



Notice of Public Hearing

Notice is hereby given pursuant to M.G.L. c. 30A, § 2, that the Cannabis Control Commission (“Commission”) will convene a public hearing for draft regulations revising 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000: *Medical Use of Marijuana*.

The revisions effectuate statutory mandates under Chapter 180 of the Acts of 2022: *An Act Relative to Equity in the Cannabis Industry*, signed by Governor Baker on August 11, 2022. The proposed regulations: (1) provides the Commission with oversight of Host Community Agreements (“HCAs”) and any Community Impact Fees (“CIFs”) included in an HCA; (2) removes a pilot program licensing municipalities as host communities for social consumption establishments; and (3) removes certain past criminal convictions from being considered when assessing suitability of certain registered agents.

The Commission promulgates the draft regulations pursuant to its authority under 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*.

Scheduled hearing date and time:

Friday, September 8, 2023, at 10:00 AM EST

Link will be published at: <https://mass-cannabis-control.com/calendar/>

In advance of the public hearing, the text of the proposed regulations may be viewed by visiting the Commission’s website at <https://mass-cannabis-control.com/>, requested by emailing Commission@cccmass.com, or by calling the Commission at (774) 415-0200.

Anyone wishing to offer testimony on these regulations can appear in person on the date above or email Commission@cccmass.com to request the virtual hearing link and participate remotely. Alternatively, written testimony may also be submitted to the same email address or address below, with ‘Regulation Comment’ in the subject line. All submissions should include the submitters’ full name, and organization or affiliation, if any.

Cannabis Control Commission
Union Station
2 Washington Square
Worcester, MA 01604

Written testimony must be received by 5:00 p.m. EST on September 8, 2023. Submissions may be subject to disclosure pursuant to the public records law, G. L. c.66, § 10.



August 15, 2023

SMALL BUSINESS IMPACT STATEMENT

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

The Massachusetts Cannabis Control Commission (Commission) files this small business impact statement in accordance with M.G.L. c. 30A, §§ 2, 3 and 5 relative to draft regulations revising 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000: *Medical Use of Marijuana*.

The revisions primarily effectuate the statutory mandates under Chapter 180 of the Acts of 2022: *An Act Relative to Equity in the Cannabis Industry* passed by the Massachusetts Legislature and signed by Governor Baker on August 11, 2022. The proposed changes will impact registered agents, municipalities, applicants for licensure, licensees, and specifically:

- Provides the Commission oversight of Host Community Agreements (“HCAs”) and any Community Impact Fees (“CIFs”) included in an HCA.
- Establishes new requirements regarding CIF.
- Limits CIFs to a single 8-year term.
- Requires CIFs to be “reasonably related” to the costs imposed on the host community by the operation of the Marijuana Establishment (ME) or Medical Marijuana Treatment Center (MTC), which may not exceed 3% of the licensee’s gross sales.
- Requires host communities to share documented impact expenses with licensees in connection with each license renewal.
- Removes a pilot program licensing municipalities as host communities for social consumption establishments.
- Removes certain past criminal convictions from being considered when assessing suitability of certain registered agents.



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

Adult-Use Marijuana Program: As of July 1, 2023, the adult-use of marijuana program has approved 1287 applications for provisional licenses and 606 applicants final licenses. There are 556 MEs issued final licenses that have commenced operations. Among them, there are 13 Economic Empowerment Priority Applicants (EEAs) that have pending applications, 40 EEAs that have received pre-certifications for Marijuana Delivery licenses, 47 EEAs approved for provisional licenses, 1 EEAs issued final licenses, and 22 EEAs that have commenced operations.

Medical-Use Marijuana Program: As of July 1, 2023, the medical-use of marijuana program has issued 190 applicants provisional licenses and 102 applicants final licenses. There are 102 MTCs issued final licenses that have commenced operations.

Based on these numbers, the Commission estimates that approximately 1,900 applicants and licensees, which include small businesses, will be impacted by the revisions to chapters 935 CMR 500.000 and 501.000. There is also an inestimable number of small businesses that may seek Microbusiness, Craft Marijuana Cooperative, Delivery, Social Consumption Establishment, or Research licenses. It is likely these numbers will change when the final regulations are filed.

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

For revisions to 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000: *Medical Use of Marijuana*, the Commission projects that some costs associated with compliance may increase due to the licensing, inspectional, and operational requirements being made consistent with the Commission's new statutory mandates. In other instances, the cost of compliance is likely reduced, as the changes in what criminal offenses may be assessed related to registered agent suitability, may result in a more streamlined registration process for many employees.

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

Given the public health and public safety implications of medical 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:

There are no proposed regulations at issue that pertain to small businesses.

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

The proposed regulations are likely to encourage the formation of new small businesses in the Commonwealth. The Commission is charged by M.G.L. c. 94G and M.G.L. c. 94I, to adopt procedures and policies to promote and encourage full participation in the emerging adult- and medical-use marijuana industries. As of July 1, 2023, 190 total applications have been partially or fully submitted for licensure as an MTC, and 190 licenses have been issued, and 1,700 total applications have been partially or fully submitted for licensure as a Marijuana Establishment, and 1,287 licenses have been issued, which may result in hundreds of new businesses. The Commission has approved 26,390 medical-use agent registrations and 52,497 adult-use agent registrations, which suggests that there has been the creation of thousands of new jobs. In addition, the Commission has proposed regulatory changes that strives to reduce barriers to entry for EEAs, Social Equity Program Participants, applicants for license types with lower capital requirements, OSD-certified minority-, veteran-, and women-owned businesses, who are also deemed to be small businesses by the Commission, and others.