under section 31E of said chapter 63, the deduction for expenditures for industrial
1308 waste treatment or air pollution control under section 38D of said chapter 63, the deduction for
1309 compensation paid to an eligible business facility's employees domiciled in a section of
1310 substantial poverty under section 38F of said chapter 63, the film tax credit under subsection (l)
1311 of section 6 of chapter 62 and section 38X of said chapter 63, the alternative energy sources
1312 deduction under section 38H of said chapter 63, the research expense credit under section 38M
1313 of said chapter 63, the economic opportunity area credit under subsection (g) of said section 6 of
1314 said chapter 62 and section 38N of said chapter 63, the abandoned building deduction under
1315 subparagraph (10) of subsection (a) of Part B of section 3 of said chapter 62 and section 38O of
1316 said chapter 63, the harbor maintenance tax credit under section 38P of said chapter 63, the
1317 brownfields credit under subsection (j) of said section 6 of said chapter 62 and section 38Q of
1318 said chapter 63, the historic rehabilitation tax credit under section 6J of said chapter 62 and
1319 section 38R of said chapter 63 and the automatic sprinkler system depreciation deduction under
1320 section 38S of said chapter 63.

1321 Section 31. (a) (1) The commission shall promulgate regulations for the licensure and
1322 oversight of independent testing laboratories, and shall establish testing protocols for the
1323 sampling, testing and analysis of marijuana, finished marijuana and marijuana products in
1324 consultation with the department of public health and the department of agricultural resources.

1325 Such regulations shall be based on the most recent standards as issued by the United States
1326 Pharmacopeia Convention and shall address sampling and analysis to characterize the
1327 cannabinoid profile and biological and chemical contaminants, including but not limited to
1328 terpenoids, pesticides, plant growth regulators, metals, microbiological contaminants,
1329 mycotoxins, and residual solvents introduced through cultivation of marijuana plants and post-
1330 harvest processing and handling of marijuana, marijuana products and ingredients.

1331 (2) No marijuana or marijuana product for either medical or adult use shall be sold or
1332 otherwise marketed pursuant to this chapter that has not first been tested by an independent
1333 testing laboratory and meets the commission’s testing protocols issued pursuant to subsection
1334 (a)(1).

1335 (3) The following shall be included on the labeling of all marijuana and marijuana
1336 products sold or otherwise marketed within the commonwealth pursuant to this chapter: (i) a
1337 symbol or easily recognizable mark issued by the commission that indicates the package contains
1338 marijuana or a marijuana product; (ii) the name and contact information of the marijuana
1339 cultivator or the marijuana product manufacturer who produced the marijuana or marijuana
1340 product; (iii) the results of sampling, testing and analysis conducted by a licensed independent
1341 testing laboratory; (iv) a seal certifying the marijuana meets such testing standards; (v) a unique
1342 batch number identifying the production batch associated with manufacturing and processing;
1343 (vi) a list of ingredients and possible allergens; (vii) a use-by date, if applicable; and (viii) the
1344 following statement, including capitalization: “This product has not been analyzed or approved
1345 by the FDA. There is limited information on the side effects of using this product, and there may
1346 be associated health risks. Marijuana use during pregnancy and breast-feeding may pose

1347 potential harms. It is against the law to drive or operate machinery when under the influence of
1348 this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”

1349 (4) An independent testing laboratory shall report any results indicating contamination to
1350 the commission within 72 hours of identification.

1351 (5) No laboratory agent or employee of an independent testing laboratory shall receive
1352 direct or indirect financial compensation, other than such reasonable contractual fees to conduct
1353 such testing, from any entity for which it is conducting testing pursuant to this chapter.

1354 (b)(1) An independent testing laboratory shall apply for a certificate of registration from
1355 the commission prior to testing, processing or transporting marijuana.

1356 (2) A laboratory agent shall be registered with the commission prior to volunteering or
1357 working at an independent testing laboratory.

1358 (3) An independent testing laboratory shall apply to the commission for a registration
1359 card for each affiliated laboratory agent by submitting, at a minimum, the name, address, date of
1360 birth of the laboratory agent.

1361 (4) A registered independent testing laboratory shall notify the commission within 1
1362 business day if a laboratory agent ceases to be associated with the laboratory, and the laboratory
1363 agent's registration card shall be immediately revoked.

1364 (5) No one shall be a laboratory agent who has been convicted of a felony drug offense.
1365 The commission may conduct criminal record checks with the department of criminal justice
1366 information services and may set standards and procedures to enforce this provision. Such
1367 standards and procedures may include requiring applicants seeking registration to submit a full

1368 set of fingerprints for the purposes of conducting a state and national criminal history records
1369 check pursuant to sections 167 to 178, inclusive, of chapter 6 and 28 U.S.C. section 534 through
1370 the department of criminal justice information services and the Federal Bureau of Investigation.
1371 The commission shall treat such information in accordance with said sections 167 to 178 of said
1372 chapter 6 and the regulations thereunder.

1373 (c) A registered laboratory agent shall not be subject to arrest, prosecution, or civil
1374 penalty, sanctions or disqualifications, and shall not be subject to seizure or forfeiture of assets
1375 under Massachusetts law for actions taken under the authority of an independent testing
1376 laboratory, including possessing, processing, storing, transferring or testing marijuana provided
1377 he or she: (1) presents his or her registration card to any law enforcement official who questions
1378 the laboratory agent concerning their marijuana related activities; and (2) is acting in accordance
1379 with all the requirements of this law.

1380 Section 32. This chapter shall not:

1381 (i) prevent a person from prohibiting or otherwise regulating the consumption, display,
1382 production, processing, manufacture or sale of marijuana and marijuana accessories on or in
1383 property the person owns, occupies or manages, except that a lease agreement shall not prohibit a
1384 tenant from consuming marijuana by means other than smoking on or in property in which the
1385 tenant resides unless failing to do so would cause the landlord to violate a federal law or
1386 regulation;

1387 (ii) prevent the commonwealth, a subdivision thereof, or local government agency from
1388 prohibiting or otherwise regulating the possession or consumption of marijuana or marijuana
1389 accessories within a building owned, leased or occupied by the commonwealth, a political

1390 subdivision of the commonwealth or an agency of the commonwealth, or a political subdivision
1391 of the commonwealth;

1392 (iii) authorize the possession or consumption of marijuana or marijuana accessories on
1393 the grounds of or within a public or private school where children attend classes in preschool
1394 programs, kindergarten programs or grades 1 to 12, inclusive, or on the grounds of, or within,
1395 any correctional or detoxification facility;

1396 (iv) be construed to limit the applicability of other law as it pertains to the rights of
1397 landlords, employers, law enforcement or regulatory agencies;

1398 (v) allow the operation, navigation or otherwise control of a motor vehicle, train, aircraft,
1399 motorboat or other motorized form of transport or machinery while under the influence of
1400 marijuana;

1401 (vi) require any health insurance provider, or any government agency or authority, to
1402 reimburse any person for the expenses of the medical use of marijuana;

1403 (vii) require any healthcare professional to authorize the medical use of marijuana for a
1404 patient;

1405 (viii) require any accommodation of any on-site use of marijuana in any place of
1406 employment, school bus or on school grounds, in any youth center, in any correctional or
1407 detoxification facility or place of public accommodation;

1408 (xi) authorize individuals to transport marijuana legally purchased or acquired within the
1409 commonwealth out of state.

1410 Section 33. The commission shall, for the purposes of compliance with state finance law,
1411 operate as a state agency as defined in section 1 of chapter 29 and shall be subject to the
1412 provisions applicable to agencies under the control of the governor; provided, however, that the
1413 comptroller may identify any additional instructions or actions necessary for the department to
1414 manage fiscal operations in the state accounting system and meet statewide and other
1415 governmental accounting and audit standards. The commission shall properly classify the
1416 commission's operating and capital expenditures, and shall not include any salaries of employees
1417 in the commission's capital expenditures. Unless otherwise exempted by law or the applicable
1418 central service agency, the commission shall participate in any other available commonwealth
1419 central services including, but not limited to, the state payroll system pursuant to section 31 of
1420 chapter 29, and may purchase other goods and services provided by state agencies in accordance
1421 with comptroller provisions. The comptroller may chargeback the commission for the transition
1422 and ongoing costs for participation in the state accounting and payroll systems and may retain
1423 and expend such costs without further appropriation for the purposes of this section. The
1424 commission shall be subject to section 5D of chapter 29 and subsection (f) of section 6B of
1425 chapter 29.

1426 Section 34. Each fiscal year the commission shall submit an annual finance plan to the
1427 secretary of administration and finance, and updates to such plan, in accordance with instructions
1428 issued by said secretary.

1429 Section 35. Marijuana shall be subject to sections 186 to 195, inclusive, of chapter 94,
1430 relating to the adulteration and misbranding of food, drugs and various articles; provided,
1431 however, that marijuana included in a marijuana product manufactured in compliance with the
1432 regulations of the commission shall not be considered an adulterant.

1433 Section 36. Any liability to the commonwealth under this chapter shall constitute a debt
1434 to the commonwealth. Once a statement naming a cannabis licensee is recorded, registered or
1435 filed, any such debt shall constitute a lien on all commercial property owned by a cannabis
1436 licensee in the commonwealth and shall have priority over an encumbrance recorded, registered
1437 or filed with respect to any site.

1438 Section 37. The commission shall establish minimum standards for advertising,
1439 marketing, and branding used in packaging, labeling, signage, merchandise and other materials
1440 sold or distributed by an adult use cannabis licensee. Such standards shall, at a minimum,
1441 include:

1442 (a) a prohibition on advertising, marketing and branding in such a manner that is deemed
1443 to be deceptive, false, or misleading. An adult use cannabis licensee shall not make any
1444 deceptive, false, or misleading assertion or statements on any product, sign, documents or
1445 materials provided to a consumer;

1446 (b) a prohibition on advertising, marketing and branding by means of television, radio,
1447 internet, billboard or print publication unless at least 71.6 per cent of the audience is reasonably
1448 expected to be 21 years of age or older, as determined by reliable, up-to-date audience
1449 composition data;

1450 (c) a prohibition on advertising, marketing and branding which utilize statements,
1451 designs, representations, mascots, cartoons, pictures or illustrations that portray anyone less than
1452 21 years of age;

1453 (d) a prohibition on advertising, marketing and branding that is deemed to appeal to a
1454 person or persons less than 21 years of age;

1455 (e) a prohibition on advertising, marketing and branding, including statements by an adult
1456 use cannabis licensee, that make any false or misleading statements concerning other adult use
1457 cannabis licensees and the conduct and products of such other adult use cannabis licensees;

1458 (f) a prohibition on advertising, marketing and branding through certain identified
1459 promotional items as determined by the commission, including giveaways, coupons or “free” or
1460 “donated” marijuana;

1461 (g) a prohibition on advertising, marketing and branding by an adult use cannabis
1462 licensee that asserts its products are safe, other than labeling required pursuant to this chapter;

1463 (h) a prohibition on illuminated external signage except for a period of 30 minutes before
1464 sundown until closing and that shall comply with all local ordinances and requirements. Neon
1465 signage is prohibited;

1466 (i) a prohibition of the use of vehicles equipped with either radio or loud speakers for the
1467 advertising of marijuana. The use of radio or loud speaker equipment in any cannabis
1468 establishment for the purpose of attracting attention to the sale of marijuana therein is also
1469 prohibited;

1470 (j) that an adult use cannabis licensee may sponsor a charitable, sports, or similar event,
1471 but such licensee shall not engage in advertising, marketing, and branding at, or in connection
1472 with, such an event unless at least 71.6 per cent of the audience is reasonably expected to be 21
1473 years of age or older, as determined by reliable, up-to-date audience composition data.

1474 If a city or town enacts an ordinance or by-law above the commission’s standard, no such
1475 local ordinance or by-law may impose a standard for signage more restrictive than those
1476 applicable to retail establishments that sell alcoholic beverages within that city or town.

1477 (k) No signs or other printed matter advertising any brand or kind of marijuana shall be
1478 displayed on the exterior or interior of any cannabis establishment wherein marijuana is not
1479 regularly and usually kept for sale.

1480 Section 38. The commission shall audit as often as the commission determines necessary,
1481 but not less than annually, the accounts, programs, activities, and functions of all cannabis
1482 licensees. To conduct the audit, authorized officers and employees of the commission shall have
1483 access to such accounts at reasonable times and the commission may require the production of
1484 books, documents, vouchers and other records relating to any matter within the scope of the
1485 audit, except tax returns. The superior court shall have jurisdiction to enforce the production of
1486 records that the commission requires to be produced under this section and the court shall order
1487 the production of all such records within the scope of any such audit. All audits shall be
1488 conducted in accordance with generally accepted auditing standards established by the American
1489 Institute of Certified Public Accountants. In any audit report of the accounts, funds, programs,
1490 activities and functions of a cannabis licensee issued by the commission containing adverse or
1491 critical audit results, the commission may require a response, in writing, to the audit results. The
1492 response shall be forwarded to the commission within 15 days of notification by the commission.

1493 On or before April 1 of each year, the commission shall submit a report to the clerks of
1494 the house of representatives and the senate who shall forward the report to the house and senate
1495 committees on ways and means which shall include, but not be limited to: (i) the number of

1496 audits performed under this section; (ii) a summary of findings under the audits; and (iii) the cost
1497 of each audit.

1498 Section 39. The commission shall report monthly to the governor, the attorney general,
1499 the senate and house committees on ways and means, the chairs of the joint committee on
1500 revenue and the chairs of the joint committee on marijuana policy on the total cannabis revenues
1501 and shall make an annual report to the same recipients which shall include a full and complete
1502 statement of cannabis revenues. The commission shall report immediately to the governor, the
1503 attorney general, the house and senate committees on ways and means, the chairs of the joint
1504 committee on revenue and the chairs of the joint committee on marijuana policy on any matter
1505 which requires immediate changes in the laws in order to prevent abuses or evasions of the laws,
1506 rules or regulations related to cannabis or to rectify undesirable conditions in connection with the
1507 administration or operation of cannabis in the commonwealth.

1508 Section 40. The commission shall annually submit a complete and detailed report of the
1509 commission's activities, including a review of the implementation and enforcement of this
1510 chapter and the governance structure established in this chapter, within 90 days after the end of
1511 the fiscal year to the governor, the attorney general, the treasurer and receiver general, the clerks
1512 of the house of representatives and the senate, the chairs of the joint committee on marijuana
1513 policy and the chairs of the house and senate committees on ways and means.

1514 Section 41. The commission shall annually review the tax rate established by this chapter
1515 and may make recommendations to the general court, as appropriate, regarding any changes to
1516 the tax rate that further the intent of this chapter. The commission may study marijuana
1517 commerce and make recommendations to the general court regarding changes in the laws of the

1518 commonwealth that further the intent of this act by filing those recommendations with the clerks
1519 of the house of representatives and the senate who shall forward the recommendations to the
1520 joint committee on marijuana policy, the joint committee on consumer protection and
1521 professional licensure, the joint committee on revenue, the joint committee on mental health,
1522 substance use and recovery, the joint committee on public health and any other committee
1523 deemed appropriate by the commission.

1524 Section 42. (a) There shall be a Massachusetts cannabis advisory board to study and
1525 make recommendations to the commission and the department of revenue on the regulation and
1526 taxation of medical and adult use of marijuana. The board shall consist of the executive director
1527 of the commission, who shall serve as chair; the secretary of the executive office of housing and
1528 economic development or his or her designee; the commissioner of the department of revenue or
1529 his or her designee; the commissioner of public health or his or her designee; the superintendent
1530 of the state police or his or her designee; the commissioner of agricultural resources or his or her
1531 designee; the president of the Massachusetts Municipal Association, Inc. or his or her designee;
1532 the President of the Massachusetts Patient Advocacy Alliance, Inc. or his or her designee; and 11
1533 members who shall be appointed by the treasurer and receiver-general who shall consist of: 1
1534 expert in marijuana cultivation, 1 expert in marijuana retailing, 1 expert in marijuana product
1535 manufacturing, 1 expert in laboratory sciences and toxicology, 1 individual representing the
1536 interests of registered qualifying patients, 1 expert in the prevention of substance use disorders, 1
1537 expert in the treatment of substance use disorders, 2 experts in social welfare or social justice, 1
1538 individual representing the interests of employers, 1 individual representing the interests of
1539 property owners, 1 individual representing the interests of farmers in the commonwealth, and 1
1540 attorney with experience providing legal services to marijuana businesses, marijuana consumers

1541 or medical marijuana patients in the commonwealth. Members of the board appointed by the
1542 treasurer and receiver-general shall serve terms of 2 years. Members of the board shall serve
1543 without compensation, but shall be reimbursed for their expenses actually and necessarily
1544 incurred in the discharge of their official duties. Members of the advisory board shall not be state
1545 employees for purposes of chapter 268A by virtue of their service on the advisory board. The
1546 board shall meet at the discretion of the commission. A majority of the members of the board
1547 present and voting shall constitute a quorum.

1548 (b) The cannabis advisory board shall: (i) advise the commission on local, property,
1549 business, consumer, patient and public health and safety issues, as well as marijuana cultivation,
1550 processing, manufacturing, transportation, distribution, security, seed-to-sale tracking, testing,
1551 packaging, labelling, advertising and sale; (ii) consider all matters submitted to it by the
1552 commission; (iii) on its own initiative, recommend to the commission guidelines, rules and
1553 regulations and any changes to guidelines, rules and regulations that the advisory board considers
1554 important or necessary for the commission’s review and consideration; and (iv) advise on the
1555 preparation of regulations under this chapter.

1556 SECTION 3. Chapter 12 of the General Laws is hereby amended by inserting after
1557 section 11N the following section:-

1558 Section 11O. (a) As used in this section the following words shall, unless the context
1559 clearly requires otherwise, have the following meanings:-

1560 “Cannabis establishment”, as defined in section 2 of chapter 10A.

1561 “Commission”, the Massachusetts cannabis control commission established in chapter
1562 10A.

1563 “Division”, the division of cannabis enforcement established in subsection (b).

1564 “Particular matter”, as defined in section 1 of chapter 268A.

1565 (b) There shall be in the department of the attorney general a division of cannabis
1566 enforcement. The attorney general shall designate an assistant attorney general as the director of
1567 cannabis enforcement. The director may appoint and remove, subject to the approval of the
1568 attorney general, such expert, clerical or other assistants as the work of the division may require.

1569 (c) The duties of the division may include, but shall not be limited to: (1) receiving and
1570 taking appropriate action on referrals for criminal prosecution from the commission or any other
1571 law enforcement body; (2) providing assistance, upon request, to the commission in the
1572 consideration and promulgation of rules and regulations; (3) ensuring that there shall be no
1573 duplication of duties and responsibilities between the division and the commission; and (4) other
1574 matters relating to the implementation or enforcement of chapter 10A.

1575 (d) No employee of the division and no person engaged by the division in the course of
1576 an investigation, other than a qualifying patient or in the performance of their official duties,
1577 shall patronize a cannabis establishment licensed under chapter 10A during the period of their
1578 employment or assignment with the division. The attorney general shall establish a code of ethics
1579 for all division employees, which shall be more restrictive than chapters 268A and 268B. A copy
1580 of the code of ethics shall be filed with the state ethics commission. The code shall include
1581 provisions reasonably necessary to carry out this section, including, but not limited to: (i)
1582 prohibiting the receipt of gifts by a division employee from a cannabis licensee, applicant, close
1583 associate, affiliate or other person or entity subject to the jurisdiction of the commission; and (ii)
1584 prohibiting the participation by a division employee in a particular matter that affects the

1585 financial interest of a relative within the third degree of consanguinity or any other person with
1586 whom such employee has a significant relationship, as may be defined in the code of ethics.

1587 (e) The annual operational cost of the division shall be funded by the Cannabis Revenue
1588 Fund as provided in section 28 of chapter 10A.

1589 SECTION 4. Section 5I of chapter 18 of the General Laws, as appearing in the 2016
1590 Official Edition, is hereby amended by inserting after the word “court”, in line 43, the following
1591 words:-; or any adult use cannabis establishment as defined in section 2 of chapter 10A.

1592 SECTION 5. Section 5J of said chapter 18, as so appearing, is hereby amended by
1593 striking out, in line 14, the words, “or on cruise ships” and inserting in place thereof the
1594 following words:- on cruise ships; or any adult use cannabis establishments as defined in section
1595 2 of chapter 10A.

1596 SECTION 6. Section 2KKKK of chapter 29 of the General Laws is hereby repealed.

1597 SECTION 7. Section 1 of chapter 32 of the General Laws, as so appearing, is hereby
1598 amended by inserting after the word “commission”, in line 226, the following words:- ,
1599 Massachusetts cannabis control commission.

1600 SECTION 8. Section 2 of chapter 32A of the General Laws, as so appearing, is hereby
1601 amended by inserting after the word “commission”, in lines 13 and 14, the following words:- ,
1602 Massachusetts cannabis control commission.

1603 SECTION 9. Section 38 of chapter 63 of the General Laws, as so appearing, is hereby
1604 amended by striking out, in line 211, the word “and”.

1605 SECTION 10. Said section 38 of said chapter 63, as so appearing, is hereby further
1606 amended inserting after the word “ commonwealth”, in lines 216 and 217, the following words:-
1607 ; and (10) in the case of a business deriving receipts from operating a cannabis establishment or
1608 otherwise deriving receipts from conducting a cannabis business or activity, income-producing
1609 activity shall be considered to be performed in this commonwealth to the extent that the location
1610 of cannabis transactions or activities that generated the receipts is in this commonwealth.

1611 SECTION 11. Said section 38 of said chapter 63, as so appearing, is hereby further
1612 amended by striking out, in line 247, the word “and” the second time it appears.

1613 SECTION 12. Said section 38 of said chapter 63, as so appearing, is hereby further
1614 amended by inserting after the word “commonwealth”, in line 253, the following words:- ; and
1615 (9) in the case of a business deriving receipts from operating a cannabis establishment or
1616 otherwise deriving receipts from conducting a cannabis business or activity, income-producing
1617 activity shall be considered to be performed in this commonwealth to the extent that the location
1618 of cannabis transactions or activities that generated the receipts is in this commonwealth.

1619 SECTION 13. Section 1 of chapter 64H of the General Laws, as so appearing, is hereby
1620 amended by inserting after the word “state”, in line 269, the following words:- , and shall include
1621 marijuana, marijuana concentrate, marijuana-infused products and marijuana products as defined
1622 in section 2 of chapter 10A.

1623 SECTION 14. Chapter 64N of the General Laws is hereby repealed.

1624 SECTION 15. Section 24I of chapter 90 of the General Laws, as appearing in the 2016
1625 Official Edition, is hereby amended by inserting after the word “liquid”, in line 4, the following
1626 words:- or other substances.

1627 SECTION 16. Said section 24I of said chapter 90, as so appearing, is hereby further
1628 amended by inserting after the word “beverage”, in lines 20 and 29, the following words:- ,
1629 marijuana or any marijuana products.

1630 SECTION 17. Section 1 of chapter 94C of the General Laws, as so appearing, is hereby
1631 amended by inserting after the word “germination”, in line 229, the following words:- ; provided,
1632 however, that the term marihuana shall not include marihuana or marijuana manufactured,
1633 distributed, dispensed, cultivated or possessed in compliance with chapter 10A; and provided
1634 further, that the term marihuana shall not include industrial hemp as defined in section 116 of
1635 chapter 128.

1636 SECTION 18. Chapter 94G of the General Laws is hereby repealed.

1637 SECTION 19. Chapter 128 of the General Laws is hereby amended by adding the
1638 following 9 sections:-

1639 Section 116. As used in sections 116 to section 121, inclusive, the following words shall,
1640 unless the context clearly requires otherwise, have the following meanings:-

1641 “Hemp”, the plant of the genus cannabis and any part of the plant, whether growing or
1642 not, with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3 per cent on a dry
1643 weight basis, or per volume or weight of marijuana product, or the combined per cent of delta-9-
1644 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus
1645 cannabis regardless of moisture content.

1646 “Hemp products”, products made from industrial hemp including, but not limited to,
1647 cloth, cordage, fiber, food, fuel, paint, paper, particle board, plastics, seed, seed meal, seed oil
1648 and certified seed for cultivation if such seeds originate from industrial hemp varieties.

1649 “Industrial hemp”, hemp that is used exclusively for industrial purposes, including but
1650 not limited to, the fiber and seed.

1651 “Person”, a natural person, corporation, association, partnership or other legal entity.

1652 Section 117. (a) Industrial hemp as an agricultural product may be planted, grown,
1653 harvested, possessed, processed, bought, sold or researched subject to sections 116 to 121,
1654 inclusive. The planting, growing, harvesting, possessing, processing, selling or research of
1655 industrial hemp as an agricultural product shall be subject to the supervision and approval of the
1656 department pursuant to said sections 116 to 121, inclusive.

1657 (b) Any person planting, growing, harvesting, possessing, processing or selling industrial
1658 hemp for commercial purposes shall: (i) be licensed by the department pursuant to section 118;
1659 and (ii) only acquire hemp seeds imported from a distributor registered with the United States
1660 Drug Enforcement Administration and certified by the United States Department of Agriculture.

1661 (c) Hemp products may be used only for the following: (i) research purposes; and (ii)
1662 commercial purposes deemed reasonable by the commissioner.

1663 Section 118. (a) No person, other than a person utilizing hemp products for commercial
1664 purposes pursuant to subsection (c) or a person utilizing industrial hemp or hemp products for
1665 research pursuant to subsection (d), may plant, grow, harvest, possess, process or sell industrial
1666 hemp without a license issued by the department.

1667 (b) No person may produce or distribute industrial hemp seed without a license issued by
1668 the department.

1669 (c) Any person utilizing hemp products for commercial purposes shall register with the
1670 department.

1671 (d) Any person utilizing industrial hemp or hemp products for research conducted under
1672 an agricultural pilot program or other agricultural or academic research shall register with the
1673 department.

1674 (e) An application for a license issued pursuant to subsection (a) or (b) shall, without
1675 limitation, include the following: (i) the name and address of the applicant or applicants; (ii) the
1676 name and address of the industrial hemp operation of the applicant; (iii) the global positioning
1677 system coordinates and legal description of the property used for the industrial hemp operation;
1678 (iv) the acreage size of the field where the industrial hemp will be grown, if applicable; (v) a
1679 written consent allowing a state and federal criminal history background check to be conducted;
1680 (vi) a written consent allowing the department to conduct both scheduled and random inspections
1681 of and around the premises on which the industrial hemp is being sown, grown, harvested, stored
1682 and processed; (vii) a nonrefundable application fee in an amount established by the
1683 commissioner; (viii) all other information required pursuant to subsection (d); and (ix) any other
1684 information that may be required by the commissioner.

1685 (f) All documents included in an application for licensure submitted under subsection (e)
1686 of section 118, except for the address of a licensee's cultivation or production facilities and any
1687 documents describing, depicting, or otherwise outlining a licensee's security schematics or
1688 global positioning system coordinates, which are deemed by the department as confidential in

1689 nature due to their public safety implications, shall be considered public records within the
1690 meaning of chapter 66.

1691 Section 119. (a) Upon receipt, review and approval of an application for licensure
1692 pursuant to section 118, the commissioner may grant an annual license upon issuance of written
1693 findings that the requirements of sections 116 to 121, inclusive, and any regulations promulgated
1694 thereunder are satisfied and upon the issuance of written findings that issuing the license will be
1695 in the best interests of the commonwealth.

1696 (b) The commissioner shall deny an application for licensure filed pursuant to section 118
1697 if the applicant: (i) fails to satisfy the minimum qualifications for licensure pursuant to sections
1698 116 to 121, inclusive, and any regulations promulgated thereunder; or (ii) for good cause shown.

1699 Section 120. The commissioner shall suspend, revoke, or refuse to renew the license of
1700 any person who violates sections 116 to 121, inclusive, or any regulations promulgated
1701 thereunder.

1702 Section 121. (a) The department and the commissioner shall promulgate rules and
1703 regulations for the implementation, administration and enforcement of sections 117 to 121,
1704 inclusive.

1705 (b) The department may, pursuant to section 2 of chapter 30A, promulgate, amend or
1706 repeal any regulation promulgated under this chapter as an emergency regulation if such
1707 regulation is necessary to protect the interests of the commonwealth in regulating industrial
1708 hemp.

1709 Section 122. The department shall have the authority to inspect and have access to all
1710 equipment, supplies, records, real property, and any other information deemed necessary, from
1711 any person participating in the planting, growing, harvesting, possessing, processing, purchasing,
1712 selling, or researching of hemp, industrial hemp, or hemp products. The department may
1713 establish an inspection and testing program to determine delta-9 tetrahydrocannabinol levels and
1714 ensure compliance with the limits on delta-9 tetrahydrocannabinol concentration.

1715 Section 123. The department may establish civil administrative fines for violations of
1716 sections 116 through 121, inclusive, or regulations promulgated thereunder. A person aggrieved
1717 by the assessment of a fine under this section or a licensure action under section 120 may appeal
1718 by filing a notice of appeal with the department within 21 days of the receipt of the notice of the
1719 fine or licensure action. The adjudicatory hearing shall be conducted in accordance with chapter
1720 30A.

1721 SECTION 20. Section 1 of chapter 271A of the General Laws, as so appearing, is hereby
1722 amended inserting before the definition of “Criminal enterprise activity” the following 2
1723 definitions:-

1724 “Cannabis establishment”, an establishment licensed under chapter 10A.

1725 “Cannabis licensee”, a person or entity who holds an adult use cannabis license, a
1726 medical use cannabis license, license, a marijuana product manufacturer license or a marijuana
1727 cultivator license under chapter 10A.

1728 SECTION 21. Said chapter 271A of the General Laws is hereby further amended by
1729 striking out section 3, as so appearing, and inserting in place thereof the following 2 sections:-

1730 Section 3. Whoever knowingly: (1) through a pattern of criminal enterprise activity or
1731 through the collection of an unlawful debt acquires or maintains, directly or indirectly, an interest
1732 in or control of an enterprise which is engaged in, or the activities of which affect, a cannabis
1733 licensee or a cannabis establishment or ancillary industries which do business with a cannabis
1734 licensee or a cannabis establishment; (2) having received proceeds derived, directly or indirectly,
1735 from a pattern of criminal enterprise activity or through the collection of an unlawful debt, uses
1736 or invests, directly or indirectly, part of the proceeds, including proceeds derived from the
1737 investment, in the acquisition of an interest in real property to be used in connection with a
1738 cannabis establishment, or in the establishment or operation of an enterprise which is engaged in,
1739 or the activities of which affect, a cannabis licensee or a cannabis establishment or ancillary
1740 industries which do business with a cannabis licensee or a cannabis establishment; (3) is
1741 employed by or associated with an enterprise to conduct or participate, directly or indirectly, in
1742 the conduct of the enterprise's affairs or activities which affect a cannabis licensee or a cannabis
1743 establishment or ancillary industries which do business with a cannabis licensee or a cannabis
1744 establishment by engaging in a pattern of criminal enterprise activity or through the collection of
1745 an unlawful debt; or (4) conspires or attempts to violate clauses (1), (2) or (3) or attempts to so
1746 conspire; shall be guilty of enterprise crime and shall be punished by imprisonment in the state
1747 prison for not more than 15 years or by a fine of not more than \$25,000 or by both such
1748 imprisonment and fine.

1749 Nothing in this chapter shall prohibit the purchase of securities on the open market for
1750 purposes of investment made without the intention of controlling or participating in the control
1751 of the issuer, or of assisting another to do so, if the securities of the issuer held by the: (i)
1752 purchaser; (ii) members of the purchaser's immediate family; or (iii) the purchaser's accomplices

1753 in any pattern of criminal activity for the collection of an unlawful debt after such purchase do
1754 not amount, in the aggregate, to 1 per cent of the outstanding securities of any 1 class and do not
1755 confer, either in law or in fact, the power to elect 1 or more directors of the issuer.

1756 Section 4. All monetary proceeds or other property, real, intellectual or personal, obtained
1757 directly as a result of a violation of this chapter, shall be subject to seizure and forfeiture to the
1758 commonwealth. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j),
1759 inclusive of section 47 of chapter 94C. For the purposes of subsection (d) of said section 47 of
1760 said chapter 94C, the investigation and enforcement bureau of the Massachusetts gaming
1761 commission established in chapter 23K and the investigation and enforcement bureau of the
1762 Massachusetts cannabis control commission established in chapter 10A shall be considered a
1763 police department and shall be entitled to a police department's distribution of forfeiture
1764 proceedings.

1765 SECTION 22. Chapter 369 of the acts of 2012 is hereby repealed.

1766 SECTION 23. Chapter 334 of the acts of 2016 is hereby repealed.

1767 SECTION 24. Notwithstanding any general or special law to the contrary, in making
1768 initial appointments to the Massachusetts cannabis control commission, established in chapter
1769 10A of the General Laws, of the members to be appointed by majority agreement of the
1770 governor, the attorney general and the treasurer and receiver-general, 1 commissioner shall be
1771 appointed for a term of 3 years and 1 shall be appointed for a term of 4 years. The commissioner
1772 to be appointed by the treasurer and receiver-general shall serve for a term of 5 years, the
1773 commissioner to be appointed by the attorney general shall serve for a term of 6 years and the
1774 commissioner appointed by the governor shall serve for a term of 7 years. Commissioners shall

1775 be appointed within 60 days after the effective date of this act; provided, however, that no person
1776 shall be allowed to serve on the commission prior to the completion of a background
1777 investigation pursuant to said chapter 10A. All initial appointments to the commission shall be
1778 made on or before September 1, 2017.

1779 SECTION 25. (a) As used in sections 25 to 32, inclusive, the following terms shall,
1780 unless the context clearly requires otherwise, have the following meanings:-

1781 “Commission”, the Massachusetts cannabis control commission established pursuant to
1782 chapter 10A of the General Laws.

1783 “Department”, the department of public health.

1784 “Program”, the department’s medical use of marijuana program.

1785 (b) Notwithstanding any general or special law to the contrary, the department and the
1786 commission shall develop and implement a transfer agreement providing for the orderly transfer
1787 of the program, including personnel, from the department to the commission pursuant to sections
1788 25 to 32, inclusive. Upon the assumption of the outstanding liabilities, obligations and debt of the
1789 program by the commission, the program shall be dissolved and, without further conveyance or
1790 other act, all the assets, liabilities, obligations and debt, as well as all rights, powers and duties of
1791 the program shall be transferred to, and assumed by, the commission.

1792 (c) On the date the transfer required by subsection (b) takes effect: (i) ownership,
1793 possession and control of all property, including, but without limitation, all buildings, facilities,
1794 cash, equipment, books, papers, memorandums, files, maps, plans, records, documents, property
1795 held in trust and other property, both personal and real, of whatever description pertaining to the

1796 operation of the program which are in the possession of the program or department or employee
1797 thereof shall pass to, and be vested in, the commission without consideration or further evidence
1798 of transfer; and, (ii) all duly existing contracts, leases or obligations of the program which remain
1799 in force immediately before the effective date of the transfer pursuant to subsection (b) shall be
1800 deemed to be the obligations of the commission. The commission shall have authority to exercise
1801 all rights and enjoy all interests conferred upon the program or department by such contracts or
1802 obligations. No existing right or remedy of any character shall be lost impaired or affected by
1803 this act. In the case of collective bargaining agreements, any obligations under the agreements
1804 shall expire on the stated date of expiration of such agreements.

1805 (d) The department shall transfer the program to the commission upon receipt of written
1806 certification from the commission that the commission has in place the legal and regulatory
1807 framework to regulate and oversee medical marijuana without disruption to the medical
1808 marijuana industry or patient access to medical marijuana or on December 31, 2018, whichever
1809 occurs first.

1810 The transfer of the assets, liabilities, obligations and debt of the program to the
1811 commission shall be effective upon execution of the transfer agreement authorized herein and
1812 shall bind all persons with or without notice and without any further action or documentation.

1813 (e) Each employee of the program whose salary is paid out partially or in full by revenues
1814 generated by the program and whose salary is accounted for on the books of the program as
1815 arising from revenue generated by the program as of June 1, 2017 shall become an employee of
1816 the commission upon execution of the transfer agreement authorized herein or on December 31,
1817 2018, whichever occurs first.

1818 (f) All applications submitted, requests, investigations and other proceedings
1819 appropriately and duly brought before the program before the effective date of this act shall
1820 continue unabated and remain in force, but shall be assumed and completed by the commission.

1821 SECTION 26. (a) Notwithstanding any general or special law to the contrary, each
1822 employee of the program shall become an employee of the commission upon the execution of the
1823 transfer agreement required pursuant to section 25 or on January 1, 2019.

1824 (b) All officers and employees of the department's program transferred to the service of
1825 the commission shall be transferred without impairment of seniority, retirement or other statutory
1826 rights of employees, without loss of accrued rights to holidays, sick leave, vacation and other
1827 benefits, and without change in union representation or certified collective bargaining unit as
1828 certified by the state labor relations commission or in local union representation or affiliation,
1829 except as otherwise provided in this act. Terms of service of employees of the department's
1830 program shall not be deemed to be interrupted by virtue of transfer to the commission.

1831 (c) Nothing in this section shall be construed to confer upon any employee of the
1832 program any right not held immediately before the date of said transfer to the commission, or to
1833 prohibit any reduction of salary grade, transfer, reassignment, suspension, discharge, layoff or
1834 abolition of position not prohibited before such date.

1835 SECTION 27. Notwithstanding any general or special law to the contrary, the terms and
1836 conditions of any collective bargaining agreement that is in effect upon transfer of the
1837 department's program with respect to employees of said program shall continue in effect until
1838 the stated expiration date of such agreement, at which point the agreement shall expire;
1839 provided, however, that all such employees shall continue to retain their right to collectively

1840 bargain under chapter 150E of the General Laws and shall be considered employees of the
1841 Massachusetts cannabis control commission established pursuant to chapter 10A for the purposes
1842 of said chapter 150E. Upon the effective date of this act, the department's program shall not
1843 engage in negotiations for future collective bargaining agreements with employees of the
1844 program.

1845 The personnel administrator of the commonwealth, in consultation with the commission,
1846 shall complete a study of job titles in the department's program. The personnel administrator, in
1847 consultation with the commission, shall determine the appropriate job titles for former
1848 employees of the department's program transferred to the commission. Employees transferred to
1849 the commission shall be placed in job titles as determined by the personnel administrator, and
1850 shall be paid wages and receive benefits consistent with the commonwealth bargaining unit
1851 contract governing such job titles. Employees not transferred to the commission shall be released
1852 pursuant to the provisions of any applicable collective bargaining agreement or authority policy
1853 in place upon the effective date of this act.

1854 SECTION 28. Notwithstanding any general or special law to the contrary, on and after
1855 the effective date of this act, the department's program shall not enter into any contract to
1856 employ a person as an employee or officer beyond December 31, 2018.

1857 SECTION 29. Notwithstanding any general or special law to the contrary, any order,
1858 rule, or regulation duly promulgated, or any license, permit, certificate or approval duly granted,
1859 by or on behalf of the department's program, shall continue in effect and shall be enforced by the
1860 commission until its expiration or until superseded, revised, rescinded or cancelled by the
1861 commission.

1862 SECTION 30. (a) Notwithstanding any general or special law to the contrary, upon
1863 execution of the agreement between the department and the commission pursuant to section 25,
1864 or December 31, 2018, whichever occurs first, the comptroller shall transfer the unexpended
1865 balances of the Medical Marijuana Trust Fund established in section 2KKKK of chapter 29 of
1866 the General Laws to the Cannabis Revenue Fund, established pursuant to chapter 10A of the
1867 General Laws.

1868 (b) The comptroller shall take the overall cash flow needs of the commonwealth into
1869 consideration in determining the timing of any transfer of funds provided for in subsection (a).
1870 The comptroller shall provide a schedule of transfers to the secretary of administration and
1871 finance and to the house and senate committees on ways and means.

1872 SECTION 31. The commission shall submit a report to the joint committee on marijuana
1873 policy on or before June 1, 2018 detailing the progress of the transfer of the program as set forth
1874 in sections 25 to 32, inclusive.

1875 SECTION 32. Notwithstanding any general or special law to the contrary, marijuana may
1876 be used for medical purposes pursuant to chapter 369 of the acts of 2012 and any rule or
1877 regulation promulgated by the department pursuant to said chapter 369 of the acts of 2012
1878 including, without limitation, 105 CMR 725 until the department transfers the oversight and
1879 regulation of the program to the commission as provided by section 25.

1880 SECTION 33. Notwithstanding any general or special law to the contrary, any person
1881 licensed as of July 1, 2017 to dispense medical use cannabis, or any application pending before
1882 the department of public health which have not received provisional or final certification of
1883 registration, shall be entitled to convert from a non-profit corporation organized under chapter

1884 180 of the General Laws into a domestic business corporation or a domestic other entity pursuant
1885 to chapter 156 of the General Laws, or any other such domestic business entity as permitted by
1886 the General Laws, by adopting a plan of entity conversion in accordance with section 9.51 of
1887 chapter 156D of the General Laws approved by a vote of two-thirds of the members of its board
1888 of directors at a meeting duly called for the purpose or by unanimous written consent; provided,
1889 however, notwithstanding any law to the contrary, any plan of entity conversion adopted by an
1890 any medical use cannabis licensee or any application for a medical use cannabis license pending
1891 before the Massachusetts cannabis control commission which have not received provisional or
1892 final certification of registration shall not be required to be approved in accordance with the
1893 organic law of the non-profit corporation organized under said chapter 180. Articles of entity
1894 conversion shall be signed and submitted to the secretary of the commonwealth in the manner
1895 prescribed in and subject to section 9.53 and section 9.55 of said chapter 156D on a form
1896 prescribed by the secretary of the commonwealth, and the secretary of the commonwealth shall
1897 approve all such filings submitted pursuant to this section. For the purposes of converting from a
1898 non-profit corporation organized under said chapter 180 into a domestic business corporation or
1899 a domestic other entity pursuant to said chapter 156, notwithstanding any provision in the articles
1900 of organization applications pending before the Massachusetts cannabis control commission
1901 which have not received provisional or final certification of registration to the contrary, the
1902 members of its board of directors may determine that such plan of entity conversion is consistent
1903 with its purpose and such non-profit corporation shall be entitled to surrender its articles of
1904 organization in connection with the plan of entity conversion. Notwithstanding any law to the
1905 contrary, neither the entity conversion nor the issuance of any shares, interests, or other
1906 securities, obligations, rights to acquire interests or other securities, cash, other property, or any

1907 combination of the foregoing, set forth in or resulting from the plan of entity conversion shall be
1908 subject to taxation or result in the imposition of any tax by the commonwealth.

1909 SECTION 34: Notwithstanding any general or special law to the contrary, the
1910 Massachusetts cannabis control commission established pursuant to chapter 10A of the General
1911 Laws shall promulgate regulations, guidelines and protocols necessary for the issuance of
1912 cannabis licenses pursuant to said chapter 10A no later than March 15, 2018. The commission
1913 shall begin to accept applications for cannabis licenses pursuant to said chapter 10A no later than
1914 April 1, 2018; provided, however, that the commission shall not issue an adult use cannabis
1915 license pursuant to chapter 10A until July 1, 2018.

1916 SECTION 34A. The commission shall identify all applications for cannabis licenses
1917 submitted between April 1, 2018 and April 15, 2018 from registered marijuana dispensaries with
1918 a final or a provisional certificate of registration in good standing with the department of public
1919 health pursuant to 105 CMR 725.000 that are operational and dispensing to qualifying patients.
1920 The commission shall grant or deny such applications prior to reviewing any other applications
1921 for cannabis licenses. The commission shall not approve any application for an adult-use
1922 cannabis license submitted by such a registered marijuana dispensary if, pursuant to chapter 10A,
1923 a host community has voted to reject the provisions of that chapter relative to adult-use cannabis
1924 establishments.

1925 SECTION 35. Notwithstanding any general or special law to the contrary, the
1926 Massachusetts cannabis control commission established pursuant to chapter 10A of the General
1927 Laws shall promulgate regulations, guidelines and protocols necessary for the purposes of
1928 authorizing the independent testing of marijuana on or before June 1, 2018.

1929 SECTION 36. Notwithstanding any general or special law to the contrary, it shall be the
1930 public policy of the commonwealth that contracts related to the operation of a cannabis
1931 establishment under chapter 10A of the General Laws shall not be considered contracts in
1932 violation of public policy and may be enforceable.

1933 SECTION 37. Notwithstanding any general or special law to the contrary, no provision
1934 of chapter 10A of the General Laws shall be construed or interpreted to require an employer to
1935 permit or accommodate conduct otherwise allowed under said chapter 10A in the workplace and
1936 shall not affect the authority of employers to enact and enforce workplace policies restricting the
1937 consumption of marijuana by employees.

1938 SECTION 38. Notwithstanding any general or special law to the contrary, the use of
1939 marijuana shall not disqualify a person from any needed medical procedure or treatment,
1940 including organ and tissue transplants.

1941 SECTION 39. The Massachusetts cannabis control commission and the attorney general
1942 shall conduct an investigation and study of the advisability of establishing criminal penalties for
1943 violations of this act, and shall report their recommendations for amendments to the General
1944 Laws to establish such criminal penalties, if any, on or before January 1, 2020. The investigation
1945 and study shall include, but shall not be limited to, potential criminal penalties on the following
1946 matters: (i) the employment of individuals by cannabis establishments without proper licensure
1947 or registration; (ii) the improper or expired licensure of a cannabis establishment; (iii) the
1948 improper reporting or payment of any licensure fee or tax required by this act; (iv) the sale,
1949 delivery or transfer of adult use marijuana or marijuana products to any person under 21 years of
1950 age; (v) the improper manufacturing or extraction of cannabinoid oils or butane hash oil; (vi)

1951 interference with the duties of the bureau, commission, division, or agents thereof; and (vii) the
1952 purchase of adult use marijuana or marijuana products on behalf of a person under the age of 21.

1953 SECTION 40. Notwithstanding any general or special law to the contrary, a state,
1954 municipal or county employee whose official duties or responsibilities require them to take any
1955 action related to the enactment, administration or enforcement of chapter 10A of the General
1956 Laws, this act or any rule or regulation promulgated pursuant to said chapter 10A or this act shall
1957 be indemnified by their employer for all costs associated with any legal proceedings brought
1958 against said state, municipal or county employee by the federal government as a result of any
1959 such official action taken by said state, municipal or county employee; provided, however, that
1960 no state, municipal or county employee shall be indemnified for a violations of chapter 10A of
1961 the General Laws, this act or any rule or regulation promulgated pursuant to said chapter 10A or
1962 this act for any actions taken in their personal capacity.

1963 SECTION 41. Notwithstanding any general or special law to the contrary, any
1964 restrictions or limitations on the operation of medical use cannabis establishments, adult use
1965 cannabis establishments or both imposed by a municipality pursuant to chapter 369 of the acts of
1966 2012 or chapter 334 of the acts of 2016 as of July 1, 2017 shall remain in effect.

1967 SECTION 42. Notwithstanding any general or special law to the contrary, if a majority of
1968 a board of selectmen in a town vote to reject any provision of chapter 10A of the General Laws
1969 pursuant to section 6 of said chapter 10A said vote shall be sufficient for the town to have
1970 rejected said provision of said chapter 10A until the town meeting votes pursuant to said section
1971 6 of said chapter 10A at its next regularly scheduled meeting, or for a period of no longer than 12
1972 months.

1973 SECTION 43. Notwithstanding section 12 of chapter 10A of the General Laws or any
1974 general or special law to the contrary, any medical marijuana treatment center registered under
1975 chapter 369 of the acts of 2012 as of July 1, 2017 may be issued 1 adult use cannabis license, 1
1976 product manufacturer license and 1 cultivator license pursuant to said chapter 10A.

1977 SECTION 44. (a) There shall be a special commission on operating under the influence
1978 to conduct a comprehensive study relative to the regulation and testing of operating under the
1979 influence of marijuana, narcotic drugs, depressants or stimulant substances, all as defined in
1980 section 1 of chapter 94C of the General Laws. The special commission shall review all aspects of
1981 law enforcement personnel being able to properly test impaired operators and prevent impaired
1982 operation of motor vehicles. At a minimum, the group shall take into account the following:
1983 scientific types of testing and data, medical types of testing and data, possible new technological
1984 forms of testing, civil liberties of the operator, social economic aspects of the testing, burden on
1985 law enforcement, current status of law within the commonwealth, training of law enforcement,
1986 intrusiveness of tests, cost analysis of testing, the current threshold for impairment and the rate of
1987 success in finding impaired operators.

1988 (b) The special commission shall consist of: the executive director of the Massachusetts
1989 cannabis control commission, who will chair the special commission; the attorney general or a
1990 designee; the secretary of the executive office of public safety or a designee; the superintendent
1991 of the Massachusetts state police or a designee; the president of the Massachusetts Chiefs of
1992 Police Association or a designee; the president of the Massachusetts District Attorney's
1993 Association or a designee; the president of the Massachusetts State Bar Association or a
1994 designee; the president of the ACLU of Massachusetts or a designee; the president of the
1995 Massachusetts Medical Society or a designee; 1 person appointed by the secretary of the office

1996 of health and human services who shall have medical and physiological expertise; 1 public
1997 member appointed by the governor with expertise in scientific research on or technological
1998 development in testing capabilities of these substances. A majority of the members of the board
1999 present and voting shall constitute a quorum.

2000 (c) The special commission shall submit its final report and any recommendations for
2001 legislation by filing a report with the clerks of the house of representatives and the senate on or
2002 before July 1, 2019.

2003 SECTION 45. The treasurer and receiver-general shall make initial appointments to the
2004 Massachusetts cannabis advisory board pursuant to section 42 of chapter 10A of the General
2005 Laws on or before August 1, 2017.

2006 SECTION 46. Sections 6 and 22 shall take effect upon the execution of the transfer
2007 agreement between the department of public health and the Massachusetts cannabis control
2008 commission required pursuant to section 25 or on December 31, 2018.

2009 SECTION 47. The Cannabis Control Commission shall make necessary accommodations
2010 and special regulations for the counties of Dukes and Nantucket. Such regulations shall be in
2011 place on or before May 1, 2018.

2012 SECTION 48. The department of public health, in consultation with the cannabis control
2013 commission, shall create the following science-based public awareness campaigns: (i) a
2014 campaign to inform the public about responsible adult use of marijuana, including information
2015 on edibles and warnings about the dangers of manufacturing marijuana products at home; and (ii)
2016 a campaign to educate youth about marijuana use with a goal of decreasing the youth usage rate.

2017 The public awareness campaigns shall be funded from revenues received from the Cannabis
2018 Revenue Fund established in Section 28.

2019 SECTION 49. The executive office of public safety and security shall create public
2020 awareness campaigns to educate the public about impaired driving, including, but not limited to,
2021 impairment by the use of marijuana. The public awareness campaign shall be funded from
2022 revenues received from the Cannabis Revenue Fund established in Section 28.

2023 SECTION 50. The commission shall develop a research agenda in order to understand
2024 the social and economic trends of marijuana in the commonwealth, to inform future decisions
2025 that would aid in the closure of the illicit marketplace and inform the commission on public
2026 health impacts of marijuana. The research agenda shall include, but not be limited to: (i) patterns
2027 of use, methods of consumption and general perceptions of marijuana; (ii) incidents of impaired
2028 driving and hospitalization related to marijuana use including a report of the state of the science
2029 around identifying a quantifiable level of marijuana-induced impairment of motor vehicle
2030 operation; (iii) economic and fiscal impacts for state and local governments, which shall include
2031 the impact of legalization on the production and distribution of marijuana in the illicit market as
2032 well as costs and benefits to state and local revenue; (iv) ownership and employment trends in
2033 the marijuana industry examining participation by racial, ethnic and socio-economic subgroups,
2034 including identification of barriers to participation in the industry; (v) a market analysis
2035 examining the expansion or contraction of the illicit marketplace and the expansion or
2036 contraction of the legal marketplace that includes estimates and comparisons of pricing and
2037 product availability in both markets; and (vi) a compilation of data on the number of arrests,
2038 prosecutions, incarcerations and sanctions imposed as a result of violations of chapter 94C for
2039 possession, distribution or trafficking of marijuana or marijuana products, including

2040 identification of race, gender, country of origin, state geographic region and average sanctions of
2041 the individuals charged.

2042 The commission shall incorporate available data into its research plan and coordinate and
2043 form partnerships with the department of public health, the executive office of public safety and
2044 security and the executive office of labor and workforce development. The commission shall
2045 annually report on the results of its research agenda and, when appropriate, make
2046 recommendations for further research or policy changes. The commission shall publish the first
2047 such report not later than July 1, 2019.