

SENATE No. 2097

Senate June 22, 2017, – Text of the Senate amendment to the House Bill to ensure the public health and safety of patient and consumer access to medical and adult use of marijuana in the Commonwealth (being the text of Senate document number 2090, printed as amended)

The Commonwealth of Massachusetts

—
In the One Hundred and Ninetieth General Court
(2017-2018)
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1 SECTION 1. Pursuant to the voter-approved initiative to legalize, regulate and tax
2 marijuana for adult use, the commonwealth by this act establishes a cannabis control
3 commission. The commission shall develop a robust, competitive and legal market for adult use
4 of marijuana in the commonwealth. To that end, the commission shall be responsible for
5 establishing rules, regulations and practices to receive, evaluate and issue license applications
6 and licenses to individuals and entities based on competence, capacity and integrity. The
7 commission shall enforce its rules and regulations fairly and rigorously to provide a clear and
8 expedient path toward a marketplace for the adult use of marijuana in the commonwealth while
9 ensuring the health and safety of its people.

10 SECTION 2. Section 116 of chapter 6 of the General Laws, as appearing in the 2016
11 Official Edition, is hereby amended by adding the following paragraph:-

12 The executive director of the municipal police training committee, in conjunction with
13 the secretary of public safety and security, shall submit an annual estimate on the full cost of
14 operating the municipal police training committee and the complete array of training programs

15 for municipal police in the commonwealth to the senate and house committee on ways means by
16 not later than December 31.

17 SECTION 3. Chapter 10 of the General Laws is hereby amended by inserting after
18 section 35DDD the following section:-

19 Section 35EEE. (a) There shall be a Municipal Police Training Fund, consisting of
20 amounts credited to the fund in accordance with this section. The secretary of public safety and
21 security shall act as trustee and may expend money from the fund, without further appropriation;
22 provided, however, that the amounts credited to the fund shall be expended exclusively to
23 support the activities of the municipal police training committee established in section 116 of
24 chapter 6.

25 (b) The fund shall consist of: (i) funds transferred from the Marijuana Regulation Fund
26 established in section 14 of chapter 94G; (ii) revenue from appropriations or other money
27 authorized by the general court and specifically designated to be credited to the fund; (iii)
28 interest earned on money in the fund; and (iv) funds from private sources including, but not
29 limited to, gifts, grants and donations received by the commonwealth that are specifically
30 designated to be credited to the fund. Amounts credited to the fund shall not be subject to further
31 appropriation and money remaining in the fund at the end of a fiscal year shall not revert to the
32 General Fund. The secretary shall annually report the activity of the fund to the clerks of the
33 senate and the house of representatives and the senate and house committees on ways and mean
34 by not later than December 31.

35 SECTION 4. Said chapter 10 is hereby further amended by striking out sections 76 and
36 77, as appearing in the 2016 Official Edition, and inserting in place thereof the following 2
37 sections:-

38 Section 76. (a) As used in this section, the following words shall have the following
39 meanings unless the context clearly requires otherwise:

40 “Commission”, the cannabis control commission.

41 “Commissioner”, a member of the cannabis control commission.

42 (b) There shall be within the department of the state treasurer a cannabis control
43 commission. The commission shall have general supervision and sole regulatory authority over
44 the conduct of the business of marijuana establishments as defined in chapter 94G. The
45 commission shall adopt rules and regulations pursuant to chapter 30A for the administration of
46 its duties and powers and for the administration, clarification and enforcement of laws regulating
47 and licensing marijuana establishments in accordance with said chapter 94G.

48 (c) The commission shall consist of: 1 person who shall be appointed by the state
49 treasurer who shall have experience in the regulation and business of consumer commodities and
50 who shall serve as chair; 1 person who shall be appointed by the governor who shall have
51 experience in public health; 1 person who shall be appointed by the attorney general who shall
52 have experience in law enforcement; and 2 persons who shall be appointed by a majority vote of
53 the state treasurer, the governor and the attorney general, 1 of whom shall have experience in
54 social justice and 1 of whom shall have experience in the oversight of a regulated industry. The
55 state treasurer, the governor or the attorney general may remove a commissioner who was
56 appointed by that appointing authority for neglect of duty, misconduct or malfeasance in office

57 or for inability to discharge the powers and duties of the office. The state treasurer, the governor
58 and the attorney general may, by majority vote, remove a commissioner who was appointed by
59 majority vote of the state treasurer, the governor and the attorney general for neglect of duty,
60 misconduct or malfeasance in office or for inability to discharge the powers and duties of the
61 office. Before removal, the commissioner shall be provided with a written statement of the
62 reason for removal and an opportunity to be heard.

63 (d) Each commissioner shall serve for a term of 4 years. A person appointed to fill a
64 vacancy shall be appointed in the manner specified in subsection (c) and shall serve for the
65 remainder of the unexpired term of the commissioner whose position is being filled. Each
66 commissioner shall serve until a successor is appointed and shall be eligible for reappointment;
67 provided, however, that a commissioner shall not serve for more than 8 years.

68 (e) The chair of the commission shall be a full-time employee and shall receive a salary
69 commensurate with the duties of the office. The other commissioners shall serve without pay but
70 shall be reimbursed for actual expenses necessarily incurred in the performance of their duties. A
71 commissioner shall be prohibited from having a legal or financial interest with a marijuana
72 establishment including, but not limited to, serving as a member of the board of directors,
73 providing consulting, legal, marketing, accounting or tax services or otherwise being affiliated
74 with a marijuana establishment.

75 (f) Three commissioners shall constitute a quorum and the affirmative vote of 3
76 commissioners shall be necessary for action to be taken by the commission. A vacancy shall not
77 impair the right of a quorum to exercise the rights and duties of the commission.

78 (g) The commission shall be subject to chapter 30A. The records of the commission
79 pertaining to the administration of the commission shall be subject to section 42 of chapter 30
80 and section 10 of chapter 66. The commission shall be subject to chapters 268A and 268B.

81 (h)(1) The commission shall appoint an executive director who shall supervise the
82 administrative affairs, general management and operations of the commission. The executive
83 director shall receive a salary commensurate with the duties of the office. Sections 9A, 45, 46
84 and 46C of chapter 30 and chapters 31 and 150E shall not apply to the executive director.

85 (2) The executive director may appoint other officers and employees as may be necessary
86 to the operation of the commission. The executive director shall appoint and may remove agents
87 and subordinate officers as the executive director may consider necessary and may establish such
88 subdivisions within the commission as the executive director considers appropriate to fulfill the
89 purposes of the commission. Said sections 45, 46 and 46C of chapter 30 shall not apply to an
90 employee of the commission. The executive director shall establish personnel policies for the
91 officers and employees of the commission.

92 (3) The executive director shall, with the approval of the commission: (i) plan, direct,
93 coordinate and execute administrative functions in conformity with the policies and directives of
94 the commission; (ii) employ professional, investigative and clerical staff as necessary; (iii) report
95 to the commission on all operations under its control and supervision; (iv) prepare an annual
96 budget and manage the administrative expenses of the commission; and (v) undertake any other
97 activities necessary to implement the powers and duties of the commission, subject to approval
98 of the commission.

99 (4) Annually, not later than December 1, the executive director shall submit to the state
100 treasurer a budget and a personnel report containing the job classifications, duties and salary of
101 each officer and employee of the commission together with personnel policies applicable to
102 those officers and employees.

103 Section 77. (a) There shall be a cannabis advisory board to study and make
104 recommendations to the cannabis control commission on the regulation and taxation of
105 marijuana. The board shall consist of: the executive director of the cannabis control commission
106 who shall serve as chair; the commissioner of revenue or a designee; the commissioner of public
107 health or a designee; the commissioner of agricultural resources or a designee; the superintendent
108 of the state police or a designee; the president of the Massachusetts Municipal Association, Inc.
109 or a designee; the president of the Massachusetts Patient Advocacy Alliance, Inc. or a designee;
110 the executive director of the American Civil Liberties Union of Massachusetts, Inc. or a
111 designee; 5 members to be appointed by the state treasurer who shall have experience in
112 marijuana cultivation, marijuana retailing, marijuana product manufacturing, laboratory sciences
113 and toxicology and in providing legal services to marijuana businesses; 5 members to be
114 appointed by the governor who shall have experience in minority business development,
115 economic development strategies for under-resourced communities, farming or representing the
116 interests of farmers, representing the interests of employers and municipal law enforcement
117 personnel with advanced training in impairment detection and evaluation; and 5 members to be
118 appointed by the attorney general who shall have experience in social welfare or social justice,
119 criminal justice reform to mitigate the disproportionate impact of drug prosecutions on
120 communities of color, minority business ownership, women-owned business ownership and the
121 prevention and treatment of substance use disorders. Members of the board shall serve for terms

122 of 2 years. Members of the board shall serve without compensation but shall be reimbursed for
123 their expenses actually and necessarily incurred in the discharge of their official duties. Members
124 of the board shall not be state employees for the purposes of chapter 268A by virtue of their
125 service on the board. For the purposes of taking action at a meeting, a majority of the members
126 of the board present and voting shall constitute a quorum.

127 (b) The cannabis advisory board shall: (i) consider all matters submitted to it by the
128 commission; (ii) on its own initiative, recommend to the commission guidelines, rules and
129 regulations and any changes to guidelines, rules and regulations that the advisory board considers
130 important or necessary for the commission's review and consideration; and (iii) advise on the
131 preparation of regulations pursuant to chapter 94G.

132 (c) The chair may appoint subcommittees in order to expedite the work of the board;
133 provided, however, that the chair shall appoint: (i) a subcommittee on public health to develop
134 recommendations on products, labelling, marketing, advertising, related public health issues,
135 potency, which may include a recommended maximum limit for individual servings of marijuana
136 products, and packaging, which may include the development and implementation of a public
137 health warning to appear on marijuana products; (ii) a subcommittee on public safety and
138 community mitigation to develop recommendations on law enforcement, property, business and
139 consumer issues; (iii) a subcommittee on the cannabis industry to develop recommendations on
140 cultivation, processing, manufacturing, transportation, distribution, seed-to-sale tracking and
141 market stability; and (iv) a subcommittee on market participation to develop recommendations
142 on women, minority and veteran-owned businesses, local agriculture and growing cooperatives.

143 SECTION 5. Section 5I of chapter 18 of the General Laws, as so appearing, is hereby
144 amended by striking out, in lines 41 to 43, inclusive, the words “or for the payment to the
145 commonwealth of or any political subdivision thereof of any fees, fines, bail or bail bonds
146 ordered by a court” and inserting in place thereof the following words:- ; for the payment to the
147 commonwealth or a political subdivision thereof of a fee, fine, bail or bail bond ordered by a
148 court; or marijuana or marijuana products that are not prescribed for medicinal purposes.

149 SECTION 6. Section 5J of said chapter 18, as so appearing, is hereby amended by
150 striking out, in line 14, the words “or on cruise ships” and inserting in place thereof the following
151 words:- on a cruise ship; or at a marijuana establishment as defined in chapter 94G.

152 SECTION 7. Section 3 of chapter 40A of the General Laws, as so appearing, is hereby
153 amended by striking out”, in lines 40 and 41, the words “growing, cultivation” and inserting in
154 place thereof the following word:- retail.

155 SECTION 8. Section 5 of chapter 64N of the General Laws, as so appearing, is hereby
156 amended by striking out, in lines 2 and 3, the words “this chapter, other than revenue collected
157 pursuant to section 2 of chapter 64H of the General Laws,” and inserting in place thereof the
158 following words:- section 2 and the revenue generated by the tax imposed by section 2 of chapter
159 64H on the sale of marijuana and marijuana products by a marijuana retailer to anyone other than
160 a marijuana establishment.

161 SECTION 9. Section 1 of chapter 94C of the General Laws, as so appearing, is hereby
162 amended by inserting after the word “plant”, in line 225, the following words:- , industrial hemp
163 as defined in section 116 of chapter 128.

164 SECTION 10. Section 32L of said chapter 94C, as so appearing, is hereby amended by
165 striking out, in lines 2, 25, 30, 35, 36 and 45, the words “one ounce” and inserting in place
166 thereof, in each instance, the following words:- 2 ounces.

167 SECTION 11. Said section 32L of said chapter 94C, as so appearing, is hereby further
168 amended by striking out, in lines 19 and 20, the words ““An Act Establishing a Sensible State
169 Marihuana Policy,” neither” and inserting in place thereof the following words:- section 24I of
170 chapter 90, chapter 94G and chapter 387 of the acts of 2008, neither.

171 SECTION 12. Said section 32L of said chapter 94C, as so appearing, is hereby further
172 amended by striking out, in line 23, the words “an ounce” and inserting in place thereof the
173 following words:- 2 ounces.

174 SECTION 13. Section 32M of said chapter 94C, as so appearing, is hereby amended by
175 striking out, in line 3, the words “one ounce” and inserting in place thereof the following words:-
176 2 ounces.

177 SECTION 14. Section 1 of chapter 94G of the General Laws, as so appearing, is hereby
178 amended by inserting after subsection (c) the following 2 subsections:-

179 (c¹/₄) "Craft marijuana cultivator", an individual licensed to cultivate marijuana and to
180 process, package, deliver, transfer and sell marijuana or marijuana products only to a craft
181 marijuana cultivator cooperative of which that individual is a member; provided, however, that a
182 craft marijuana cultivator license shall not be issued to an applicant who retains or owns an
183 interest, directly or indirectly, in any activity or in any business directly or indirectly engaged in
184 the business of cultivating, manufacturing, processing or packaging marijuana or marijuana
185 products either within or outside the commonwealth.

186 (c½) “Craft marijuana cultivator cooperative”, an entity comprised of licensed craft
187 marijuana cultivators organized as a limited liability company or limited liability partnership
188 under the laws of the commonwealth, or an appropriate business structure as determined by the
189 commission, and that is licensed to obtain, manufacture, process, package and brand marijuana
190 and marijuana products to deliver marijuana to marijuana establishments but not to consumers.

191 SECTION 15. Said chapter 94G is hereby amended by striking out section 3, as so
192 appearing, and inserting in place thereof the following section:-

193 Section 3. (a) A city or town may adopt ordinances and by-laws that impose reasonable
194 safeguards on the operation of marijuana establishments not in conflict with this chapter or
195 section 3 of chapter 40A and that:

196 (i) govern the time, place and manner of the operations of marijuana establishments and
197 businesses that deal in marijuana accessories; provided, however, that a zoning ordinance or by-
198 law shall not prohibit the placement of a marijuana establishment that cultivates, manufactures or
199 sells marijuana or marijuana products in an area in which a medical marijuana treatment center is
200 registered to engage in the same type of activity; provided, however, that nothing in this clause
201 shall prohibit a limit that is adopted through the process described in subsection (b);

202 (ii) restrict the licensed cultivation, processing and manufacturing of marijuana that is a
203 public nuisance;

204 (iii) establish reasonable restrictions on public signs related to marijuana establishments;
205 and

206 (iv) establish a civil penalty for the violation of an ordinance or by-law enacted pursuant
207 to this subsection, which shall be similar to a penalty imposed for violation of an ordinance or
208 by-law relating to alcoholic beverages.

209 An ordinance or by-law adopted pursuant to this subsection shall not be unreasonably
210 impracticable or conflict with this chapter or the regulations made pursuant to this chapter.

211 (b) The voters of a city or town may limit the number of marijuana establishments in the
212 city or town by accepting any of the following ballot questions:

213 (i) Shall this [city or town] prohibit the operation of any type of marijuana establishment
214 within the [city or town], a summary of which appears below?

215 The summary shall be prepared by the city solicitor or town counsel and shall include a
216 fair and concise summary of the proposed prohibition, including identification of the types of
217 marijuana establishments that shall be subject to the prohibition as voted by the board of
218 selectmen or city or town council.

219 (ii) Shall this [city or town] limit the number of marijuana retailers to less than 20 per
220 cent of the number of licenses issued within the [city or town] for the retail sale of alcoholic
221 beverages not to be drunk on the premises under chapter 138 of the General Laws, a summary of
222 which appears below?

223 The summary shall be prepared by the city solicitor or town counsel and shall include a
224 fair and concise summary of the proposed limitation including, if applicable, the total number of
225 marijuana retailers that will be authorized to operate in the municipality as voted by the board of
226 selectmen or city or town council.

227 (iii) Shall this [city/town] limit the number of any type of marijuana establishment to less
228 than the number of medical marijuana treatment centers registered to engage in the same
229 type of activity in the [city or town], a summary of which appears below?

230 The summary shall be prepared by the city solicitor or town counsel and shall include a
231 fair and concise summary of the proposed limitation including, if applicable, the total number of
232 the types of marijuana establishments that will be authorized to operate in the municipality as
233 voted by the board of selectmen or city or town council.

234 If a majority of the votes cast in the city or town on a ballot question is in the negative,
235 the city or town shall be taken to not have authorized the prohibition or limitation as described in
236 that question. The city or town clerk shall provide notice of the results of the vote to the state
237 secretary, attorney general, and state treasurer not later than 30 days after the vote was taken.

238 A ballot question under this subsection may be placed on the ballot at a regular or special
239 election held by the city or town by a vote of the board of selectmen or town council in a town or
240 by a vote of the city council, with the approval of the mayor, in a city and subject to a municipal
241 charter, if applicable.

242 (c) A city or town that has adopted a local acceptance provision under subsection (b) may
243 overturn that decision by the voters of the municipality accepting the following ballot question:

244 Shall this [city or town] repeal the limitation on marijuana establishments within the [city
245 or town] previously adopted by ballot question, a summary of which appears below?

246 The summary shall be prepared by the city solicitor or town counsel and shall include a
247 fair and concise summary of the current limitations, the number and type of marijuana

248 establishments that would be allowed to operate upon passage and a fiscal impact statement
249 describing the revenues and costs to the municipality.

250 The city or town clerk shall provide notice of the results of the vote to the state secretary,
251 attorney general and state treasurer not later than 30 days after the vote was taken.

252 If a majority of the votes cast in the city or town are in the affirmative, the city or town
253 may still adopt ordinances and by-laws under subsection (a).

254 A ballot question under this subsection may be placed on the ballot at a regular or special
255 election held by the city or town by a vote of the board of selectmen or city or town council, with
256 the approval of the mayor, and subject to a municipal charter, if applicable.

257 (d) The city council of a city and the board of selectmen or town council of a town shall,
258 upon the filing with the clerk of the city or town of a petition that meets the requirements of this
259 subsection and is signed by not less than 10 per cent of the number of voters of the city or town
260 voting at the preceding biennial state election that requests that the question of whether to allow
261 the sale of marijuana and marijuana products for consumption on the premises where sold be
262 submitted to the voters of the city or town, place the following question on the ballot,
263 accompanied by a fair and concise summary prepared by by the city solicitor or town counsel:

264 Shall this [city or town] allow the sale of marijuana and marijuana products for
265 consumption on the premises where sold, a summary of which appears below?

266 If a majority of the votes cast in answer to the question is in the negative, the city or town
267 shall be taken to have not authorized the consumption of marijuana and marijuana products on
268 the premises where sold.

269 The petition shall be on a form prepared by the state secretary and shall, after filing with
270 the clerk of the city or town, be submitted immediately by the clerk to the board of registrars or
271 election commissioners who shall certify the signatures of registered voters on the petition not
272 more than 7 days after receipt of the petition. Upon certification of the signatures, the question
273 shall be placed upon the ballot at the next occurring regular municipal or state election; provided,
274 however, that the question shall only appear on a municipal ballot for an election to be held not
275 less than 35 days after certification. For the question to appear on the biennial state election
276 ballot, the city or town clerk shall provide notice, which shall include the ballot question and
277 summary as prepared by the city solicitor or town counsel, to the state secretary not later than the
278 first Wednesday in August before that election.

279 (e) A city or town shall not prohibit the transportation of marijuana or marijuana products
280 or adopt an ordinance or by-law that makes the transportation of marijuana or marijuana products
281 unreasonably impracticable.

282 (f) An agreement between a city or town and a marijuana establishment shall not require
283 the payment of a fee to that city or town that is not directly proportional and reasonably related to
284 the costs imposed upon the city or town by the operation of a marijuana establishment; provided,
285 however, that the commission shall issue regulations governing such agreements, including a
286 requirement that agreements include a cap and specified duration on fees associated with the
287 agreement; provided further, that a cap shall be reasonably related to the costs imposed upon the
288 city or town by the operation of a marijuana establishment and shall be expressed as a percentage
289 of gross sales. A cost to a city or town by the operation of a marijuana establishment shall be a
290 public record under clause Twenty-Sixth of section 7 of chapter 4.

291 SECTION 16. Subsection (a) of section 4 of said chapter 94G, as so appearing, is hereby
292 amended by striking clauses (8) to (10), inclusive, and inserting in place thereof the following 3
293 clauses:-

294 (8) health and safety standards, developed in consultation with the department of public
295 health and the department of agricultural resources, for the cultivation, processing, manufacture
296 and distribution of marijuana and marijuana products, including standards regarding sanitation
297 for the preparation, storage, handling and sale of food products; provided however, that nothing
298 in this clause shall authorize the commission to promulgate regulations pertaining to the use of
299 pesticides.

300 (9) requirements for the packaging of marijuana and marijuana products that shall, at a
301 minimum: (i) protect children from accidentally ingesting marijuana or marijuana products,
302 including by making packaging child-resistant and resealable; (ii) require the division of each
303 serving within a package containing multiple servings in a manner that allows consumers to
304 easily identify a single serving; (iii) prohibit the use of bright colors, cartoon characters and other
305 features designed to appeal to minors; (iv) ensure that packaging is opaque or plain in design;
306 and (v) prohibit any packaging that imitates or has a semblance to any existing branded
307 consumer products, including foods and beverages, that do not contain marijuana.

308 (10) requirements for the labeling of a package containing marijuana or marijuana
309 products that shall, at a minimum, include: (i) a symbol or other easily recognizable mark on the
310 package indicating that the package contains marijuana; (ii) a symbol or other easily
311 recognizable mark on the package indicating to children that the product is harmful to
312 children;(iii) a symbol or other easily recognizable mark directly on the marijuana product,

313 where feasible, indicating that the product contains marijuana; (iv) an identification of the
314 marijuana cultivator or product manufacturer who produced the marijuana or marijuana
315 product;(v) a warning that marijuana and marijuana products are illegal under federal law; (vi) a
316 standard health warning developed by the department of public health that is legible; (vii) the
317 amount of tetrahydrocannabinol in the package and the amount of tetrahydrocannabinol in each
318 serving of a marijuana product as expressed in absolute terms and as a percentage of volume;
319 (viii) the phone number for the regional center for poison control and prevention and the
320 following warning: “For use only by adults 21 and older. Keep out of reach of children” that is
321 legible; (ix) the number of servings in a package if there are multiple servings; and (x) a list of
322 ingredients and possible allergens.

323 SECTION 17. Said subsection (a) of said section 4 of said chapter 94G, as so appearing,
324 is hereby further amended by striking out clauses (13) to (15), inclusive, and inserting in place
325 thereof the following 14 clauses:-

326 (13) requirements for advertising, marketing and branding of marijuana and marijuana
327 products that shall, at a minimum, include: (i) a prohibition on advertising, marketing and
328 branding in a manner that is deceptive, false or misleading; (ii) a prohibition on advertising,
329 marketing and branding by means of television, radio, internet, billboard or print publication
330 unless the marijuana establishment can demonstrate that at least 85 per cent of the audience is
331 reasonably expected to be at least 21 years of age as determined by reliable, up-to-date audience
332 composition data; (iii) a prohibition on advertising, marketing and branding which uses
333 statements, designs, representations, pictures or illustrations that portray a person less than 21
334 years of age; (iv) a prohibition on advertising, marketing and branding that appeals to a person
335 less than 21 years of age, including the use of cartoon characters, certain celebrity endorsements

336 and brand sponsorships or other features designed to appeal to minors; (v) a prohibition on
337 advertising, marketing and branding through promotional items as determined by the
338 commission, including giveaways, coupons, “free” or “donated” marijuana products, markdowns
339 or any similar types of price discounting; (vi) a prohibition on advertising, marketing and
340 branding that makes assertions that marijuana or marijuana products are safe, other than labeling
341 required pursuant to this chapter; (vii) that a marijuana establishment may sponsor a charitable,
342 sports or similar event, but such establishment shall not engage in advertising, marketing and
343 branding at or in connection with such an event unless the marijuana establishment can
344 demonstrate that not less than 85 per cent of the audience is reasonably expected to be at least 21
345 years of age as determined by reliable, up-to-date audience composition data; (viii) that the
346 website of a marijuana establishment shall verify that the entrant is at least 21 years of age; (ix)
347 that a sign visible from outside the establishment indicates that a marijuana establishment is an
348 adult-only establishment; (x) a prohibition on the use of unsolicited pop-up advertisements on
349 the internet; and (xi) a standard health warning developed by the department of public health on
350 advertising, marketing or branding materials.

351 (14) procedures and requirements to enable the transfer of a license for a marijuana
352 establishment to another qualified person or to another suitable location;

353 (15) provisions for the enforcement of this chapter, including: (i) penalties for civil
354 violations for the failure to comply with a regulation made pursuant to this section or for a
355 violation of section 13; (ii) for the collection of fees and penalties imposed; (iii) for the
356 suspension of a license of a marijuana establishment, including provision for allowing the
357 continued maintenance and security of marijuana and marijuana products; (iv) for the
358 termination of the license; and (v) for the appeal of civil penalties or licensing actions;

359 (16) procedures and policies, in cooperation with the department of agricultural
360 resources, to promote and encourage full participation in the regulated marijuana industry by
361 farmers and businesses of all sizes, which shall include creating a schedule of cultivator license
362 fees commensurate with cultivation size as measured by volume of product output and
363 promulgating regulations to create a craft marijuana cultivator cooperative system to encourage
364 access to the industry by farmers;

365 (17) requirements for ensuring that marijuana testing facilities shall be independent from
366 marijuana cultivators, marijuana product manufacturers, marijuana retailers and craft marijuana
367 cultivation cooperatives, including prohibiting an individual who possesses an interest in or is
368 employed by a marijuana testing facility, or an immediate family member of that individual,
369 from possessing an interest in or being employed by another marijuana establishment;

370 (18) requirements that marijuana products shall not be manufactured in the distinct shape
371 of a human, animal or fruit or another shape designed to be especially appealing to minors;

372 (19) requirements that prohibit marijuana product manufacturers from altering or utilizing
373 commercially-manufactured food products when manufacturing marijuana products unless the
374 food product was commercially manufactured specifically for use by the marijuana product
375 manufacturer to infuse with marijuana; provided, however, that a commercially-manufactured
376 food product may be used as an ingredient in a marijuana product if: (i) it is used in a way that
377 renders it unrecognizable as the commercial food product in the marijuana product; and (ii) there
378 is no statement or advertisement indicating that the marijuana product contains the
379 commercially-manufactured food product;

380 (20) requirements that as a consideration for licensure renewal cannabis cultivators shall
381 provide a comprehensive energy audit report to the commission, indicating results for the
382 agricultural facilities used for cannabis production and that the commission shall require
383 compliance with all relevant regulations to reduce current and projected nonrenewable energy
384 usage;

385 (21) procedures and policies to support a competitive marketplace including, but not
386 limited to, establishing reasonable limits on the number of licenses an applicant may hold or be
387 party to, as well as residency requirements;

388 (22) guidelines for employers to conduct screenings of their employees for the use of
389 marijuana which shall be posted on the commonwealth's public website;

390 (23) procedures and policies governing craft marijuana cultivators, which shall: (i) limit
391 the marijuana produced by a craft marijuana cultivator by the number of plants, surface area used
392 for cultivation or output by weight; (ii) establish regulations for security including, but not
393 limited to, periodic monitoring of the cultivation area, product tracking and measures that limit
394 entry to the property; (iii) establish regulations for transportation of cultivated marijuana; and
395 (iv) establish procedures for inspection of the cultivation area, business records and any
396 marijuana, marijuana plants and marijuana products on the premises for compliance with
397 security, safety, health and other regulations; provided, however, that these procedures and
398 policies shall not render compliance unreasonably impracticable for a craft cultivator, taking into
399 account the limited production and scope of craft cultivation;

400 (24) procedures and policies governing craft marijuana cultivator cooperatives, which
401 shall: (i) define the number of individuals that may have a membership interest in a craft

402 marijuana cultivator cooperative; (ii) limit an individual's ownership interest to not more than 34
403 per cent of a craft marijuana cultivator cooperative; (iii) limit the aggregate output of marijuana
404 by each craft marijuana cultivator cooperative; (iv) establish the exclusive authority of craft
405 marijuana cultivator cooperatives to label or authorize the labeling of their marijuana products
406 with the word "craft" to describe the product or origin of the product; (v) require that a craft
407 marijuana cultivator cooperative's marijuana cultivation take place on property owned by a
408 member of the cooperative; and (vi) establish procedures for inspection of business records, any
409 processing area, marijuana, marijuana plants or marijuana products on the premises for
410 compliance with security, safety, health and other regulations; provided, however, that these
411 regulations shall not render compliance unreasonably impracticable for a craft cultivator
412 cooperative, taking into account the limited production and scope of craft cultivation;

413 (25) requirements to establish a process allowing the commission to order a prohibition
414 on the sale of a marijuana product found especially appealing to youth; and

415 (26) requirements to establish a process allowing a marijuana product manufacturer to
416 voluntarily submit a product, its packaging and intended marketing to the commission for review
417 of its appeal to youth.

418 SECTION 18. Said chapter 94G of the General Laws is hereby amended by inserting
419 after section 4 the following section:-

420 Section 4A. The commission shall develop a framework to provide funding assistance to
421 communities that host or are directly impacted by the hosting of a marijuana establishment. The
422 framework shall consider the number of marijuana establishments in the community, cost to the

423 municipality, impacts on public safety, environmental issues and any other factors the
424 commission deems relevant.

425 SECTION 19. Section 5 of said chapter 94G, as appearing in the 2016 Official Edition, is
426 hereby amended by striking out subsection (c).

427 SECTION 20. Said section 13 of said chapter 94G, as so appearing, is hereby further
428 amended by adding the following 2 subsections:-

429 (h) Notwithstanding chapter 94C, a person less than 21 years of age, except a qualifying
430 patient holding a valid registration card for the medical use of marijuana, who cultivates not
431 more than 12 marijuana plants shall be punished by a civil penalty of not more than \$100 and
432 shall complete a drug awareness program established pursuant to section 32M of chapter 94C. If
433 that person is less than 18 years of age, the parent or legal guardian of that person shall be
434 notified in accordance with section 32N of said chapter 94C. If a person is less than 17 years of
435 age at the time of the offense and fails to complete a drug awareness program not later than 1
436 year after the offense, that person may be subject to delinquency proceedings.

437 (i) Whoever makes a sale or delivery of marijuana, marijuana products or marijuana
438 accessories to a person less than 21 years of age, either for the person's own use or for the use of
439 the person's parent or another person or furnishes marijuana, marijuana products or marijuana
440 accessories for a person less than 21 years of age shall be punished by a fine of not more than
441 \$2,000 or by imprisonment for not more than 1 year or both such fine and imprisonment.

442 For the purposes of this subsection, "furnish" shall mean to knowingly or intentionally
443 supply, give or provide to or allow a person less than 21 years of age, except for the children and

444 grandchildren of the person being charged, to possess marijuana, marijuana products or
445 marijuana accessories on premises or property owned or controlled by the person charged.

446 This subsection shall not apply to the sale, delivery or furnishing of medical marijuana
447 pursuant to chapter 369 of the acts of 2012.

448 SECTION 21. Section 14 of said chapter 94G, as so appearing, is hereby amended by
449 striking out, in line 8, the words “of the General Laws” and inserting in place thereof the
450 following words:- , revenue generated by the tax imposed by section 2 of chapter 64H on the sale
451 of marijuana and marijuana products by a marijuana retailer to anyone other than a marijuana
452 establishment.

453 SECTION 22. Said section 14 of said chapter 94G, as so appearing, is hereby further
454 amended by striking out subsection (b) and inserting in place thereof the following subsection:-

455 (b) Money in the fund shall be subject to appropriation. Money in the fund shall be
456 expended for the implementation, administration and enforcement of this chapter by the
457 commission and by the department of agricultural resources for the implementation,
458 administration and enforcement of sections 116 to 123, inclusive, of chapter 128 and for the
459 provision of pesticide control for marijuana pursuant to chapter 132B. Thereafter, money in the
460 fund shall be expended for: (i) public and behavioral health including, but not limited to,
461 evidence-based and evidence-informed substance use prevention and substance use early
462 intervention services for school districts or community coalitions who operate on the strategic
463 prevention framework or similar structure for youth substance use education and prevention; (ii)
464 public safety; (iii) to be deposited into the Municipal Police Training Fund established in section
465 35EEE of chapter 10 for the municipal police training committee established in section 116 of

466 chapter 6; (iv) the Prevention and Wellness Trust Fund established in section 2G of chapter 111;
467 and (v) programming for restorative justice, jail diversion, workforce development, industry
468 specific technical assistance, mentoring services and small business start-up capital or loans for
469 economically-disadvantaged persons in communities disproportionately impacted by high rates
470 of arrest and incarceration for marijuana offenses pursuant to chapter 94C.

471 SECTION 23. Said chapter 94G is hereby further amended by adding the following 4
472 sections:-

473 Section 15. (a) The commission shall develop a research agenda to understand the social
474 and economic trends of marijuana in the commonwealth, to inform future decisions that would
475 aid in the closure of the illicit marketplace and inform the commission on the public health
476 impacts of marijuana. The research agenda shall include, but not be limited to: (i) patterns of use,
477 methods of consumption and general perceptions of marijuana; (ii) incidents of impaired driving
478 and hospitalization related to marijuana use, including a report of the state of the science around
479 identifying a quantifiable level of marijuana-induced impairment of motor vehicle operation; (iii)
480 economic and fiscal impacts for state and local governments, which shall include the impact of
481 legalization on the production and distribution of marijuana in the illicit market and the costs and
482 benefits to state and local revenue; (iv) ownership and employment trends in the marijuana
483 industry, examining participation by racial, ethnic and socioeconomic subgroups, including
484 identification of barriers to participation in the industry; (v) a market analysis examining the
485 expansion or contraction of the illicit marketplace and the expansion or contraction of the legal
486 marketplace which shall include estimates and comparisons of pricing and product availability in
487 both markets; and (vi) a compilation of data on the number of arrests, prosecutions,
488 incarcerations and sanctions imposed as a result of violations of chapter 94C for possession,

489 distribution or trafficking of marijuana or marijuana products, including identification of race,
490 gender, country of origin, state geographic region and average sanctions of the individuals
491 charged.

492 (b) The commission shall incorporate available data into its research plan and coordinate
493 and form partnerships with the department of public health, the executive office of public safety
494 and security and the executive office of labor and workforce development. The commission shall
495 annually report on the results of its research agenda and, when appropriate, make
496 recommendations for further research or policy changes. The commission shall publish the first
497 such report not later than July 1, 2019.

498 Section 16. Annually, not later than December 31, the department of revenue shall issue a
499 comprehensive report analyzing tax revenue deposited in the Marijuana Regulation Fund
500 established in section 14. The report shall include, but not be limited to: (i) revenue received
501 from marijuana sales; (ii) recommendations for potential tax adjustments to increase state
502 revenues; (iv) projections for state revenues in the next fiscal year; and (v) recommendations, if
503 any, on best practices to implement changes to the tax rate or structure over time. The report
504 shall be submitted the clerks of the senate and the house of representatives, the chairs of the joint
505 committee on revenue and the chairs of the senate and house committees on ways and means.

506 Section 17. (a) The commission shall develop a research agenda in order to understand
507 the social and economic trends of marijuana in the commonwealth, to inform future decisions
508 that would aid in the closure of the illicit marketplace and to inform the commission on the
509 public health impacts of marijuana. The research agenda shall include, but not be limited to: (i)
510 patterns of use, methods of consumption, sources of purchase and general perceptions of

511 marijuana among minors, among college and university students and among adults; (ii) incidents
512 of impaired driving, hospitalization and use of other health care services related to marijuana use,
513 including a report of the state of the science around identifying a quantifiable level of marijuana-
514 induced impairment of motor vehicle operation and a report of the financial impacts of
515 hospitalizations related to marijuana on the state healthcare system; (iii) economic and fiscal
516 impacts for state and local governments which shall include the impact of legalization on the
517 production and distribution of marijuana in the illicit market and the costs and benefits to state
518 and local revenue; (iv) ownership and employment trends in the marijuana industry examining
519 participation by racial, ethnic and socioeconomic subgroups, including identification of barriers
520 to participation in the industry; (v) a market analysis examining the expansion or contraction of
521 the illicit marketplace and the expansion or contraction of the legal marketplace that includes
522 estimates and comparisons of pricing and product availability in both markets; and; (vi) a
523 compilation of data on the number of incidents of discipline in schools, including suspensions or
524 expulsions, as a result of marijuana use or possession of marijuana or marijuana products; and
525 (vii) a compilation of data on the number of civil penalties, arrests, prosecutions, incarcerations
526 and sanctions imposed as a result of violations of chapter 94C for possession, distribution or
527 trafficking of marijuana or marijuana products, including identification of age, race, gender,
528 country of origin, state geographic region and average sanctions of the persons charged.

529 (b) The commission shall incorporate available data into its research plan, including the
530 baseline study conducted pursuant to chapter 351 of the acts of 2016, and coordinate and form
531 partnerships with the department of public health, the department of elementary and secondary
532 education, the department of higher education, the executive office of public safety and security
533 and the executive office of labor and workforce development. The commission shall annually

534 report on the results of its research agenda and, when appropriate, make recommendations for
535 further research or policy changes. The annual reports shall be posted online in a machine-
536 readable format. The commission shall publish the first such report not later than July 1, 2019.

537 Section 18. Notwithstanding any general or special law to the contrary, there shall be a
538 special commission to study the potential impacts on bordering states that may result from the
539 legalization of recreational marijuana in Massachusetts. Topics of study shall include, but not be
540 limited to, increases in funding to law enforcement agencies, increases in arrests for drug
541 possession, and increases in marijuana distribution within states where marijuana is illegal.

542 The special commission shall consist of: the secretary of the executive office of public
543 safety and security, or their designee; the commissioner of the department of public health, or
544 their designee; the superintendent of the Massachusetts State Police, or their designee; the
545 president of the New England Association of Chiefs of Police, or their designee; the president of
546 the New England Society for Healthcare Communications, or their designee; two members of the
547 House of Representatives, one of whom to be appointed by the Speaker of the House of
548 Representatives, and the other to be appointed by the minority leader; two members of the
549 Senate, one of whom to be appointed by the President of the Senate, and the other to be
550 appointed by the minority leader; provided, however, that the first meeting of the commission
551 shall take place not later than December 1, 2017.

552 The special commission shall submit its findings and recommendations for how to
553 mitigate or prevent any potential impacts on bordering states, together with drafts of any
554 legislation, to the clerks of the House of Representatives and the Senate, the chairs of the joint
555 committee on mental health and substance abuse not later than July 1, 2018.

556 SECTION 24. Chapter 128 of the General Laws is hereby amended by adding the
557 following 8 sections:-

558 Section 116. As used in this section and sections 117 to section 123, inclusive, the
559 following words shall have the following meanings unless the context clearly requires otherwise:

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

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

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

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

571 Section 117. (a) Industrial hemp may be planted, grown, harvested, possessed, processed,
572 bought, sold or researched subject to sections 116 to 123. The planting, growing, harvesting,
573 possessing, processing, selling or research of industrial hemp as an agricultural product shall be
574 subject to the supervision and approval of the department pursuant to sections 116 to 123,
575 inclusive.

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

580 (c) Hemp products shall only be used for the following: (i) research purposes; and (ii)
581 commercial purposes considered reasonable by the commissioner.

582 Section 118. (a) No person, other than a person utilizing hemp products for commercial
583 purposes pursuant to subsection (c) or a person utilizing industrial hemp or hemp products for
584 research pursuant to subsection (d), shall plant, grow, harvest, possess, process or sell industrial
585 hemp without a license issued by the department.

586 (b) No person shall produce or distribute industrial hemp seed without a license issued by
587 the department.

588 (c) A person utilizing hemp products for commercial purposes shall register with the
589 department.

590 (d) A person utilizing industrial hemp or hemp products for research conducted under an
591 agricultural pilot program or other agricultural or academic research shall register with the
592 department.

593 (e) An application for a license issued pursuant to subsection (a) or (b) shall include, but
594 not be limited to: (i) the name and address of any applicants; (ii) the name and address of the
595 industrial hemp operation of the applicant; (iii) the global positioning system coordinates and
596 legal description of the property used for the industrial hemp operation; (iv) the acreage size of

597 the field where the industrial hemp will be grown, if applicable; (v) a written consent allowing
598 the department to conduct both scheduled and random inspections of and around the premises on
599 which the industrial hemp is being sown, grown, harvested, stored and processed; (vi) a
600 nonrefundable application fee in an amount which shall be established by the commissioner; (vii)
601 any other information as may be required pursuant to subsection (d); and (vii) any other
602 information as may be required by the commissioner.

603 (f) All documents included in an application for licensure submitted under subsection (e)
604 of section 118 except for the address of a licensee's cultivation or production facilities and any
605 documents describing, depicting or otherwise outlining a licensee's security schematics or global
606 positioning system coordinates, which are considered by the department to be confidential in
607 nature due to their public safety implications, shall be considered public records for the purposes
608 of chapter 66 of the General Laws.

609 Section 119. (a) After receipt, review and approval of an application for licensure
610 pursuant to section 118, the commissioner may grant an annual license upon issuance of written
611 findings that the requirements of sections 116 to 123, inclusive, have been satisfied and upon the
612 issuance of written findings that issuing the license will be in the best interest of the
613 commonwealth.

614 (b) The commissioner shall deny an application for a license filed pursuant to section 118
615 if the applicant: (i) fails to satisfy the minimum qualifications for licensure pursuant to sections
616 116 to 123, inclusive,; or (ii) for good cause shown.

617 Section 120. The commissioner shall suspend, revoke or refuse to renew the license of a
618 person who violates sections 116 to 123, inclusive, following appropriate process in accordance
619 with chapter 30A.

620 Section 121. (a) The department and the commissioner shall promulgate rules and
621 regulations for the implementation, administration and enforcement of sections 117 to 123,
622 inclusive.

623 (b) Pursuant to section 2 of chapter 30A, the department may promulgate, amend or
624 repeal any regulation promulgated under this chapter as an emergency regulation if the
625 regulation is necessary to protect the interests of the commonwealth in regulating industrial
626 hemp.

627 Section 122. The department may inspect and have access to the equipment, supplies,
628 records, real property and other information deemed necessary to carry out the department's
629 duties under sections 116 to 123, inclusive, from a person participating in the planting, growing,
630 harvesting, possessing, processing, purchasing, selling or researching of hemp, industrial hemp
631 or hemp products. The department may establish an inspection and testing program to determine
632 delta-9 tetrahydrocannabinol levels and ensure compliance with the limits on delta-9
633 tetrahydrocannabinol concentration.

634 Section 123. The department may establish civil administrative fines for violations of
635 sections 116 to 123, inclusive. A person aggrieved by the assessment of a fine under this section
636 or a licensure action under section 120 may appeal by filing a notice of appeal with the
637 department not later than 21 days after the receipt of the notice of the fine or licensure action.
638 The adjudicatory hearing shall be conducted in accordance with chapter 30A.

639 SECTION 25. Section 22 of chapter 270 of the General Laws, as appearing in the 2016
640 Official Edition, is hereby amended by inserting after the word “inhaled”, in line 97, the
641 following words:- , including marijuana as defined in section 1 of chapter 94G.

642 SECTION 26. Section 2 of chapter 369 of the acts of 2012 is hereby amended by striking
643 out, in line 17, the word “non-profit”.

644 SECTION 27. Said section 2 of said chapter 369 is hereby further amended by striking
645 out, in line 29, the words “a not-for-profit entity” and inserting in place thereof the following
646 words:- an entity.

647 SECTION 28. Section 9 of said chapter 369 is hereby amended by striking out, in lines
648 1, 3, 4 and 7, each time it appears, the word “nonprofit”.

649 SECTION 29. Said section 9 of said chapter 369 is hereby further amended by striking
650 out, in line 20, the word “non-profit”.

651 SECTION 30. Section 10 of said chapter 369 is hereby amended by striking out, in line
652 6, the word “nonprofit”

653 SECTION 31. Section 13 of said chapter 369 is hereby amended by striking out, in line
654 4, the word “non-profit”.

655 SECTION 32. Said chapter 369 is hereby amended by adding the following section:-

656 Section 18. An agreement between a city or town and a medical marijuana treatment
657 center shall not require the payment of a fee to that city or town that is not directly proportional
658 and reasonably related to the costs imposed upon the city or town by the operation of the medical

659 marijuana treatment center; provided, however, that the commission shall issue regulations
660 governing such agreements, including a requirement that the agreements include a cap and
661 specified duration on fees associated with the agreement; provided further, that a cap shall be
662 reasonably related to the costs imposed upon the city or town by the operation of a marijuana
663 establishment and shall be expressed as a percentage of gross sales. A cost to a city or town by
664 the operation of a medical marijuana treatment center shall be documented and considered a
665 public record under clause Twenty-Sixth of section 7 of chapter 4 of the General Laws. This
666 section shall not apply to an agreement in existence before the effective date of this section.

667 SECTION 33. Chapter 334 of the acts of 2016 is hereby amended by striking out section
668 8, as most recently amended by section 10 of chapter 351 of the acts of 2016.

669 SECTION 34. Said chapter 334 is hereby further amended by striking out section 10, as
670 most recently amended by section 17 of chapter 351 of the acts of 2016, and inserting in place
671 thereof the following section:-

672 Section 10. The commission shall begin accepting applications not later than April 1,
673 2018.

674 SECTION 35. Said chapter 334 is hereby further amended by striking out section 11.

675 SECTION 36. The state treasurer and the attorney general shall make the initial
676 appointments to the cannabis advisory board established in section 77 of chapter 10 of the
677 General Laws not later than August 1, 2017.

678 SECTION 37. There shall be a special commission to study impaired driving due to
679 substance use other than alcohol to consist of: the executive director of the cannabis control

680 commission, who shall serve as the chair; the secretary of public safety and security or a
681 designee; the president of the Massachusetts District Attorneys Association or a designee; the
682 president of the Massachusetts Chiefs of Police Association Incorporated or a designee; the chief
683 executive officer and president of the AAA Southern New England; a representative from the
684 Massachusetts Bar Association; the executive director of the American Civil Liberties Union of
685 Massachusetts, Inc. or a designee; a representative from the NAACP New England Area
686 Conference; the president of the Massachusetts Medical Society or a designee; 1 person
687 appointed by the secretary of health and human services who shall have medical and
688 physiological expertise; and 1 designee from the Massachusetts Life Sciences Center with
689 expertise in scientific research on the effects and testing ability of these substances.

690 The commission shall examine a variety of areas including, but not limited to, the effects
691 of marijuana consumption on driving, the effects of prescription drugs and over-the-counter
692 medications on driving, the effects of other substances on driving, the admissibility of evidence
693 of impaired driving in court proceedings including, but not limited to the development of
694 uniform standards for qualified drug recognition experts, a review of the available technology
695 that may be used to detect tetrahydrocannabinol, the efficacy of establishing an impairment level
696 for tetrahydrocannabinol and a review of procedures used by other jurisdictions where marijuana
697 use is legal to detect driving under the influence of marijuana.

698 The commission shall convene its first meeting not later than November 1, 2017. The
699 commission shall file a report, including recommendations based on their findings, with the
700 clerks of the senate and house of representatives not later than July 1, 2018.

701 SECTION 38. The cannabis control commission shall establish a working group that
702 shall include, but shall not be limited to: the commissioner of energy resources or a designee, the
703 commissioner of environmental protection or a designee and the commissioner of agricultural
704 resources or a designee. The working group shall provide recommendations to the commission
705 on: (i) ways to reduce energy and water usage in the marijuana industry, which shall include
706 efficiency and environmental standards; (ii) mitigating other environmental impacts; (iii) annual
707 energy audits , energy efficiency measures, energy conservation measures and energy
708 conservation projects as defined in chapter 164 of General Laws ; and (iv) additional regulations
709 or modifications to the application process to meet the goals of this section.

710 The working group shall issue a final report with its recommendations for legislation, if
711 any, not later than September 1, 2018 to the cannabis control commission, the chairs of the joint
712 committee on marijuana policy, the chairs of the joint committee on telecommunications, utilities
713 and energy and the chairs of the senate and house committees on global warming and climate
714 change. Nothing in this section shall prohibit the executive branch from executing its duties
715 under chapter 298 of the acts of 2008.

716 SECTION 39. The cannabis control commission shall report to the joint committee on
717 marijuana policy and the house and senate committees on ways and means on progress made to
718 promote and encourage full participation in the regulated marijuana industry by farmers and
719 businesses of all sizes, any impediments thereto and recommendations for legislation, if any, not
720 later than May 1, 2018.

721 SECTION 40. The commission shall maintain a confidential, interoperable database
722 which shall include, but not be limited to: (i) qualifying patients issued a registration card for

723 medical use of marijuana; (ii) the physicians and healthcare professionals registered to issue
724 written certifications; (iii) the names of medical use cannabis establishments; (iv) the quantity of
725 marijuana for medical use dispensed to a registered qualifying patient; and (v) any other
726 pertinent information. Individual names and other identifying information shall be exempt from
727 section 10 of chapter 66 and shall not be subject to disclosure, except to employees of the
728 commission in the course of their official duties, medical use cannabis establishments to
729 facilitate dispensing of marijuana for medical use and to state and local law enforcement officials
730 for the purposes of conducting an investigation pursuant this chapter.

731 SECTION 41. The department of public health, in consultation with the cannabis control
732 commission, shall establish the following science-based public awareness campaigns: (i) a
733 campaign to inform the public about responsible adult use of marijuana, including information
734 on edibles and warnings about the dangers of manufacturing marijuana products at home; and (ii)
735 a campaign to educate youth about marijuana use with a goal of decreasing the youth usage rate.
736 The public awareness campaigns shall be funded from revenues received from the Marijuana
737 Regulation Fund established in section 14 of chapter 94G.

738 SECTION 42. The executive office of public safety and security shall establish public
739 awareness campaigns to: (i) educate the public about impaired driving including, but not limited
740 to, impairment by the use of marijuana; (ii) inform the public that a gift of marijuana given in
741 conjunction with the sale of another item in order to evade laws governing the sale of marijuana
742 is illegal and that a person who grants such a gift is subject to prosecution; and (iii) inform
743 people eligible to have their records sealed as a result of changes to criminal laws resulting from
744 marijuana decriminalization and legalization. The public awareness campaign shall be funded

745 from revenues received from the Marijuana Regulation Fund established in section 14 of chapter
746 94G of the General Laws.

747 SECTION 43. (a) As used in this section, the following words shall have the following
748 meaning unless the context clearly requires otherwise:-

749 “Expunge”, “expunged” or “expungement”, the permanent erasure and destruction of
750 records.

751 (b) Notwithstanding any general or special law to the contrary, a court of competent
752 jurisdiction may order expungement of records of or related to a charge if the court determines
753 that the charge was for conduct that is no longer a crime under chapter 334 of the acts of 2016.

754 Upon notice to the district attorney and after a hearing in which the person seeking
755 expungement shall be permitted to present evidence and be represented by counsel, the court
756 shall determine whether expungement is warranted under this section. If the court finds that
757 expungement is warranted, the court shall order expungement of the records and immediately
758 provide a copy of the order and findings of fact to the commissioner of probation.

759 The commissioner of probation shall expunge the court appearance and disposition
760 recorded in the commissioner's files and the clerk and the probation officers of the courts in
761 which the proceedings occurred or were initiated shall expunge the records of the proceedings
762 from their files. An individual or entity including, but not limited to, a criminal justice agency, as
763 defined section 167 of chapter 6 of the General Laws, shall not have access to criminal offender
764 record information related to an expunged charge.

765 The court shall order the expungement of entries contained in a daily log made pursuant
766 to section 98F of chapter 41 of the General Laws that directly pertain to a case expunged
767 pursuant to this section.

768 A record that directly pertains to a case expunged under this section that is in the care,
769 custody and control of another agency, department, commission or entity shall not be a public
770 record under clause Twenty-sixth of section 7 of chapter 4 of the General Laws.

771 SECTION 44. The cannabis control commission may make necessary accommodations
772 and special regulations for the county of Dukes County and the county of Nantucket and other
773 geographically isolated communities.

774 SECTION 45. The commission shall prioritize review and licensing decisions for
775 applicants for retail, manufacture or cultivation licenses who demonstrate experience in or
776 business practices that promote economic empowerment in communities disproportionately
777 impacted by high rates of arrest and incarceration for offenses under chapter 94C or who provide
778 an express plan to reinvest a portion of revenues generated by the licensee into communities
779 disproportionately impacted by high rates of arrest and incarceration for offenses under chapter
780 94C through projects including, but not limited to, community infrastructure development, job
781 creation programs, scholarships, business loans and funding for indigent criminal defense
782 services; provided, however, that applicants who provide an express plan to reinvest a portion of
783 revenues generated by the licensee shall be eligible for a percentage reduction in the licensing
784 fee equal to the percentage of revenues the licensee plans to reinvest; provided further, that a
785 license fee shall not be reduced by more than 33 per cent.

786 SECTION 46. Notwithstanding any general or special law to the contrary, a person
787 licensed as of July 1, 2017 to dispense medical use cannabis, or an application pending before
788 the department of public health which has not received provisional or final certification of
789 registration, shall be entitled to convert from a nonprofit corporation organized pursuant to
790 chapter 180 of the General Laws into a domestic business corporation or other domestic business
791 entity pursuant to chapter 156 of the General Laws or any other such domestic business entity as
792 permitted by the General Laws by adopting a plan of entity conversion in accordance with
793 section 9.51 of chapter 156D of the General Laws, approved by a vote of 2/3 of the members of
794 its board of directors at a meeting duly called for the purpose or by unanimous written consent;
795 provided, however, that notwithstanding any general or special law to the contrary, a plan of
796 entity conversion adopted by a medical use cannabis licensee or an application for a medical use
797 cannabis license pending before the commission which has not received provisional or final
798 certification of registration shall not be required to be approved in accordance with the organic
799 law of the nonprofit corporation organized under said chapter 180. Articles of entity conversion
800 shall be signed and submitted to the secretary of the commonwealth in the manner prescribed in
801 and subject to section 9.53 and section 9.55 of said chapter 156D on a form prescribed by the
802 secretary of the commonwealth and the secretary of the commonwealth shall approve all such
803 filings submitted pursuant to this section. For the purposes of converting from a nonprofit
804 corporation organized pursuant to said chapter 180 into a domestic business corporation or other
805 domestic business entity pursuant to said chapter 156, notwithstanding any provision in the
806 articles of organization applications pending before the commission which have not received
807 provisional or final certification of registration to the contrary, the members of its board of
808 directors may determine that such plan of entity conversion is consistent with its purpose and

809 such nonprofit corporation may surrender its articles of organization in connection with the plan
810 of entity conversion. Notwithstanding any general or special law to the contrary, neither the
811 entity conversion nor the issuance of shares, interests or other securities, obligations, rights to
812 acquire interests or other securities, cash, other property or any combination of the foregoing, set
813 forth in or resulting from the plan of entity conversion, shall be subject to taxation or result in the
814 imposition of a tax by the commonwealth.

815 SECTION 47. Notwithstanding any general or special law to the contrary, for the
816 purposes of reviewing and approving an application for a license to operate a marijuana
817 establishment, the commission shall identify applicants who are holders of a provisional or final
818 certificate of registration pursuant to chapter 369 of the acts of 2012 and accompanying
819 regulations. The commission shall consider issuance of a provisional or final certificate of
820 registration as achievement of accreditation status. The commission shall ensure an expedited
821 review process for applicants for a license to operate a marijuana establishment who have
822 achieved accreditation status and shall only require that such applicants submit specific
823 information not previously required, analyzed, approved and recognized by the department of
824 public health.

825 SECTION 48. Notwithstanding subsection (d) of section 76 of chapter 10 of the General
826 Laws, the initial appointments to the cannabis control commission by the governor and the
827 attorney general shall be for 3 years and the initial appointments by majority vote of the state
828 treasurer, governor and attorney general shall be for 2 years.

829 SECTION 49. (a) As used in sections 49 to 53, inclusive, the following terms shall,
830 unless the context clearly requires otherwise, have the following meanings:-

831 “Commission”, the cannabis control commission established pursuant to chapter 10 of the
832 General Laws.

833 “Department”, the department of public health.

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

835 (b) Notwithstanding any general or special law to the contrary, the department and the
836 commission shall develop and implement a transfer agreement providing for the orderly transfer
837 of the program, including personnel, from the department to the commission. Upon the
838 assumption of the outstanding liabilities, obligations and debt of the program by the commission,
839 the program shall be dissolved and, without further conveyance or other act, all the assets,
840 liabilities, obligations and debt and all rights, powers and duties of the program shall be
841 transferred to and assumed by the commission.

842 (c) On the date of the transfer required by subsection (b): (i) ownership, possession and
843 control of all personal property including, but not limited to, all equipment, books, papers,
844 memoranda, files, maps, plans, records and documents of whatever description pertaining to the
845 operation of the program which are in the possession of the program or the department or the
846 employees thereof shall pass to and be vested in the commission without consideration or further
847 evidence of transfer; and, (ii) all duly existing contracts or obligations of the program which
848 remain in force immediately before the effective date of the transfer pursuant to said subsection
849 (b) shall be considered obligations of the commission. The commission may exercise all rights
850 and enjoy all interests conferred upon the program or department by such contracts or
851 obligations. In the case of collective bargaining agreements, obligations under the agreements
852 shall expire on the stated date of expiration of those agreements.

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

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

861 (e) Each employee of the program whose salary is paid in whole or in part by revenues
862 generated by the program and whose salary is accounted for on the books of the program as
863 arising from revenue generated by the program as of June 1, 2017 shall become an employee of
864 the commission upon execution of the transfer agreement authorized herein or on December 31,
865 2018, whichever occurs first.

866 (f) All applications submitted and other proceedings appropriately and duly brought
867 before the program before the effective date of this act shall continue unabated and remain in
868 force but shall be assumed and completed by the commission.

869 SECTION 50. (a) Notwithstanding any general or special law to the contrary, each
870 employee of the program shall become an employee of the commission upon the execution of the
871 transfer agreement required pursuant to section 49 or on January 1, 2019, whichever occurs first.

872 (b) All officers and employees of the program who are transferred to the service of the
873 commission shall be transferred without impairment of seniority, retirement or other statutory
874 rights of employees and without loss of accrued rights to holidays, sick leave, vacation and other

875 benefits and without a change in union representation or certified collective bargaining unit as
876 certified by the state labor relations commission or in local union representation or affiliation,
877 except as otherwise provided in this act. Terms of service of employees of the program shall not
878 be considered interrupted by virtue of transfer to the commission.

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

883 SECTION 51. Notwithstanding any general or special law to the contrary, the terms and
884 conditions of a collective bargaining agreement that is in effect upon transfer of the program
885 with respect to employees of that program shall continue in effect until the stated expiration date
886 of the agreement; provided, however, that all such employees shall retain their right to
887 collectively bargain pursuant to chapter 150E of the General Laws and shall be considered
888 employees of the cannabis control commission established in chapter 10 for the purposes of said
889 chapter 150E. Upon the effective date of this act, the program shall not engage in negotiations
890 for future collective bargaining agreements with employees of the program.

891 The personnel administrator of the commonwealth, in consultation with the commission,
892 shall complete a study of job titles in the program. The personnel administrator, in consultation
893 with the commission, shall determine the appropriate job titles for former employees of the
894 program transferred to the commission. Employees transferred to the commission shall be placed
895 in job positions as determined by the personnel administrator and shall be paid wages and
896 receive benefits consistent with the bargaining unit contract governing such job positions.

897 Employees not transferred to the commission shall be released pursuant to an applicable
898 collective bargaining agreement or policy in place as of the effective date of this act.

899 SECTION 52. Notwithstanding any general or special law to the contrary, on and after
900 the effective date of this act, the program shall not enter into a contract to employ a person as an
901 employee or officer after December 31, 2018.

902 SECTION 53. Notwithstanding any general or special law to the contrary, any order, rule
903 or regulation duly promulgated and any license, permit, certificate or approval duly granted by or
904 on behalf of the program shall continue in effect and shall be enforced by the commission until
905 its expiration or until superseded, revised, rescinded or cancelled by the commission.

906 SECTION 54. Notwithstanding any general or special law to the contrary, a person
907 having a record of criminal court appearance or disposition on file with the office of the
908 commissioner of probation for a charge of unlawful possession of a controlled substance under
909 section 34 of chapter 94C of the General Laws shall be eligible to have the record and related
910 records, if any, sealed immediately under section 100A of chapter 276 of the General Laws if the
911 controlled substance specified in the complaint related to the court appearance or disposition was
912 marihuana under clause (1) of subsection (b) of Class D of section 31 of said chapter 94C.

913 SECTION 55. The cannabis control commission shall provide recommendations related
914 to the costs associated with the purchase of medicinal marijuana by veterans of the United States
915 military and individuals receiving health insurance benefits through the United States
916 Department of Veterans Affairs. The commission shall make recommendations relative to
917 improving cost-effective access to medicinal marijuana and individuals receiving health

918 insurance benefits through the United States Department of Veterans Affairs to the cannabis
919 control commission not later than September 1, 2018.

920 SECTION 56. (a) For the purposes of this section “minority business enterprise”,
921 “women business enterprise” and “veteran business enterprise” shall have the same meanings as
922 ascribed to them in section 58 of chapter 7 of the General Laws.

923 (b) The cannabis control commission shall conduct a study on participation in the
924 regulated marijuana industry, including participation by minority business enterprises, women
925 business enterprises and veteran business enterprises. The study shall include, but shall not be
926 limited to:(i) a review of the participation in activities related to the regulation, licensing and
927 promotion of marijuana establishments; (ii) a compilation of data on the individuals and entities
928 that apply for and are issued licenses under chapter 94G of the General Laws, including the
929 individual’s or members of an entity’s race, gender, country of origin and state geographic
930 region; and (iii) any evidence of discrimination or barriers to entry in the regulated marijuana
931 industry.

932 (c) If, upon completion of the study, the commission determines that there is evidence of
933 discrimination or barriers to entry in the regulated marijuana industry, the commission shall
934 implement policies that address the discrimination or barriers faced by the disadvantaged group.
935 Such policies shall include:

936 (i) measures that ensure equal opportunity in licensing and permitting processes
937 and equal access to employment opportunities;

938 (ii) promoting participation in the industry by disadvantaged groups through
939 employment opportunities;

940 (iii) a provision in the application process for licensees to establish policies to
941 encourage the participation by a disadvantaged group in contracting and professional services;

942 (iv) providing start-up capital or business loans for disadvantaged groups;

943 (v) outreach to disadvantaged groups, including consultation with state agencies
944 and providing education and training opportunities;

945 (vi) the adoption of diversity licensing goals that provide meaningful participation
946 by disadvantaged groups and training programs, including workforce training and employer
947 training to attract applicants from a disadvantaged group; and

948 (vii) providing sufficient and continuous notice on the commission's website of
949 the opportunities for disadvantaged groups under this section.

950 (d) If legislation is necessary to address discrimination or barriers to entry in the
951 regulated marijuana industry, as identified in the study, the commission shall file its findings and
952 recommendations, including draft legislation, with the clerks of the senate and the house of
953 representatives, the chairs of the joint committee on marijuana policy and the senate and house
954 committees on ways and means.

955 SECTION 57. Notwithstanding any general or special law to the contrary, the state
956 treasurer shall prepare for the establishment and operation of the cannabis control commission,
957 which may include, but shall not limited to: (i) issuing requests for proposals for information
958 technology projects; (ii) issuing requests for proposals for consulting services relative to the

959 establishment and operations of the cannabis control commission; and (iii) working in
960 cooperation with the division of capital asset management and maintenance to identify and
961 procure office space and equipment.

962 SECTION 58. Notwithstanding any general or special law to the contrary, the executive
963 office of public safety and security shall conduct an evaluation and comparison of penalties and
964 comparable laws between alcohol and marijuana. The evaluation and comparison shall include,
965 but shall not be limited to, age restrictions, possession and usage of alcohol and recreational
966 marijuana. The study and any recommendations shall be submitted to the clerks of the senate and
967 house of representatives, the chairs of the joint committee on the judiciary and the chairs of the
968 joint committee on public safety and security not later than December 31, 2017.

969 SECTION 59. The secretary of public safety, in consultation with the cannabis control
970 commission, shall make a recommendation to the legislature not later than July 1, 2018,
971 regarding a statewide system and procedures for civil citations related to violations of the
972 marijuana statutes.

973 SECTION 60. The cannabis control commission, in collaboration with the department of
974 revenue, shall study the feasibility of alternative tax bases for calculating taxes on marijuana and
975 marijuana products, including by weight, volume, or tetrahydrocannabinol potency. The
976 commission shall file the results of this study together with any recommendations for changes to
977 marijuana tax policy with the clerks of the senate and the house of representatives, who shall
978 forward the recommendations to the senate and house chairs of the joint committee on marijuana
979 policy and the senate and house chairs of the joint committee on revenue not later than April 1,
980 2018.

981 SECTION 61. (a) Notwithstanding any general or special law to the contrary, the
982 comptroller shall report on the incoming receipts and expenditures and any other activities of the
983 Marijuana Regulation Fund, established in section 14 of chapter 94G of the General Laws, every
984 6 months. The report shall be submitted to the clerks of the senate and the house of
985 representatives and the senate and house committees on ways and means.

986 SECTION 62. The regulations required in clause (20) of subsection (a) of section 4 of
987 chapter 94G of the General Laws shall be adopted not later than July 1, 2019.

988 SECTION 63. Section 61 is hereby repealed.

989 SECTION 64. Section 61 shall take effect on July 1, 2018.

990 SECTION 65. Section 63 shall take effect on July1, 2023.