HOUSE No. 3932

The Commonwealth of Alassachusetts

INITIATIVE PETITION OF RICHARD M. EVAN AND OTHERS.

OFFICE OF THE SECRETARY. BOSTON, JANUARY 6, 2016.

Steven T. James
Clerk of the House of Representatives
State House
Boston, Massachusetts 02133

Sir: - I herewith transmit to you, in accordance with the requirements of Article XLVIII of the Amendments to the Constitution, an initiative petition for a law named "The Regulation and Taxation of Marijuana Act," signed by ten qualified voters and filed with this department on or before December 2, 2015, together with additional signatures of qualified voters in the number of 70,739 being a sufficient number to comply with the Provisions of said Article.

Sincerely,

WILLIAM FRANCIS GALVIN, Secretary of the Commonwealth.

AN INITIATIVE PETITION.

Pursuant to Article XLVIII of the Amendments to the Constitution of the Commonwealth, as amended, the undersigned qualified voters of the Commonwealth, ten in number at least, hereby petition for the enactment into law of the following measure:

HOUSE DOCKET, NO.

FILED ON: 1/6/2016

HOUSE No. 3932

The Commonwealth of Alassachusetts

In the One Hundred and Eighty-Ninth General Court (2015-2016)

An Act The Regulation and Taxation of Marijuana Act.

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Act."

Be it enacted by the People, and by their authority, as follows:

1 THE REGULATION AND TAXATION OF MARIJUANA ACT

- 2 SECTION 1. The purpose of this Act is to control the production and distribution of 3 marijuana under a system that licenses, regulates and taxes the businesses involved in a manner 4 similar to alcohol and to make marijuana legal for adults 21 years of age or older. Its intent is to 5 remove the production and distribution of marijuana from the illicit market and to prevent the 6 sale of marijuana to persons under 21 years of age by providing for a regulated and taxed 7 distribution system. To the fullest extent possible, its terms are to be interpreted in accordance 8 with the purpose and intent set forth in this section. 9 SECTION 2. This act may be known as "The Regulation and Taxation of Marijuana
- SECTION 3. Chapter 10 of the General Laws is hereby amended by inserting after section 75 the following sections:

13	Section 76. Cannabis Control Commission; members; appointment; terms; chairman;
14	secretary

- (a) There shall be a commission known as the cannabis control commission to have general supervision and sole regulatory authority over the conduct of the business of marijuana establishments as defined in chapter 94G of the General Laws. The commission shall consist of 1 commissioner and 2 associate commissioners who shall be appointed by the treasurer. Not more than 2 members of the commission shall be of the same political party. The commissioner shall serve a term co-terminous with the treasurer. The associate commissioners shall serve a term of 4 years. Any vacancy occurring for any reason other than the expiration of a term shall be filled for the unexpired term in the same manner as the original appointment.
- (b) The treasurer shall appoint commissioners based on their experience or expertise in public health, law enforcement, social justice, the regulation and business of consumer commodities and the production and distribution of marijuana and marijuana products.
- (c) The commissioner shall serve as chair and shall preside over all official activities of the commission.
- (d) The treasurer may remove any member for neglect of duty, misconduct or malfeasance in office, after providing the member with a written statement of the charges and an opportunity to be heard.
- (e) Two members shall constitute a quorum for conducting the business of the commission. A vacancy shall not impair the right of the remaining members to exercise the powers of the commission.

(f) The commission may expend for such investigators and clerical and other assistants as
may be necessary for the performance of its duties. The commissioner may appoint a chief
investigator and other investigators, who shall be exempt from chapter 31 of the General Laws,
to enforce or cause to be enforced the penalties provided by law against a marijuana
establishment that violates chapter 94G of the General Laws and shall make all necessary and
appropriate investigations for that enforcement.

(g) All records of the commission shall be considered public records within the meaning of chapter 66 of the General Laws.

Section 77. Cannabis Advisory Board

(a) There shall be a cannabis advisory board to study and make recommendations on the regulation of marijuana and marijuana products. The board shall consist of 15 members appointed by the governor and shall consist of: 1 expert in marijuana cultivation, 1 expert in marijuana retailing, 1 expert in marijuana product manufacturing, 1 expert in marijuana testing, 1 board member or officer of a medical marijuana treatment center, 1 registered medical marijuana patient, 1 individual who represents marijuana retail consumers, 2 experts in public health, 2 experts in law enforcement, 2 experts in social welfare or social justice, and 2 attorneys with experience providing legal services to marijuana businesses, marijuana consumers or medical marijuana patients in the commonwealth. Members of the board shall serve terms of 2 years. Members of the board shall serve without compensation but shall be reimbursed for their expenses actually and necessarily incurred in the discharge of their official duties. Members of the board shall not be state employees for purposes of chapter 268A of the General Laws by

56	virtue of their service on the advisory board. The board shall meet at the discretion of the
57	commission. A majority of the members of the board present and voting shall constitute a
58	quorum.
59	(b) The cannabis advisory board shall:
60	
61	(1) advise the commission on marijuana cultivation, processing, manufacture, transport,
62	distribution, testing and sale;
63	(2) consider all matters submitted to it by the commission;
64	(3) on its own initiative, recommend to the commission guidelines, rules and regulations
65	and any changes to guidelines, rules and regulations that the board considers important or
66	necessary; and
67	(4) advise on the preparation of regulations under chapters 64N and 94G.
68	(c) All records of the cannabis advisory board shall be public records under chapter 66 of
69	the General Laws.
70	SECTION 4. The General Laws are hereby amended by inserting after chapter 64M the
71	following chapter:
72	CHAPTER 64N.
73	MARIJUANA TAX.

74	Section 1. Definitions. As used in this chapter, the following words shall, unless the
75	context clearly requires otherwise, have the following meanings:
76	(a) "Commissioner", the commissioner of revenue.
77	(b) "Marijuana," "Marijuana establishment," "Marijuana product" and "Marijuana
78	retailer", as defined in chapter 94G of the General Laws.
79	Section 2. State excise imposition; rate; payment. An excise tax is hereby imposed upon
80	the sale of marijuana or marijuana products by a marijuana retailer to anyone other than a
81	marijuana establishment at a rate of 3.75 per cent of the total sales price received by the
82	marijuana retailer as a consideration for the sale of marijuana or marijuana products. The excise
83	tax shall be levied in addition to state tax imposed upon the sale of property or services as
84	provided in section 2 of chapter 64H of the General Laws and shall be paid by a marijuana
85	retailer to the commissioner at the time provided for filing the return required by section 16 of
86	chapter 62C of the General Laws.
87	Section 3. Local tax option. Any city or town may impose a local sales tax upon the sale
88	or transfer of marijuana or marijuana products by a marijuana retailer operating within the city of
89	town to anyone other than a marijuana establishment at a rate not greater than 2 per cent of the
90	total sales price received by the marijuana retailer as a consideration for the sale of marijuana or
91	marijuana products. A marijuana retailer shall pay a local sales tax imposed under this section to
92	the commissioner at the same time and in the same manner as the sales tax due to the
93	commonwealth.

All sums received by the commissioner under this section shall not be considered

received on account of the commonwealth and shall at least quarterly be distributed, credited and

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96	paid by the state treasurer upon certification of the commissioner to each city or town that has
97	adopted this section in proportion to the amount of such sums received from the sale or transfer
98	of marijuana and marijuana products in the city or town.
99	Section 4. Exemptions. This chapter shall not apply to the sale of marijuana or marijuana
100	products by a medical marijuana treatment center or a registered personal caregiver to a
101	qualifying patient or personal caregiver pursuant to chapter 369 of the acts of 2012, nor to any
102	unlawful sale subject to taxation pursuant to chapter 64K of the General Laws.
103	Section 5. Application of tax revenue. The commissioner shall deposit revenue collected
104	pursuant to this chapter, other than revenue collected pursuant to section 2 of chapter 64H of the
105	General Laws, in the Marijuana Regulation Fund established by chapter 94G of the General
106	Laws and it shall be subject to appropriation.
107	SECTION 5. The General Laws are hereby amended by inserting after chapter 94F the
108	following chapter:
109	CHAPTER 94G
110	REGULATION OF THE USE AND DISTRIBUTION OF MARIJUANA
111	NOT MEDICALLY PRESCRIBED
112	Section 1. Definitions
113	As used in this chapter, the following words shall, unless the context clearly requires
114	otherwise, have the following meanings:
115	(a) "Consumer", a person who is at least 21 years of age.

(b) "Controlling person", an officer, board member or other individual who has a
financial or voting interest of 10 per cent or greater in a marijuana establishment.
(c) "Commission", the cannabis control commission established by section 76 of chapter
10 of the General Laws.
(d) "Experienced marijuana establishment operator", (i) a medical marijuana treatment
center as defined in chapter 369 of the acts of 2012 with a registration in good standing, or (ii) a
reorganized marijuana business established by a vote of at least 2/3 of the board of directors of
an entity that submitted an application for a registration to operate a medical marijuana treatment
center to the department of public health before October 1, 2015 and was issued a provisional
registration to operate a medical marijuana treatment center by the department of public health
before the effective date of this chapter.
(e) "Hemp", the plant of the genus Cannabis or any part of the plant, whether growing or
not, with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3 per cent on a dry
weight basis of any part of the plant of the genus Cannabis, or per volume or weight of marijuana
product, or the combined per cent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic
acid in any part of the plant of the genus Cannabis regardless of moisture content.
(f) "Manufacture", to compound, blend, extract, infuse or otherwise make or prepare a
marijuana product.
(g) "Marijuana" or "Marihuana", all parts of any plant of the genus Cannabis, not
excepted below and whether growing or not; the seeds thereof; and resin extracted from any part

of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the

137 plant, its seeds or resin including tetrahydrocannabinol as defined in section 1 of chapter 94C of 138 the General Laws; provided that "Marijuana" shall not include: 139 (1) The mature stalks of the plant, fiber produced from the stalks, oil, or cake made from 140 the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation 141 of the mature stalks, fiber, oil, or cake made from the seeds of the plant or the sterilized seed of 142 the plant that is incapable of germination; 143 (2) Hemp; or 144 (3) The weight of any other ingredient combined with marijuana to prepare topical or oral 145 administrations, food, drink or other products. 146 (h) "Marijuana accessories", equipment, products, devices or materials of any kind that 147 are intended or designed for use in planting, propagating, cultivating, growing, harvesting, 148 manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, 149 packaging, repackaging, storing, containing, ingesting, inhaling or otherwise introducing 150 marijuana into the human body. 151 (i) "Marijuana cultivator", an entity licensed to cultivate, process and package marijuana, 152 to deliver marijuana to marijuana establishments and to transfer marijuana to other marijuana 153 establishments, but not to consumers. 154 (j) "Marijuana establishment", a marijuana cultivator, marijuana testing facility, 155 marijuana product manufacturer, marijuana retailer or any other type of licensed marijuana-

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related business.

157	(k) "Marijuana product manufacturer", an entity licensed to obtain, manufacture, process
158	and package marijuana and marijuana products, to deliver marijuana and marijuana products to
159	marijuana establishments and to transfer marijuana and marijuana products to other marijuana
160	establishments, but not to consumers.
161	(l) "Marijuana products", products that have been manufactured and contain marijuana or
162	an extract from marijuana, including concentrated forms of marijuana and products composed of
163	marijuana and other ingredients that are intended for use or consumption, including edible
164	products, beverages, topical products, ointments, oils and tinctures.
165	(m) "Marijuana testing facility", an entity licensed to test marijuana and marijuana
166	products, including certification for potency and the presence of contaminants.
167	(n) "Marijuana retailer", an entity licensed to purchase and deliver marijuana and
168	marijuana products from marijuana establishments and to deliver, sell or otherwise transfer
169	marijuana and marijuana products to marijuana establishments and to consumers.
170	(o) "Process" or "processing", to harvest, dry, cure, trim and separate parts of the
171	marijuana plant by manual or mechanical means, except it shall not include manufacture as
172	defined in subsection (f) of this section.
173	(p) "Unreasonably impracticable", that the measures necessary to comply with the
174	regulations, ordinances or by-laws adopted pursuant to this chapter subject licensees to
175	unreasonable risk or require such a high investment of risk, money, time or any other resource or
176	asset that a reasonably prudent businessperson would not operate a marijuana establishment.

Section 2. Limitations

- (a) Operating under the influence. This chapter does not amend existing penalties for operating, navigating or being in actual physical control of any motor vehicle, train, aircraft, motorboat or other motorized form of transport or machinery while impaired by marijuana or a marijuana product or for consuming marijuana while operating, navigating or being in actual physical control of any motor vehicle, train, aircraft, motorboat or other motorized form of transport or machinery.
- (b) Transfer to or possession by a person under 21 years of age. This chapter shall not be construed to permit the knowing transfer of marijuana, marijuana products or marijuana accessories, with or without remuneration, to a person under 21 years of age or to allow a person under 21 years of age to possess, use, purchase, obtain, cultivate, process, manufacture, deliver or sell or otherwise transfer marijuana or marijuana accessories.
- (c) Manufacture of products. Unless done pursuant to a marijuana product manufacturer license issued by the commission, this chapter does not authorize a person to manufacture marijuana or hemp by means of any liquid or gas, other than alcohol, that has a flashpoint below 100 degrees Fahrenheit.
 - (d) Property. This chapter shall not be construed to:
- (1) prevent a person from prohibiting or otherwise regulating the consumption, display, production, processing, manufacture or sale of marijuana and marijuana accessories on or in property the person owns, occupies or manages, except that a lease agreement shall not prohibit a tenant from consuming marijuana by means other than smoking on or in property in which the tenant resides unless failing to do so would cause the landlord to violate a federal law or regulation;

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

- (3) authorize the possession or consumption of marijuana or marijuana accessories on the grounds of or within a public or private school where children attend classes in preschool programs, kindergarten programs or grades 1 to 12, inclusive, or on the grounds of or within any correctional facility.
- (e) Employment. This chapter shall not require an employer to permit or accommodate conduct otherwise allowed by this chapter in the workplace and shall not affect the authority of employers to enact and enforce workplace policies restricting the consumption of marijuana by employees.
- (f) Negligent conduct. This chapter shall not amend existing penalties for conduct involving the performance of any task while impaired by marijuana that would constitute negligence or professional malpractice and shall not prevent the imposition of any civil, criminal or other penalty for such conduct.
- (g) Relation to medical use of marijuana. This chapter shall not be construed to affect the provisions of chapter 369 of the acts of 2012, relating to the medical use of marijuana as enacted by the people in the state election in 2012.
- (h) Adulteration and misbranding. This chapter shall not exempt marijuana or marijuana products from sections 186 to 195, inclusive, of chapter 94 of the General Laws, relating to the

adulteration and misbranding of food, drugs and various articles. Marijuana included in a marijuana product manufactured in compliance with the regulations under this chapter shall not be considered an adulterant.

Section 3. Local control

- (a) A city or town may adopt ordinances and by-laws that impose reasonable safeguards on the operation of marijuana establishments, provided they are not unreasonably impracticable and are not in conflict with this chapter or with regulations made pursuant to this chapter and that:
- (1) govern the time, place and manner of marijuana establishment operations and of any business dealing in marijuana accessories, except that zoning ordinances or by-laws shall not prohibit placing a marijuana establishment which cultivates, manufactures or sells marijuana or marijuana products in any area in which a medical marijuana treatment center is registered to engage in the same type of activity;
- (2) limit the number of marijuana establishments in the city or town, except that a city or town may only adopt an ordinance or by-law by a vote of the voters of that city or town if the ordinance or by-law:
- (i) prohibits the operation of 1 or more types of marijuana establishments within the city or town;
- (ii) limits the number of marijuana retailers to fewer than 20 per cent of the number of licenses issued within the city or town for the retail sale of alcoholic beverages not to be drunk on the premises where sold under chapter 138 of the General Laws; or

243	(iii) limits the number of any type of marijuana establishment to fewer than the number
244	of medical marijuana treatment centers registered to engage in the same type of activity in the
245	city or town.
246	(3) restrict the licensed cultivation, processing and manufacturing of marijuana that is a
247	public nuisance;
248	(4) establish reasonable restrictions on public signs related to marijuana establishments;
249	and
250	(5) establish a civil penalty for violation of an ordinance or by-law enacted pursuant to
251	this subsection, similar to a penalty imposed for violation of an ordinance or by-law relating to
252	alcoholic beverages.
253	(b) The city council of a city and the board of selectmen of a town shall, upon the filing
254	with the city or town clerk of a petition (i) signed by not fewer than 10 per cent of the number of
255	voters of such city or town voting at the state election preceding the filing of the petition and (ii)
256	conforming to the provisions of the General Laws relating to initiative petitions at the municipal
257	level, request that the question of whether to allow, in such city or town, the sale of marijuana
258	and marijuana products for consumption on the premises where sold be submitted to the voters
259	of such city or town at the next biennial state election. If a majority of the votes cast in the city or
260	town are not in favor of allowing the consumption of marijuana or marijuana products on the

premises where sold, such city or town shall be taken to have not authorized the consumption of

marijuana and marijuana products on the premises where sold.

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263	(c) No city or town shall prohibit the transportation of marijuana or marijuana products or
264	adopt an ordinance or by-law that makes the transportation of marijuana or marijuana products
265	unreasonably impracticable.
266	(d) No agreement between a city or town and a marijuana establishment shall require
267	payment of a fee to that city or town that is not directly proportional and reasonably related to the
268	costs imposed upon the city or town by the operation of a marijuana establishment. Any cost to a
269	city or town by the operation of a marijuana establishment shall be documented and considered a
270	public record as defined by clause Twenty-Sixth of section 7 of chapter 4 of the General Laws.
271	Section 4. The Cannabis Control Commission
272	(a) The commission shall, in consultation with the cannabis advisory board and in
273	accordance with chapter 30A of the General Laws, adopt regulations consistent with this chapter
274	for the administration, clarification and enforcement of laws regulating and licensing marijuana
275	establishments. The regulations shall include:
276	(1) procedures for the issuance and renewal of licenses to operate marijuana
277	establishments;
278	(2) a schedule of application, license and renewal fees in an amount necessary to pay for
279	all regulation and enforcement costs of the commission; provided however that fees may be
280	relative to the volume of business conducted or to be conducted by the marijuana establishment
281	and shall not exceed:
282	(i) For an initial application, \$3,000;
283	(ii) For a license for a retail marijuana store, \$15,000;

284	(iii) For a license for a marijuana product manufacturer, \$15,000;
285	(iv) For a license for a marijuana cultivator, \$15,000; and
286	(v) For a license for a marijuana testing facility, \$10,000.
287	(3) qualifications for licensure and minimum standards for employment that are directly
288	and demonstrably related to the operation of a marijuana establishment and similar to
289	qualifications for licensure and employment standards in connection with alcoholic beverages as
290	regulated under chapter 138 of the General Laws; provided that a prior conviction solely for a
291	marijuana-related offense or for a violation of section 34 of chapter 94C of the General Laws
292	shall not disqualify an individual or otherwise affect eligibility for employment or licensure in
293	connection with a marijuana establishment, unless the offense involved the distribution of a
294	controlled substance, including marijuana, to a minor;
295	(4) procedures and policies to promote and encourage full participation in the regulated
296	marijuana industry by people from communities that have previously been disproportionately
297	harmed by marijuana prohibition and enforcement and to positively impact those communities;
298	(5) requirements for the security of marijuana establishments, including security, lighting
299	video and alarm requirements and requirements for the secure transportation and storage of
300	marijuana, marijuana plants and marijuana products, provided that the requirements shall not
301	prohibit the cultivation of marijuana outdoors or in greenhouses;
302	(6) requirements to prevent the sale of marijuana and marijuana products to persons
303	under 21 years of age;

(7) requirements for record keeping by marijuana establishments and procedures to track
marijuana and marijuana products cultivated, processed, manufactured, delivered or sold by
marijuana establishments;

- (8) health and safety standards for the cultivation, processing, manufacture and distribution of marijuana and marijuana products, including standards regarding sanitation for the preparation, storage, handling and sale of food products and reasonable limitations on the use of organic and non-organic pesticides;
- (9) requirements for the packaging of marijuana and marijuana products, which shall include special packaging requirements to protect children from ingesting marijuana or marijuana products and requirements for dividing each serving within a package containing multiple servings in a manner that allows consumers to easily identify a single serving;
- (10) requirements for the labeling of a package containing marijuana or marijuana products that shall include a symbol or other easily recognizable mark indicating that the package contains marijuana and an identification of the marijuana cultivator or the marijuana product manufacturer who produced the marijuana or marijuana product, and for the labeling of a package containing marijuana products, the amount of tetrahydrocannabinol in a package and in each serving of a marijuana product, the number of servings in a package and a list of ingredients and possible allergens;
- (11) requirements for the testing of random samples of marijuana and marijuana products to verify that marijuana and marijuana products are accurately labeled and to verify that products intended for human consumption do not contain contaminants that are in excess of typical standards applied to other commercially available products intended for human consumption;

326	(12) requirements for safe disposal of excess, contaminated, adulterated or deteriorated
327	marijuana or marijuana products;
328	(13) reasonable restrictions on signs, marketing, displays and advertising with respect to
329	marijuana, marijuana products and marijuana accessories, including prohibiting marketing or
330	advertising designed to appeal to children;
331	(14) procedures and requirements to enable the transfer of a license for a marijuana
332	establishment to another qualified person or to another suitable location, which shall not be more
333	restrictive than laws governing the transfer of a license for the sale of alcoholic beverages under
334	chapter 138 of the General Laws; and
335	(15) provisions for: enforcing this chapter, including penalties for civil violations for the
336	failure to comply with any regulation made pursuant to this section or for any violation of section
337	13 of this chapter; collecting fees and penalties imposed; suspending the license of a marijuana
338	establishment that include provisions to allow for the continued maintenance and security of any
339	marijuana and marijuana products; terminating the license of a licensee; and appealing civil
340	penalties or licensing actions.
341	(b) In furtherance of the intent of this act, the commission may also adopt regulations in
342	accordance with chapter 30A of the General Laws which:
343	(1) establish and provide for issuance of additional types or classes of licenses to operate
344	marijuana-related businesses, including licenses that authorize only limited cultivation,
345	processing, manufacture, possession or storage of marijuana or marijuana products, limited
346	delivery of marijuana or marijuana products to consumers, licenses that authorize the
347	consumption of marijuana or marijuana products on the premises where sold, licenses that

authorize the consumption of marijuana at special events in limited areas and for a limited time and licenses intended to facilitate scientific research or education;

- (2) regulate the cultivation, processing, distribution and sale of hemp by marijuana establishments; and
- (3) limit the total amount of marijuana cultivated within the commonwealth, if the commission determines after an analysis of the current and anticipated supply of and demand for marijuana and marijuana products, that a limit on the amount of marijuana cultivated within the commonwealth is necessary to minimize illicit markets for marijuana. If the commission limits the total amount of marijuana that may be cultivated within the commonwealth, the commission shall reconsider that determination biannually and shall not set the limit at a level below that which is necessary to provide an adequate supply of marijuana and marijuana products in the commonwealth. No such limit shall be imposed if the import or export of marijuana to or from the commonwealth is not prohibited by federal law.
 - (c) Regulations made pursuant to this section shall not:
- (1) prohibit the operation of a marijuana establishment either expressly or through regulations that make operation of a marijuana establishment unreasonably impracticable;
- (2) require testing of marijuana or marijuana products before the commission has licensed any marijuana testing facilities or, if such facilities have been licensed, before such facilities are capable of performing any required tests in a timely manner;
- (3) require a customer to provide a marijuana retailer with identifying information other than identification to determine the customer's age and shall not require the marijuana retailer to

acquire or record personal information about customers other than information typically required in a retail transaction;

- (4) prohibit a medical marijuana treatment center and an experienced marijuana establishment operator from operating a medical marijuana treatment center and a marijuana establishment at a shared location;
- (5) prohibit marijuana establishments from transferring or acquiring marijuana seeds, clones, cuttings, plants or plant tissue from other marijuana establishments or from medical marijuana treatment centers or prohibit a marijuana establishment from transferring or otherwise selling marijuana to a marijuana retailer, a marijuana product manufacturer or a marijuana cultivator; or
 - (6) prohibit marijuana establishments from using inorganic cultivation methods.
- (d) The commission shall administer the laws and regulations relating to licensing in this chapter.
- (e) The commission may suspend or revoke the license of a licensee under regulations made pursuant to this chapter upon written notice of a violation and, if applicable, an opportunity to cure any violation within 30 days of such notice. All licensees shall be entitled to an adjudicatory hearing pursuant to chapter 30A of the General Laws prior to suspension of a license for longer than 5 days or the revocation of a license.
- (f) The commission shall enforce the laws and regulations relating to the cultivation, processing, manufacture, delivery, storage, sale and testing of marijuana and marijuana products by marijuana establishments. The commission shall conduct investigations of compliance with

this chapter and shall perform regular inspections of marijuana establishments and the books and records of marijuana establishments as necessary to enforce this chapter. The commission shall cooperate with appropriate state and local organizations to provide training to law enforcement officers of the commonwealth and its political subdivisions.

- (g) The commission shall hold a public hearing before the adoption, amendment or repeal of any regulation. Adjudicatory proceedings shall be conducted pursuant to chapter 30A of the General Laws and to standard rules of adjudicatory procedure established pursuant to section 9 of chapter 30A of the General Laws.
- (h) The commission shall annually publish a full report of its action during each year containing a comprehensive description of its activities and including the number of licenses of each class issued, actions taken pursuant to clause (4) of subsection (a) of this section and a statement of revenue and expenses of the commission.
- (i) The commission shall annually review the tax rate established by chapter 64N of the General Laws and may make recommendations to the General Court as appropriate regarding changes to the tax rate that further the intent of this act. The commission may study marijuana commerce and make recommendations to the General Court regarding changes in the laws of the commonwealth that further the intent of this act by filing those recommendations with the clerk of the house and senate who shall forward the recommendations to the joint committee on consumer protection and professional licensure, the joint committee on revenue and any other committee deemed appropriate by the commission.

410	(j) The commission shall deposit all license, registration and monetary penalties collected
411	pursuant to this chapter in the Marijuana Regulation Fund established by section 15 of this
412	chapter.
413	(k) The commission and the department of public health shall work collaboratively to
414	ensure that the production and distribution of marijuana is effectively regulated in the
415	commonwealth in furtherance of the intent of this act.
416	Section 5. Licensing of marijuana establishments
417	(a) Upon receipt of a complete marijuana establishment license application and the
418	application fee, the commission shall forward a copy of the application to the city or town in
419	which the marijuana establishment is to be located, determine whether the applicant and the
420	premises qualify for the license and has complied with this chapter and shall, within 90 days:
421	(1) issue the appropriate license; or
422	(2) send to the applicant a notice of rejection setting forth specific reasons why the
423	commission did not approve the license application.
424	(b) Except as provided in subsection (c) of this section, the commission shall approve a
425	marijuana establishment license application and issue a license if:
426	(1) the prospective marijuana establishment has submitted an application in compliance
427	with regulations made by the commission, the applicant satisfies the requirements established by
428	the commission, the applicant is in compliance with this chapter and the regulations made by the
429	commission and the applicant has paid the required fee;

430	(2) the commission is not notified by the city or town in which the proposed marijuana
431	establishment will be located that the proposed marijuana establishment is not in compliance
432	with an ordinance or by-law consistent with section 3 of this chapter and in effect at the time of
433	application;
434	(3) the property where the proposed marijuana establishment is to be located, at the time
435	the license application is received by the commission, is not located within 500 feet of a pre-
436	existing public or private school providing education in kindergarten or any of grades 1 through
437	12, unless a city or town adopts an ordinance or by-law that reduces the distance requirement;
438	and
439	(4) an individual who will be a controlling person of the proposed marijuana
440	establishment has not been convicted of a felony or convicted of an offense in another state that
441	would be a felony in the commonwealth, except a prior conviction solely for a marijuana offense
442	or solely for a violation of section 34 of chapter 94C of the General Laws, unless the offense
443	involved distribution of a controlled substance, including marijuana, to a minor.
444	(c) If a city or town limits the number of marijuana establishments that may be licensed
445	in the city or town pursuant to clause (2) of subsection (a) of section 3 of this chapter and that
446	limit prevents the commission from issuing a license to all applicants who meet the requirements
447	of subsection (b) of this section:
448	(1) until January 1, 2018, the commission shall issue licenses first to applicants with the
449	most experience operating medical marijuana treatment centers and then by lottery among

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qualified applicants; or

451	(2) on and after January 1, 2018, the commission shall issues licenses by lottery among	
452	qualified applicants.	
453	The lottery shall also designate the priority order of unselected applicants in the event	
454	that a license becomes available within a year.	
455	Section 6. Expiration and renewal	
456	(a) License term. Unless the commission authorizes the renewal of a license for a longer	
457	period, all licenses under this chapter shall be effective for 1 year from the date of issuance.	
458	(b) Renewal. The commission shall issue a renewal license within 30 days of receipt of a	
459	renewal application and renewal license fee from a marijuana establishment to licensees in good	
460	standing and who have filed any tax returns required pursuant to chapter 64N of the General	
461	Laws.	
462	Section 7. Personal use of marijuana	
463	(a) Notwithstanding any other general or special law to the contrary, except as otherwise	
464	provided in this chapter, a person 21 years of age or older shall not be arrested, prosecuted,	
465	penalized, sanctioned or disqualified under the laws of the commonwealth in any manner, or	
466	denied any right or privilege and shall not be subject to seizure or forfeiture of assets for:	
467	(1) possessing, using, purchasing, processing or manufacturing 1 ounce or less of	
468	marijuana, except that not more than 5 grams of marijuana may be in the form of marijuana	
469	concentrate;	
470	(2) within the person's primary residence, possessing up to 10 ounces of marijuana and	
471	any marijuana produced by marijuana plants cultivated on the premises and possessing,	

cultivating or processing not more than 6 marijuana plants for personal use so long as not more than 12 plants are cultivated on the premises at once;

- (3) assisting another person who is 21 years of age or older in any of the acts described in this section; or
- (4) giving away or otherwise transferring without remuneration up to 1 ounce of marijuana, except that not more than 5 grams of marijuana may be in the form of marijuana concentrate, to a person 21 years of age or older, as long as the transfer is not advertised or promoted to the public.
- (b) Notwithstanding any other general or special law to the contrary, except as otherwise provided in this chapter, if the import or export of marijuana to or from the commonwealth is not prohibited by federal law, a person 21 years of age or older shall not be arrested, prosecuted, penalized, sanctioned or disqualified under the laws of the commonwealth in any manner, or denied any right or privilege and shall not be subject to seizure or forfeiture of assets for possessing, using, purchasing, cultivating, processing or manufacturing any amount of marijuana or marijuana products for personal use.
- (c) Notwithstanding any other general or special law to the contrary, except as otherwise provided in this chapter, a person shall not be arrested, prosecuted, penalized, sanctioned or otherwise denied any benefit and shall not be subject to seizure or forfeiture of assets for allowing property the person owns, occupies or manages to be used for any of the activities conducted lawfully under this chapter or for enrolling or employing a person who engages in marijuana-related activities lawfully under this chapter.

(d) Absent clear, convincing and articulable evidence that the person's actions related to
marijuana have created an unreasonable danger to the safety of a minor child, neither the
presence of cannabinoid components or metabolites in a person's bodily fluids nor conduct
permitted under this chapter related to the possession, consumption, transfer, cultivation,
manufacture or sale of marijuana, marijuana products or marijuana accessories by a person
charged with the well-being of a child shall form the sole or primary basis for substantiation,
service plans, removal or termination or for denial of custody, visitation or any other parental
right or responsibility.

- (e) The use of marijuana shall not disqualify a person from any needed medical procedure or treatment, including organ and tissue transplants.
- (f) Notwithstanding any general or special law to the contrary, except as otherwise provided in this chapter, a person 21 years of age or older shall not be arrested, prosecuted, penalized, sanctioned or disqualified and is not subject to seizure or forfeiture of assets for possessing, producing, processing, manufacturing, purchasing, obtaining, selling or otherwise transferring or delivering hemp.
- (g) For the purposes of this section, "marijuana concentrate" shall mean the resin extracted from any part of the plant of the genus Cannabis and every compound, manufacture, salt, derivative, mixture or preparation of that resin but shall not include the weight of any other ingredient combined with marijuana to prepare marijuana products.

Section 8. Marijuana accessories authorized

Notwithstanding any general or special law to the contrary, except as otherwise provided in this chapter, a person 21 years of age or older shall not be arrested, prosecuted, penalized,

sanctioned or disqualified and shall not be subject to seizure or forfeiture of assets for possessing, purchasing or otherwise obtaining or manufacturing marijuana accessories or for selling or otherwise transferring marijuana accessories to a person who is 21 years of age or older.

Section 9. Lawful operation of marijuana establishments

- (a) Notwithstanding any general or special law to the contrary, except as otherwise provided in this chapter, the following people involved in the distribution of marijuana as authorized by this chapter shall not be arrested, prosecuted, penalized, sanctioned or disqualified and shall not be subject to seizure or forfeiture of assets for activities specified for:
- (1) a marijuana retailer or an owner, operator, employee or other agent acting on behalf of a marijuana retailer possessing or testing marijuana or marijuana products; purchasing, selling or otherwise transferring or delivering marijuana or marijuana products to or from a marijuana establishment; or selling or otherwise transferring or delivering marijuana or marijuana products to a consumer;
- (2) a marijuana cultivator or an owner, operator, employee or other agent acting on behalf of a marijuana cultivator cultivating, propagating, breeding, harvesting, processing, packaging, testing, storing or possessing marijuana or marijuana products, or selling or otherwise transferring, purchasing or delivering marijuana and marijuana products to or from a marijuana establishment;
- (3) a marijuana product manufacturer or an owner, operator, employee or other agent acting on behalf of a marijuana product manufacturer packaging, processing, manufacturing, storing, testing or possessing marijuana or marijuana products, or delivering, selling or otherwise

transferring and purchasing marijuana or marijuana products to or from a marijuana
establishment; or

(4) a marijuana testing facility or an owner, operator, employee or other agent acting on behalf of a marijuana testing facility possessing, processing, storing, transferring or testing marijuana or marijuana products.

(b) Notwithstanding any general or special law to the contrary, except as otherwise provided in this chapter, a person acting in the person's capacity as an owner, employee or other agent of a marijuana retailer who transfers marijuana or marijuana accessories to a person under 21 years of age shall not be subject to arrest or prosecution, penalty, sanction or disqualification, or seizure or forfeiture of assets, if the person reasonably verified that the recipient appeared to be 21 years of age or older by means of government-issued photographic identification containing a date of birth.

Section 10. Contracts pertaining to marijuana enforceable

It is the public policy of the commonwealth that contracts related to the operation of marijuana establishments under this chapter shall be enforceable. A contract entered into by a licensee or its agents as permitted pursuant to a valid license issued by the commission, or by those who allow property to be used by a licensee or its agents as permitted pursuant to a valid license issued by the commission, shall not be unenforceable or void exclusively because the actions or conduct permitted pursuant to the license is prohibited by federal law.

Section 11. Provision of professional services

A person engaged in a profession or occupation subject to licensure shall not be subject
to disciplinary action by a professional licensing board solely for providing professional services
to prospective or licensed marijuana establishments related to activity under this chapter that is
not subject to criminal penalty under the laws of the commonwealth.

Section 12. General marijuana establishment operation

- (a) In addition to requirements established by regulation pursuant to section 4 of this chapter or by a city or town pursuant to section 3 of this chapter, a marijuana establishment shall:
- (1) secure every entrance to the establishment so that access to areas containing marijuana is restricted to employees and others permitted by the marijuana establishment to access the area and to agents of the commission or state and local law enforcement officers and emergency personnel; and
- (2) secure its inventory and equipment during and after operating hours to deter and prevent theft of marijuana, marijuana products and marijuana accessories.
- (b) No marijuana establishment may cultivate, process, test, store or manufacture marijuana or marijuana products at any location other than at a physical address approved by the commission and within an area that is enclosed and secured in a manner that prevents access by persons not permitted by the marijuana establishment to access the area. A greenhouse or outdoor marijuana cultivation area shall have sufficient security measures to demonstrate that outdoor areas are not readily accessible by unauthorized individuals, including perimeter security fencing designed to prevent unauthorized entry.

- (c) No marijuana establishment shall allow cultivation, processing, manufacture, sale or display of marijuana or marijuana products to be visible from a public place without the use of binoculars, aircraft or other optical aids.
- (d) No marijuana establishment shall refuse representatives of the commission the right at any time of operation to inspect the entire licensed premises or to audit the books and records of the marijuana establishment.
- (e) No marijuana establishment shall allow any person under 21 years of age to volunteer or work for the marijuana establishment.
- (f) No marijuana establishment shall cultivate, manufacture, sell or otherwise transact business with any products containing cannabinoids other than those that were produced, distributed and taxed in compliance with this chapter.

Section 13. Penalties

- (a) Restrictions on personal cultivation. No person shall cultivate or process marijuana plants pursuant to section 8 of this chapter if the plants are visible from a public place without the use of binoculars, aircraft or other optical aids or cultivate or process marijuana plants outside of an area that is equipped with a lock or other security device. A person who violates this subsection shall be punished by a civil penalty of not more than \$300 and forfeiture of the marijuana, but shall not be subject to any other form of criminal or civil punishment or disqualification solely for this conduct.
- (b) Restrictions on personal possession. No person shall possess more than 1 ounce of marijuana or marijuana products within the person's place of residence pursuant to section 8 of

this chapter unless the marijuana and marijuana products are secured by a lock. A person who violates this subsection shall be punished by a civil penalty of not more than \$100 and forfeiture of the marijuana.

- (c) Restrictions on public consumption of marijuana. No person shall consume marijuana in a public place or smoke marijuana where smoking tobacco is prohibited. A person who violates this subsection shall be punished by a civil penalty of not more than \$100. This subsection shall not apply to a person who consumes marijuana or marijuana products in a designated area of a marijuana establishment located in a city or town that has voted to allow consumption on the premises where sold and shall not be construed to limit the medical use of marijuana.
- (d) Possession of marijuana in motor vehicles. No person shall, upon any way or in any place to which the public has a right of access, or upon any way or in any place to which members of the public have access as invitees or licensees, possess an open container of marijuana or marijuana products in the passenger area of any motor vehicle. A person who violates this subjection shall be punished by a civil penalty of not more than \$500. For purposes of this section, "open container" shall mean that the package containing marijuana or marijuana products has its seal broken or from which the contents have been partially removed or consumed and "passenger area" shall mean the area designed to seat the driver and passengers while the motor vehicle is in operation and any area that is readily accessible to the driver or passenger while in a seated position; provided however that the passenger area shall not include a motor vehicle's trunk, locked glove compartment or the living quarters of a house coach or house trailer, or if a motor vehicle is not equipped with a trunk, the area behind the last upright seat or an area not normally occupied by the driver or passenger.

(e) Possession or cultivation of excess marijuana. Notwithstanding chapter 94C of the General Laws and until the import or export of marijuana to or from the commonwealth is not prohibited by federal law, a person who is at least 21 years of age and who cultivates more than 6 but not more than 12 marijuana plants or who possesses an amount of marijuana outside of his or her place of residence having a weight of more than 1 ounce but not more than 2 ounces shall be subject only to a civil penalty of not more than \$100 and forfeiture of the marijuana not allowed by section 8 of this chapter, but shall not be subject to any other form of criminal or civil punishment or disqualification solely for this conduct.

(f) Procurement of marijuana by a person under 21 years of age. A person under 21 years of age, except a qualifying patient holding a valid registration card for the medical use of marijuana, who purchases or attempts to purchase marijuana, marijuana products or marijuana accessories, or makes arrangements with any person to purchase or in any way procure marijuana, marijuana products or marijuana accessories, or who willfully misrepresents such person's age, or in any way alters, defaces or otherwise falsifies identification offered as proof of age, with the intent of purchasing marijuana, marijuana products or marijuana accessories, shall be punished by a civil penalty of not more than \$100 and shall complete a drug awareness program established pursuant to section 32M of chapter 94C of the General Laws. The parents or legal guardian of any offender under the age of 18 shall be notified in accordance with section 32N of chapter 94C of the General Laws and the failure within 1 year of the offense of such an offender to complete a drug awareness program may be a basis for delinquency proceedings for persons under the age of 17 at the time of the person's offense.

(g) Enforcement.	Civil penalties imposed pursuant to this section shall be enforced by
utilizing the non-criminal	disposition procedures provided in section 32N of chapter 94C of the
General Laws	

Section 14. Marijuana Regulation Fund

- (a) There shall be established and set up on the books of the commonwealth a separate fund, to be known as the Marijuana Regulation Fund. It shall, subject to appropriation, consist of all monies received on account of the commonwealth as a result of applications for and licensing of marijuana establishments, all civil penalties received for violations of this chapter, revenue generated by the state tax imposed by section 2 of chapter 64N of the General Laws and interest earned or other income on balances in the fund.
- (b) Subject to appropriation, the fund shall be expended first for the implementation, administration and enforcement of this chapter by the commission and by the cities and towns that authorize the operation of marijuana establishments within their jurisdictions. Subject to appropriation, at the end of a fiscal year, unexpended balances may be redeposited in the General Fund after all necessary funds are expended for the implementation, administration and enforcement of this chapter.

SECTION 6. Notwithstanding any general or special law to the contrary, if the cannabis control commission fails to adopt regulations necessary for the implementation of this chapter on or before January 1, 2018, each medical marijuana treatment center may begin to possess, cultivate, process, manufacture, package, purchase or otherwise obtain and test marijuana and marijuana products and may deliver, sell or otherwise transfer marijuana to any person who is at least 21 years of age until the commission adopts the regulations necessary for implementation of

664	this chapter and begins to issue licenses to operate marijuana establishments pursuant to section
665	5 of this chapter.
666	SECTION 7. The state treasurer shall make the initial appointments to the cannabis
667	control commission under section 76 of chapter 10 of the General Laws by March 1, 2017. The
668	initial appointments shall include 1 member who shall serve an initial term of 2 years.
669	SECTION 8. The governor shall make the initial appointments to the cannabis advisory
570	board under section 77 of chapter 10 of the General Laws by February 1, 2017. Seven of the
571	initial appointees, as determined by the governor, shall serve for a term of 1 year.
572	The cannabis advisory board shall meet not less frequently than quarterly until January 1,
573	2020.
574	SECTION 9. The cannabis control commission shall promulgate the initial regulations
575	under section 4 of chapter 94G of the General Laws not later than September 15, 2017.
576	SECTION 10. The commission shall begin accepting applications:
577	(a) for marijuana testing facility licenses, by October 1, 2017;
578	(b) from each experienced marijuana establishment operator for 1 marijuana cultivator
579	license, 1 marijuana product manufacturer license and 1 marijuana retailer license, by October 1,
680	2017;
581	(c) if fewer than 75 provisional registrations to operate medical marijuana treatment
582	centers have been issued on October 1, 2017, from all applicants for marijuana retailer,
583	marijuana product manufacturer and marijuana cultivator licenses, on and after January 1, 2018;

684	(d) from all applicants for marijuana retailer licenses or for marijuana product
685	manufacturer licenses, on and after October 1, 2018; and
686	(e) from all applicants for marijuana cultivator licenses, on and after October 1, 2019.
687	SECTION 11. If the commission accepts applications pursuant to subsection (c) of
688	section 10 of this act, it shall license no more than 75 marijuana retailers, 75 marijuana product
689	manufacturers and 75 marijuana cultivators until additional applications are accepted pursuant to
690	subsection (d) or subsection (e) of section 10 of this act. If this section prevents the commission
691	from issuing licenses to all applicants who meet the requirements of this act, the commission
692	shall issue licenses first to qualified applicants who submitted applications for registrations to
693	operate medical marijuana treatment centers to the department of public health by October 1,
694	2015 and then by lottery among qualified applicants.
695	SECTION 12. This act shall take effect on December 15, 2016.

FIRST TEN SIGNERS

<u>Name</u>	RESIDENCE	CITY OR TOWN
Richard M. Evan	299 Burts Pit Road	Northampton
Richard Harding, Jr.	189 Windsor Street	Cambridge
Will Luzier	26 Riverdale Street	Boston
Shanel Lindsay	11 Madison Avenue	Sharon
Whitney A. Taylor	10 Thacher Street, Unit # 516	Boston
Kristopher T. Krane	219 Kittredge Street	Boston
Thomas Nolan	21 Father Francis Gilday	Boston
	Street, # 302	
Adam D. Fine	340 St. George Street	Duxbury
Shaleen Title	33 Bowers Avenue	Malden
Thomas Kiley	159 Monroe Road	Quincy

CERTIFICATE OF THE ATTORNEY GENERAL.

September 2, 2015.

Honorable William Francis Galvin Secretary of the Commonwealth One Ashburton Place, Room 1705 Boston, Massachusetts 02108

RE: Initiative Petition No. 15-27: The Regulation and Taxation of Marijuana Act.

Dear Secretary Galvin:

I accordance with the provisions of Article 48 of the Amendments to the Massachusetts Constitution, I have reviewed the above-referenced initiative petition, which was submitted to me on or before the first Wednesday of August of this year.

I hereby certify that this measure is in proper form for submission to the people; that the measure is not, either affirmatively or negatively, substantially the same as any measure which has been qualified for submission or submitted to the people at either of the two preceding biennial state elections; and that it contains only subjects that are related or are mutually dependent and which are not excluded from the initiative process pursuant to Article 48, the Initiative, Part 2, Section 2.

In accordance with Article 48, I enclose a fair, concise summary of the measure.

Sincerely,

MAURA HEALEY, Attorney General.

Summary of 15-27.

The proposed law would permit the possession, use, distribution, and cultivation of marijuana in limited amounts by persons age 21 and older and would remove criminal penalties for such activities. It would provide for the regulation of commerce in marijuana, marijuana accessories, and marijuana products and for the taxation of proceeds from sales of these items.

The proposed law would authorize persons at least 21 years old to possess up to one ounce of marijuana outside of their residences; possess up to ten ounces of marijuana inside their residences; grow up to six marijuana plants in their residences; give one ounce or less of marijuana to a person at least 21 years old without payment; possess, produce or transfer hemp; or make or transfer items related to marijuana use, storage, cultivation, or processing.

The measure would create a Cannabis Control Commission of three members appointed by the state Treasurer which would generally administer the law governing marijuana use and distribution, promulgate regulations, and be responsible for the licensing of marijuana commercial establishments. The proposed law would also create a Cannabis Advisory Board of fifteen members appointed by the Governor. The Cannabis Control Commission would adopt regulations governing licensing qualifications; security; record keeping; health and safety standards; packaging and labeling; testing; advertising and displays; required inspections; and such other matters as the Commission considers appropriate. The records of the Commission would be public records.

The proposed law would authorize cities and towns to adopt reasonable restrictions on the time, place, and manner of operating marijuana businesses and to limit the number of marijuana establishments in their communities. A city or town could hold a local vote to determine whether to permit the selling of marijuana and marijuana products for consumption on the premises at commercial establishments.

The proceeds of retail sales of marijuana and marijuana products would be subject to the state sales tax and an additional excise tax of 3.75%. A city or town could impose a separate tax of up to 2%. Revenue received from the additional state excise tax or from license application fees and civil penalties for violations of this law would be deposited in a Marijuana Regulation Fund and would be used subject to appropriation for administration of the proposed law.

Marijuana-related activities authorized under this proposed law could not be a basis for adverse orders in child welfare cases absent clear and convincing evidence that such activities had created an unreasonable danger to the safety of a minor child.

The proposed law would not affect existing law regarding medical marijuana treatment centers or the operation of motor vehicles while under the influence. It would permit property owners to prohibit the use, sale, or production of marijuana on their premises (with an exception that landlords cannot prohibit consumption by tenants of marijuana by means other than by smoking); and would permit employers to prohibit the consumption of marijuana by employees in the workplace. State and local governments could continue to restrict uses in public buildings or at or near schools. Supplying marijuana to persons under age 21 would be unlawful.

The proposed law would take effect on December 15, 2016.