

HOUSE No. 3751

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, June 14, 2017.

The committee on Marijuana Policy to whom was referred the petition (accompanied by bill, House, No. 3188) of Jay D. Livingstone relative to banking services by banks or credit unions that engage in marijuana commerce, reports recommending that the accompanying bill (House, No. 3751) ought to pass [Senator Eldridge dissenting].

For the committee,

MARK J. CUSACK.

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**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act to ensure the public health and safety of patient and consumer access to medical and adult use of marijuana in the Commonwealth.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. The General Laws are hereby amended by inserting after chapter 10 the
2 following chapter:-

3 CHAPTER 10A.

4 THE MASSACHUSETTS CANNABIS CONTROL COMMISSION

5 Section 1. The General Court finds and declares that:

6 (1) ensuring public confidence in the integrity of the cannabis licensing process and
7 in the strict oversight of all cannabis establishments through a rigorous regulatory scheme is the
8 paramount policy objective of this chapter;

9 (2) establishing the financial stability and integrity of cannabis licensees, as well as
10 the integrity of their sources of financing, is an integral and essential element of the regulation
11 and control of cannabis under this chapter;

12 (3) cannabis licensees shall be held to the highest standards of licensing and shall
13 have a continuing duty to maintain their integrity and financial stability;

14 (4) applicants for cannabis licenses and cannabis licensees shall demonstrate their
15 commitment to efforts to combat substance addiction and a dedication to community mitigation,
16 and shall recognize that the privilege of licensure bears a responsibility to identify, address and
17 minimize any potential negative consequences of their business operations;

18 (5) any license awarded by the commission shall be a revocable privilege and may be
19 conditioned, suspended or revoked upon: (i) a breach of the conditions of licensure, including
20 failure to commitments made to the commonwealth in return for receiving a cannabis license; (ii)
21 any civil or criminal violations of the laws of the commonwealth; or (iii) a finding by the
22 commission that a cannabis licensee is unsuitable to operate a cannabis establishment or perform
23 the duties of their licensed position;

24 (6) the power and authority granted to the commission shall be construed as broadly
25 as necessary for the implementation, administration and enforcement of this chapter;

26 (7) there should be no punishment under state law for the acquisition, purchase,
27 possession, cultivation, processing, transfer, transportation, selling, distribution, dispensation or
28 administering of marijuana, marijuana products, marijuana accessories, and related supplies and
29 educational materials consistent with the requirements of this chapter; and

30 (8) the commission should promote and encourage full participation in the regulated
31 marijuana industry by people from communities that have previously been disproportionately
32 harmed by marijuana prohibition and enforcement and to positively impact those communities.

33 Section 2. As used in this chapter the following words shall, unless the context clearly
34 requires otherwise, have the following meanings:-

35 “Adult use cannabis”, marijuana, marijuana products or marijuana accessories sold by an
36 adult use cannabis licensee to a consumer.

37 “Adult use cannabis establishment”, the premises approved under an adult use cannabis
38 license.

39 “Adult use cannabis licensee”, a person or entity who holds an adult use cannabis license
40 under this chapter.

41 “Affiliate”, a person who directly or indirectly controls, or is controlled by, or is under
42 common control with, a specified person.

43 “Applicant”, a person who has applied for a license to engage in activity regulated under
44 this chapter.

45 “Application”, a written request for a finding of suitability to receive a license or engage
46 in an activity which is regulated by this chapter.

47 “Bona Fide healthcare professional-patient relationship” a relationship between a
48 registered certifying healthcare professional, acting in the usual course of his or her professional
49 practice, and a patient in which the healthcare professional has conducted a clinical visit,
50 completed and documented a full assessment of the patient’s medical history and current medical
51 condition, has explained the potential benefits and risks of medical use cannabis, and has a role
52 in the ongoing care and treatment of the patient.

53 “Bureau”, the investigations and enforcement bureau in the commission.

54 “Business”, a corporation, sole proprietorship, partnership, limited liability company or
55 any other organization formed for the purpose of carrying on a commercial enterprise.

56 “Cannabinoid” any of several compounds produced by marijuana plants that have
57 medical and psychotropic effects.

58 “Cannabinoid profile” amounts, expressed as the dry-weight percentages, of delta-nine-
59 tetrahydrocannabinol (Δ 9-THC), cannabidiol (CBD), tetrahydrocannabinolic acid (THCa) and
60 cannabidiolic acid (CBDa) in a marijuana product. Amounts of other cannabinoids may be
61 required by the commission.

62 “Cannabis”, marijuana.

63 “Cannabis employee”, an employee of a cannabis establishment registered pursuant to
64 this chapter.

65 “Cannabis establishment”, the premises approved under a cannabis license, including, but
66 not limited to an adult use cannabis establishment, a medical use cannabis establishment, a
67 marijuana retailer, a marijuana product manufacturer or a marijuana cultivator.

68 “Cannabis license”, a license issued by the commission that permits the licensee to
69 operate an adult use cannabis establishment, a medical use cannabis establishment, a marijuana
70 retailer, a marijuana product manufacturer or a marijuana cultivator.

71 “Cannabis licensee”, a person or entity who holds an adult use cannabis license, a
72 medical use cannabis license, a marijuana retailer license, a marijuana product manufacturer
73 license or a marijuana cultivator license under this chapter.

74 “Card holder” a registered qualifying patient, personal caregiver, or agent of a medical
75 use cannabis establishment who has been issued and possesses a valid registration card.

76 “Chair”, the chair of the commission.

77 “Close associate”, a person who holds a relevant financial interest in, or is entitled to
78 exercise power in, the business of an applicant or licensee and, by virtue of that interest or
79 power, is able to exercise a significant influence over the management or operation of a cannabis
80 establishment or business licensed under this chapter.

81 “Commission”, the Massachusetts cannabis control commission.

82 “Commissioner”, a member of the commission.

83 “Consumer” a person who is at least 21 years of age.

84 “Cultivation batch” a collection of marijuana plants from the same seed or plant stock
85 and that are cultivated and harvested together, and receive an identical propagation and
86 cultivation treatment, including, but not limited to: growing media, ambient conditions, watering
87 and light regimes, agricultural or hydroponic inputs. The cannabis licensee must assign and
88 record a unique, sequential alphanumeric identifier to each cultivation batch for the purposes of
89 production tracking, product labeling and product recalls.

90

91 “Cultivation registration” shall mean a registration issued to a medical use cannabis
92 establishment for growing medical use cannabis under the terms of this chapter, or to a qualified
93 patient or personal caregiver.

94 “Debilitating medical condition” cancer, glaucoma, positive status for human
95 immunodeficiency virus, acquired immune deficiency syndrome, hepatitis C, amyotrophic lateral
96 sclerosis, Crohn's disease, Parkinson's disease, multiple sclerosis and other conditions as
97 determined in writing by a registered qualifying patient's registered healthcare professional.

98 “Division”, the division of cannabis enforcement in the office of the attorney general.

99 “Executive director”, the executive director of the Massachusetts cannabis control
100 commission.

101 “Finished marijuana” usable marijuana, cannabis resin or cannabis concentrate.

102 “Gross revenue” or “gross cannabis revenue”, the total of all sums actually received by a
103 cannabis licensee from cannabis operations.

104 “Healthcare professional” a duly Massachusetts licensed physician or certified nurse
105 practitioner authorized by the commission to issue written certifications.

106 “Hemp” the plant of the genus Cannabis or any part of the plant, whether growing or not,
107 with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3 per cent on a dry
108 weight basis of any part of the plant of the genus Cannabis, or per volume or weight of marijuana
109 product, or the combined per cent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic
110 acid in any part of the plant of the genus Cannabis regardless of moisture content.

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

114 “Holding company”, a corporation, association, firm, partnership, trust or other form of
115 business organization, other than a natural person, which, directly or indirectly, owns, has the
116 power or right to control, or has the power to vote any significant part of the outstanding voting
117 securities of a corporation or any other form of business organization which holds or applies for
118 a cannabis license; provided, however, that a “holding company”, in addition to any other
119 reasonable use of the term, shall indirectly have, hold or own any such power, right or security if
120 it does so through an interest in a subsidiary or any successive subsidiaries, notwithstanding how
121 many such subsidiaries may intervene between the holding company and the cannabis licensee or
122 applicant.

123 “Host community”, a municipality in which a cannabis establishment is located or in
124 which an applicant has proposed locating a cannabis establishment.

125 “Independent testing laboratory” a laboratory that is licensed by the commission and is i)
126 accredited to the most current International Organization for Standardization (ISO) 17025 by a
127 third party accrediting body that is a signatory to the International Laboratory Accrediting
128 Cooperation (ILAC) Mutual Recognition Arrangement or that is otherwise approved by the
129 commission; (ii) independent financially from any medical use cannabis licensee or
130 establishment or any adult use cannabis licensee or establishment for which it conducts a test;
131 and, (iii) qualified to test marijuana in compliance with section 34 of chapter 94C.

132 “Industrial hemp” the plant referred to as hemp as defined in this section that is used
133 exclusively for industrial purposes (fiber and seed).

134 “Institutional investor”, any of the following entities having a 5 per cent or greater
135 ownership interest in a cannabis establishment or cannabis licensee: a corporation, bank,

136 insurance company, pension fund or pension fund trust, retirement fund, including funds
137 administered by a public agency, employees' profit-sharing fund or employees' profit-sharing
138 trust, an association engaged, as a substantial part of its business or operation, in purchasing or
139 holding securities, or any trust in respect of which a bank is a trustee or co-trustee, investment
140 company registered under the federal Investment Company Act of 1940, collective investment
141 trust organized by banks under part 9 of the Rules of the Comptroller of Currency, closed end
142 investment trust, chartered or licensed life insurance company or property and casualty insurance
143 company, investment advisor registered under the federal Investment Advisers Act of 1940, and
144 such other persons as the commission may reasonably determine to qualify as an institutional
145 investor for with the purposes of this chapter.

146 "Intermediary company", a corporation, association, firm, partnership, trust or other form
147 of business organization, other than a natural person, which is a holding company with respect to
148 a corporation or other form of business organization which holds or applies for a cannabis
149 license, and is a subsidiary with respect to a holding company.

150 "License", a cannabis license.

151 "Licensee", a cannabis licensee.

152 "Locked area" a closet, room, greenhouse or other indoor or outdoor area equipped with
153 locks or other security devices, accessible only to registered and authorized dispensary agents,
154 registered qualifying patients or registered personal caregivers.

155 "Major policymaking position", the executive or administrative head of the commission
156 and any person whose salary equals or exceeds that of a state employee classified in step 1 of job
157 group XXV of the general salary schedule in section 46 of chapter 30 and who reports directly to

158 the commission or the administrative head of any bureau or other major administrative unit
159 within the commission and persons exercising similar authority.

160 “Manufacture” to compound, blend, extract, infuse or otherwise make or prepare a
161 marijuana product, including the production of marijuana-infused products.

162 “Marijuana” all parts of any plant of the genus Cannabis, not excepted below and
163 whether growing or not; the seeds thereof; and resin extracted from any part of the plant; and
164 every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or
165 resin including tetrahydrocannabinol as defined in section 1 of chapter 94C; provided, however,
166 that “Marijuana” shall not include: (i) the mature stalks of the plant, fiber produced from the
167 stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt,
168 derivative, mixture or preparation of the mature stalks, fiber, oil or cake made from the seeds of
169 the plant or the sterilized seed of the plant that is incapable of germination; (ii) hemp; or (iii) the
170 weight of any other ingredient combined with marijuana to prepare topical or oral
171 administrations, food, drink or other products.

172 “Marijuana accessories” equipment, products, devices or materials of any kind that are
173 intended or designed for use in planting, propagating, cultivating, growing, harvesting,
174 manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing,
175 packaging, repackaging, storing, containing, ingesting, inhaling or otherwise introducing
176 marijuana into the human body.

177 “Marijuana concentrate” the resin extracted from any part of the plant of the genus
178 Cannabis and every compound, manufacture, salt, derivative, mixture or preparation of that

179 resin, but shall not include the weight of any other ingredient combined with marijuana to
180 prepare marijuana products.

181 “Marijuana cultivator” an entity licensed by the commission to cultivate, process and
182 package marijuana, to deliver marijuana to cannabis establishments and to transfer marijuana to
183 other cannabis establishments, but not to consumers.

184 “Marijuana-infused product”, a product infused with marijuana that is intended for use or
185 consumption, including but not limited to edible products, beverages, ointments, aerosols, oils
186 and tinctures; provided, however that marijuana-infused products created or sold by a cannabis
187 licensee shall not be considered a food or a drug as defined in section 1 of chapter 94C.

188 “Marijuana product manufacturer” an entity licensed by the commission to obtain,
189 manufacture, process and package marijuana and marijuana products, including marijuana-
190 infused products, to deliver marijuana and marijuana products to cannabis establishments and to
191 transfer marijuana and marijuana products to other cannabis establishments , but not to
192 consumers.

193 “Marijuana products” products that have been manufactured and contain marijuana or an
194 extract from marijuana, including concentrated forms of marijuana and products composed of
195 marijuana and other ingredients that are intended for use or consumption, including edible
196 products, marijuana-infused products, beverages, topical products, ointments, oils and tinctures.

197 “Marijuana retailer” an entity licensed by the commission to purchase and deliver
198 marijuana and marijuana products from cannabis establishments and to deliver, sell or otherwise
199 transfer marijuana and marijuana products to cannabis establishments and to consumers.

200 “Medical use cannabis”, marijuana, marijuana products or marijuana accessories sold by
201 a medical use cannabis licensee to a consumer for medical use.

202 “Medical use cannabis establishment”, the premises approved under a medical use
203 cannabis license.

204 “Medical use cannabis licensee”, a person or entity who holds a medical use cannabis
205 license under this chapter.

206 “Medical use of marijuana” the acquisition, cultivation, possession, processing,
207 (including development of related products such as food, tinctures, aerosols, oils or ointments),
208 transfer, transportation, sale, distribution, dispensing or administration of marijuana, for the
209 benefit of registered qualifying patients in the treatment of debilitating medical conditions, or the
210 symptoms thereof.

211 “Mycotoxin” a secondary metabolite of a microfungus that is capable of causing death or
212 illness in humans and other animals. For the purposes of this regulation, mycotoxins include
213 alfatoxin B1, alfatoxin B2, alfatoxin G1, alfatoxin G2, and Ochratoxin A.

214 “Municipality”, mean a city or town.

215 “Operation certificate”, a certificate of compliance issued by the commission to the
216 operator of a cannabis establishment.

217 “Person”, an individual, corporation, association, operation, firm, partnership, trust or
218 other form of business association.

219 “Personal caregiver” a person who is at least 21 years old who has registered with the
220 commission and agreed to assist with a qualifying patient's medical use of marijuana, and is not

221 the registered qualifying patient’s certifying healthcare provider. Personal caregivers are
222 prohibited from consuming marijuana obtained for the personal, medical use of the registered
223 qualifying patient. An employee of a hospice provider, nursing, or medical facility providing
224 care to a qualifying patient may also serve as a personal caregiver.

225 “Personal use” shall include: (i) acquiring, possessing, cultivating, processing,
226 transferring, transporting, purchasing, using or manufacturing 1 ounce or less of marijuana,
227 except that not more than 5 grams of marijuana may be in the form of marijuana concentrate; (ii)
228 possessing, within the person’s primary residence, up to 10 ounces of marijuana and any
229 marijuana produced by marijuana plants cultivated on the premises and possessing, cultivating or
230 processing not more than 6 marijuana plants for personal adult use, so long as not more than 12
231 plants are cultivated on the premises at one time; provided, however that said marijuana and
232 marijuana plants are secured by a lock and are not visible from a public place without the use of
233 binoculars, aircraft or other optical aids; and provided further, that said marijuana plants shall not
234 be cultivated or processed outside of an area that is equipped with a lock or other security device
235 pursuant to regulations promulgated by the commission; (iii) assisting another person who is 21
236 years of age or older in any of the acts described in this section; (iv) transferring without
237 consideration or remuneration up to 1 ounce of marijuana except that not more than 5 grams of
238 marijuana may be in the form of marijuana concentrate to a person 21 years of age or older, as
239 long as the transfer is not marketed, advertised or otherwise promoted to the public; (v)
240 acquiring, possessing, cultivating, processing, transferring, transporting, purchasing, using or
241 manufacturing of hemp.

242 “Process” or “processing” to harvest, dry, cure, trim and separate parts of the marijuana
243 plant by manual or mechanical means, except it shall not include manufacture as defined in this
244 section.

245 “Production batch” a batch of finished plant material, cannabis resin, cannabis
246 concentrate or MIP made at the same time, using the same methods, equipment and ingredients.
247 The licensee must assign and record a unique, sequential alphanumeric identifier to each
248 production batch for the purposes of production tracking, product labeling and product recalls.
249 All production batches must be traceable to one or more marijuana cultivation batches.

250 “Qualification” or “qualified”, the process of licensure set forth by the commission to
251 determine that all persons who have a professional interest in a cannabis license, or the business
252 of a cannabis licensee, meet the same standards of suitability to operate or conduct business with
253 a cannabis establishment.

254 “Qualifying patient” a person who has been diagnosed by a registered healthcare
255 professional as having a debilitating medical condition.

256 “Registration card” a personal identification card issued by the commission to a
257 registered qualifying patient, personal caregiver, laboratory agent or dispensary agent. The
258 registration card facilitates verification of an individual registrant’s status, including, but not
259 limited to verification that a registered healthcare professional has provided a written
260 certification to the qualifying patient; that the patient has designated the individual as a personal
261 caregiver; that a laboratory agent has been registered with the commission and is authorized to
262 possess and test marijuana; or that an agent has been registered with the commission and is
263 authorized to work at a medical use cannabis establishment. The registration card shall facilitate

264 identification for the commission and law enforcement of those individuals who are exempt from
265 Massachusetts criminal and civil penalties for conduct pursuant to the medical use of marijuana.

266 “Residual solvent” a volatile organic chemical used in the manufacture of a marijuana
267 product and that is not completely removed by practical manufacturing techniques.

268 “Sixty-day supply” that amount of medical use cannabis, or equivalent amount of
269 marijuana in MIPs, that a registered qualifying patient would reasonably be expected to need
270 over a period of 60 calendar days for his or her personal medical use, which is up to 10 ounces or
271 as otherwise defined by the commission.

272 “Subsidiary”, a corporation, a significant part of whose outstanding equity securities are
273 owned, subject to a power or right of control, or held with power to vote, by a holding company
274 or an intermediary company, or a significant interest in a firm, association, partnership, trust or
275 other form of business organization, other than a natural person, which is owned, subject to a
276 power or right of control, or held with power to vote, by a holding company or an intermediary
277 company.

278 “Surrounding communities”, municipalities in proximity to a host community which the
279 commission determines experience or are likely to experience impacts from the development or
280 operation of a cannabis establishment, including municipalities from which the transportation
281 infrastructure provides ready access to an existing or proposed cannabis establishment.

282 “Terpenoid” an isoprene that are the aromatic compounds found in cannabis, including
283 but not limited to limonene, myrcene, pinene, linalool, eucalyptol, δ -terpinene, β -caryophyllene,
284 caryophyllene oxide, nerolidol and phytol.

285 “Transfer”, the sale or other method, either directly or indirectly, of disposing of or
286 parting with property or an interest therein, or the possession thereof, or of fixing a lien upon
287 property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by
288 or without judicial proceedings, as a conveyance, sale, payment, pledge, mortgage, lien,
289 encumbrance, gift, security or otherwise; provided, however, that the retention of a security
290 interest in property delivered to a corporation shall be deemed a transfer suffered by such
291 corporation.

292 "Unreasonably impracticable", that the measures necessary to comply with the
293 regulations, ordinances or by-laws adopted pursuant to this chapter subject licensees to
294 unreasonable risk or require such a high investment of risk, money, time or any other resource or
295 asset that a reasonably prudent businessperson would not operate a cannabis establishment.

296 “Written certification” a document signed by a registered healthcare professional, stating
297 that in the professional opinion of the healthcare professional, the potential benefits of the
298 medical use cannabis would likely outweigh the health risks for the qualifying patient. Such
299 certification shall be made only in the course of a bona fide healthcare professional-patient
300 relationship and shall specify the qualifying patient's debilitating medical condition(s).

301 Section 3. (a) There shall be a Massachusetts cannabis control commission which shall
302 consist of 5 commissioners, 1 of whom shall be appointed by the governor who shall have a
303 background in public health or toxicology; 1 of whom shall be appointed by the attorney general
304 who shall have a background in public safety; 1 of whom shall be appointed by the treasurer and
305 receiver general who shall have a background in corporate finance and securities; and 2 of whom
306 shall be appointed by a majority vote of the governor, attorney general, and treasurer and

307 receiver general, 1 of whom may have experience in legal and policy issues related to a regulated
308 industry and 1 of whom may have professional experience in oversight or industry management,
309 including commodities, production or distribution in a regulated industry. The treasurer and
310 receiver general shall designate the chair of the commission. The chair shall serve in that
311 capacity throughout the term of appointment and until a successor shall be appointed. Prior to
312 appointment to the commission, a background investigation shall be conducted into the financial
313 stability, integrity and responsibility of a candidate, including the candidate's reputation for good
314 character, honesty and integrity. No person who has been convicted of a felony shall be eligible
315 to serve on the commission.

316 (b) Each commissioner shall be a resident of the commonwealth within 90 days of
317 appointment and, while serving on the commission, shall not: (i) hold, or be a candidate for,
318 federal, state or local elected office; (ii) hold an appointed office in a federal, state, or local
319 government; or (iii) serve as an official in a political party. Not more than 3 commissioners shall
320 be from the same political party.

321 (c) Each commissioner shall serve for a term of 5 years or until a successor is appointed
322 and shall be eligible for reappointment; provided, however, that no commissioner shall serve
323 more than 10 years. A person appointed to fill a vacancy in the office of a commissioner shall be
324 appointed in a like manner and shall serve for only the unexpired term of such commissioner.
325 The governor may remove a commissioner if the commissioner: (i) is guilty of malfeasance in
326 office; (ii) substantially neglects the duties of a commissioner; (iii) is unable to discharge the
327 powers and duties of the commissioner's office; (iv) commits gross misconduct; or (v) is
328 convicted of a felony.

329 (d) Three commissioners shall constitute a quorum and the affirmative vote of 3
330 commissioners shall be required for an action of the commission. The chair or 3 members of the
331 commission may call a meeting; provided, however, that notice of all meetings shall be given to
332 each commissioner and to other persons who request such notice. The commission shall adopt
333 regulations establishing procedures, which may include electronic communications, by which a
334 request to receive notice shall be made and the method by which timely notice may be given.

335 (e) Commissioners shall receive salaries not greater than three-quarters of the salary of
336 the commissioner of administration under section 4 of chapter 7; provided, however, that the
337 chair shall receive a salary equal to the salary of the commissioner of administration.
338 Commissioners shall devote their full time and attention to the duties of their office.

339 (f) The commission shall annually elect 1 of its members to serve as secretary and 1 of its
340 members to serve as treasurer. The secretary shall keep a record of the proceedings of the
341 commission and shall be the custodian and keeper of the records of all books, documents and
342 papers filed by the commission and of its minute book. The secretary shall cause copies to be
343 made of all minutes and other records and documents of the commission and shall certify that
344 such copies are true copies, and all persons dealing with the commission may rely upon such
345 certification.

346 (g) The chair shall have and exercise supervision and control over all the affairs of the
347 commission. The chair shall preside at all hearings at which the chair is present and shall
348 designate a commissioner to act as chair in the chair's absence. To promote efficiency in
349 administration, the chair shall, from time to time, make such division or re-division of the work
350 of the commission among the commissioners as the chair deems expedient.

351 (h) All of the commissioners shall, if so directed by the chair, participate in the hearing
352 and decision of any matter before the commission; provided, however, that at least 2
353 commissioners shall participate in the hearing and decision of matters other than those of formal
354 or administrative character coming before the commission; provided further, that any such matter
355 may be heard, examined and investigated by an employee of the commission designated and
356 assigned by the chair, with the concurrence of 1 other commissioner. Such employee shall make
357 a report in writing relative to the hearing, examination and investigation of every such matter to
358 the commission for its decision. For the purposes of hearing, examining and investigating any
359 such matter, such employee shall have all of the powers conferred upon a commissioner by this
360 section. For each hearing, the concurrence of a majority of the commissioners participating in the
361 decision shall be necessary.

362 (i) The commission shall appoint an executive director. The executive director shall serve
363 at the pleasure of the commission, shall receive such salary as may be determined by the
364 commission, and shall devote full time and attention to the duties of the office. The executive
365 director shall be a person with skill and experience in management and shall be the executive and
366 administrative head of the commission and shall be responsible for administering and enforcing
367 the provisions of law relative to the commission and to each administrative unit thereof. The
368 executive director shall appoint and employ a chief financial and accounting officer and may,
369 subject to the approval of the commission, employ other employees, consultants, agents and
370 advisors, including legal counsel, and shall attend meetings of the commission. The chief
371 financial and accounting officer of the commission shall be in charge of its funds, books of
372 account and accounting records. No funds shall be transferred by the commission without the
373 approval of the commission and the signatures of the chief financial and accounting officer and

374 the treasurer. In the case of an absence or vacancy in the office of the executive director or in the
375 case of disability as determined by the commission, the commission may designate an acting
376 executive director to serve as executive director until the vacancy is filled or the absence or
377 disability ceases. The acting executive director shall have all of the powers and duties of the
378 executive director and shall have similar qualifications as the executive director.

379 (j) The executive director may, from time to time and subject to the approval of the
380 commission, establish within the commission such administrative units as may be necessary for
381 the efficient and economical administration of the commission and, when necessary for such
382 purpose, may abolish any such administrative unit or may merge any 2 or more units. The
383 executive director shall prepare and keep current a plan of organization of the commission, of the
384 assignment of its functions to its various administrative units, offices and employees and of the
385 places at which and the methods by which the public may receive information or make requests.
386 A current copy of the plan of organization shall be kept on file with the state secretary and in the
387 office of the secretary of administration and finance.

388 (k) The executive director may appoint such persons as the executive director shall
389 consider necessary to perform the functions of the commission.

390 (l) The commission may require a prospective employee to: (i) submit an application and
391 a personal disclosure on a form prescribed by the commission which shall include a complete
392 criminal history, including convictions and current charges for all felonies and misdemeanors;
393 (ii) undergo testing which detects the presence of illegal substances in the body; (iii) provide
394 fingerprints and a photograph consistent with standards adopted by the state police; and (iv)
395 provide authorization for the commission to conduct a credit check. The commission shall verify

396 the identification, employment and education of each prospective employee, including: (i) legal
397 name, including any alias; (ii) all secondary and post-secondary educational institutions attended
398 regardless of graduation status; (iii) place of residence; and (iv) employment history.

399 The commission shall not hire a prospective employee if the prospective employee has:
400 (i) been convicted of a felony; (ii) been convicted of a misdemeanor more than 10 years prior to
401 the prospective employee's application that, in the discretion of the commission, bears a close
402 relationship to the duties and responsibilities of the position for which employment is sought;
403 (iii) been dismissed from prior employment for gross misconduct or incompetence; or (iv)
404 intentionally made a false statement concerning a material fact in connection with the
405 prospective employee's application to the commission. If an employee of the commission is
406 charged with a felony while employed by the commission, the commission shall suspend the
407 employee, with or without pay, and terminate employment with the commission upon
408 conviction. If an employee of the commission is charged with a misdemeanor while employed by
409 the commission, the commission shall suspend the employee, with or without pay, and may
410 terminate employment with the commission upon conviction if, in the discretion of the
411 commission, the offense for which the employee has been convicted bears a close relationship to
412 the duties and responsibilities of the position held with the commission.

413 (m) Chapters 268A and 268B shall apply to the commissioners and to employees of the
414 commission; provided, however, that the commission shall establish a code of ethics for all
415 members and employees that shall be more restrictive than said chapters 268A and 268B. A copy
416 of the code shall be filed with the state ethics commission. The code shall include provisions
417 reasonably necessary to carry out the purposes of this chapter and any other laws subject to the
418 jurisdiction of the commission including, but not limited to: (i) prohibiting the receipt of gifts by

419 commissioners and employees from any cannabis licensee, applicant, close associate, affiliate or
420 other person or entity subject to the jurisdiction of the commission; (ii) prohibiting the
421 participation by commissioners and employees in a particular matter as defined in section 1 of
422 said chapter 268A that affects the financial interest of a relative within the third degree of
423 consanguinity or a person with whom such commissioner or employee has a significant
424 relationship as defined in the code; and (iii) providing for recusal of a commissioner in a
425 licensing decision due to a potential conflict of interest.

426 (n) Immediately upon assuming office, each commissioner and employee of the
427 commission, except for secretarial and clerical personnel, shall swear or affirm that the
428 commissioner or employee possesses no interest in a person licensed under this chapter. No
429 individual shall be employed by the commission if, during the period commencing 3 years prior
430 to employment, that individual held any direct or indirect interest in, or was employed by, a
431 licensee under this chapter.

432 (o) No employee of the commission shall pursue any other business or occupation or
433 other gainful employment outside of the commission without the prior written approval of the
434 commission that such employment will not interfere or be in conflict with the employee's duties
435 to the commission.

436 (p) No commissioner shall hold a direct or indirect interest in, or be employed by, an
437 applicant or by a person licensed by the commission for a period of 3 years after the termination
438 of employment with the commission.

439 (q) No employee of the commission holding a major policymaking position shall acquire
440 an interest in, or accept employment with, an applicant or licensee for a period of 2 years after
441 the termination of employment with the commission.

442 (r) No employee of the commission in a non-major policymaking position shall acquire
443 an interest in, or accept employment with, an applicant or licensee under this chapter for a period
444 of 1 year after termination of employment with the commission.

445 (s) No commissioner or employee of the commission, other than in the performance of
446 the commissioner's or employee's official duties, shall make any purchase from a cannabis
447 establishment.

448 (t) The commissioners and those employees holding major policymaking positions shall
449 be sworn to the faithful performance of their official duties. The commissioners and those
450 employees holding major policymaking positions shall: (i) conduct themselves in a manner so as
451 to render decisions that are fair and impartial and in the public interest; (ii) avoid impropriety and
452 the appearance of impropriety in all matters under their jurisdiction; (iii) avoid all prohibited
453 communications; (iv) require staff and personnel subject to their direction and control to observe
454 the same standards of fidelity and diligence; (v) disqualify themselves from proceedings in
455 which their impartiality might reasonably be questioned; and (vi) refrain from financial or
456 business dealings which would tend to reflect adversely on impartiality.

457 (u) The commissioners and employees shall not own, or be in the employ of, or own any
458 stock in, a business which holds a license under this chapter, nor shall they have, directly or
459 indirectly, a pecuniary interest in, or be connected with, any such business or be in the employ of
460 or connected with any person financing any such business; provided, however, that immediate

461 family members of commissioners and employees holding major policymaking positions shall
462 not own, or be in the employ of, or own stock in, any business which holds a license under this
463 chapter. The commissioners and employees shall not personally, or through a partner or agent,
464 render professional services or make or perform any business contract with or for any regulated
465 entity, except contracts made with the commissioners for the furnishing of services, nor shall the
466 commissioners or employees directly or indirectly receive any commission, bonus, discount, gift
467 or reward from a regulated entity.

468 (v) The Massachusetts cannabis control commission shall be a commission for the
469 purposes of section 3 of chapter 12.

470 Section 4. The commission shall have all powers necessary or convenient to carry out and
471 effectuate its purposes including, but not limited to, the power to:

- 472 1. appoint officers and hire employees;
- 473 2. establish, and from time to time amend, a plan of organization that it considers
474 expedient;
- 475 3. execute all instruments necessary or convenient for accomplishing the purposes of
476 this chapter;
- 477 4. enter into agreements or other transactions with a person, including, but not
478 limited to, a public entity or other governmental instrumentality or authority in connection with
479 its powers and duties under this chapter;
- 480 5. appear on its own behalf before boards, commissions, departments or other
481 agencies of municipal, state or federal government;

482 6. apply for and accept subventions, grants, loans, advances and contributions of
483 money, property, labor or other things of value from any source, to be held, used and applied for
484 its purposes;

485 7. provide and pay for advisory services and technical assistance as may be
486 necessary in its judgment to carry out this chapter and fix the compensation of persons providing
487 such services or assistance;

488 8. prepare, publish and distribute, with or without charge as the commission may
489 determine, such studies, reports, bulletins and other materials as the commission considers
490 appropriate;

491 9. ensure that cannabis licenses shall not be issued to, or held by, and that there shall
492 be no material involvement directly or indirectly with, a cannabis establishment or the ownership
493 thereof, by unqualified, disqualified or unsuitable persons;

494 10. require an applicant for a position which requires a license under this chapter to
495 apply for such license and approve or disapprove any such application or other transactions,
496 events and processes as provided in this chapter;

497 11. require a person who has a business association of any kind with a cannabis
498 licensee or applicant to be qualified for licensure under this chapter;

499 12. determine which applicants shall be awarded cannabis licenses;

500 13. deny an application or limit, condition, restrict, revoke or suspend a license,
501 registration, finding of suitability or approval, or fine a person licensed, registered, found
502 suitable or approved for any cause that the commission deems reasonable;

503 14. monitor the conduct of licensees and other persons having a material involvement,
504 directly or indirectly, with a licensee for the purpose of ensuring that licenses are not issued to or
505 held by and that there is no direct or indirect material involvement with a licensee, by an
506 unqualified or unsuitable person or by a person whose operations are conducted in an unsuitable
507 manner or in unsuitable or prohibited places as provided in this chapter;

508 15. gather facts and information applicable to the commission’s obligation to issue,
509 suspend or revoke licenses or registrations for: (i) a violation of this chapter or any regulation
510 adopted by the commission; (ii) willfully violating an order of the commission directed to a
511 licensee; (iii) the conviction of a criminal offense; or (iv) the violation of any other offense
512 which would disqualify such a licensee from holding a license or disqualify such a person
513 required to register under this chapter from registration;

514 16. conduct investigations into the qualifications of all applicants for employment by
515 the commission and by any regulated entity and all applicants for licensure;

516 17. and receive from the state police, the criminal history systems board or other
517 criminal justice agencies including, but not limited to, the Federal Bureau of Investigation and
518 the Internal Revenue Service, such criminal offender record information relating to criminal and
519 background investigations as necessary for the purpose of evaluating employees of, and
520 applicants for employment by, the commission and any regulated entity, and evaluating licensees
521 and applicants for licensure under this chapter;

522 18. be present, through its inspectors and agents, at all times, in cannabis
523 establishments for the purposes of: (i) certifying revenue; (ii) receiving complaints from the
524 public relating to the conduct of a cannabis licensee; (iii) examining records of revenues and

525 procedures and inspecting and auditing all books, documents and records of licensees; (iv)
526 conducting periodic reviews of operations and facilities for the purpose of regulations adopted
527 hereunder; and (v) exercising its oversight responsibilities with respect to cannabis control;

528 19. inspect and have access to all equipment and supplies in a cannabis establishment
529 or on premises where cannabis equipment is manufactured, sold, distributed or tested;

530 20. seize and remove from the premises of a cannabis licensee and impound any
531 cannabis, equipment, supplies, documents and records for the purpose of examination and
532 inspection;

533 21. seize and remove from the premises of a cannabis establishment and impound any
534 cannabis, equipment, supplies, documents and records obtained or possessed in violation of this
535 chapter for the purpose of examination and inspection;

536 22. demand access to and inspect, examine, photocopy and audit all papers, books
537 and records of any affiliate of a cannabis licensee whom the commission suspects is involved in
538 the financing, operation or management of the cannabis licensee; provided, however, that the
539 inspection, examination, photocopying and audit may take place on the affiliate's premises or
540 elsewhere as practicable and in the presence of the affiliate or its agent;

541 23. require that the books and financial or other records or statements of a cannabis
542 licensee be kept in a manner that the commission considers proper;

543 levy and collect assessments, fees and fines and impose penalties and sanctions for a
544 violation of this chapter or any regulations promulgated by the commission;

545 collect taxes and fees under this chapter;

- 546 24. restrict, suspend or revoke licenses issued under this chapter;
- 547 25. conduct adjudicatory proceedings and promulgate regulations in accordance with
548 chapter 30A;
- 549 26. hear appeals of the bureau’s suspension or revocation of a license;
- 550 27. refer cases for criminal prosecution to the appropriate federal, state or local
551 authorities;
- 552 28. issue subpoenas and compel the attendance of witnesses at any place within the
553 commonwealth, administer oaths and require testimony under oath before the commission in the
554 course of an investigation or hearing conducted under this chapter;
- 555 ensure that there is no duplication of duties and responsibilities between the commission
556 and bureau; provided, however, that the commission shall not place any restriction upon the
557 bureau’s ability to investigate or prosecute violations of this chapter or the regulations adopted
558 by the commission;
- 559 29. maintain an official internet website for the commission;
- 560 30. monitor any federal activity regarding cannabis; and
- 561 31. adopt, amend or repeal regulations for the implementation, administration and
562 enforcement of this chapter.

563 Section 5. (a) The commission shall promulgate regulations for the implementation,
564 administration and enforcement of this chapter including, without limitation, regulations that:

- 565 1. prescribe the method and form of application which an applicant for licensure
566 shall follow and complete before consideration by the commission;
- 567 2. establish standards for the licensure of cannabis establishments, including, but not
568 limited to updating that licensure;
- 569 3. establish standards for the reporting or payment of licensure fees or taxes;
- 570 4. prescribe the information to be furnished by an applicant or licensee concerning
571 an applicant or licensee’s antecedents, habits, character, associates, criminal record, business
572 activities and financial affairs, past or present;
- 573 5. prescribe the criteria for evaluation of the application for a cannabis license;
- 574 6. prescribe the information to be furnished by a cannabis licensee relating to the
575 licensee’s cannabis employees;
- 576 7. require fingerprinting of an applicant for a cannabis license, a cannabis licensee
577 and employees of a cannabis licensee or other methods of identification;
- 578 8. prescribe the manner and method of collection and payment of assessments and
579 fees and issuance of licenses;
- 580 9. prescribe grounds and procedures for the revocation or suspension of a license or
581 registration;
- 582 10. require quarterly financial reports and an annual audit prepared by a certified
583 public accountant attesting to the financial condition of a cannabis licensee and disclosing

584 whether the accounts, records and control procedures examined are maintained by the cannabis
585 licensee as required by this chapter and the regulations promulgated by the commission;

586 11. prescribe the minimum procedures for effective control over the internal fiscal
587 affairs of a cannabis licensee, including provisions for the safeguarding of assets and revenues,
588 the recording of cash and evidence of indebtedness and the maintenance of reliable records,
589 accounts and reports of transactions, operations and events, including reports by the commission;

590 12. provide for a minimum uniform standard of accounting procedures;

591 13. prescribe requirements for record keeping by cannabis establishments and
592 procedures to track marijuana and marijuana products cultivated, processed, manufactured,
593 delivered or sold by cannabis establishments;

594 14. establish registration requirements for employees working at the cannabis
595 establishment and minimum training requirements;

596 15. require that all cannabis establishment employees be properly trained in their
597 respective professions;

598 16. establish standards for the employment of individuals by cannabis establishments,
599 including, but not limited to, employees' obligations for registration and employers' obligations
600 for verifying an employee's registration;

601 17. provide for the interim authorization of a cannabis establishment under this
602 chapter;

603 18. establish security procedures a cannabis establishment;

604 19. in consultation with the department of public health and the department of
605 agricultural resources, establish health and safety standards for the cultivation, processing,
606 manufacturing and distribution of marijuana and marijuana products, including standards
607 regarding sanitation for the preparation, storage, handling and sale of food products, including
608 compliance with state sanitation requirements found at 105 CMR 500.000: Good Manufacturing
609 Practices for Food, health inspections and reasonable limitations on the use of organic and non-
610 organic pesticides;

611 20. require the most current consumer product safety commission CFR 16 Part 1700
612 certified child-resistant packaging of marijuana and marijuana products; shall require opaque
613 containers; and shall issue requirements for dividing each serving within a package containing
614 multiple servings of a marijuana product in a manner that allows consumers to easily identify a
615 single serving; provided, however, such single servings shall not exceed ten milligrams of delta-
616 nine-tetrahydrocannabinol (Δ 9-THC);

617 21. regulate the use of any advertising, marketing, and branding content that the
618 commission deems improper or objectionable in nature; provided, however, that nothing in this
619 chapter shall prevent an adult use cannabis licensee from selling branded merchandise which
620 complies with commission standards for advertising, marketing and branding;

621 22. establish minimum standards for the requirement that all adult use cannabis
622 licensees possess and operate an interoperable publicly available application programming
623 interface seed-to-sale tracking system sufficient to ensure the appropriate track and trace of all
624 marijuana and marijuana products cultivated, processed or manufactured pursuant to section 5 of
625 chapter 10A;

626 23. establish minimum security requirements for cannabis licensees, which shall
627 include but not be limited to the use of security cameras. Such requirements shall be sufficient to
628 deter and prevent theft and unauthorized entrance into areas containing marijuana or marijuana
629 products;

630 24. establish requirements for the safe disposal of excess, contaminated, adulterated
631 or deteriorated marijuana or marijuana products. In issuing such requirements, the commission
632 shall consider policies which promote the recycling of such waste, including but not limited to,
633 recycled industrial products;

634 25. establish the minimum liability insurance requirements or require a certain sum be
635 placed in escrow to expended for coverage liabilities;

636 26. establish requirements for the potency of marijuana and marijuana infused
637 products, including edibles, sold by cannabis licensees, including but not limited to a maximum
638 amount per single serving;

639 27. establish requirements sufficient to ensure for the virtual separation of marijuana
640 and marijuana products cultivated, processed, manufactured, delivered or sold by an adult use
641 cannabis licensee that is also licensed as a medical use cannabis establishment pursuant to this
642 chapter. Such requirements shall leverage seed-to-sale tracking technology and may allow for the
643 appropriate transfer or acquisition of marijuana seeds, clones, cuttings, plants or plant tissue
644 between such entities;

645 28. establish rules and regulations on the unlicensed manufacturing of marijuana or
646 marijuana products within a person's primary residence;

647 29. prescribe the manner in which the a healthcare professional or a qualifying patient
648 shall register with the commission;

649 30. prescribe requirements to prevent the sale, delivery or transfer of marijuana or
650 marijuana products to persons under 21 years of age, or the purchase of marijuana or marijuana
651 products on behalf of a person under 21 years of age;

652 31. establish standards for manufacturing or extracting cannabinoid oils or butane
653 hash oil; and

654 32. prevent parties from interfering with the duties of the bureau, commission,
655 division, or agents thereof.

656 (b) The commission may, pursuant to section 2 of chapter 30A, promulgate, amend or
657 repeal any regulation promulgated under this chapter as an emergency regulation if such
658 regulation is necessary to protect the interests of the commonwealth in regulating a cannabis
659 establishment.

660

661 Section 6. (a) A municipality shall be deemed to have accepted the provisions of this
662 chapter unless the municipality has voted to reject the provisions of this chapter pursuant to
663 subsection (b).

664 (b) A municipality may reject the provisions of this chapter by a vote conducted in the
665 following manner: in a city having a Plan D or Plan E charter, by a majority vote of its city
666 council and approval of the city manager; in any other city, by a majority vote of its city council
667 and approval by the mayor or, in a city without a mayor, the chief executive officer; and in a

668 town, by a majority vote of the board of selectmen and a majority vote of the town at a town
669 meeting.

670 (c) An adult use cannabis establishment or medical use cannabis establishment seeking to
671 operate in a municipality which has accepted the provisions of this chapter shall execute an
672 agreement with the host community setting forth the conditions to have a cannabis establishment
673 located within the host community which shall include, without limitation, all stipulations of
674 responsibilities between the host community and the adult use cannabis establishment or medical
675 use cannabis establishment. An agreement between an adult use cannabis establishment or
676 medical use cannabis establishment and a host municipality shall include a community impact
677 fee for the host community; provided, however, that the community impact fee shall be
678 reasonably related to the costs imposed upon the municipality by the operation of the cannabis
679 establishment.

680 (d) A municipality which has been deemed to accept the provisions of this chapter
681 pursuant to subsection (a) may adopt ordinances or by-laws that impose reasonable safeguards
682 on the operation of an adult use cannabis establishment or medical use cannabis establishment
683 consistent with this chapter and regulations promulgated pursuant to this chapter. Said
684 ordinances or by-laws may, without limitation:

685 1. reasonably govern the time, place, manner and business dealings of a cannabis
686 establishment or medical cannabis establishment, including reasonable restriction of certain
687 marijuana accessories and public signage;

688 2. reasonably restrict cultivation, processing and manufacturing activities should
689 they be deemed a public nuisance; and

690 3. establish a civil penalty for violation of an ordinance or by-law enacted pursuant
691 to this subsection.

692 No ordinances or by-laws may prohibit siting a cannabis establishment in an area in
693 which a medical use cannabis establishment has been previously zoned and licensed.

694 (d) No municipality may, whether said municipality has accepted or rejected the
695 provisions of this chapter, prohibit the transportation or delivery of marijuana or marijuana
696 products or otherwise adopt an ordinance or by-law that makes the transportation or delivery of
697 marijuana or marijuana products through said municipality unreasonably impracticable.

698 Section 7. (a) Any person at least 21 years old may acquire, possess, cultivate, process
699 and transport, marijuana, products containing marijuana, marijuana accessories and related
700 supplies and educational materials for personal use consistent with the requirements of this
701 chapter.

702 (b) A cannabis licensee may acquire, purchase, possess, cultivate, process, transfer,
703 transport, sell, distribute, dispense or administer marijuana, marijuana products, marijuana
704 accessories, and related supplies and educational materials consistent with the requirements of
705 this chapter.

706 (c) Except as otherwise provided in this chapter, no person or licensee shall be arrested,
707 detained, prosecuted, penalized, sanctioned or disqualified and no person or licensee shall be
708 subject to seizure or forfeiture of assets under any general or special law for actions taken
709 consistent with chapter and any regulations promulgated pursuant to this chapter, including for
710 cultivating, propagating, breeding, harvesting, processing, manufacturing, packaging, storing,

711 possessing, transferring, delivering or selling marijuana or marijuana products in compliance
712 with this chapter and any regulations promulgated pursuant to this chapter.

713 (d) No person engaged in a profession, trade or occupation subject to licensure by the
714 commonwealth shall be subject to disciplinary action by a professional licensing board for
715 providing professional services to a cannabis licensee, registrant or any person engaging in
716 activity authorized by this chapter.

717 Section 8. (a) The commission shall operate a medical use of marijuana program which
718 shall permit a qualifying patient with a debilitating medical condition to obtain a written
719 certification from a healthcare professional to purchase medical use cannabis from a medical use
720 cannabis establishment. Upon issuance of a written certification from a healthcare professional,
721 the commission shall issue a registration card to the qualifying patient. A medical use cannabis
722 establishment may sell medical use cannabis to a card holder.

723 (b) (1) A healthcare professional shall not be penalized under Massachusetts law, in any
724 manner, or denied any right or privilege, for: (i) advising a qualifying patient about the risks and
725 benefits of medical use cannabis within a bona fide healthcare professional-patient relationship;
726 or (ii) providing a qualifying patient with written certification, based upon a full assessment of
727 the qualifying patient's medical history and condition, including a debilitating medical condition,
728 that medical use cannabis may benefit a particular qualifying patient, within a bona fide
729 healthcare professional-patient relationship.

730 (2) A qualifying patient or a personal caregiver shall not be subject to arrest or
731 prosecution, or civil penalty, for medical use cannabis.

732 (3) No person shall be arrested or prosecuted for any criminal offense solely for being in
733 the presence of medical use cannabis or its use as authorized by this law.

734 (4) The lawful possession, cultivation, transfer, transport, distribution, or manufacture of
735 medical use cannabis as authorized by this section shall not result in the forfeiture or seizure of
736 any property.

737 (c) A medical use cannabis establishment and its employees registered with the
738 commission shall not be penalized or arrested under Massachusetts law for acquiring,
739 possessing, cultivating, processing, transferring, transporting, selling, distributing, or dispensing
740 medical use cannabis, marijuana products, and related supplies and educational materials, to
741 qualifying patients or their personal caregivers.

742 (d) The commission shall issue a cultivation registration to a qualifying patient applying
743 for such registration whose access to a medical use cannabis establishment is limited by verified
744 financial hardship, a physical incapacity to access reasonable transportation, or the lack of a
745 medical use cannabis establishment within a reasonable distance of the qualified patient's
746 residence. The commission may deny a registration based on the provision of false information
747 by the applicant. Such registration shall allow the qualifying patient or the qualifying patient's
748 personal caregiver to cultivate a limited number of plants, sufficient to maintain a 60-day supply
749 of marijuana, and shall require cultivation and storage only in an enclosed, locked area.

750 (e) The commission shall maintain a confidential list of registered qualifying patients
751 issued medical use cannabis registration cards. Individual names and other identifying
752 information on the list shall be exempt from the provisions of section 10 of chapter 66, and not

753 subject to disclosure, except to employees of the commission in the course of their official duties
754 and to Massachusetts law enforcement officials when verifying a card holder's registration.

755 (f) No regulation of the commission regarding medical use cannabis shall be more
756 restrictive than any rule or regulation promulgated by the department of public health pursuant to
757 chapter 369 of the acts of 2012 and in effect on July 1, 2017.

758 Section 9. The commission shall maintain a confidential, interoperable database
759 including, at a minimum, the qualifying patients issued a registration card for medical use of
760 marijuana, the physicians and healthcare professionals registered to issue written certifications,
761 the name of any medical use cannabis establishment and the quantity of marijuana for medical
762 use dispensed to a registered qualifying patient, and other pertinent information. Individual
763 names and other identifying information shall be exempt from the provisions of section 10 of
764 chapter 66, and not subject to disclosure, except to employees of the commission in the course of
765 their official duties, medical use cannabis establishments to facilitate dispensing of marijuana for
766 medical use and to state or local law enforcement officials for the purposes of conducting an
767 investigation pursuant this chapter.

768 (b) Every registered qualifying patient shall have the right to confidentiality of all records
769 and communications related to their care provided by a medical use cannabis licensee or
770 establishment or by a registered physician or healthcare professional to the extent provided by
771 law. Such records shall not be deemed public records as defined by clause twenty-sixth of
772 section 7 of chapter 4. However, no provision of this subsection relating to confidentiality of
773 records shall be construed to prevent access to any such records by the commission or its agents,
774 a healthcare professional who has a bona fide healthcare professional-patient relationship with

775 the patient, a medical use cannabis establishment, or any state or local law enforcement official
776 for the purposes of conducting an investigation pursuant this chapter.

777 Section 10. (a) There shall be within the commission an investigations and enforcement
778 bureau which shall be the primary enforcement agent for regulatory matters under this chapter.
779 The bureau shall perform such functions as the commission may determine in relation to
780 enforcement, including the investigation of all licensees under this chapter. The bureau shall be
781 under the supervision and control of the deputy director of investigations and enforcement. The
782 deputy director shall be the executive and administrative head of the bureau and shall be
783 responsible for administering and enforcing the laws relative to the bureau and to each
784 administrative unit of the bureau. The duties of the deputy director as provided in this chapter
785 and in any other general or special law shall be exercised and discharged subject to the direction,
786 control and supervision of the chair.

787 (b) The bureau shall be a law enforcement agency and its employees shall have such law
788 enforcement powers as necessary to effectuate the purposes of this chapter, including the power
789 to receive intelligence on an applicant for a cannabis license, a cannabis licensee, a person
790 required to be qualified for licensure, or a person required to be registered under this chapter and
791 to investigate any suspected violations of this chapter.

792 (c) The bureau shall notify the division of cannabis enforcement in the department of the
793 attorney general of criminal violations by a cannabis licensee. The bureau and the division shall
794 cooperate on the regulatory and criminal enforcement of this chapter and may determine whether
795 to proceed with civil or criminal sanctions, or both, against a cannabis licensee.

796 (d) To further effectuate the purposes of this chapter with respect to the investigation and
797 enforcement of cannabis establishments and licensees, the bureau may obtain or provide
798 pertinent information regarding an applicant for a cannabis license, a cannabis licensee, a person
799 required to be qualified for licensure, or a person required to be registered under this chapter
800 from or to law enforcement entities or cannabis authorities and other domestic or foreign
801 jurisdictions, including the Federal Bureau of Investigation, and may transmit such information
802 to each other electronically.

803 (e) To further effectuate the purposes of this chapter with respect to the investigation and
804 enforcement of cannabis establishments and cannabis licensees, the bureau may obtain or
805 provide pertinent information regarding applicants or licensees from or to law enforcement
806 entities or other domestic, federal or foreign jurisdictions, including the Federal Bureau of
807 Investigation, and may transmit such information to each other electronically.

808 (f) (1) The bureau shall have the power to: (i) assess civil fees or fines for violations of
809 this chapter, regulations adopted pursuant to this chapter, or any other state law related to
810 cannabis or marijuana; (ii) issue orders requiring persons to cease any action that violates this
811 chapter, regulations adopted pursuant to this chapter, or any other state law related to cannabis or
812 marijuana; (iii) condition, suspend or revoke any permit or license issued pursuant to this chapter
813 or regulations adopted pursuant to this chapter; and (iv) seize marijuana possessed, used,
814 cultivated, sold or transferred in violation of this chapter, regulations adopted pursuant to this
815 chapter or any other state law related to cannabis or marijuana. Any person aggrieved by an
816 action of the bureau shall have the right to an adjudicatory hearing on the fee, fine, order or
817 licensure action. The adjudicatory hearing shall be conducted pursuant to chapter 30A, except as
818 may be provided in this chapter or any regulation adopted pursuant to this chapter.

819 (2) Except as otherwise provided in this chapter: (i) a natural person shall not be subject
820 to a penalty of more than \$300 per violation for a personal use violation involving the cultivation
821 of the permitted number of marijuana plants in an area that is not properly secured by a
822 lock; (ii) a natural person shall not be subject to a penalty of more than \$100 per violation for a
823 personal use violation involving the possession of a permitted weight of marijuana in an area that
824 is not properly secured by a lock; (iii) a natural person shall not be subject to a penalty of more
825 than \$100 per violation for a personal use violation involving the possession or cultivation of a
826 weight of marijuana not permitted by law or regulation; and (iv) a natural person shall not be
827 subject to a penalty of more than \$100 per violation for consuming or smoking marijuana in a
828 public place in a manner that is not authorized by law or ordinance. A natural person assessed a
829 civil fee or fine as authorized by clause (i) to (iii), inclusive, may also be subject to forfeiture of
830 the marijuana involved.

831 (g) The bureau may assess civil fees or fines for violations of this chapter or the
832 regulations adopted under this chapter regarding the following: (i) violations of this chapter or
833 regulations adopted under this chapter not described in subsection (f); (ii) the employment of
834 individuals without proper licensure or registration; (iii) an individual's employment in a
835 position without proper licensure or registration; (iv) improper or expired licensure of a cannabis
836 establishment; (v) the improper reporting or payment of any licensure fee or tax; (vi) the sale,
837 delivery or transfer of marijuana or marijuana products to any person under 21 years of age; (vii)
838 the improper manufacturing or extraction of cannabinoid oils or butane hash oil; (viii)
839 interference with the duties of the bureau, commission, division, or agents thereof; (ix) the sale
840 of marijuana or marijuana products to a person under the age of 21; and (x) the purchase of
841 marijuana or marijuana products on behalf of a person under the age of 21.

842 Section 11. (a) A person under 21 years of age, except a registered qualifying patient
843 holding a valid registration card for the medical use of marijuana, who purchases or attempts to
844 purchase marijuana, marijuana products or marijuana accessories, or makes arrangements with
845 any person to purchase or in any way procure marijuana, marijuana products or marijuana
846 accessories, or who willfully misrepresents such person’s age, or in any way alters, defaces or
847 otherwise falsifies identification offered as proof of age with the intent of purchasing marijuana,
848 marijuana products or marijuana accessories shall be punished by a civil penalty of not more
849 than \$100 and shall complete a drug awareness program established pursuant to section 32M of
850 chapter 94C. The parents or legal guardian of any offender under the age of 18 shall be notified
851 in accordance with section 32N of chapter 94C and the failure of such an offender to complete a
852 drug awareness program within 1 year of the offense may be a basis for delinquency proceedings
853 for persons under the age of 17 at the time of the person’s offense.

854 (b) No person shall consume or smoke marijuana in a public place unless otherwise
855 authorized by law or ordinance or consume or smoke marijuana anywhere smoking tobacco is
856 prohibited.

857 (c) Civil penalties imposed pursuant to this section may be enforced by utilizing the non-
858 criminal disposition procedures provided in section 32N of chapter 94C or by utilizing any other
859 process established by this chapter and any regulations adopted pursuant to this chapter.

860 (d) Any cannabis possessed, used, manufactured, distributed, or sold in violation of this
861 chapter shall be subject to seizure and forfeiture. The commission shall establish a process for
862 any such seizure or forfeiture by the bureau in regulation.

863 Section 12. No person shall operate a cannabis establishment without a cannabis license.

864 Section 13. (a) The commission shall prescribe the form of the application for cannabis
865 licenses which shall require, but not be limited to:

866 1. the name of the applicant;

867 2. the mailing address and, if a corporation, the name of the state under the laws of
868 which it is incorporated, the location of its principal place of business and the names and
869 addresses of its directors and stockholders;

870 3. the identity of each person having a direct or indirect interest in the business and
871 the nature of such interest; provided, however, that if the disclosed entity is a trust, the
872 application shall disclose the names and addresses of all beneficiaries; provided further, that if
873 the disclosed entity is a partnership, the application shall disclose the names and addresses of all
874 partners, both general and limited; and provided further, that if the disclosed entity is a limited
875 liability company, the application shall disclose the names and addresses of all members;

876 4. an independent audit report of all financial activities and interests including, but
877 not limited to, the disclosure of all contributions, donations, loans or any other financial
878 transactions to or from a cannabis establishment in the past 5 years;

879 5. clear and convincing evidence of financial stability including, but not limited to,
880 bank references, business and personal income and disbursement schedules, tax returns and other
881 reports filed by or with government agencies and business and personal accounting check
882 records and ledgers;

883 6. information and documentation to demonstrate that the applicant has sufficient
884 business ability and experience to create the likelihood of establishing and maintaining a
885 successful cannabis establishment;

886 7. a full description of the proposed internal controls and security systems for the
887 proposed cannabis establishment and any related facilities;

888 8. an agreement that the applicant shall mitigate the potential negative public health
889 consequences associated with cannabis and the operation of a cannabis establishment, including:
890 (i) maintaining a smoke-free environment within the cannabis establishment under section 22 of
891 chapter 270; (ii) prominently displaying information on the signs of substance addiction and
892 how to access assistance; and (iii) instituting other public health strategies as determined by the
893 commission;

894 9. the number of employees to be employed at the proposed cannabis establishment,
895 including detailed information on the pay rate and benefits for employees; and

896 10. the location of the proposed cannabis establishment, which shall include the
897 address and any other information requested by the commission.

898 (b) Applications for licenses shall be public records under section 10 of chapter 66;
899 provided however, that trade secrets, competitively-sensitive or other proprietary information
900 provided in the course of an application for a cannabis license under this chapter, the disclosure
901 of which would place the applicant at a competitive disadvantage, may be withheld from
902 disclosure under chapter 66.

903 Section 14. (a) Upon receipt of an application for a cannabis license, the commission
904 shall instruct the bureau to commence an investigation into the suitability of the applicant. In
905 evaluating the suitability of the applicant, the commission shall consider the overall reputation of
906 the applicant including, without limitation:

- 907 1. the integrity, honesty, character and reputation of the applicant;
- 908 2. the financial stability, integrity and background of the applicant;
- 909 3. the business practices and the business ability of the applicant to establish and
910 maintain a successful cannabis establishment;
- 911 4. whether the applicant has a history of compliance with cannabis licensing
912 requirements in other jurisdictions;
- 913 5. whether the applicant, at the time of application, is a defendant in litigation
914 involving its business practices;
- 915 6. the suitability of all parties in interest to the cannabis license, including affiliates
916 and close associates and the financial resources of the applicant; and
- 917 7. whether the applicant is disqualified from receiving a license under this chapter;
918 provided, however, that in considering the rehabilitation of an applicant for a cannabis license,
919 the commission shall not automatically disqualify an applicant if the applicant affirmatively
920 demonstrates, by clear and convincing evidence, that the applicant has financial responsibility,
921 character, reputation, integrity and general fitness as such to warrant belief by the commission
922 that the applicant will act honestly, fairly, soundly and efficiently as a cannabis licensee.

923 (b) If the bureau determines during its investigation that an applicant has failed to: (i)
924 establish the applicant's integrity or the integrity of any affiliate, close associate, financial source
925 or any person required to be qualified by the commission; (ii) demonstrate responsible business
926 practices in any jurisdiction; or (iii) overcome any other reason, as determined by the
927 commission, as to why it would be injurious to the interests of the commonwealth in awarding
928 the applicant a cannabis license, the bureau shall cease any further review and recommend that
929 the commission deny the application.

930 (c) If the bureau has determined that an applicant is suitable to receive a cannabis license,
931 the bureau shall recommend that the commission commence a review of the applicant's entire
932 application.

933 Section 15. (a) An applicant for a cannabis license, and any person required by the
934 commission to be qualified for licensure, shall establish its individual qualifications for licensure
935 to the commission by clear and convincing evidence.

936 (b) An applicant, licensee, registrant or a person required to be qualified for licensure
937 shall have the continuing duty to provide any assistance or information required by the
938 commission and to cooperate in any inquiry or investigation conducted by the commission.
939 Refusal to answer or produce information, evidence or testimony by an applicant, licensee,
940 registrant or person required to be qualified for licensure may result in denial of the application
941 or suspension or revocation of the license or registration by the commission.

942 (c) No applicant, licensee, registrant or person required to be qualified for licensure shall
943 willfully withhold information from, or knowingly give false or misleading information to, the
944 commission. If the commission determines that an applicant, or a close associate of an applicant,

945 has willfully provided false or misleading information, such applicant shall not be eligible to
946 receive a license under this chapter. Any licensee or other person required to be qualified for
947 licensure under this chapter who willfully provides false or misleading information shall have its
948 license conditioned, suspended or revoked by the commission.

949 Section 16. (a) The commission shall require any person who is a close associate of a
950 cannabis licensee or an applicant for a cannabis license, to be qualified for licensure by meeting
951 the criteria provided in this chapter and to provide any other information that the commission
952 may require.

953 (b) For each business that applies for a cannabis license, the commission shall determine
954 whether each officer and director of a corporation, other than a publicly-traded corporation,
955 general partner and limited partner of a limited partnership, and member, transferee of a
956 member's interest in a limited liability company, director and manager of a limited liability
957 company which holds or applies for a cannabis license meets the standards for qualification of
958 licensure pursuant to this chapter and, in the judgment of the commission, any of a business's
959 individual stockholders, lenders, holders of evidence of indebtedness, underwriters, close
960 associates, executives or agents.

961 (c) A person owning more than 5 per cent of the common stock of the applicant
962 company, directly or indirectly, or a holding, intermediary or subsidiary company of an applicant
963 company may be required to meet the qualifications for licensure under this chapter. The
964 commission may waive the licensing requirements for institutional investors holding up to 15 per
965 cent of the stock of the applicant company or holding, intermediary or subsidiary company of the
966 applicant company upon a showing by the person seeking the waiver that the institutional

967 investor purchased the securities for investment purposes only and does not have any intention to
968 influence or affect the affairs or operations of the applicant company or a holding, intermediary
969 or subsidiary company of the applicant company. An institutional investor granted a waiver
970 which subsequently determines to influence or affect the affairs or operations of the applicant
971 company or a holding, intermediary or subsidiary company of the applicant company shall
972 provide not less than 30 days' notice to the commission of such intent and the commission shall
973 ensure that the institutional investor meets the qualifications for licensure under said this chapter
974 before the institutional investor may take an action that may influence or affect the affairs of the
975 applicant company or a holding, intermediary or subsidiary company of the applicant company.
976 Any company holding over 15 per cent of the applicant company, or a holding, intermediary or
977 subsidiary company of an applicant company, shall be required to meet the qualifications for
978 licensure under this chapter.

979 (d) A person who is required to be qualified for licensure under this section as a general
980 or limited partner shall not serve as such a partner until that person obtains the required approval
981 or waiver from the commission.

982 (e) The commission shall require any person involved in the financing of a cannabis
983 establishment or an applicant's proposed cannabis establishment to be qualified for licensure
984 pursuant to this chapter and may allow such person to seek a waiver pursuant to the standards in
985 subsection (c).

986 (f) A person required to be qualified for licensure shall apply for qualification within 30
987 days after taking a position with the business.

988 (g) If a corporation or other form of business organization applying for a cannabis license
989 is, or if a corporation or other form of business organization holding a cannabis license is to
990 become, a subsidiary, each holding company, intermediary company and other entity having an
991 interest in the applicant shall be required to be qualified for licensure under this chapter.

992 (h) The commission shall require that a company or individual that can exercise control
993 or provide direction to a cannabis licensee or applicant for a cannabis license or a holding,
994 intermediary or subsidiary company of a cannabis licensee or applicant for a cannabis license be
995 qualified for licensure under this chapter; provided, however, that the commission may allow
996 such person to seek a waiver under subsection (c).

997 (i) The bureau shall investigate each person required to be qualified for licensure under
998 this section and shall: (i) make a recommendation to the commission that the commission shall
999 approve or deny the application for licensure; or (ii) extend the period for issuing a
1000 recommendation in order to obtain additional information necessary for a complete evaluation of
1001 the application for a license.

1002 Section 17. (a) The commission shall deny an application for a cannabis license or a
1003 person required to be qualified for licensure if the applicant: (i) has been convicted of a felony or
1004 other crime involving embezzlement, theft, fraud or perjury; (ii) submitted an application for a
1005 license under this chapter that contains false or misleading information; (iii) committed prior acts
1006 which have not been prosecuted or in which the applicant was not convicted but form a pattern
1007 of misconduct that makes the applicant unsuitable for a license under this chapter; or (iv) has
1008 affiliates or close associates that would not qualify for a license or whose relationship with the

1009 applicant may pose an injurious threat to the interests of the commonwealth in awarding a
1010 cannabis license to the applicant.

1011 Section 18. (a) The commission may issue licenses based on the applications submitted to
1012 the commission to applicants who are qualified under the criteria set forth in this chapter, as
1013 determined by the commission.

1014 (b) A cannabis license issued by the commission shall be valid for an initial period of 1
1015 year. The commission shall establish procedures for the renewal of a cannabis license, including
1016 a renewal fee.

1017 (c) No cannabis licensee shall transfer a cannabis license or any direct or indirect interest
1018 in the cannabis license or a cannabis establishment without the majority approval of the
1019 commission. A person seeking to acquire a cannabis license through a transfer shall qualify for
1020 licensure under this chapter. The commission shall reject a cannabis license transfer or a transfer
1021 of interest in the cannabis establishment to a person who is not suitable pursuant to this chapter
1022 and may reject a proposed transfer that, in the opinion of the commission, would be
1023 disadvantageous to the interests of the commonwealth.

1024 (d) The commission shall not issue a license to an applicant if the property where the
1025 proposed establishment is to be located is within 500 feet of a pre-existing public or private
1026 school providing education in kindergarten or any of grades 1 through 12; provided, however,
1027 that if the city or town in which the establishment is to be located has adopted an ordinance or
1028 by-law that reduces such distance requirement, the commission shall not issue a license to an
1029 applicant if the proposed establishment would violate said city or town's ordinance or by-law.

1030 Section 19. (a) The commission shall prescribe the form of the cannabis license, which
1031 shall include, but not be limited to, the following license conditions for each licensee. The
1032 licensee shall:

1033 1. have an affirmative obligation to abide by every statement made in its application
1034 to the commission, including all evaluation criteria and eligibility requirements;

1035 2. comply with all laws of the commonwealth and all rules and regulations
1036 promulgated under this chapter;

1037 3. pay to the commission of revenue the tax required pursuant to this chapter;

1038 4. not change its business governing structure without the notification and approval
1039 of the commission;

1040 5. not operate, invest in or own, in whole or in part, another cannabis licensee's
1041 license or cannabis establishment;

1042 6. cooperate with the commission and the attorney general in all cannabis -related
1043 investigations. Each cannabis licensee shall make readily available all documents, materials,
1044 equipment, personnel and any other items requested during an investigation; provided, however,
1045 that material that the cannabis licensee considers a trade secret or detrimental to the cannabis
1046 licensee if it were made public may, with the commission's approval, be protected from public
1047 disclosure and the cannabis licensee may require nondisclosure agreements with the commission
1048 before disclosing such material;

1049 7. cooperate with the commission and the attorney general with respect to the
1050 investigation of any criminal matter; provided, however, that the cannabis licensee shall, upon

1051 receipt of a criminal or civil process compelling testimony or production of documents in
1052 connection with a civil or criminal investigation, immediately disclose such information to the
1053 commission; and provided further, that this clause shall not prohibit private persons or public
1054 entities from seeking any remedy or damages against a cannabis licensee;

1055 8. allow employees of the commission to conduct warrantless searches of the
1056 licensee's premises;

1057 9. have a duty to inform the commission of any action which the cannabis licensee
1058 reasonably believes would constitute a violation of this chapter, and shall assist the commission
1059 and any state law enforcement agency in the investigation and prosecution of such violation;
1060 provided, however, that no person who informs the commission of such an action shall be
1061 discriminated against by an applicant or cannabis licensee as a consequence for having supplied
1062 such information;

1063 10. collect and annually report to the commission a detailed statistical report on the
1064 number, job titles, benefits and salaries of employees hired and retained in employment at the
1065 cannabis establishment;

1066 11. employ only those persons registered by the commission;

1067 12. provide to the commission aggregate demographic information with respect to the
1068 cannabis licensee's customers in a manner and under a schedule to be defined by the
1069 commission;

1070 13. keep conspicuously posted a notice containing the name and a telephone number
1071 for substance addiction and addiction services; provided, however, that the commission may
1072 require the cannabis to provide this information in more than 1 language;

1073 14. institute additional public health strategies as required by the commission; and

1074 15. abide by an affirmative action program of equal opportunity by which the
1075 cannabis licensee guarantees to provide equal employment opportunities to all employees
1076 qualified for licensure in all employment categories, including persons with a disabilities, under
1077 the laws of the commonwealth.

1078 (b) No person shall transfer a cannabis license, a direct or indirect real interest, structure,
1079 real property, premises, facility, personal interest or pecuniary interest under a cannabis license
1080 issued under this chapter or enter into an option contract, management contract or other
1081 agreement or contract providing for such transfer in the present or future, without the notification
1082 to, and approval by, the commission. The commission may promulgate rules and regulations that
1083 create exemptions from the approval requirement.

1084 (c) The commission may include any reasonable additional requirements to the license
1085 conditions.

1086 Section 20. (a) No cannabis licensee shall operate a cannabis establishment without an
1087 operations certificate issued by the commission. An operations certificate shall only be issued
1088 upon compliance with the requirements of this chapter including, but not limited to: (i)
1089 implementation of all management controls required by the commission including, without
1090 limitation, controls on accounting and auditing; (ii) implementation of all security precautions

1091 required by the commission; (iii) an up-to-date listing of all employees; and (iv) registering of all
1092 employees. The operations certificate shall be conspicuously posted.

1093 (b) A cannabis licensee may operate a cannabis establishment from 8:00 a.m. to 12:59
1094 a.m. subject its agreement with the host community; provided, however, that the cannabis
1095 licensee shall register its hours of operation of the cannabis establishment with the commission.

1096 (c) Each cannabis licensee shall arrange its cannabis establishment in such a manner as to
1097 promote optimum security for the cannabis establishment operations.

1098 (d) No person under the age of 21 shall be permitted to: (i) purchase cannabis, (ii) be
1099 allowed to register as an employee of a cannabis establishment (iii) be in a cannabis
1100 establishment. No cannabis licensee, within its cannabis establishment or otherwise, shall
1101 authorize or conduct marketing and promotional communications relative to cannabis to target
1102 persons under the age of 21.

1103 (e) Each cannabis licensee shall file an emergency response plan with the fire department
1104 and police department of the host community which shall include, but not be limited to: (i) a
1105 layout identifying all areas within the facility and grounds, including support systems and the
1106 internal and external access routes; (ii) the location and inventory of emergency response
1107 equipment and the contact information of the emergency response coordinator for the cannabis
1108 establishment; (iii) the location of any hazardous substances and a description of any public
1109 health or safety hazards present on site; (iv) a description of any special equipment needed to
1110 respond to an emergency at the cannabis establishment; (v) an evacuation plan; and (vi) any
1111 other information relating to emergency response as requested by the commission, the fire
1112 department or the police department of the host community.

1113 Section 21. (a) No person shall be employed by a cannabis licensee unless such person
1114 has first registered as a cannabis employee with the commission. Registration as a cannabis
1115 employee shall be valid for 1 year but may be renewed annually thereafter pursuant to provisions
1116 of this section and regulations promulgated by the commission.

1117 (b) The commission shall prescribe the form for registering as a cannabis employee
1118 which shall include, but may not be limited to: (1) the name and address of the person seeking to
1119 register as a cannabis employee; (2) an affidavit in which the person seeking to register shall
1120 verify that he or she has not been convicted of a felony or other crime involving embezzlement,
1121 theft, fraud or perjury; and (3) any other information the commission deems appropriate,
1122 including but not limited to (i) a detailed employment history; (ii) fingerprints; (iii) a criminal
1123 and arrest record; (iv) any civil judgments pertaining to antitrust or security regulation against
1124 the person seeking to register as a cannabis employee.

1125 (c) Upon receipt of a registration form, the bureau may conduct an investigation of the
1126 person seeking to register as a cannabis employee, which shall include obtaining criminal
1127 offender record information from the criminal history systems board and exchanging fingerprint
1128 data and criminal history with the department of state police. If the bureau discovers that a
1129 person seeking registration pursuant to this section, falsely verified that he or she has not been
1130 convicted of a felony or other crime involving embezzlement, theft, fraud or perjury, the bureau
1131 shall notify the commission and the commission shall send written notification to the person
1132 seeking registration that the registration has been denied and the person is disqualified from
1133 employment with any cannabis licensee.

1134 (d) Within 30 days of receiving a form for registering as a cannabis employee, the
1135 commission shall deny registration if a person seeking to registrar as a cannabis employee: (1) is
1136 unable to verify that he or she has not been convicted of a felony or other crime involving
1137 embezzlement, theft, fraud or perjury, his or her registration; (2) made false statements on the
1138 registration form; (3) is under 21 years old; or (4) does not meet any further qualification for
1139 cannabis employees as required by the commission pursuant to regulations. If registration is
1140 denied pursuant to this subsection, the commission shall make written notification to the person
1141 seeking registration that his or his registration has been denied, including a statement of the
1142 reasons why the registration was denied.

1143 (e) If the commission does not deny registration pursuant to subsection (d), it shall
1144 register the person as a cannabis employee and send the person a written certificate of
1145 registration as a cannabis employee, which shall be valid for 1 year.

1146 (f) The commission shall prescribe the form for annual renewal of registration as a
1147 cannabis employee, which shall include, but may not be limited to: (1) the name and address of
1148 the person seeking to renew his or her registration as a cannabis employee; (2) an affidavit in
1149 which the person seeking to renew shall verify that he or she has not been convicted of a felony
1150 or other crime involving embezzlement, theft, fraud or perjury; and (3) any other information the
1151 commission deems appropriate.

1152 (g) If, at any point, the bureau discovers that a person registered as a cannabis employee,
1153 falsely verified that he or she has not been convicted of a felony or other crime involving
1154 embezzlement, theft, fraud or perjury, the bureau shall notify the commission and the

1155 commission shall send written notification to the cannabis employee that his or her registration
1156 has been revoked and he or she is disqualified from employment with any cannabis licensee.

1157 Section 22. Any healthcare professional that issues a written certification of medical
1158 marijuana shall register with the commission pursuant to regulations promulgated by the
1159 commission.

1160 Section 23. Any qualifying patient receiving a written certification for medical marijuana
1161 shall register with the commission pursuant to regulations promulgated by the commission.

1162 Section 24. (a) The commission may exempt any establishment registered and operating
1163 as a medical marijuana treatment center pursuant to chapter 369 of the acts of 2012 as of July 1,
1164 2017 from any licensing requirement of this chapter.

1165 (b) For the purposes of reviewing and approving an application for an adult use cannabis
1166 license, the commission shall identify applicants who are holders of a provisional or final
1167 certificate of registration pursuant to chapter 369 of the acts of 2012 and accompanying
1168 regulations. The commission shall consider issuance of a provisional or final certificate of
1169 registration as achieving accreditation status. The commission shall ensure an expedited review
1170 process for applicants for an adult use cannabis license who have achieved accreditation status
1171 and shall only require that such applicants submit specific information not previously required,
1172 analyzed, approved and recognized by the department of public health.

1173 Section 25. (a) Each labor organization, union or affiliate seeking to represent employees
1174 who are employed at a cannabis establishment shall register with the commission.

1175 (b) Neither a labor organization, nor its officers who are not otherwise licensed or
1176 registered under this chapter, may hold any financial interest in a cannabis establishment whose
1177 employees are represented by the organization.

1178 Section 26. No cannabis licensee shall offer to provide any complimentary cannabis,
1179 services, gifts, cash or other items of value to any person.

1180 Section 27. (a) A cannabis licensee shall pay a daily tax of 16.75 per cent on gross
1181 cannabis revenue.

1182 All sums collected or received by the commissioner of revenue pursuant to this
1183 subsection shall be deposited in the Cannabis Revenue Fund.

1184 (b) In addition to the tax imposed by subsection (a), a cannabis licensee shall pay a daily
1185 tax of 5 per cent on gross cannabis revenue.

1186 All sums collected or received by the commissioner of revenue pursuant to this
1187 subsection shall be transferred by the commissioner of revenue to the treasurer of the host
1188 municipality from which the revenue was collected at least monthly.

1189 (c) The tax imposed pursuant to subsection (a) and subsection (b) shall be in addition to
1190 tax imposed upon the sale of property or services as provided in section 2 of chapter 64H and
1191 shall be paid by a cannabis licensee to the commissioner of revenue at the time provided for
1192 filing the return required by section 16 of chapter 62C.

1193 (d) The tax imposed pursuant to subsection (a) and subsection (b) shall not apply to the
1194 sale of medical use cannabis.

1195 Section 28. There shall be established and set up on the books of the commonwealth a
1196 fund to be known as the Cannabis Revenue Fund, hereinafter the fund. The fund shall be credited
1197 with any appropriations, bond proceeds or other monies authorized by the general court and
1198 specifically designated to be credited thereto, the proceeds of the assessments levied under this
1199 chapter, application fees for licenses issued under this chapter and such additional funds as are
1200 subject to the direction and control of the commission including, without limitation, all revenue
1201 received under this chapter as excises, fees, penalties, forfeitures, interest, costs of suits and
1202 fines.

1203 Expenditures from the fund shall be subject to appropriation; provided, however, that the
1204 operations annual operational cost of the commission shall be funded by the fund; and provided,
1205 further, that after funding the annual operational cost of the commission not less than
1206 \$10,000,000 shall be expended annually on substance abuse prevention and treatment programs.
1207 Any funds remaining in the fund at the end of the fiscal year shall revert to the General Fund.

1208 Section 29. An adult use cannabis licensee shall be subject to chapters 62 to 62E,
1209 inclusive, and chapters 63 to 63B, inclusive.

1210 Section 30. (a) A cannabis establishment shall not be a certified project within the
1211 meaning of section 3F of chapter 23A. Cannabis establishments shall not be designated as
1212 economic opportunity areas within the meaning of section 3E of said chapter 23A. Cannabis
1213 establishments shall not be eligible for tax increment financing under section 59 of chapter 40 or
1214 special tax assessments set forth in section 3E of said chapter 23A. Cannabis establishments shall
1215 not be classified and taxed as recreational land under chapter 61B. Cannabis establishments shall
1216 not be designated as development districts within the meaning of chapter 40Q.

1217 (b) Unless otherwise provided, a cannabis establishment shall not be eligible for the
1218 following credits or deductions listed in chapter 62 or chapter 63: the investment tax credit under
1219 section 31A of chapter 63, the employment credit under section 31C of said chapter 63, the van
1220 pool credit under section 31E of said chapter 63, the deduction for expenditures for industrial
1221 waste treatment or air pollution control under section 38D of said chapter 63, the deduction for
1222 compensation paid to an eligible business facility's employees domiciled in a section of
1223 substantial poverty under section 38F of said chapter 63, the film tax credit under subsection (l)
1224 of section 6 of chapter 62 and section 38X of said chapter 63, the alternative energy sources
1225 deduction under section 38H of said chapter 63, the research expense credit under section 38M
1226 of said chapter 63, the economic opportunity area credit under subsection (g) of said section 6 of
1227 said chapter 62 and section 38N of said chapter 63, the abandoned building deduction under
1228 subparagraph (10) of subsection (a) of Part B of section 3 of said chapter 62 and section 38O of
1229 said chapter 63, the harbor maintenance tax credit under section 38P of said chapter 63, the
1230 brownfields credit under subsection (j) of said section 6 of said chapter 62 and section 38Q of
1231 said chapter 63, the historic rehabilitation tax credit under section 6J of said chapter 62 and
1232 section 38R of said chapter 63 and the automatic sprinkler system depreciation deduction under
1233 section 38S of said chapter 63.

1234 Section 31. (a) (1) The commission shall promulgate regulations for the licensure and
1235 oversight of independent testing laboratories, and shall establish testing protocols for the
1236 sampling, testing and analysis of finished marijuana and marijuana products in consultation with
1237 the department of public health and the department of agricultural resources. Such regulations
1238 shall be based on the most recent standards as issued by the United States Pharmacopoeia (USP)
1239 Convention and shall address sampling and analysis to characterize the cannabinoid profile and

1240 biological and chemical contaminants, including but not limited to terpenoids, pesticides, plant
1241 growth regulators, metals, microbiological contaminants, mycotoxins, and residual solvents
1242 introduced through cultivation of marijuana plants and post-harvest processing and handling of
1243 marijuana, marijuana products and ingredients.

1244 (2) No marijuana or marijuana product for either medical or adult use shall be sold or
1245 otherwise marketed pursuant to this chapter that has not first been tested by a licensed
1246 independent testing laboratory and meets the commission’s testing protocols issued pursuant to
1247 subsection (a)(1) of this section.

1248 3) The following shall be included on the labeling of all marijuana and marijuana
1249 products sold or otherwise marketed within the commonwealth pursuant to this chapter i) a
1250 symbol or easily recognizable mark issued by the commission that indicates the package contains
1251 marijuana or a marijuana product; ii) the name and contact information of the marijuana
1252 cultivator or the marijuana product manufacturer who produced the marijuana or marijuana
1253 product; iii) the results of sampling, testing and analysis conducted by a licensed independent
1254 testing laboratory; iv) a seal certifying the marijuana product meets such testing standards; v) a
1255 unique batch number identifying the production batch associated with manufacturing and
1256 processing; vi) a list of ingredients and possible allergens; vii) a use-by date, if applicable; and,
1257 viii) the following statement, including capitalization: “This product has not been analyzed or
1258 approved by the FDA. There is limited information on the side effects of using this product, and
1259 there may be associated health risks. Marijuana use during pregnancy and breast-feeding may
1260 pose potential harms. It is against the law to drive or operate machinery when under the
1261 influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”

1262 (4) A licensed independent testing laboratory shall report any results indicating
1263 contamination to the commission within 72 hours of identification.

1264 (5) No laboratory agent or employee of an independent testing laboratory shall receive
1265 direct or indirect financial compensation, other than such reasonable contractual fees to conduct
1266 such testing, from any entity for which it is conducting testing pursuant to this chapter.

1267 (b) (1) An independent testing laboratory shall apply for a certificate of registration from
1268 the commission prior to testing, processing or transporting marijuana or marijuana products.

1269 (2) A laboratory agent shall be registered with the commission prior to volunteering or
1270 working at an independent testing laboratory.

1271 (3) An independent testing laboratory must apply to the commission for a registration
1272 card for each affiliated laboratory agent by submitting, at a minimum, the name, address, date of
1273 birth of the laboratory agent.

1274 (4) A registered independent testing laboratory shall notify the commission within one
1275 business day if a laboratory agent ceases to be associated with the laboratory, and the laboratory
1276 agent's registration card shall be immediately revoked.

1277 (5) No one shall be a laboratory agent who has been convicted of a felony drug offense;
1278 provided, however, that a prior conviction solely for a marijuana-related offense or for a
1279 violation of section 34 of chapter 94C shall not disqualify an individual or otherwise affect
1280 eligibility for employment or licensure in connection with a independent testing laboratory,
1281 unless the offense involved the distribution of a controlled substance, including marijuana, to a
1282 minor. The commission is authorized to conduct criminal record checks with the Massachusetts

1283 Department of Criminal Justice Information and may set standards and procedures to enforce this
1284 provision. Such standards and procedures may include requiring applicants seeking registration
1285 to submit a full set of fingerprints for the purposes of conducting a state and national criminal
1286 history records check pursuant to sections 168 and 172 of chapter 6 and 28 U.S.C. § 534 through
1287 the department of state policy criminal history systems board, or its successor, and the Federal
1288 Bureau of Investigation. The commission shall treat such information in accordance with
1289 sections 167 through 178, inclusive, of chapter 6 and the regulations thereunder.

1290 (c). A registered laboratory agent shall not be subject to arrest, prosecution, or civil
1291 penalty, sanctions or disqualifications, and shall not be subject to seizure or forfeiture of assets
1292 under Massachusetts law for actions taken under the authority of an independent testing
1293 laboratory, including possessing, processing, storing, transferring or testing marijuana or
1294 marijuana products provided he or she: (1) presents his or her registration card to any law
1295 enforcement official who questions the laboratory agent concerning their marijuana related
1296 activities; and (2) is acting in accordance with all the requirements of this law.

1297 Section 32. This chapter shall not:

1298 (i) prevent a person from prohibiting or otherwise regulating the consumption, display,
1299 production, processing, manufacture or sale of marijuana and marijuana accessories on or in
1300 property the person owns, occupies or manages, except that a lease agreement shall not prohibit a
1301 tenant from consuming marijuana by means other than smoking on or in property in which the
1302 tenant resides unless failing to do so would cause the landlord to violate a federal law or
1303 regulation;

1304 (ii) prevent the Commonwealth, a subdivision thereof, or local government agency from
1305 prohibiting or otherwise regulating the possession or consumption of marijuana or marijuana
1306 accessories within a building owned, leased or occupied by the Commonwealth, a political
1307 subdivision of the Commonwealth or an agency of the Commonwealth, or a political subdivision
1308 of the Commonwealth; or

1309 (iii) authorize the possession or consumption of marijuana or marijuana accessories on
1310 the grounds of or within a public or private school where children attend classes in preschool
1311 programs, kindergarten programs or grades 1 to 12, inclusive, or on the grounds of, or within,
1312 any correctional or detoxification facility;

1313 (iv) be construed to limit the applicability of other law as it pertains to the rights of
1314 landlords, employers, law enforcement or regulatory agencies;

1315 (v) allow the operation, navigation or otherwise control of a motor vehicle, train, aircraft,
1316 motorboat or other motorized form of transport or machinery while under the influence of
1317 marijuana;

1318 (vi) require any health insurance provider, or any government agency or authority, to
1319 reimburse any person for the expenses of the medical use of marijuana;

1320 (vii) require any healthcare professional to authorize the medical use of marijuana for a
1321 patient;

1322 (viii) require any accommodation of any on-site use of marijuana in any place of
1323 employment, school bus or on school grounds, in any youth center, in any correctional facility or
1324 detoxification or place of public accommodation;

1325 (ix) require the violation of federal law or purports to give immunity under federal law;

1326 (x) pose an obstacle to, or compliance with, federal law;

1327 (xi) authorize individuals to transport marijuana legally purchased or acquired within the
1328 commonwealth out of state;

1329 Section 33. The commission shall, for the purposes of compliance with state finance law,
1330 operate as a state agency as defined in section 1 of chapter 29 and shall be subject to the
1331 provisions applicable to agencies under the control of the governor; provided, however, that the
1332 comptroller may identify any additional instructions or actions necessary for the department to
1333 manage fiscal operations in the state accounting system and meet statewide and other
1334 governmental accounting and audit standards. The commission shall properly classify the
1335 commission's operating and capital expenditures, and shall not include any salaries of employees
1336 in the commission's capital expenditures. Unless otherwise exempted by law or the applicable
1337 central service agency, the commission shall participate in any other available commonwealth
1338 central services including, but not limited, to the state payroll system pursuant to section 31 of
1339 chapter 29, and may purchase other goods and services provided by state agencies in accordance
1340 with comptroller provisions. comptroller may chargeback the commission for the transition and
1341 ongoing costs for participation in the state accounting and payroll systems and may retain and
1342 expend such costs without further appropriation for the purposes of this section. The commission
1343 shall be subject to section 5D of chapter 29 and subsection (f) of section 6B of chapter 29.

1344 Section 34. Each fiscal year the commission shall submit an annual finance plan to the
1345 secretary of administration and finance, and updates to such plan, in accordance with instructions
1346 issued by said secretary.

1347 Section 35. Marijuana and marijuana products shall be subject to sections 186 to 195,
1348 inclusive, of chapter 94, relating to the adulteration and misbranding of food, drugs and various
1349 articles; provided, however, that marijuana included in a marijuana product manufactured in
1350 compliance with the regulations of the commission shall not be considered an adulterant.

1351 Section 36. Any liability to the commonwealth under this chapter shall constitute a debt
1352 to the commonwealth. Once a statement naming a cannabis licensee is recorded, registered or
1353 filed, any such debt shall constitute a lien on all commercial property owned by a cannabis
1354 licensee in the commonwealth and shall have priority over an encumbrance recorded, registered
1355 or filed with respect to any site.

1356 Section 37. The commission shall establish minimum standards for advertising,
1357 marketing, and branding used in packaging, labeling, signage, merchandise and other materials
1358 sold or distributed by an adult use cannabis licensee. Such standards shall, at a minimum,
1359 include:

1360 (a) A prohibition on advertising, marketing and branding in such a manner that is deemed
1361 to be deceptive, false, or misleading. An adult use cannabis licensee shall not make any
1362 deceptive, false, or misleading assertion or statements on any product, any sign, any documents
1363 or any materials provided to a consumer;

1364 (b) A prohibition on advertising, marketing and branding by means of television, radio,
1365 internet, billboard or print publication unless at least 71.6 percent of the audience is reasonably
1366 expected to be 21 years of age or older, as determined by reliable, up-to-date audience
1367 composition data;

1368 (c) A prohibition on advertising, marketing and branding which utilize statements,
1369 designs, representations, pictures or illustrations that portray anyone less than twenty-one years
1370 of age;

1371 (d) A prohibition on advertising, marketing and branding that is deemed to appeal to a
1372 person or persons less than twenty-one years of age;

1373 (e) A prohibition on advertising, marketing and branding, including statements by an
1374 adult use cannabis licensee , that make any false or misleading statements concerning other adult
1375 use cannabis licensees and the conduct and products of such, other adult use cannabis licensees;

1376 (f) A prohibition on advertising, marketing and branding through certain identified
1377 promotional items as determined by the commission, including giveaways, coupons or “free” or
1378 “donated” marijuana products;

1379 (g) A prohibition on advertising, marketing and branding by an adult use cannabis
1380 licensee that asserts its products are safe, other than labeling required pursuant to this chapter;

1381 (h) A prohibition on illuminated external signage except for a period of thirty minutes
1382 before sundown until closing and that shall comply with all local ordinances and requirements.
1383 Neon signage is prohibited;

1384 (i) A prohibition of the use of vehicles equipped with either radio or loud speakers for the
1385 advertising of marijuana or marijuana products including MIPs is prohibited. The use of radio or
1386 loud speaker equipment in any licensed premises for the purpose of attracting attention to the
1387 sale of marijuana or marijuana products including MIPs therein is also prohibited;

1388 (j) An adult use cannabis licensee may sponsor a charitable, sports, or similar event, but
1389 such licensee shall not engage in advertising, marketing, and branding at, or in connection with,
1390 such an event unless at least 71.6 percent of the audience is reasonably expected to be 21 years
1391 of age or older, as determined by reliable, up-to-date audience composition data.

1392 (k) provided however, if a city or town enacts an ordinance or requirement above the
1393 commission's standard, no such local ordinance or requirements may impose a standard for
1394 signage more restrictive than those applicable to retail establishments that sell alcoholic
1395 beverages within that city or town.

1396 Section 38. The commission shall audit as often as the commission determines necessary,
1397 but not less than annually, the accounts, programs, activities, and functions of all cannabis
1398 licensees. To conduct the audit, authorized officers and employees of the commission shall have
1399 access to such accounts at reasonable times and the commission may require the production of
1400 books, documents, vouchers and other records relating to any matter within the scope of the
1401 audit, except tax returns. The superior court shall have jurisdiction to enforce the production of
1402 records that the commission requires to be produced under this section and the court shall order
1403 the production of all such records within the scope of any such audit. All audits shall be
1404 conducted in accordance with generally accepted auditing standards established by the American
1405 Institute of Certified Public Accountants. In any audit report of the accounts, funds, programs,
1406 activities and functions of a cannabis licensee issued by the commission containing adverse or
1407 critical audit results, the commission may require a response, in writing, to the audit results. The
1408 response shall be forwarded to the commission within 15 days of notification by the commission.

1409 On or before April 1 of each year, the commission shall submit a report to the clerks of
1410 the house of representatives and the senate who shall forward the report to the house and senate
1411 committees on ways and means which shall include, but not be limited to: (i) the number of
1412 audits performed under this section; (ii) a summary of findings under the audits; and (iii) the cost
1413 of each audit.

1414 Section 39. The commission shall report monthly to the governor, the attorney general,
1415 the senate and house committees on ways and means, the chairs of the joint committee on
1416 revenue and the chairs of the joint committee on marijuana policy on the total cannabis revenues
1417 and shall make an annual report to the same recipients which shall include a full and complete
1418 statement of cannabis revenues. The commission shall report immediately to the governor, the
1419 attorney general, the house and senate committees on ways and means, the senate and house
1420 chairs of the joint committee on revenue and the senate and house chairs of the joint committee
1421 on marijuana policy on any matter which requires immediate changes in the laws in order to
1422 prevent abuses or evasions of the laws, rules or regulations related to cannabis or to rectify
1423 undesirable conditions in connection with the administration or operation of cannabis in the
1424 commonwealth.

1425 Section 40. The commission shall annually submit a complete and detailed report of the
1426 commission's activities, including a review of the implementation and enforcement of this
1427 chapter and the governance structure established in this chapter, within 90 days after the end of
1428 the fiscal year to the governor, the attorney general, the treasurer and receiver general, the clerks
1429 of the house of representatives and the senate , the chairs of the joint committee on economic
1430 development and emerging technologies and the chairs of the house and senate committees on
1431 ways and means.

1432 Section 41. The commission shall annually review the tax rate established by this chapter
1433 and may make recommendations to the general court, as appropriate, regarding any changes to
1434 the tax rate that further the intent of this chapter. The commission may study marijuana
1435 commerce and make recommendations to the general court regarding changes in the laws of the
1436 commonwealth that further the intent of this act by filing those recommendations with the clerks
1437 of the house of representatives and the senate who shall forward the recommendations to the
1438 house and senate committees on marijuana policy, the joint committee on consumer protection
1439 and professional licensure, the joint committee on revenue, the joint committee on public health
1440 and any other committee deemed appropriate by the commission.

1441 Section 42. (a) There shall be a Massachusetts cannabis advisory board to study and
1442 make recommendations to the Massachusetts cannabis control commission and the department of
1443 revenue on the regulation and taxation of medical and adult use of marijuana. The board shall
1444 consist of the executive director of the Massachusetts cannabis control commission, who shall
1445 serve as chair; the secretary of the executive office of housing and economic development or his
1446 or her designee; the commissioner of the department of revenue or his or her designee; the
1447 commissioner of public health or his or her designee; the superintendent of the Massachusetts
1448 state police or his or her designee; the commissioner of agricultural resources or his or her
1449 designee; the president of the Massachusetts Municipal Association or his or her designee; and
1450 12 members who shall be appointed by the treasurer and receiver general who shall consist of: 1
1451 expert in marijuana cultivation, 1 expert in marijuana retailing, 1 expert in marijuana product
1452 manufacturing, 1 expert in laboratory sciences and toxicology, 2 individual representing the
1453 interests of registered qualifying patients, 1 expert in the prevention and treatment of substance
1454 use disorders, 2 experts in social welfare or social justice, 1 individual representing the interests

1455 of employers, 1 individual representing the interests of property owners, and 1 attorney with
1456 experience providing legal services to marijuana businesses, marijuana consumers or medical
1457 marijuana patients in the commonwealth. Members of the board appointed by the treasurer and
1458 receiver general shall serve terms of 2 years. Members of the board shall serve without
1459 compensation, but shall be reimbursed for their expenses actually and necessarily incurred in the
1460 discharge of their official duties. Members of the advisory board shall not be state employees for
1461 purposes of chapter 268A by virtue of their service on the advisory board. The board shall meet
1462 at the discretion of the commission. A majority of the members of the board present and voting
1463 shall constitute a quorum.

1464 (b) The cannabis advisory board shall: (i) advise the commission on local, property,
1465 business, consumer, patient and public health and safety issues, as well as marijuana cultivation,
1466 processing, manufacturing, transportation, distribution, security, seed-to-sale tracking, testing,
1467 packaging, labelling, advertising and sale; (ii) consider all matters submitted to it by the
1468 commission; (iii) on its own initiative, recommend to the commission guidelines, rules and
1469 regulations and any changes to guidelines, rules and regulations that the advisory board considers
1470 important or necessary for the commission's review and consideration; and (iv) advise on the
1471 preparation of regulations under this chapter.

1472 SECTION 2. Chapter 12 of the General Laws is hereby amended by inserting after
1473 section 11N the following section:-

1474 Section 11O. (a) As used in this section the following words shall, unless the context
1475 clearly requires otherwise, have the following meanings:

1476 “Commission”, the Massachusetts cannabis control commission established in chapter
1477 10A.

1478 “Division”, the division of cannabis enforcement established in subsection (b).

1479 “Cannabis establishment”, as defined in section 1 of chapter 10A.

1480 (b) There shall be in the department of the attorney general a division of cannabis
1481 enforcement. The attorney general shall designate an assistant attorney general as the director of
1482 cannabis enforcement. The director may appoint and remove, subject to the approval of the
1483 attorney general, such expert, clerical or other assistants as the work of the division may require.

1484 (c) The division shall enforce criminal violations of chapter 10A which shall include, but
1485 not be limited to: (1) investigating and prosecuting allegations of criminal activity related to or
1486 impacting the operation of cannabis establishments; (2) receiving and taking appropriate action
1487 on referrals for criminal prosecution from the commission or any other law enforcement body;
1488 (3) providing assistance, upon request, to the commission in the consideration and promulgation
1489 of rules and regulations; and (4) ensuring that there shall be no duplication of duties and
1490 responsibilities between the division and the commission.

1491 (d) No employee of the division and no person engaged by the division in the course of
1492 an investigation, other than in the performance of their official duties, shall patronize a cannabis
1493 establishment licensed under chapter 10A during the period of their employment or assignment
1494 with the division. The attorney general shall establish a code of ethics for all division employees
1495 which shall be more restrictive than chapters 268A and 268B. A copy of the code of ethics shall
1496 be filed with the state ethics commission. The code shall include provisions reasonably necessary
1497 to carry out this section including, but not limited to: (i) prohibiting the receipt of gifts by a

1498 division employee from a cannabis licensee, applicant, close associate, affiliate or other person
1499 or entity subject to the jurisdiction of the commission established in chapter 10A; and (ii)
1500 prohibiting the participation by a division employee in a particular matter as defined in section 1
1501 of said chapter 268A that affects the financial interest of a relative within the third degree of
1502 consanguinity or any other person with whom such employee has a significant relationship as
1503 defined in the code of ethics.

1504 SECTION 3. Subsection (b) of section 5I of chapter 18, as so appearing, is hereby
1505 amended by striking out, in line 43, the word “court” and inserting in place thereof the following
1506 words:- court; or any adult use cannabis establishment as defined in section 2 of chapter 10A.

1507 SECTION 4. Subsection (a) of section 5J of said chapter 18 is hereby amended by
1508 striking out, in line 14, the words, “or on cruise ships” and inserting in place thereof the
1509 following words:-on cruise ships; or any adult use cannabis establishments as defined in section
1510 2 of chapter 10A.

1511 SECTION 5. The General Laws are hereby amended in section 1 of chapter 32 in line
1512 226 after the word, “commission,” by inserting the following words, “cannabis control
1513 commission,”.

1514 SECTION 6. The General Laws are hereby amended in section 2 of chapter 32A in line
1515 14 after the word, “commission,” by inserting the following words, “cannabis control
1516 commission,”.

1517 SECTION 7. Section 38 of chapter 63 of the General Laws, as so appearing, is hereby
1518 amended by striking out, in line 211, the words “and (9)” and inserting in place thereof the
1519 following words:- ; (9) in the case of a business deriving receipts from operating a cannabis

1520 establishment or otherwise deriving receipts from conducting a cannabis business or activity,
1521 income-producing activity shall be considered to be performed in this commonwealth to the
1522 extent that the location of cannabis transactions or activities that generated the receipts is in this
1523 commonwealth; and (10).

1524 SECTION 8. Section 38 of chapter 63 of the General Laws, as so appearing, is hereby
1525 amended by striking out, in line 247, the words “and (8)” and inserting in place thereof the
1526 following words:- ; (8) in the case of a business deriving receipts from operating a cannabis
1527 establishment or otherwise deriving receipts from conducting a cannabis business or activity,
1528 income-producing activity shall be considered to be performed in this commonwealth to the
1529 extent that the location of cannabis transactions or activities that generated the receipts is in this
1530 commonwealth; and (9).

1531 SECTION 9. Section 1 of chapter 64H of the General Laws, as so appearing, is hereby
1532 amended by inserting, in line 269, the following sentence:- For the purposes of this chapter,
1533 “tangible personal property” shall include marijuana, marijuana concentrate, marijuana-infused
1534 products, and marijuana products as defined in section 2 of chapter 10A.

1535 SECTION 10. Chapter 64N of the General Laws is hereby repealed.

1536 SECTION 11. The General Laws are hereby amended in section 24I of Chapter 90 by
1537 adding in line 4 after the word “liquid” the following words, “or other substances”.

1538 SECTION 12. The General Laws are hereby amended in subsection (b) of section 24I of
1539 Chapter 90 by adding in line 20 after the words “alcoholic beverage” the following words “,
1540 marijuana, or any marijuana products”.

1541 SECTION 13. The General Laws are hereby amended in subsection (d) of section 24I of
1542 Chapter 90 by adding in line 29 after the words “alcoholic beverage” the following words “,
1543 marijuana, or any marijuana products.”

1544 SECTION 14. The General Laws are hereby amended in section 1 of chapter 94C by
1545 inserting in line 229 after the word “germination”, the following words:- ; provided, however,
1546 that the term marihuana shall not include marihuana or marijuana manufactured, distributed,
1547 dispensed, cultivated or possessed in compliance with chapter 10A; and provided further, that
1548 the term marihuana shall not include industrial hemp as defined in section 116 of chapter 128.

1549 SECTION 15. Chapter 94G of the General Laws is hereby repealed.

1550 SECTION 16. Chapter 128 of the General Laws, as so appearing is hereby amended by
1551 inserting after section 115, the following 7 sections:-

1552 Section 116. As used in sections 116 through section 121, inclusive, the following words
1553 shall, unless the context clearly requires otherwise, have the following meanings:

1554 “Hemp products”, products made from industrial hemp including, but not limited to,
1555 cloth, cordage, fiber, food, fuel, paint, paper, particle board, plastics, seed, seed meal, seed oil,
1556 and certified seed for cultivation if such seeds originate from industrial hemp varieties.

1557 “Hemp”, the plant of the genus Cannabis and any part of the plant, whether growing or
1558 not, with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3 per cent on a dry
1559 weight basis, or per volume or weight of marijuana product, or the combined per cent of delta-9-
1560 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus
1561 Cannabis regardless of moisture content.

1562 “Industrial hemp”, the plant referred to as hemp as defined in this section that is used
1563 exclusively for industrial purposes, including but not limited to the fiber and seed.

1564 “Person”, a natural person, corporation, association, partnership or other legal entity.

1565 Section 117. (a) Industrial hemp as an agricultural product may be planted, grown,
1566 harvested, possessed, processed, bought, sold or researched subject to sections 116 through 121.
1567 The planting, growing, harvesting, possessing, processing, selling or research of industrial hemp
1568 as an agricultural product shall be subject to the supervision and approval of the department
1569 pursuant to sections 116 through 121, inclusive.

1570 (b) Any person planting, growing, harvesting, possessing, processing, or selling industrial
1571 hemp for commercial purposes shall: (i) be licensed by the department pursuant to section 118;
1572 and

1573 (ii) only acquire hemp seeds imported from a distributor registered with the United States
1574 Drug Enforcement Administration and certified by the United States Department of Agriculture.

1575 (c) Hemp products may be used only for the following: (i) research purposes; and

1576 (ii) commercial purposes deemed reasonable by the commissioner.

1577 Section 118. (a) No person, other than a person utilizing hemp products for commercial
1578 purposes pursuant to subsection (c) or a person utilizing industrial hemp or hemp products for
1579 research pursuant to subsection (d), may plant, grow, harvest, possess, process, or sell industrial
1580 hemp without a license issued by the department.

1581 (b) No person may produce or distribute industrial hemp seed without a license issued by
1582 the department.

1583 (c) Any person utilizing hemp products for commercial purposes shall register with the
1584 department.

1585 (d) Any person utilizing industrial hemp or hemp products for research conducted under
1586 an agricultural pilot program or other agricultural or academic research shall register with the
1587 department.

1588 (e) An application for a license issued pursuant to subsection (a) or (b) shall, without
1589 limitation, include the following: (i) the name and address of the applicant or applicants; (ii) the
1590 name and address of the industrial hemp operation of the applicant; (iii) the global positioning
1591 system coordinates and legal description of the property used for the industrial hemp operation;
1592 (iv) the acreage size of the field where the industrial hemp will be grown, if applicable; (v) a
1593 written consent allowing a state and federal criminal history background check to be conducted;
1594 (vi) a written consent allowing the department to conduct both scheduled and random inspections
1595 of and around the premises on which the industrial hemp is being sown, grown, harvested,
1596 stored, and processed; (vii) a nonrefundable application fee in an amount established by the
1597 commissioner; (viii) all other information required pursuant to subsection (d); and (ix) any other
1598 information that may be required by the commissioner.

1599 (f) All records related to sections 116 through 121, inclusive, except for the address of a
1600 licensee's cultivation or production facilities and any documents describing, depicting, or
1601 otherwise outlining a licensee's security schematics or global positioning system coordinates
1602 which are deemed by the department as confidential in nature due to their public safety
1603 implications, shall be considered public records within the meaning of chapter 66 of the General
1604 Laws.

1605 Section 119. (a) Upon receipt, review and approval of an application for licensure
1606 pursuant to section 118, the commissioner may grant an annual license upon issuance of written
1607 findings that the requirements of sections 116 through 121, inclusive, and any regulations
1608 promulgated thereunder are satisfied and upon the issuance of written findings that issuing the
1609 license will be in the best interests of the commonwealth.

1610 (b) The commissioner shall deny an application for licensure filed pursuant to section 118
1611 if the applicant: (i) fails to satisfy the minimum qualifications for licensure pursuant to sections
1612 116 through 121, inclusive, and any regulations promulgated thereunder; or (ii) for good cause
1613 shown.

1614 Section 120. The commissioner shall suspend, revoke, or refuse to renew the license of
1615 any person who violates sections 116 through 121, inclusive, or any regulations promulgated
1616 thereunder.

1617 Section 121. (a) The department and the commissioner shall promulgate rules and
1618 regulations for the implementation, administration and enforcement of sections 117 through 121,
1619 inclusive.

1620 (b) The department may, pursuant to section 2 of chapter 30A, promulgate, amend or
1621 repeal any regulation promulgated under this chapter as an emergency regulation if such
1622 regulation is necessary to protect the interests of the commonwealth in regulating industrial
1623 hemp.

1624 SECTION 17. Section 1 of chapter 271A of the General Laws, as so appearing, is hereby
1625 amended inserting the in line 3 the following definition:-

1626 “Cannabis establishment”, an establishment licensed under chapter 10A.

1627 SECTION 18. Said section 1 of said chapter 271A of the General Laws is hereby
1628 amended by striking out in line 8 the words “chapter 23K” and inserting in place thereof the
1629 words: chapter 10A or chapter 23K.

1630 SECTION 19. Chapter 271A of the General Laws is hereby amended by striking out
1631 section 3 and inserting in place thereof the following sections:-

1632 Section 3. Whoever knowingly: (1) through a pattern of criminal enterprise activity or
1633 through the collection of an unlawful debt acquires or maintains, directly or indirectly, an interest
1634 in or control of an enterprise which is engaged in, or the activities of which affect, licensed
1635 cannabis under chapter 10A or ancillary industries which do business with a cannabis
1636 establishment; (2) having received proceeds derived, directly or indirectly, from a pattern of
1637 criminal enterprise activity or through the collection of an unlawful debt, uses or invests, directly
1638 or indirectly, part of the proceeds, including proceeds derived from the investment, in the
1639 acquisition of an interest in real property to be used in connection with licensed cannabis, or in
1640 the establishment or operation of an enterprise which is engaged in, or the activities of which
1641 affect, licensed cannabis operations or ancillary industries which do business with a cannabis
1642 establishment; (3) is employed by or associated with an enterprise to conduct or participate,
1643 directly or indirectly, in the conduct of the enterprise's affairs or activities which affect licensed
1644 cannabis operations or ancillary industries which do business with a cannabis establishment by
1645 engaging in a pattern of criminal enterprise activity or through the collection of an unlawful debt;
1646 or (4) conspires or attempts to violate clauses (1), (2) or (3) or attempts to so conspire; shall be

1647 guilty of enterprise crime and shall be punished by imprisonment in the state prison for not more
1648 than 15 years or by a fine of not more than \$25,000 or by both such imprisonment and fine.

1649

1650 Nothing in this chapter shall prohibit the purchase of securities on the open market for
1651 purposes of investment made without the intention of controlling or participating in the control
1652 of the issuer, or of assisting another to do so, if the securities of the issuer held by the: (i)
1653 purchaser; (ii) members of the purchaser's immediate family; or (iii) the purchaser's accomplices
1654 in any pattern of criminal activity for the collection of an unlawful debt after such purchase do
1655 not amount, in the aggregate, to 1 per cent of the outstanding securities of any 1 class and do not
1656 confer, either in law or in fact, the power to elect 1 or more directors of the issuer.

1657 Section 4. All monetary proceeds or other property, real, intellectual or personal, obtained
1658 directly as a result of a violation of this chapter, shall be subject to seizure and forfeiture to the
1659 commonwealth. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j),
1660 inclusive of section 47 of chapter 94C. For the purposes of subsection (d) of said section 47 of
1661 said chapter 94C, the investigation and enforcement bureau of the Massachusetts gaming
1662 commission established in chapter 23K and the investigation and enforcement bureau of the
1663 Massachusetts cannabis control commission established in chapter 10A shall be considered a
1664 police department and shall be entitled to a police department's distribution of forfeiture
1665 proceedings.

1666 SECTION 20. Notwithstanding any general or special law to the contrary, in making
1667 initial appointments to the Massachusetts cannabis control commission established in chapter
1668 10A of the General Laws, of the members to be appointed by majority agreement of the

1669 governor, the attorney general and the treasurer and receiver general, 1 commissioner shall be
1670 appointed for a term of 3 years and 1 shall be appointed for a term of 4 years. The commissioner
1671 to be appointed by the treasurer and receiver general shall serve for a term of 5 years, the
1672 commissioner to be appointed by the attorney general shall serve for a term of 6 years and the
1673 commissioner appointed by the governor shall serve for a term of 7 years. Commissioners shall
1674 be appointed within 60 days after the effective date of this act; provided, however, that no
1675 person shall be allowed to serve on the commission prior to the completion of a background
1676 investigation pursuant to said chapter 10A.

1677 SECTION 21. (a) As used in sections 21 through 27, the following terms shall, unless
1678 the context clearly requires otherwise, have the following meanings:-

1679 “Commission”, the Massachusetts cannabis control commission established pursuant to
1680 chapter 10A of the General Laws.

1681 “Department”, the department of public health.

1682 “Program”, the department’s medical use of marijuana program.

1683 (b) Notwithstanding any general or special law to the contrary, the department and the
1684 commission shall develop and implement a transfer agreement providing for the orderly transfer
1685 of the program, including personnel, from the department to the commission. Upon the
1686 assumption of the outstanding liabilities, obligations and debt of the program by the commission,
1687 the program shall be dissolved and, without further conveyance or other act, all the assets,
1688 liabilities, obligations and debt, as well as all rights, powers and duties of the program shall be
1689 transferred to, and assumed by, the commission.

1690 (c) On the date the transfer required by subsection (a) takes effect: (i) ownership,
1691 possession and control of all personal property, including, but without limitation, all equipment,
1692 books, papers, memorandums, files, maps, plans, records and documents of whatever description
1693 pertaining to the operation of the program which are in the possession of the program or
1694 department or employee thereof shall pass to, and be vested in, the commission without
1695 consideration or further evidence of transfer; and, (ii) all duly existing contracts or obligations of
1696 the program which remain in force immediately before the effective date of the transfer pursuant
1697 to subsection (a) shall be deemed to be the obligations of the commission. The commission shall
1698 have authority to exercise all rights and enjoy all interests conferred upon the program or
1699 department by such contracts or obligations. In the case of collective bargaining agreements, any
1700 obligations under the agreements shall expire on the stated date of expiration of such agreements.

1701 (d) The department shall transfer the program to the commission upon receipt of written
1702 certification from the commission that the commission has in place the legal and regulatory
1703 framework to regulate and oversee medical marijuana without disruption to the medical
1704 marijuana industry or patient access to medical marijuana or on December 31, 2018, whichever
1705 occurs first.

1706 The transfer of the assets, liabilities, obligations and debt of the program to the
1707 commission shall be effective upon execution of the transfer agreement authorized herein and
1708 shall bind all persons with or without notice and without any further action or documentation.

1709 (e) Each employee of the program whose salary is paid out partially or in full by revenues
1710 generated by the program and whose salary is accounted for on the books of the program as
1711 arising from revenue generated by the program as of June 1, 2017 shall become an employee of

1712 the commission upon execution of the transfer agreement authorized herein or on December 31,
1713 2018, whichever occurs first.

1714 (f) All applications submitted and other proceedings appropriately and duly brought
1715 before the program before the effective date of this act shall continue unabated and remain in
1716 force, but shall be assumed and completed by the commission.

1717 SECTION 22. (a) Notwithstanding any general or special law to the contrary, each
1718 employee of the program shall become an employee of the commission upon the execution of the
1719 transfer agreement required pursuant to section 21 or on January 1, 2019.

1720 (b) All officers and employees of the department's program transferred to the service of
1721 the commission shall be transferred without impairment of seniority, retirement or other statutory
1722 rights of employees, without loss of accrued rights to holidays, sick leave, vacation and other
1723 benefits, except as otherwise provided in this act. Terms of service of employees of the
1724 department's program shall not be deemed to be interrupted by virtue of transfer to the
1725 commission.

1726 (c) Nothing in this section shall be construed to confer upon any employee of the
1727 program any right not held immediately before the date of said transfer to the commission, or to
1728 prohibit any reduction of salary grade, transfer, reassignment, suspension, discharge, layoff or
1729 abolition of position not prohibited before such date.

1730 SECTION 23. Notwithstanding any general or special law to the contrary, the terms and
1731 conditions of any collective bargaining agreement that is in effect upon transfer of the
1732 department's program with respect to employees of said program shall continue in effect until
1733 the stated expiration date of such agreement, at which point the agreement shall expire;

1734 provided, however, that all such employees shall continue to retain their right to collectively
1735 bargain under chapter 150E of the General Laws and shall be considered employees of the
1736 Massachusetts cannabis control commission established pursuant to chapter 10A for the purposes
1737 of said chapter 150E. . Upon the effective date of this act, the department's program shall not
1738 engage in negotiations for future collective bargaining agreements with employees of the
1739 program.

1740 The personnel administrator of the commonwealth, in consultation with the commission,
1741 shall complete a study of job titles in the department's program. The personnel administrator, in
1742 consultation with the commission, shall determine the appropriate job titles for former
1743 employees of the department's program transferred to the commission. Employees transferred to
1744 the commission shall be placed in job titles as determined by the personnel administrator, and
1745 shall be paid wages and receive benefits consistent with the commonwealth bargaining unit
1746 contract governing such job titles. Employees not transferred to the commission shall be released
1747 pursuant to the provisions of any applicable collective bargaining agreement or authority policy
1748 in place upon the effective date of this act.

1749 SECTION 24. Notwithstanding any general or special law to the contrary, on and after
1750 the effective date of this act, the department's program shall not enter into any contract to
1751 employ a person as an employee or officer beyond December 31, 2018.

1752 SECTION 25. Notwithstanding any general or special law to the contrary, any order,
1753 rule, or regulation duly promulgated, or any license, permit, certificate or approval duly granted,
1754 by or on behalf of the department 's program, shall continue in effect and shall be enforced by

1755 the commission until its expiration or until superseded, revised, rescinded or cancelled by the
1756 commission.

1757 SECTION 26. (a) Notwithstanding any general or special law to the contrary, upon
1758 execution of the agreement between the department and the commission pursuant to section 21,
1759 or December 31, 2017, whichever occurs first, the comptroller shall transfer the unexpended
1760 balances of the Medical Marijuana Trust Fund established in section 2KKKK of chapter 29 of
1761 the General Laws to the Cannabis Revenue Fund, established pursuant to chapter 10A of the
1762 General Laws.

1763 (b) The comptroller shall take the overall cash flow needs of the commonwealth into
1764 consideration in determining the timing of any transfer of funds provided for in subsection (a).
1765 The comptroller shall provide a schedule of transfers to the secretary of administration and
1766 finance and to the house and senate committees on ways and means.

1767 SECTION 27. Notwithstanding any general or special law to the contrary, marijuana may
1768 be used for medical purposes pursuant to chapter 369 of the acts of 2012 and any rule or
1769 regulation promulgated by the department pursuant to said chapter 369 of the acts of 2012
1770 including, without limitation, 105 CMR 725 until the department transfers the oversight and
1771 regulation of the program to the commission as provided by section 21.

1772 SECTION 28. Notwithstanding any general or special law to the contrary, any person
1773 licensed as of July 1, 2017 to dispense medical use cannabis, or any application pending before
1774 the department of public health which have not received provisional or final certification of
1775 registration, shall be entitled to convert from a non-profit corporation organized under chapter
1776 180 of the General Laws into a domestic business corporation or a domestic other entity pursuant

1777 to chapter 156 of the General Laws, or any other such domestic business entity as permitted by
1778 the General Laws, by adopting a plan of entity conversion in accordance with section 9.51 of
1779 chapter 156D of the General Laws approved by a vote of two-thirds of the members of its board
1780 of directors at a meeting duly called for the purpose or by unanimous written consent; provided,
1781 however, notwithstanding any law to the contrary, any plan of entity conversion adopted by an
1782 any medical use cannabis licensee or any application for a medical use cannabis license pending
1783 before the commission which have not received provisional or final certification of registration
1784 shall not be required to be approved in accordance with the organic law of the non-profit
1785 corporation organized under said chapter 180. Articles of entity conversion shall be signed and
1786 submitted to the secretary of the commonwealth in the manner prescribed in and subject to
1787 section 9.53 and section 9.55 of said chapter 156D on a form prescribed by the secretary of the
1788 commonwealth, and the secretary of the commonwealth shall approve all such filings submitted
1789 pursuant to this section. For the purposes of converting from a non-profit corporation organized
1790 under said chapter 180 into a domestic business corporation or a domestic other entity pursuant
1791 to said chapter 156, notwithstanding any provision in the articles of organization applications
1792 pending before the commission which have not received provisional or final certification of
1793 registration to the contrary, the members of its board of directors may determine that such plan
1794 of entity conversion is consistent with its purpose and such non-profit corporation shall be
1795 entitled to surrender its articles of organization in connection with the plan of entity conversion.
1796 Notwithstanding any law to the contrary, neither the entity conversion nor the issuance of any
1797 shares, interests, or other securities, obligations, rights to acquire interests or other securities,
1798 cash, other property, or any combination of the foregoing, set forth in or resulting from the plan

1799 of entity conversion shall be subject to taxation or result in the imposition of any tax by the
1800 commonwealth.

1801 SECTION 29. Notwithstanding any general or special law to the contrary, the cannabis
1802 control commission established pursuant to chapter 10A of the General Laws shall promulgate
1803 regulations, guidelines and protocols necessary for the issuance of adult use cannabis licenses
1804 pursuant to said chapter 10A no later than April 1, 2018. The commission shall begin to accept
1805 applications for adult use cannabis licenses pursuant to said chapter 10A no later than May 1,
1806 2018.

1807 SECTION 30. Notwithstanding any general or special law to the contrary, the cannabis
1808 control commission established pursuant to chapter 10A of the General Laws shall promulgate
1809 regulations, guidelines and protocols necessary for the purposes of authorizing the independent
1810 testing of marijuana no later than June 1, 2018.

1811 SECTION 31. Notwithstanding any general or special law to the contrary, it shall be the
1812 public policy of the commonwealth that contracts related to the operation of a cannabis
1813 establishment under chapter 10A of the General Laws shall not be considered contracts in
1814 violation of public policy and may be enforceable.

1815 SECTION 32. Notwithstanding any general or special law to the contrary, no provision
1816 of chapter 10A of the General Laws shall be construed or interpreted to require an employer to
1817 permit or accommodate conduct otherwise allowed under said chapter 10A in the workplace and
1818 shall not affect the authority of employers to enact and enforce workplace policies restricting the
1819 consumption of marijuana by employees.

1820 SECTION 33. Notwithstanding any general or special law to the contrary, the use of
1821 marijuana shall not disqualify a person from any needed medical procedure or treatment,
1822 including organ and tissue transplants.

1823 SECTION 34. The cannabis control commission and the attorney general shall conduct a
1824 study and investigation into the advisability of establishing criminal penalties for violations of
1825 this act, and shall report their recommendations for amendments to the General Laws to establish
1826 such criminal penalties, if any, on or before January 1, 2020. The study and investigation shall
1827 include, but shall not be limited to, potential criminal penalties on the following matters: (i) the
1828 employment of individuals without proper licensure or registration; (ii) an individual's
1829 employment in a position without proper licensure or registration; (iii) improper or expired
1830 licensure of a cannabis establishment; (iv) the improper reporting or payment of any licensure
1831 fee or tax; (v) the sale, delivery or transfer of marijuana or marijuana products to any person
1832 under 21 years of age; (vi) the improper manufacturing or extraction of cannabinoid oils or
1833 butane hash oil; (vii) interference with the duties of the bureau, commission, division, or agents
1834 thereof; (viii) the sale of marijuana or marijuana products to a person under the age of 21; and
1835 (ix) the purchase of marijuana or marijuana products on behalf of a person under the age of 21.

1836 SECTION 35. Notwithstanding any general or special law to the contrary, a state,
1837 municipal or county employee whose official duties or responsibilities require them to take any
1838 action related to the enactment, administration or enforcement of chapter 10A of the General
1839 Laws, this act or any rule or regulation promulgated pursuant to said chapter 10A or this act shall
1840 be indemnified by their employer for all costs associated with any legal proceedings brought
1841 against said state, municipal or county employee by the federal government as a result of any
1842 such official action taken by said state, municipal or county employee; provided, however, that

1843 no state, municipal or county employee shall be indemnified for a violations of chapter 10A of
1844 the General Laws, this act or any rule or regulation promulgated pursuant to said chapter 10A or
1845 this act for any actions taken in their personal capacity.

1846

1847 SECTION 36. Notwithstanding any general or special law to the contrary, any
1848 municipality which has rejected the provisions of chapter 369 of the acts of 2012 or chapter 334
1849 of the acts of 2016 pursuant to the requirements of said chapter 369 or chapter 334 as of July 1,
1850 2017 shall be deemed to have rejected the provisions of chapter 10A of the General Laws for
1851 purposes of said chapter 10A.

1852 SECTION 37. (a) There shall be a special commission on operating under the influence
1853 to conduct a comprehensive study relative to the regulation and testing of operating under the
1854 influence of marijuana, narcotic drugs, depressants or stimulant substances, all as defined in
1855 section 1 of chapter 94C of the General Laws. The special commission shall review all aspects of
1856 law enforcement personnel being able to properly test and prevent for impaired operators of
1857 motor vehicles while under such substances. At a minimum, the group shall take into account the
1858 following: scientific types of testing and data, medical types of testing and data, possible new
1859 technological forms of testing, civil liberties of the operator, social economic aspects of the
1860 testing, burden on law enforcement, current status of law within the Commonwealth, training of
1861 law enforcement, intrusiveness of tests, cost analysis of testing, the current threshold for
1862 impairment and the rate of success in finding impaired operators.

1863 (b) The special commission shall consist of: the executive director of the cannabis control
1864 commission, who will chair the special commission; the Attorney General or a designee; the

1865 secretary of the executive office of public safety or a designee; the superintendent of the
1866 Massachusetts state police or a designee; the president of the Massachusetts Chiefs of Police
1867 Association or a designee; the president of the Massachusetts District Attorney’s Association or
1868 a designee; the president of the Massachusetts State Bar Association or a designee; the president
1869 of the ACLU of Massachusetts or a designee; the president of the Massachusetts Medical Society
1870 or a designee; 1 person appointed by the secretary of the office of health and human services
1871 who shall have medical and physiological expertise; 1 public member appointed by the governor
1872 with expertise in scientific research on or technological development in testing capabilities of
1873 these substances. A majority of the members of the board present and voting shall constitute a
1874 quorum.

1875 (c) The special commission shall submit its final report and any recommendations for
1876 legislation by filing a report with the clerks of the house of representatives and the senate not
1877 later than July 1, 2019.

1878 SECTION 38. Sections 76 and 77 of chapter 10 of the General Laws are hereby repealed.

1879 SECTION 39. Section 2KKKK of chapter 29 of the General Laws is hereby repealed.

1880 SECTION 40. Chapter 369 of the acts of 2012 is hereby repealed.

1881 SECTION 41. Sections 39 and 40 shall take effect upon the execution of the transfer
1882 agreement between the department of public health and the Cannabis Control Commission
1883 required pursuant to section 21 or on December 31, 2018.

1884 SECTION 42. Chapter 334 of the acts of 2016 is hereby repealed.