



July 2, 2019

NOTICE OF PUBLIC HEARING & COMMENT

Notice is given pursuant to M.G.L. c. 30A, § 2, that the Cannabis Control Commission (Commission) will hold public hearings and receive public comment on the promulgation of the following:

Revised regulations for 935 CMR 500.000: *Adult Use of Marijuana*, and 935 CMR 501.000: *Medical Use of Marijuana*. The revisions address fees; new license types, including delivery and social consumption; application, enforcement and administrative processes; operational issues, including cash handling procedures, transaction and potency limits, and energy and environmental issues, among other policy areas.

These regulations are promulgated pursuant to the Commission's authority under St. 2016, c. 334, *The Regulation and Taxation of Marijuana Act*, as amended by St. 2017, c. 55, *An Act to Ensure Safe Access to Marijuana*; M.G.L. c. 94G, *Regulation of the Use and Distribution of Marijuana Not Medically Prescribed*; and M.G.L. c. 94I, *Medical Use of Marijuana*.

The text of the proposed regulations may also be viewed by visiting the Commission's website at: <https://mass-cannabis-control.com/>, emailing CannabisCommission@State.MA.US, or calling the Commission at (617) 701-8400.

Public hearings. The Commission encourages interested parties to attend public hearings and provide comment, which will be held on the following dates:

August 14, 2019, 10:00 a.m.

HEALTH POLICY COMMISSION
50 Milk Street, 8th Floor
Boston, MA 02109

August 15, 2019, 10:00 a.m.

WESTERN NEW ENGLAND UNIVERSITY
SCHOOL OF LAW
Moot Court Room
1215 Wilbraham Road
Springfield, MA 01119



At these hearings, speakers are asked to provide a copy of their oral testimony.

Electronic submissions. The Commission also encourages interested parties to submit testimony electronically to: CannabisCommission@State.MA.US. Electronic testimony can be submitted as an attached Word document or as text within the body of an email and with the subject of "*Draft Regulations: Adult Use of Marijuana*" or "*Draft Regulations: Medical Use of Marijuana*" as appropriate. The Commission asks commenters to provide their full name, city/town and state, and if available, electronic mail address. If possible, we also ask that commenters identify the section of the regulations to which applies to their comments.

Written submissions. If interested parties are unable to submit electronic testimony, they can mail written submissions to:

Cannabis Control Commission
101 Federal Street, 13th Floor
Boston, MA 02110
Attention: Public Comments

All public testimony and comment are strongly encouraged to be submitted as soon as possible, but not later than 5:00 p.m. on August 15, 2019. Any public comments received after that date may not be considered. In the interest of transparency, the Commission may post comments it receives on its website or produce these comments in response to a request made under the Massachusetts Public Records Law, M.G.L. c. 66, § 10.





July 2, 2019

SMALL BUSINESS IMPACT STATEMENT

935 CMR 500.000: Adult Use of Marijuana
935 CMR 501.000: Medical Use of Marijuana

As required by M.G.L. c. 30A, §§ 2, 3 and 5, the Massachusetts Cannabis Control Commission (Commission) respectfully files this small business impact statement with the State Publications & Regulations Division of the Secretary of the Commonwealth. This statement concerns the following proposed draft regulations pertaining to the adult- and medical-use marijuana programs:

Revisions to 935 CMR 500.000: *Adult Use of Marijuana*, and 935 CMR 501.000: *Medical Use of Marijuana*. The revisions address fees; new license types, including delivery and social consumption; application, enforcement and administrative processes; operational issues, including cash handling procedures, transaction and potency limits, and energy and environmental issues, among other policy areas.

1. Estimate of the number of small businesses subject to the regulations:

Adult-Use Marijuana Program: As of July 1, 2019, there are 178 applicants that have been granted provisional licenses, of which 72 applicants that have been granted final licenses, of which 56 entities that have commenced their operations

Medical-Use Marijuana Program: As of July 1, 2019, there are 164 applicants that have been granted provisional licenses, of which 56 applicants that have been granted final licenses, of which 50 entities that have commenced their operations

Based on these numbers, the Commission estimates that approximately 500 applicants, which include small businesses, will be impacted by the revisions to Sections 500.00 and 501.000. If promulgated, there are also an inestimable number of small businesses that may apply for new license types for the adult-use program, a Delivery-Only Retailer license, or eventually, a Brick-and-Mortar Social Consumption Establishment license.



2. State the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulations:

For 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000: *Medical Use of Marijuana*, the Commission projects the costs associated with compliance may be reduced due to application and other processes being combined for the adult- and medical-use programs and refinements to these processes.

3. State the appropriateness of performance standards versus design standards:

Given the public health and public safety implications of medical-use and adult-use marijuana, the Commission believes design standards are more appropriate at this stage of development. As the industry develops, and the Commission accumulates more data, more consideration will be given to performance standards, where appropriate.

4. Identify regulations of the promulgating agency, or of another agency or department of the Commonwealth, which may duplicate or conflict with the proposed regulation:

For persons and entities conducting colocated operations, they will need to comply with these two sets of regulations and with 935 CMR 502.000

5. State whether the proposed regulation is likely to deter or encourage the formation of new businesses in the Commonwealth:

The Commission is charged by M.G.L. c. 94G, to adopt procedures and policies to promote and encourage full participation in the emerging adult- and medical-use marijuana industries. Consistent with the Commission's statutory charge, the proposed Delivery-Only Retailer and Brick and Mortar Social Consumption Establishment licenses are subject to an exclusivity period prioritizing Economic Empowerment Applicants and Social Equity Program Participants. Additionally, the exclusivity period for Social Consumption Establishment licenses is extended to licensed Microbusinesses and Craft Marijuana Cooperatives. If promulgated, the proposed regulations are likely to encourage the formation of new small businesses in the Commonwealth.

As of July 1, 2019, 59 applications are submitted and pending for licensure as an MTC and 274 applications are submitted and pending for licensure as a Marijuana Establishment, which may result in hundreds of additional new businesses. The Commission has approved 6102 medical-use agent registrations and 4935 adult-use agent registrations, which is an indicator of thousands of new jobs.

