



THE GENERAL COURT OF MASSACHUSETTS  
STATE HOUSE, BOSTON, 02133-1053

## **An Act Modernizing the Commonwealth's Cannabis Laws**

Conference Report: H. (Bill Number)

### *Fact Sheet & Highlights*

The Legislature's agreement to modernize the state's cannabis laws strengthens oversight of the Commonwealth's maturing cannabis industry by streamlining the agency that regulates cultivators, processors, and retailers.

The legislation boosts public accountability, removes burdensome requirements for certain businesses, and updates license caps to support the economic viability of retail marijuana businesses. It also updates purchase and possession limits and clarifies rules around delivery and advertising.

#### **Restructuring the Cannabis Control Commission**

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***Streamlines and Strengthens the Commission.*** To increase accountability, the legislation shrinks the size of the commission from five commissioners to three commissioners and consolidates appointment authority to the Governor. Previously, the Governor, Treasurer, and Attorney General of the Commonwealth each were responsible for appointing commissioners. The legislation requires that one commissioner have a background in social justice, and the other two commissioners must have backgrounds in public health, public safety, social justice, consumer regulations, or the production and distribution of marijuana or marijuana products.

***Clarifies Leadership Responsibilities.*** The bill designates the Chair of the commission as responsible for personnel and administrative matters and clarifies that the Executive Director reports directly to the Chair of the commission.

#### **Boosting Public Accountability Requirements**

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***Creates a Portal for Illegal Conduct.*** The bill directs the CCC to launch an online portal where individuals can anonymously report suspected illegal activity by licensed cannabis operators.

***Reports on Public Health and Excise Tax.*** The bill requires the CCC to prepare new reports regarding the public health impacts of cannabis and the cannabis excise tax rate.

**Studies Workplace Safety and Cannabis Testing.** The bill requires the CCC to review current regulations around workplace safety and cannabis testing to ensure that current Massachusetts regulations reflect the most up-to-date standards.

## Modernizing License Caps

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**Raises the Limit on Licenses.** The bill encourages cannabis business ownership and economic development by allowing licensees to hold six licenses, an increase from the current limit of three. By increasing the cap, business owners are able to spread overhead costs across more stores. Businesses that are not social equity businesses will be limited to five licenses in the first twelve months.

**Increases Equity Threshold.** The bill provides added flexibility by raising the threshold — from 10 per cent to 20 per cent — of how much equity in a business is considered ownership for the purpose of counting toward the cap on number of licenses someone can hold.

**Encourages Responsible Business Practices.** Creates a list of “delinquent” cannabis businesses that have not paid their debts to other cannabis businesses for more than 60 days and prevents others from doing business with those on the delinquent list until they have paid off their debts.

### Boosts Opportunities for Medical Marijuana Businesses.

**Creates Flexibility to Foster Small Businesses.** The legislation removes the current requirement that medical marijuana operators must be vertically integrated to simultaneously cultivate, manufacture, and sell cannabis. Eliminating this cumbersome and costly requirement creates more possibilities for smaller businesses. The bill limits new medical marijuana establishment licenses to Social Equity Businesses on an exclusive basis for two years.

## Expanding Safe and Legal Access to Cannabis

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**Increases Purchase and Possession Limits.** The bill responsibly increases the amount of cannabis that an adult can purchase or possess in Massachusetts for recreational use, from one ounce to two ounces. The CCC will be tasked with determining how much cannabis concentrate is equivalent to two ounces. Further, for people under 21 years old, the bill increases the threshold — from two ounces to three ounces — that would incur a civil penalty or require participation in a drug awareness program for those under 18.

**Clarifies Delivery Rules.** The bill specifies that licensed marijuana delivery businesses can deliver to any municipality unless that municipality prohibits marijuana businesses and opts out of the delivery program.

**Opens the Door to Advertising Inside Cannabis Establishments.** The bill gives the commission the ability to allow retailers to advertise sales, discounts, and customer loyalty programs inside the store and via opt-in email, which are currently not permitted.

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## **Streamlining Regulations for Producers**

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***Clarifies Enforcement on the Sale of Seeds.*** To eliminate restrictions on sales and to ensure consistency in the market, the legislation clarifies that cannabis seeds do not fall under the definition of marijuana.

***Explores Regulation of Hemp and Cannabinoids.*** To address unregulated sales of hemp-infused products and cannabinoids, the bill directs the CCC to study the issue and develop recommendations for how Massachusetts can regulate these products.