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HOUSE . . . . . No. 3768

The Commonwealth of Massachusetts

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.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to regulate forthwith marijuana in the commonwealth, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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

SECTION 1. Sections 76 and 77 of chapter 10 of the General Laws are hereby repealed.

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

CHAPTER 10A.

THE MASSACHUSETTS CANNABIS CONTROL COMMISSION

Section 1. The General Court finds and declares that:

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

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

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

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

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

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

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

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

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

"Adult use cannabis", marijuana or marijuana accessories sold by an adult use cannabis licensee to a consumer.

"Adult use cannabis establishment", the premises approved under an adult use cannabis license.

"Adult use cannabis license", a license issued by the commission that permits the licensee to operate an adult use cannabis establishment.

"Adult use cannabis licensee", a person or entity who holds an adult use cannabis license under this chapter.

"Affiliate", a person who directly or indirectly controls, or is controlled by, or is under common control with, a specified person.

"Applicant", a person who has applied for a license to engage in activity regulated under this chapter.

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

"Bona fide healthcare professional-patient relationship", a relationship between a registered healthcare professional, acting in the usual course of his or her professional practice, and a patient in which the healthcare professional has conducted a clinical visit, completed and documented a full assessment of the patient's medical history and current medical condition, has explained the potential benefits and risks of medical use cannabis, and has a role in the ongoing care and treatment of the patient.

"Bureau", the investigations and enforcement bureau in the commission.

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

"Cannabinoid", any of several compounds produced by marijuana plants that have medical and psychotropic effects.

"Cannabinoid profile", amounts, expressed as the dry-weight percentages, of delta-nine-tetrahydrocannabinol , cannabidiol, tetrehydrocannabinolic acid and cannabidiolic acid in a marijuana product. Amounts of other cannabinoids may be required by the commission.

"Cannabis", marijuana.

"Cannabis employee", an employee of a cannabis establishment registered pursuant to this chapter.

"Cannabis establishment", the premises approved under a cannabis license, including, but not limited to an adult use cannabis establishment, a medical use cannabis establishment, a marijuana product manufacturer or a marijuana cultivator.

"Cannabis license", a license issued by the commission that permits the licensee to operate an adult use cannabis establishment, a medical use cannabis establishment, a marijuana product manufacturer or a marijuana cultivator.

"Cannabis licensee", a person or entity who holds an adult use cannabis license, a medical use cannabis license, license, a marijuana product manufacturer license or a marijuana cultivator license under this chapter.

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

"Chair", the chair of the commission.

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

"Commission", the Massachusetts cannabis control commission.

"Commissioner", a member of the commission.

"Consumer", a person who is at least 21 years of age.

"Cultivation batch", a collection of marijuana plants from the same seed or plant stock that are cultivated and harvested together, and receive an identical propagation and cultivation treatment, including, but not limited to: growing media, ambient conditions, watering and light regimes and agricultural or hydroponic inputs. The cannabis licensee must assign and record a

unique, sequential alphanumeric identifier to each cultivation batch for the purposes of production tracking, product labeling and product recalls.

"Cultivation registration", a registration issued to a medical use cannabis establishment for growing medical use cannabis under the terms of this chapter, or to a qualified patient or personal caregiver.

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

"Division", the division of cannabis enforcement in the office of the attorney general.

"Executive director", the executive director of the commission.

"Finished marijuana", usable marijuana, cannabis resin or cannabis concentrate.

"Gross retail cannabis revenue", the total of all sums actually received by an adult use cannabis licensee from the retail sale of adult use marijuana, adult use marijuana products or adult use marijuana accessories to consumers.

"Healthcare professional", a duly Massachusetts licensed physician or certified nurse practitioner authorized by the commission to issue written certifications.

"Hemp", the plant of the genus cannabis or any part of the plant, whether growing or not, with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3 per cent on a dry

weight basis of any part of the plant of the genus cannabis, or per volume or weight of marijuana product, or the combined per cent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus cannabis regardless of moisture content.

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

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

"Host community", a municipality in which a cannabis establishment is located or in which an applicant has proposed locating a cannabis establishment.

"Independent testing laboratory", a laboratory that is licensed by the commission and is: (i) accredited to the most current International Organization for Standardization17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the commission; (ii) independent financially from any medical use cannabis licensee or

establishment or any adult use cannabis licensee or establishment for which it conducts a test; and (iii) qualified to test marijuana in compliance regulations promulgated by commission pursuant to this chapter..

"Industrial hemp", hemp used exclusively for industrial purposes, including fiber and seed.

"Institutional investor", any of the following entities having a 5 per cent or greater ownership interest in a cannabis establishment or cannabis licensee: a corporation, bank, insurance company, pension fund or pension fund trust, retirement fund, including funds administered by a public agency, employees' profit-sharing fund or employees' profit-sharing trust, an association engaged, as a substantial part of its business or operation, in purchasing or holding securities, or any trust in respect of which a bank is a trustee or co-trustee, investment company registered under the federal Investment Company Act of 1940, collective investment trust organized by banks under part 9 of the federal Rules of the Comptroller of Currency, closed end investment trust, chartered or licensed life insurance company or property and casualty insurance company, investment advisor registered under the federal Investment Advisers Act of 1940 and such other persons as the commission may reasonably determine to qualify as an institutional investor for with the purposes of this chapter.

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

"Laboratory agent", an employee of an independent testing laboratory who transports possesses or tests marijuana.

"License", a cannabis license.

"Licensee", a cannabis licensee.

"Locked area", a closet, room, greenhouse or other indoor or outdoor area equipped with locks or other security devices, accessible only to registered and authorized cannabis establishment employees , registered qualifying patients or registered personal caregivers.

"Major policymaking position", the executive or administrative head of the commission and any person whose salary equals or exceeds that of a state employee classified in step 1 of job group XXV of the general salary schedule in section 46 of chapter 30 and who reports directly to the commission or the administrative head of any bureau or other major administrative unit within the commission and persons exercising similar authority.

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

"Marijuana", all parts of any plant of the genus cannabis, not excepted below and whether growing or not; the seeds thereof; and resin extracted from any part of the plant; and every marijuana product, compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin including tetrahydrocannabinol as defined in section 1 of chapter 94C; provided, however, that "marijuana" shall not include: (i) the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil or cake made

from the seeds of the plant or the sterilized seed of the plant that is incapable of germination; (ii) hemp; or (iii) the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink or other products.

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

"Marijuana concentrate", the resin extracted from any part of the plant of the genus cannabis and every compound, manufacture, salt, derivative, mixture or preparation of that resin, but shall not include the weight of any other ingredient combined with marijuana to prepare marijuana products.

"Marijuana cultivator", an entity licensed by the commission to cultivate, process and package marijuana, to deliver marijuana to cannabis establishments and to transfer marijuana to other cannabis establishments, but not to consumers or card holders.

"Marijuana cultivator license", a license issued by the commission that permits the licensee to cultivate, process and package marijuana, to deliver marijuana to cannabis establishments and to transfer marijuana to other cannabis establishments, but not to consumers or card holders.

"Marijuana-infused product", a product infused with marijuana that is intended for use or consumption, including, but not limited to: edible products, beverages, ointments, aerosols, oils

and tinctures; provided, however, that marijuana-infused products created or sold by a cannabis licensee shall not be considered a food or a drug as defined in section 1 of chapter 94C.

"Marijuana product manufacturer", an entity licensed by the commission to obtain, manufacture, process and package marijuana, to deliver marijuana to cannabis establishments and to transfer marijuana to other cannabis establishments, but not to consumers or card holders.

"Marijuana product manufacturer license", a license issued by the commission that permits the licensee to obtain, manufacture, process and package marijuana, to deliver marijuana to cannabis establishments and to transfer marijuana to other cannabis establishments, but not to consumers or card holders.

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

"Medical use cannabis", marijuana or marijuana accessories sold by a medical use cannabis licensee to a card holder for medical use.

"Medical use cannabis establishment", the premises approved under a medical use cannabis license.

"Medical use cannabis license", a license issued by the commission that permits the licensee to operate a medical use cannabis establishment.

"Medical use cannabis licensee", a person or entity who holds a medical use cannabis license under this chapter.

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

"Municipality", a city or town.

"Mycotoxin", a secondary metabolite of a microfungus that is capable of causing death or illness in humans and other animals. For the purposes of this chapter, mycotoxin shall include alfatoxin B1, alfatoxin B2, alfatoxin G1, alfatoxin G2, and ochratoxin A.

"Operation certificate", a certificate of compliance issued by the commission to a cannabis licensee.

"Person", an individual, corporation, association, operation, firm, partnership, trust or other form of business association.

"Personal caregiver", a person who is at least 21 years old who has registered with the commission and agreed to assist with a qualifying patient's medical use of marijuana, and is not the registered qualifying patient's certifying healthcare provider. Personal caregivers are prohibited from consuming medical use cannabis obtained for the personal, medical use of the registered qualifying patient. An employee of a hospice provider, nursing, or medical facility providing care to a qualifying patient may also serve as a personal caregiver.

"Personal use", (i) acquiring, possessing, cultivating, processing, transferring, transporting, purchasing, using or manufacturing 1 ounce or less of marijuana, except that not

more than 5 grams of marijuana may be in the form of marijuana concentrate; (ii) possessing, within the person's primary residence, up to 10 ounces of marijuana and any marijuana produced by marijuana plants cultivated on the premises and possessing, cultivating or processing not more than 6 marijuana plants for personal adult use, so long as not more than 12 plants are cultivated on the premises at 1 time; provided, however that said marijuana and marijuana plants are secured by a lock and are not visible from a public place without the use of binoculars, aircraft or other optical aids; and provided further, that said marijuana plants shall not be cultivated or processed outside of an area that is equipped with a lock or other security device pursuant to regulations promulgated by the commission; (iii) assisting another person who is 21 years of age or older in any of the acts described in this definition; (iv) transferring without consideration or remuneration up to 1 ounce of marijuana, except that not more than 5 grams of marijuana may be in the form of marijuana concentrate, to a person 21 years of age or older, provided, that the transfer is not marketed, advertised or otherwise promoted to the public; and (v) acquiring, possessing, cultivating, processing, transferring, transporting, purchasing, using or manufacturing of hemp.

"Process" or "processing", to harvest, dry, cure, trim and separate parts of the marijuana plant by manual or mechanical means, except it shall not include manufacture.

"Production batch", a batch of finished plant material, cannabis resin, cannabis concentrate or marijuana-infused product made at the same time, using the same methods, equipment and ingredients. The licensee shall assign and record a unique, sequential alphanumeric identifier to each production batch for the purposes of production tracking, product labeling and product recalls. All production batches shall be traceable to 1 or more marijuana cultivation batches.

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

"Qualifying patient", a person who has been diagnosed by a registered healthcare professional as having a debilitating medical condition.

"Registration card", a personal identification card issued by the commission to a registered qualifying patient, personal caregiver, laboratory agent or agent of a medical use cannabis establishment. The registration card facilitates verification of an individual registrant's status, including, but not limited to verification that a registered healthcare professional has provided a written certification to the qualifying patient; that the patient has designated the individual as a personal caregiver; that a laboratory agent has been registered with the commission and is authorized to possess and test marijuana; or that an agent has been registered with the commission and is authorized to work at a medical use cannabis establishment. The registration card shall facilitate identification for the commission and law enforcement of those individuals who are exempt from criminal and civil penalties for conduct pursuant to the medical use of marijuana.

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

"Sixty-day supply", that amount of medical use cannabis that a registered qualifying patient would reasonably be expected to need over a period of 60 calendar days for the

qualifying patient's personal medical use, up to 10 ounces of marijuana or as otherwise defined by the commission.

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

"Terpenoid", an isoprene that are the aromatic compounds found in cannabis, including, but not limited to: limonene, myrcene, pinene, linalool, eucalyptol, δ-terpinene, ß-caryophyllene, caryophyllene oxide, nerolidol and phytol.

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

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

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

Section 3. (a) There shall be a Massachusetts cannabis control commission which shall consist of 5 commissioners:1 of whom shall be appointed by the governor who shall have a background in public health or toxicology; 1 of whom shall be appointed by the attorney general who shall have a background in public safety; 1 of whom shall be appointed by the treasurer and receiver-general who shall have a background in corporate management, finance or securities; and 2 of whom shall be appointed by a majority vote of the governor, attorney general, and treasurer and receiver-general, 1 of whom may have experience in legal and policy issues related to a regulated industry and 1 of whom may have professional experience in oversight or industry management, including commodities, production or distribution in a regulated industry. The treasurer and receiver-general shall designate the chair of the commission. The chair shall serve in that capacity throughout the term of appointment and until a successor shall be appointed. Prior to appointment to the commission, a background investigation shall be conducted into the financial stability, integrity and responsibility of a candidate, including the candidate’s reputation for good character, honesty and integrity. No person who has been convicted of a felony shall be eligible to serve on the commission.

(b) Each commissioner shall be a resident of the commonwealth within 90 days of appointment and, while serving on the commission, shall not: (i) hold, or be a candidate for, federal, state or local elected office; (ii) hold an appointed office in a federal, state, or local

government; or (iii) serve as an official in a political party. Not more than 3 commissioners shall be from the same political party.

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

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

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

(f) The commission shall annually elect 1 of its members to serve as secretary and 1 of its members to serve as treasurer. The secretary shall keep a record of the proceedings of the

commission and shall be the custodian and keeper of the records of all books, documents and papers filed by the commission and of its minute book. The secretary shall cause copies to be made of all minutes and other records and documents of the commission and shall certify that such copies are true copies, and all persons dealing with the commission may rely upon such certification.

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

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

(i) The commission shall appoint an executive director. The executive director shall serve at the pleasure of the commission, shall receive such salary as may be determined by the commission, and shall devote full time and attention to the duties of the office. The executive director shall be a person with skill and experience in management, shall be the executive and administrative head of the commission and shall be responsible for administering and enforcing the provisions of law relative to the commission and to each administrative unit thereof. The executive director shall appoint and employ a chief financial and accounting officer and may, subject to the approval of the commission, employ other employees, consultants, agents and advisors, including legal counsel, and shall attend meetings of the commission. The chief financial and accounting officer of the commission shall be in charge of its funds, books of account and accounting records. No funds shall be transferred by the commission without the approval of the commission and the signatures of the chief financial and accounting officer and the treasurer of the commission. In the case of an absence or vacancy in the office of the executive director or in the case of disability as determined by the commission, the commission may designate an acting executive director to serve as executive director until the vacancy is filled or the absence or disability ceases. The acting executive director shall have all of the powers and duties of the executive director and shall have similar qualifications as the executive director.

(j) The executive director may, subject to the approval of the commission, establish within the commission such administrative units as may be necessary for the efficient and economical administration of the commission and, when necessary for such purpose, may abolish any such administrative unit or may merge any 2 or more units. The executive director shall prepare and keep current a plan of organization of the commission, of the assignment of its

functions to its various administrative units, offices and employees and of the places at which and the methods by which the public may receive information or make requests. A current copy of the plan of organization shall be kept on file with the state secretary and in the office of the secretary of administration and finance.

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

(l) The commission may require a prospective employee to: (i) submit an application and a personal disclosure on a form prescribed by the commission which shall include a complete criminal history, including convictions and current charges for all felonies and misdemeanors; (ii) undergo testing which detects the presence of illegal substances in the body; (iii) provide fingerprints and a photograph consistent with standards adopted by the state police; and (iv) provide authorization for the commission to conduct a credit check. The commission shall verify the identification, employment and education of each prospective employee, including: (i) legal name, including any alias; (ii) all secondary and post-secondary educational institutions attended regardless of graduation status; (iii) place of residence; and (iv) employment history.

The commission shall not hire a prospective employee if the prospective employee has: (i) been convicted of a felony; (ii) been convicted of a misdemeanor more than 10 years prior to the prospective employee's application that, in the discretion of the commission, bears a close relationship to the duties and responsibilities of the position for which employment is sought; (iii) been dismissed from prior employment for gross misconduct or incompetence; or (iv) intentionally made a false statement concerning a material fact in connection with the prospective employee's application to the commission. If an employee of the commission is

charged with a felony while employed by the commission, the commission shall suspend the employee, with or without pay, and terminate employment with the commission upon conviction. If an employee of the commission is charged with a misdemeanor while employed by the commission, the commission shall suspend the employee, with or without pay, and may terminate employment with the commission upon conviction if, in the discretion of the commission, the offense for which the employee has been convicted bears a close relationship to the duties and responsibilities of the position held with the commission.

(m) Chapters 268A and 268B shall apply to the commissioners and to employees of the commission; provided, however, that the commission shall establish a code of ethics for all members and employees that shall be more restrictive than said chapters 268A and 268B. A copy of the code shall be filed with the state ethics commission. The code shall include provisions reasonably necessary to carry out the purposes of this chapter and any other laws subject to the jurisdiction of the commission including, but not limited to: (i) prohibiting the receipt of gifts by commissioners and employees from any cannabis licensee, applicant, close associate, affiliate or other person or entity subject to the jurisdiction of the commission; (ii) prohibiting the participation by commissioners and employees in a particular matter as defined in section 1 of said chapter 268A that affects the financial interest of a relative within the third degree of consanguinity or a person with whom such commissioner or employee has a significant relationship as defined in the code; and (iii) providing for recusal of a commissioner in a licensing decision due to a potential conflict of interest.

(n) Immediately upon assuming office, each commissioner and employee of the commission, except for secretarial and clerical personnel, shall swear or affirm that the commissioner or employee possesses no interest in a person licensed under this chapter. No

individual shall be employed by the commission if, during the period commencing 3 years prior to employment, that individual held any direct or indirect interest in, or was employed by, a licensee under this chapter.

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

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

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

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

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

(t) The commissioners and those employees holding major policymaking positions shall be sworn to the faithful performance of their official duties. The commissioners and those

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

(u) The commissioners and employees shall not own, or be in the employ of, or own any stock in, a business which holds a license under this chapter, nor shall they have, directly or indirectly, a pecuniary interest in, or be connected with, any such business or be in the employ of or connected with any person financing any such business; provided, however, that immediate family members of commissioners and employees holding major policymaking positions shall not own, or be in the employ of, or own stock in, any business which holds a license under this chapter. The commissioners and employees shall not personally, or through a partner or agent, render professional services or make or perform any business contract with or for any regulated entity, except contracts made with the commissioners for the furnishing of services, nor shall the commissioners or employees directly or indirectly receive any commission, bonus, discount, gift or reward from a regulated entity.

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

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

(1) appoint officers and hire employees;

(2) establish and amend a plan of organization that it considers expedient;

(3) execute all instruments necessary or convenient for accomplishing the purposes of this chapter;

(4) enter into agreements or other transactions with a person, including, but not limited to, a public entity or other governmental instrumentality or authority in connection with its powers and duties under this chapter;

(5) appear on its own behalf before boards, commissions, departments or other agencies of municipal, state or federal government;

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

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

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

(9) ensure that cannabis licenses shall not be issued to, or held by unqualified, disqualified or unsuitable persons, and that there shall be no material involvement directly or

indirectly with a cannabis establishment or the ownership thereof by unqualified, disqualified or unsuitable persons;

(10) require an applicant for a position which requires licensure under this chapter to apply for such licensure and approve or disapprove any such application or other transactions, events and processes as provided in this chapter;

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

(12) determine which applicants shall be awarded cannabis licenses;

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

(14) monitor the conduct of licensees and other persons having a material involvement, directly or indirectly, including those persons required to be qualified for licensure, with a licensee for the purpose of ensuring that licenses are not issued to or held, and that there is no direct or indirect material involvement with a licensee, by an unqualified or unsuitable person or by a person whose operations are conducted in an unsuitable manner or in unsuitable or prohibited places as provided in this chapter;

(15) gather facts and information applicable to the commission's obligation to issue, suspend or revoke licenses, registrations, finding of suitability or approval of licensure for: (i) a violation of this chapter or any regulation adopted by the commission; (ii) willfully violating an order of the commission directed to a licensee or a person required to be registered or qualified

for licensure under this chapter; (iii) the conviction of a criminal offense; or (iv) the violation of any other offense which would disqualify such a licensee from holding a license, disqualify such a person required to register under this chapter from registration, or disqualify such a person required to be qualified under this chapter from licensure;

(16) conduct investigations into the qualifications of all applicants for employment by the commission and by any regulated entity and all applicants for licensure;

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

(18) be present, through its inspectors and agents, at all times, in cannabis establishments for the purposes of: (i) certifying revenue; (ii) receiving complaints from the public relating to the conduct of a cannabis licensee; (iii) examining records of revenues and procedures and inspecting and auditing all books, documents and records of licensees; (iv) conducting periodic reviews of operations and facilities for the purpose of regulations adopted hereunder; and (v) exercising its oversight responsibilities with respect to cannabis control;

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

(20) seize and remove from the premises of a cannabis licensee and impound any cannabis, equipment, supplies, documents and records obtained or possessed in violation of this chapter for the purpose of examination and inspection;

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

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

(23) require that the books and financial or other records or statements of a cannabis licensee be kept in a manner that the commission considers proper; levy and collect assessments, fees and fines and impose penalties and sanctions for a violation of this chapter or any regulations promulgated by the commission; collect taxes and fees under this chapter;

(24) restrict, suspend or revoke licenses issued under this chapter;

(25) conduct adjudicatory proceedings and promulgate regulations in accordance with chapter 30A;

(26) hear appeals of the bureau's suspension or revocation of a license or registration;

(27) refer cases for criminal prosecution to the appropriate federal, state or local authorities;

(28) issue subpoenas and compel the attendance of witnesses at any place within the commonwealth, administer oaths and require testimony under oath before the commission in the course of an investigation or hearing conducted under this chapter;

ensure that there is no duplication of duties and responsibilities between the commission and bureau; provided, however, that the commission shall not place any restriction upon the bureau's ability to investigate or prosecute violations of this chapter or the regulations adopted by the commission;

(29) maintain an official internet website for the commission;

(30) monitor any federal activity regarding cannabis; and

(31) adopt, amend or repeal regulations for the implementation, administration and enforcement of this chapter.

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

(1) prescribe the method and form of application which an applicant for a cannabis license and a person required to be qualified for licensure shall follow and complete before consideration by the commission;

(2) establish standards for the licensure of cannabis establishments and persons required to be qualified for licensure, including, but not limited to updating that licensure;

(3) establish standards for the reporting or payment of licensure fees or taxes;

(4) prescribe the information to be furnished by an applicant, licensee or person required to be qualified for licensure concerning such applicant, licensee or person's antecedents, habits, character, associates, criminal record, business activities and financial affairs, past or present;

(5) prescribe the criteria for evaluation of the application for a cannabis license and the application of a person required to be qualified for licensure;

(6) prescribe the information to be furnished by a cannabis licensee relating to the licensee's cannabis employees;

(7) require fingerprinting of an applicant for a cannabis license, a cannabis licensee, a person required to be qualified for licensure and employees of a cannabis licensee or other methods of identification;

(8) prescribe the manner and method of collection and payment of assessments and fees and issuance of licenses;

(9) prescribe grounds and procedures for the revocation or suspension of a license or registration;

(10) require quarterly financial reports and an annual audit prepared by a certified public accountant attesting to the financial condition of a cannabis licensee and disclosing whether the accounts, records and control procedures examined are maintained by the cannabis licensee as required by this chapter and the regulations promulgated by the commission;

(11) prescribe the minimum procedures for effective control over the internal fiscal affairs of a cannabis licensee, including provisions for the safeguarding of assets and revenues,

the recording of cash and evidence of indebtedness and the maintenance of reliable records, accounts and reports of transactions, operations and events, including reports by the commission;

(12) provide for a minimum uniform standard of accounting procedures;

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

(14) establish registration requirements for employees working at the cannabis establishment and minimum training requirements;

(15) require that all cannabis establishment employees be properly trained in their respective professions;

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

(17) provide for the interim authorization of a cannabis establishment under this chapter;

(18) establish security procedures a cannabis establishment;

(19) in consultation with the department of public health and the department of agricultural resources, establish health and safety standards for the cultivation, processing, manufacturing and distribution of marijuana, including standards regarding sanitation for the preparation, storage, handling and sale of food products, including compliance with state

sanitation requirements found at 105 CMR 500.000, health inspections and reasonable limitations on the use of organic and non-organic pesticides;

(20) require the most current consumer product safety commission, found at 16 CFR 1700 et seq., certified child-resistant packaging of marijuana; require opaque containers; and issue requirements for dividing each serving within a package containing multiple servings of a marijuana product in a manner that allows consumers and card holders to easily identify a single serving; provided, however, such single servings shall not exceed 10 milligrams of delta-nine-tetrahydrocannabinol(Δ9-THC);

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

(22) establish minimum standards for the requirement that all adult use cannabis licensees possess and operate an interoperable publicly available application programming interface seed-to-sale tracking system sufficient to ensure the appropriate track and trace of all marijuana cultivated, processed or manufactured pursuant to this chapter;

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

(24) establish requirements for the safe disposal of excess, contaminated, adulterated or deteriorated marijuana. In issuing such requirements, the commission shall consider policies

643 which promote the recycling of such waste, including but not limited to, recycled industrial
644 products;

645 (25) establish the minimum liability insurance requirements or require a certain sum be
646 placed in escrow to expended for coverage liabilities;

647 (26) establish requirements for the potency or dosing limitations of marijuana sold by
648 cannabis licensees, including, but not limited to a maximum amount per single serving;

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

654 (28) establish rules and regulations on the unlicensed manufacturing of marijuana
655 within a person's primary residence;

656 (29) prescribe the manner in which the a healthcare professional or a qualifying patient
657 shall register with the commission;

658 (30) prescribe requirements to prevent the sale, delivery or transfer of adult use
659 cannabis to persons under 21 years of age, or the purchase of adult use cannabis on behalf of a
660 person under 21 years of age;

661 (31) establish standards for manufacturing or extracting cannabinoid oils or butane
662 hash oil;

(32) prevent parties from interfering with the duties of the bureau, commission, division, or agents thereof; and

(33) establish a system of oversight of municipal opt-outs under subsection (b) of section 6, and for ensuring proper enforcement of this chapter at state and municipal levels.

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

Section 6. (a) The provisions of this chapter shall apply to all municipalities; provided, however, that a municipality may vote to reject the provisions of this chapter relative to adult use cannabis establishments, medical use cannabis establishments, a marijuana product manufacturer or a marijuana cultivator pursuant to subsection (b).

(b) A municipality may reject the provisions of this chapter relative to an adult use cannabis establishment, a medical use cannabis establishment, a marijuana product manufacturer or a marijuana cultivator by a vote conducted in the following manner: in a city having a Plan D or Plan E charter, by a majority vote of its city council and approval of the city manager; in any other city, by a majority vote of its city council and approval by the mayor or, in a city without a mayor, the chief executive officer; and in a town, by a majority vote of the board of selectmen and a majority vote of the town at a town meeting.

(c) An adult use cannabis establishment, a medical use cannabis establishment, a marijuana product manufacturer or a marijuana cultivator seeking to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a cannabis establishment located within the host community which shall include, without limitation, all stipulations of responsibilities between the host community and the adult use cannabis establishment or medical use cannabis establishment. An agreement between an adult use cannabis establishment or medical use cannabis establishment and a host municipality shall include a community impact fee for the host community; provided, however, that the community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the cannabis establishment. Any cost to a city or town by the operation of cannabis establishment shall be documented and considered a public record as defined by clause Twenty-Sixth of section 7 of chapter 4 of the General Laws.

(d) A municipality may adopt ordinances or by-laws that impose reasonable safeguards on the operation of an adult use cannabis establishment, a medical use cannabis establishment, marijuana product manufacturer or a marijuana cultivator consistent with this chapter and regulations promulgated pursuant to this chapter. The ordinances or by-laws may, without limitation:

(1) reasonably govern the time, place, manner and business dealings of an adult use cannabis establishment or medical use cannabis establishment, including reasonable restriction of certain marijuana accessories and public signage;

(2) reasonably restrict cultivation, processing and manufacturing activities if deemed a public nuisance; and

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

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

(e) No municipality may prohibit the transportation or delivery of marijuana or otherwise adopt an ordinance or by-law that makes the transportation or delivery of marijuana through said municipality unreasonably impracticable.

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

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

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

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

Section 8. (a) The commission shall operate a medical use of marijuana program, which shall permit a qualifying patient with a debilitating medical condition to obtain a written certification from a healthcare professional with whom the patient has a bona fide healthcare professional-patient relationship to purchase medical use cannabis from a medical use cannabis establishment. Upon issuance of a written certification from a healthcare professional, the commission shall issue a registration card to the qualifying patient. A medical use cannabis establishment may sell medical use cannabis to a card holder.

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

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

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

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

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

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

(e) The commission shall maintain a confidential list of registered qualifying patients issued medical use cannabis registration cards. Individual names and other identifying information on the list shall be exempt from the provisions of section 10 of chapter 66, and not subject to disclosure, except to employees of the commission in the course of their official duties and to Massachusetts law enforcement officials when verifying a card holder’s registration.

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

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

(b) Every registered qualifying patient shall have the right to confidentiality of all records and communications related to their care provided by a medical use cannabis licensee or establishment or by a registered healthcare professional to the extent provided by law. Such records shall not be deemed public records as defined by clause twenty-sixth of section 7 of chapter 4. However, no provision of this subsection relating to confidentiality of records shall be construed to prevent access to any such records by the commission or its agents, a healthcare professional who has a bona fide healthcare professional-patient relationship with the patient, a medical use cannabis establishment, or any state or local law enforcement official for the purposes of conducting an investigation pursuant this chapter.

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

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

(c) The bureau shall notify the division of violations of this chapter, regulations adopted pursuant to this chapter, or any other state law related to cannabis or marijuana by a cannabis licensee. The bureau and the division shall cooperate on the civil and criminal enforcement of the laws and regulations related to cannabis or marijuana and may determine whether to proceed with civil or criminal sanctions, or both, against a cannabis licensee.

(d) To further effectuate the purposes of this chapter with respect to the investigation and enforcement of cannabis establishments and licensees, the bureau may obtain or provide

pertinent information regarding an applicant for a cannabis license, a cannabis licensee, a person required to be qualified for licensure, or a person required to be registered under this chapter from or to law enforcement entities or cannabis authorities and other domestic or foreign jurisdictions, including the Federal Bureau of Investigation, and may transmit such information to each other electronically.

(e) (1) The bureau may: (i) assess civil fees or fines for violations of this chapter, regulations adopted pursuant to this chapter or any other state law related to cannabis or marijuana; (ii) issue orders requiring persons to cease any action that violates this chapter, regulations adopted pursuant to this chapter or any other state law related to cannabis or marijuana; and (iii) condition, suspend or revoke any permit, registration or license issued pursuant to this chapter or regulations adopted pursuant to this chapter.

(2) Except as otherwise provided in this chapter a natural person shall not be subject to a penalty of more than: (i) $300 per violation for a personal use violation involving the cultivation of a permitted number of marijuana plants in an area that is not properly secured by a lock; (ii) $100 per violation for a personal use violation involving the possession of a permitted weight of marijuana in an area that is not properly secured by a lock; (iii) $100 per violation for a personal use violation involving the possession or cultivation of a weight of marijuana not permitted by law or regulation; or (iv) $100 per violation for consuming or smoking marijuana in a public place in a manner that is not authorized by law, regulation or ordinance.

(f) The bureau may assess civil fees or fines for violations of this chapter, or the regulations adopted under this chapter, related to the following: (i) violations not described in subsection (e); (ii) the employment of individuals by a cannabis establishment without proper

registration; (iii) an individual's employment with a cannabis establishment without proper registration; (iv) the improper or expired licensure of a cannabis establishment; (v) the improper reporting or payment of any licensure fee or tax; (vi) the sale, delivery or transfer of adult use cannabis to any person under 21 years of age; (vii) the improper manufacturing or extraction of cannabinoid oils or butane hash oil; (viii) interference with the duties of the bureau, commission, division, or agents thereof; or (ix) the purchase of adult use cannabis on behalf of a person under the age of 21.

(g) Any person aggrieved by an action of the bureau shall have the right to an adjudicatory hearing on the fee, fine, order, licensure action or other action. The adjudicatory hearing shall be conducted pursuant to chapter 30A, except as may be provided in this chapter or any regulation adopted pursuant to this chapter.

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

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

(c) Civil penalties imposed pursuant to this chapter may also be enforced by the police department serving a political subdivision of the commonwealth by utilizing the non-criminal disposition procedures provided in section 21D of chapter 40 and any fines imposed shall enure as provided in said section 21D of said chapter 40.

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

Section 12. No person shall operate a cannabis establishment without a cannabis license. No person shall be granted more than 1 adult use cannabis license, 1 medical use cannabis license, 1 marijuana product manufacturer license or 1 marijuana cultivator license; provided, however, that a person may hold 1 adult use cannabis license, 1 medical use cannabis license, 1 marijuana product manufacturer license and 1 marijuana cultivator license.

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

(1) the name of the applicant;

(2) the mailing address and, if a corporation, the state under the laws of which it is incorporated, the location of its principal place of business and the names and addresses of its directors and stockholders;

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

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

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

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

(7) a full description of the proposed internal controls and security systems for the proposed cannabis establishment and any related facilities;

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

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

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

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

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

(1) the integrity, honesty, character and reputation of the applicant;

(2) the financial stability, integrity and background of the applicant;

(3) the business practices and the business ability of the applicant to establish and maintain a successful cannabis establishment;

(4) whether the applicant has a history of compliance with cannabis licensing requirements in other jurisdictions;

(5) whether the applicant, at the time of application, is a defendant in litigation involving its business practices;

(6) the suitability of all parties in interest to the cannabis license, including affiliates and close associates and the financial resources of the applicant; and

(7) whether the applicant is disqualified from receiving a license under this chapter; provided, however, that in considering the rehabilitation of an applicant for a cannabis license, the commission shall not automatically disqualify an applicant if the applicant affirmatively demonstrates, by clear and convincing evidence, that the applicant has financial responsibility, character, reputation, integrity and general fitness as such to warrant belief by the commission that the applicant will act honestly, fairly, soundly and efficiently as a cannabis licensee.

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

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

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

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

(c) No applicant, licensee, registrant or person required to be qualified for licensure shall willfully withhold information from, or knowingly give false or misleading information to, the commission. If the commission determines that an applicant, or a close associate of an applicant, has willfully provided false or misleading information, such applicant shall not be eligible to receive a license under this chapter. Any licensee or other person required to be qualified for licensure under this chapter who willfully provides false or misleading information shall have its license conditioned, suspended or revoked by the commission.

Section 16. (a) The commission shall require any person who is a close associate of a cannabis licensee or an applicant for a cannabis license, to be qualified for licensure by meeting

the criteria provided in sections 14 and 17 and to provide any other information that the commission may require.

(b) For each business that applies for a cannabis license, the commission shall determine whether each officer and director of a corporation, other than a publicly-traded corporation, general partner and limited partner of a limited partnership, and member, transferee of a member's interest in a limited liability company, director and manager of a limited liability company which holds or applies for a cannabis license meets the standards for qualification of licensure pursuant to sections 14 and 17 and, in the judgment of the commission, any of a business's individual stockholders, lenders, holders of evidence of indebtedness, underwriters, close associates, executives or agents.

(c) A person owning more than 5 per cent of the common stock of the applicant company, directly or indirectly, or a holding, intermediary or subsidiary company of an applicant company may be required to meet the qualifications for licensure under sections 14 and 17. The commission may waive the licensing requirements for institutional investors holding up to 15 per cent of the stock of the applicant company or holding, intermediary or subsidiary company of the applicant company upon a showing by the person seeking the waiver that the institutional investor purchased the securities for investment purposes only and does not have any intention to influence or affect the affairs or operations of the applicant company or a holding, intermediary or subsidiary company of the applicant company. An institutional investor granted a waiver which subsequently determines to influence or affect the affairs or operations of the applicant company or a holding, intermediary or subsidiary company of the applicant company shall provide not less than 30 days' notice to the commission of such intent and the commission shall ensure that the institutional investor meets the qualifications for licensure under sections 14 and

17 before the institutional investor may take an action that may influence or affect the affairs of the applicant company or a holding, intermediary or subsidiary company of the applicant company. Any company holding over 15 per cent of the applicant company, or a holding, intermediary or subsidiary company of an applicant company, shall be required to meet the qualifications for licensure under sections 14 and 17.

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

(e) The commission shall require any person involved in the financing of a cannabis establishment or an applicant's proposed cannabis establishment to be qualified for licensure pursuant to sections 14 and 17 and may allow such person to seek a waiver pursuant to the standards in subsection (c).

(f) A person required to be qualified for licensure shall apply for qualification within 30 days after taking a position with the business or otherwise becoming subject to this section. A person who is required to be qualified for licensure based on a decision of the commission pursuant to this section shall apply for qualification within 30 days after that decision.

(g) If a corporation or other form of business organization applying for a cannabis license is, or if a corporation or other form of business organization holding a cannabis license is to become, a subsidiary, each holding company, intermediary company and other entity having an interest in the applicant shall be required to be qualified for licensure under sections 14 and 17.

(h) The commission shall require that a company or individual that can exercise control or provide direction to a cannabis licensee or applicant for a cannabis license or a holding,

intermediary or subsidiary company of a cannabis licensee or applicant for a cannabis license be qualified for licensure under sections 14 and 17; provided, however, that the commission may allow such person to seek a waiver under subsection (c).

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

Section 17. (a) The commission shall deny an application for a cannabis license or for licensure for a person required to be qualified for licensure pursuant to section 16, if the applicant or such person: (i) has been convicted of a felony or other crime involving embezzlement, theft, fraud or perjury; (ii) submitted an application for a license under this chapter that contains false or misleading information; (iii) committed prior acts which have not been prosecuted or in which the applicant was not convicted but form a pattern of misconduct that makes the applicant unsuitable for a license under this chapter; or (iv) has affiliates or close associates that would not qualify for a license or whose relationship with the applicant may pose an injurious threat to the interests of the commonwealth in awarding a cannabis license to the applicant.

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

(b) A cannabis license and licensure issued to a person required to be qualified pursuant to section 16 shall be valid for an initial period of 1 year. The commission shall establish procedures for the renewal of a cannabis license, including a renewal fee, and for the renewal of licensure for persons required to be qualified pursuant to said section 16, including a renewal fee.

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

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

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

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

(2) comply with all laws of the commonwealth and all rules and regulations promulgated under this chapter;

(3) pay to the commission of revenue the tax required pursuant to this chapter;

(4) not change its business governing structure without the notification and approval of the commission;

(5) not operate, invest in or own, in whole or in part, another cannabis licensee's license or cannabis establishment;

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

(7) cooperate with the commission and the attorney general with respect to the investigation of any criminal matter; provided, however, that the cannabis licensee shall, upon receipt of a criminal or civil process compelling testimony or production of documents in connection with a civil or criminal investigation, immediately disclose such information to the

commission; and provided further, that this clause shall not prohibit private persons or public entities from seeking any remedy or damages against a cannabis licensee;

(8) allow employees of the commission to conduct warrantless searches of the licensee's premises;

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

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

(11) employ only those persons registered by the commission;

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

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

(14) institute additional public health strategies as required by the commission; and

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

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

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

Section 20. (a) No cannabis licensee shall operate a cannabis establishment without an operations certificate issued by the commission. An operations certificate shall only be issued upon compliance with the requirements of this chapter including, but not limited to: (i) implementation of all management controls required by the commission including, without limitation, controls on accounting and auditing; (ii) implementation of all security precautions required by the commission; (iii) an up-to-date listing of all employees; and (iv) registering of all employees. The operations certificate shall be conspicuously posted.

(b) A an adult use cannabis licensee or a medical use cannabis licensee may operate an adult use cannabis establishment or a medical use cannabis establishment from 8:00 a.m. to 12:59 a.m. subject its agreement with the host community; provided, however, that an adult use

cannabis licensee and a medical use cannabis licensee shall register its hours of operation of the cannabis establishment with the commission.

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

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

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

Section 21. (a) No person shall be employed at a cannabis establishment unless such person has first registered as a cannabis employee with the commission. Registration as a

cannabis employee shall be valid for 1 year but may be renewed annually thereafter pursuant to this section and regulations promulgated by the commission.

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

(c) Upon receipt of a registration form, the bureau may conduct an investigation of the person seeking to register as a cannabis employee, which shall include obtaining criminal offender record information from the department of criminal justice information services and exchanging fingerprint data and criminal history with the department of state police. If the bureau discovers that a person seeking registration pursuant to this section, falsely verified that he or she has not been convicted of a felony, the bureau shall notify the commission and the commission shall send written notification to the person seeking registration that the registration has been denied and the person is disqualified from employment at any cannabis establishment.

(d) Within 30 days of receiving a form for registering as a cannabis employee, the commission shall deny registration if a person seeking to register as a cannabis employee: (1) is unable to verify that he or she has not been convicted of a felony ; (2) made false statements on the registration form; (3) is under 21 years old; or (4) does not meet any further qualification for cannabis employees as required by the commission pursuant to regulations. If registration is

denied pursuant to this subsection, the commission shall make written notification to the person seeking registration that his or her registration has been denied, including a statement of the reasons why the registration was denied.

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

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

(g) If, at any point, the bureau discovers that a person registered as a cannabis employee, falsely verified that he or she has not been convicted of a felony, the bureau shall notify the commission and the commission shall send written notification to the cannabis employee that his or her registration has been revoked and he or she is disqualified from employment at any cannabis establishment.

(h) No individual who has applied for and holds licensure pursuant to section 16 shall be required to register pursuant to this section.

Section 22. Any healthcare professional that issues a written certification for medical use cannabis shall register with the commission pursuant to regulations promulgated by the commission.

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

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

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

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

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

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

Section 27. (a) A adult use cannabis licensee shall pay a daily excise of 16.75 per cent on gross retail cannabis revenue.

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

(b) In addition to the daily excise imposed by subsection (a), an adult us cannabis licensee shall pay a daily excise of 5 per cent on gross retail cannabis revenue.

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

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

(d) The excise imposed pursuant to subsection (a) and subsection (b) shall not apply to sales by a medical use cannabis licensee, a marijuana product manufacturer or a marijuana cultivator.

Section 28. There shall be established and set up on the books of the commonwealth a fund to be known as the Cannabis Revenue Fund, hereinafter the fund. The fund shall be credited with any appropriations, bond proceeds or other monies authorized by the general court and specifically designated to be credited thereto, the proceeds of the assessments levied under this chapter, application fees for licenses issued under this chapter and such additional funds as are

subject to the direction and control of the commission including, without limitation, all revenue received under this chapter as excises, fees, penalties, forfeitures, interest, costs of suits and fines.

Expenditures from the fund shall be subject to appropriation; provided, however, that the annual operational cost of the commission shall be funded by the fund; and provided, further, that the annual operational cost of the division of cannabis enforcement in the department of the attorney general shall be funded by the fund; and provided, further, that after funding the annual operational cost of the commission and the division not less than $30,000,000 shall be expended annually on substance abuse prevention and treatment programs. Any funds remaining in the fund at the end of the fiscal year shall revert to the General Fund.

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

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

(b) Unless otherwise provided, a cannabis establishment shall not be eligible for the following credits or deductions listed in chapter 62 or chapter 63: the investment tax credit under section 31A of chapter 63, the employment credit under section 31C of said chapter 63, the van

pool credit under section 31E of said chapter 63, the deduction for expenditures for industrial waste treatment or air pollution control under section 38D of said chapter 63, the deduction for compensation paid to an eligible business facility's employees domiciled in a section of substantial poverty under section 38F of said chapter 63, the film tax credit under subsection (l) of section 6 of chapter 62 and section 38X of said chapter 63, the alternative energy sources deduction under section 38H of said chapter 63, the research expense credit under section 38M of said chapter 63, the economic opportunity area credit under subsection (g) of said section 6 of said chapter 62 and section 38N of said chapter 63, the abandoned building deduction under subparagraph (10) of subsection (a) of Part B of section 3 of said chapter 62 and section 38O of said chapter 63, the harbor maintenance tax credit under section 38P of said chapter 63, the brownfields credit under subsection (j) of said section 6 of said chapter 62 and section 38Q of said chapter 63, the historic rehabilitation tax credit under section 6J of said chapter 62 and section 38R of said chapter 63 and the automatic sprinkler system depreciation deduction under section 38S of said chapter 63.

Section 31. (a) (1) The commission shall promulgate regulations for the licensure and oversight of independent testing laboratories, and shall establish testing protocols for the sampling, testing and analysis of marijuana, finished marijuana and marijuana products in consultation with the department of public health and the department of agricultural resources. Such regulations shall be based on the most recent standards as issued by the United States Pharmacopeia Convention and shall address sampling and analysis to characterize the cannabinoid profile and biological and chemical contaminants, including but not limited to terpenoids, pesticides, plant growth regulators, metals, microbiological contaminants,

mycotoxins, and residual solvents introduced through cultivation of marijuana plants and post-harvest processing and handling of marijuana, marijuana products and ingredients.

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

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

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

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

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

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

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

(4) A registered independent testing laboratory shall notify the commission within 1 business day if a laboratory agent ceases to be associated with the laboratory, and the laboratory agent's registration card shall be immediately revoked.

(5) No one shall be a laboratory agent who has been convicted of a felony drug offense. The commission may conduct criminal record checks with the department of criminal justice information services and may set standards and procedures to enforce this provision. Such standards and procedures may include requiring applicants seeking registration to submit a full set of fingerprints for the purposes of conducting a state and national criminal history records check pursuant to sections 167 through 178, inclusive, of chapter 6 and 28 U.S.C. section 534 through the department of criminal justice information services and the Federal Bureau of Investigation. The commission shall treat such information in accordance with sections 167 through 178, inclusive, of chapter 6 and the regulations thereunder.

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

Section 32. This chapter shall not:

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

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

(iii) authorize the possession or consumption of marijuana or marijuana accessories on the grounds of or within a public or private school where children attend classes in preschool

programs, kindergarten programs or grades 1 to 12, inclusive, or on the grounds of, or within, any correctional or detoxification facility;

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

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

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

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

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

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

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

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

Section 33. The commission shall, for the purposes of compliance with state finance law, operate as a state agency as defined in section 1 of chapter 29 and shall be subject to the

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

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

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

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

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

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

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

(c) a prohibition on advertising, marketing and branding which utilize statements, designs, representations, pictures or illustrations that portray anyone less than 21 years of age;

(d) a prohibition on advertising, marketing and branding that is deemed to appeal to a person or persons less than 21 years of age;

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

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

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

(h) a prohibition on illuminated external signage except for a period of 30 minutes before sundown until closing and that shall comply with all local ordinances and requirements. Neon signage is prohibited;

(i) a prohibition of the use of vehicles equipped with either radio or loud speakers for the advertising of marijuana is prohibited. The use of radio or loud speaker equipment in any cannabis establishment for the purpose of attracting attention to the sale of marijuana therein is also prohibited;

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

If a city or town enacts an ordinance or by-law above the commission's standard, no such local ordinance or by-law may impose a standard for signage more restrictive than those applicable to retail establishments that sell alcoholic beverages within that city or town.

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

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

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

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

Section 41. The commission shall annually review the tax rate established by this chapter and may make recommendations to the general court, as appropriate, regarding any changes to the tax rate that further the intent of this chapter. The commission may study marijuana commerce and make recommendations to the general court regarding changes in the laws of the commonwealth that further the intent of this act by filing those recommendations with the clerks of the house of representatives and the senate who shall forward the recommendations to the

house and senate committees on marijuana policy, the joint committee on consumer protection and professional licensure, the joint committee on revenue, the joint committee on public health and any other committee deemed appropriate by the commission.

Section 42. (a) There shall be a Massachusetts cannabis advisory board to study and make recommendations to the commission and the department of revenue on the regulation and taxation of medical and adult use of marijuana. The board shall consist of the executive director of the commission, who shall serve as chair; the secretary of the executive office of housing and economic development or his or her designee; the commissioner of the department of revenue or his or her designee; the commissioner of public health or his or her designee; the superintendent of the state police or his or her designee; the commissioner of agricultural resources or his or her designee; the president of the Massachusetts Municipal Association, Inc. or his or her designee; and 12 members who shall be appointed by the treasurer and receiver-general who shall consist of: 1 expert in marijuana cultivation, 1 expert in marijuana retailing, 1 expert in marijuana product manufacturing, 1 expert in laboratory sciences and toxicology, 2 individuals representing the interests of registered qualifying patients, 1 expert in the prevention and treatment of substance use disorders, 2 experts in social welfare or social justice, 1 individual representing the interests of employers, 1 individual representing the interests of property owners, and 1 attorney with experience providing legal services to marijuana businesses, marijuana consumers or medical marijuana patients in the commonwealth. Members of the board appointed by the treasurer and receiver-general shall serve terms of 2 years. Members of the board shall serve without compensation, but shall be reimbursed for their expenses actually and necessarily incurred in the discharge of their official duties. Members of the advisory board shall not be state employees for purposes of chapter 268A by virtue of their service on the advisory board. The

board shall meet at the discretion of the commission. A majority of the members of the board present and voting shall constitute a quorum.

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

SECTION 3. Chapter 12 of the General Laws is hereby amended by inserting after section 11N the following section:-

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

"Cannabis establishment", as defined in section 1 of chapter 10A.

"Commission", the Massachusetts cannabis control commission established in chapter 10A.

"Division", the division of cannabis enforcement established in subsection (b).

"Particular matter", as defined in section 1 of chapter 268A.

(b) There shall be in the department of the attorney general a division of cannabis enforcement. The attorney general shall designate an assistant attorney general as the director of

cannabis enforcement. The director may appoint and remove, subject to the approval of the attorney general, such expert, clerical or other assistants as the work of the division may require.

(c) The duties of the division may include, but shall not be limited to: (1) receiving and taking appropriate action on referrals for criminal prosecution from the commission or any other law enforcement body; (2) providing assistance, upon request, to the commission in the consideration and promulgation of rules and regulations; (3) ensuring that there shall be no duplication of duties and responsibilities between the division and the commission; and (4) other matters relating to the implementation or enforcement of chapter 10A.

(d) No employee of the division and no person engaged by the division in the course of an investigation, other than a qualifying patient or in the performance of their official duties, shall patronize a cannabis establishment licensed under chapter 10A during the period of their employment or assignment with the division. The attorney general shall establish a code of ethics for all division employees which shall be more restrictive than chapters 268A and 268B. A copy of the code of ethics shall be filed with the state ethics commission. The code shall include provisions reasonably necessary to carry out this section, including, but not limited to: (i) prohibiting the receipt of gifts by a division employee from a cannabis licensee, applicant, close associate, affiliate or other person or entity subject to the jurisdiction of the commission; and (ii) prohibiting the participation by a division employee in a particular matter that affects the financial interest of a relative within the third degree of consanguinity or any other person with whom such employee has a significant relationship, as may be defined in the code of ethics.

(e) The annual operational cost of the division shall be funded by the Cannabis Revenue Fund as provided in section 28 of chapter 10A.

SECTION 4. Section 5I of chapter 18 of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by inserting after the word “court” , in line 43, the following words:-; or any adult use cannabis establishment as defined in section 2 of chapter 10A.

SECTION 5. Section 5J of said chapter 18, as so appearing, is hereby amended by striking out, in line 14, the words, “or on cruise ships” and inserting in place thereof the following words:- on cruise ships; or any adult use cannabis establishments as defined in section 2 of chapter 10A.

SECTION 6. Section 2KKKK of chapter 29 of the General Laws is hereby repealed.

SECTION 7. Section 1 of chapter 32 of the General Laws, as so appearing, is hereby amended by inserting after the word “commission”, in line 226, the following words:- , Massachusetts cannabis control commission.

SECTION 8. Section 2 of chapter 32A of the General Laws, as so appearing, is hereby amended by inserting after the word “commission”, in lines 13 and 14, the following words:- , Massachusetts cannabis control commission.

SECTION 9. Section 38 of chapter 63 of the General Laws, as so appearing, is hereby amended by striking out, in line 211, the word “and”.

SECTION 10. Said section 38 of said chapter 63, as so appearing, is hereby further amended inserting after the word “ commonwealth”, in lines 216 and 217, the following words:- ; and (10) in the case of a business deriving receipts from operating a cannabis establishment or otherwise deriving receipts from conducting a cannabis business or activity, income-producing

activity shall be considered to be performed in this commonwealth to the extent that the location of cannabis transactions or activities that generated the receipts is in this commonwealth.

SECTION 11. Said section 38 of said chapter 63, as so appearing, is hereby further amended by striking out, in line 247, the word “and” the second time it appears.

SECTION 12. Said section 38 of said chapter 63, as so appearing, is hereby further amended by inserting after the word “commonwealth”, in line 253, the following words:- ; and (9) in the case of a business deriving receipts from operating a cannabis establishment or otherwise deriving receipts from conducting a cannabis business or activity, income-producing activity shall be considered to be performed in this commonwealth to the extent that the location of cannabis transactions or activities that generated the receipts is in this commonwealth.

SECTION 13. Section 1 of chapter 64H of the General Laws, as so appearing, is hereby amended by inserting after the word “steam”, in line 269, the following words:- , and shall include marijuana, marijuana concentrate, marijuana-infused products and marijuana products as defined in section 2 of chapter 10A.

SECTION 14. Chapter 64N of the General Laws is hereby repealed.

SECTION 15. Section 24I of chapter 90 of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by inserting after the word “liquid”, in line 4, the following words:- or other substances.

SECTION 16. Said section 24I of said chapter 90, as so appearing, is hereby further amended by inserting after the word “beverage”, in lines 20 and 29, in each instance, the following words:- , marijuana or any marijuana products.

SECTION 17. Section 1 of chapter 94C of the General Laws, as so appearing, is hereby amended by inserting after the word “germination”, in line 229, the following words:- ; provided, however, that the term marihuana shall not include marihuana or marijuana manufactured, distributed, dispensed, cultivated or possessed in compliance with chapter 10A; and provided further, that the term marihuana shall not include industrial hemp as defined in section 116 of chapter 128.

SECTION 18. Chapter 94G of the General Laws is hereby repealed.

SECTION 19. Chapter 128 of the General Laws, as so appearing, is hereby amended by adding the following 7 sections:-

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

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

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

“Industrial hemp”, hemp that is used exclusively for industrial purposes, including but not limited to the fiber and seed.

"Person", a natural person, corporation, association, partnership or other legal entity.

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

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

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

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

(ii) commercial purposes deemed reasonable by the commissioner.

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

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

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

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

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

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

Section 119. (a) Upon receipt, review and approval of an application for licensure pursuant to section 118, the commissioner may grant an annual license upon issuance of written

findings that the requirements of sections 116 to 121, inclusive, and any regulations promulgated thereunder are satisfied and upon the issuance of written findings that issuing the license will be in the best interests of the commonwealth.

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

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

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

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

SECTION 20. Section 1 of chapter 271A of the General Laws, as so appearing, is hereby amended inserting before the definition of “Criminal enterprise activity” the following definition:-

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

“Cannabis licensee”, a person or entity who holds an adult use cannabis license, a medical use cannabis license, license, a marijuana product manufacturer license or a marijuana cultivator license under chapter 10A.

SECTION 21. Chapter 271A of the General Laws, as so appearing, is hereby further amended by striking out section 3 and inserting in place thereof the following 2 sections:-

Section 3. Whoever knowingly: (1) through a pattern of criminal enterprise activity or through the collection of an unlawful debt acquires or maintains, directly or indirectly, an interest in or control of an enterprise which is engaged in, or the activities of which affect, a cannabis licensee or a cannabis establishment or ancillary industries which do business with a cannabis licensee or a cannabis establishment; (2) having received proceeds derived, directly or indirectly, from a pattern of criminal enterprise activity or through the collection of an unlawful debt, uses or invests, directly or indirectly, part of the proceeds, including proceeds derived from the investment, in the acquisition of an interest in real property to be used in connection with a cannabis establishment, or in the establishment or operation of an enterprise which is engaged in, or the activities of which affect, a cannabis licensee or a cannabis establishment or ancillary industries which do business with a cannabis licensee or a cannabis establishment; (3) is employed by or associated with an enterprise to conduct or participate, directly or indirectly, in the conduct of the enterprise's affairs or activities which affect a cannabis licensee or a cannabis establishment or ancillary industries which do business with a cannabis licensee or a cannabis establishment by engaging in a pattern of criminal enterprise activity or through the collection of an unlawful debt; or (4) conspires or attempts to violate clauses (1), (2) or (3) or attempts to so conspire; shall be guilty of enterprise crime and shall be punished by imprisonment in the state

prison for not more than 15 years or by a fine of not more than $25,000 or by both such imprisonment and fine.

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

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

SECTION 22. Chapter 369 of the acts of 2012 is hereby repealed.

SECTION 23. Chapter 334 of the acts of 2016 is hereby repealed.

SECTION 24. Notwithstanding any general or special law to the contrary, in making initial appointments to the Massachusetts cannabis control commission, established in chapter 10A of the General Laws, of the members to be appointed by majority agreement of the governor, the attorney general and the treasurer and receiver-general, 1 commissioner shall be appointed for a term of 3 years and 1 shall be appointed for a term of 4 years. The commissioner to be appointed by the treasurer and receiver-general shall serve for a term of 5 years, the commissioner to be appointed by the attorney general shall serve for a term of 6 years and the commissioner appointed by the governor shall serve for a term of 7 years. Commissioners shall be appointed within 60 days after the effective date of this act; provided, however, that no person shall be allowed to serve on the commission prior to the completion of a background investigation pursuant to said chapter 10A. All initial appointments to the commission shall be made by September 1, 2017.

SECTION 25. (a) As used in sections 25 through 32, the following terms shall, unless the context clearly requires otherwise, have the following meanings:-

"Commission", the Massachusetts cannabis control commission established pursuant to chapter 10A of the General Laws.

"Department", the department of public health.

"Program", the department's medical use of marijuana program.

(b) Notwithstanding any general or special law to the contrary, the department and the commission shall develop and implement a transfer agreement providing for the orderly transfer of the program, including personnel, from the department to the commission pursuant to sections 25 through 32. Upon the assumption of the outstanding liabilities, obligations and debt of the

program by the commission, the program shall be dissolved and, without further conveyance or other act, all the assets, liabilities, obligations and debt, as well as all rights, powers and duties of the program shall be transferred to, and assumed by, the commission.

(c) On the date the transfer required by subsection (b) takes effect: (i) ownership, possession and control of all property, including, but without limitation, all buildings, facilities, cash, equipment, books, papers, memorandums, files, maps, plans, records, documents, property held in trust and other property, both personal and real, of whatever description pertaining to the operation of the program which are in the possession of the program or department or employee thereof shall pass to, and be vested in, the commission without consideration or further evidence of transfer; and, (ii) all duly existing contracts, leases or obligations of the program which remain in force immediately before the effective date of the transfer pursuant to subsection (b) shall be deemed to be the obligations of the commission. The commission shall have authority to exercise all rights and enjoy all interests conferred upon the program or department by such contracts or obligations. No existing right or remedy of any character shall be lost impaired or affected by this act. In the case of collective bargaining agreements, any obligations under the agreements shall expire on the stated date of expiration of such agreements.

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

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

(e) Each employee of the program whose salary is paid out partially or in full by revenues generated by the program and whose salary is accounted for on the books of the program as arising from revenue generated by the program as of June 1, 2017 shall become an employee of the commission upon execution of the transfer agreement authorized herein or on December 31, 2018, whichever occurs first.

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

SECTION 26. (a) Notwithstanding any general or special law to the contrary, each employee of the program shall become an employee of the commission upon the execution of the transfer agreement required pursuant to section 25 or on January 1, 2019.

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

(c) Nothing in this section shall be construed to confer upon any employee of the program any right not held immediately before the date of said transfer to the commission, or to

prohibit any reduction of salary grade, transfer, reassignment, suspension, discharge, layoff or abolition of position not prohibited before such date.

SECTION 27. Notwithstanding any general or special law to the contrary, the terms and conditions of any collective bargaining agreement that is in effect upon transfer of the department's program with respect to employees of said program shall continue in effect until the stated expiration date of such agreement, at which point the agreement shall expire; provided, however, that all such employees shall continue to retain their right to collectively bargain under chapter 150E of the General Laws and shall be considered employees of the Massachusetts cannabis control commission established pursuant to chapter 10A for the purposes of said chapter 150E. Upon the effective date of this act, the department's program shall not engage in negotiations for future collective bargaining agreements with employees of the program.

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

SECTION 28. Notwithstanding any general or special law to the contrary, on and after the effective date of this act, the department's program shall not enter into any contract to employ a person as an employee or officer beyond December 31, 2018.

SECTION 29. Notwithstanding any general or special law to the contrary, any order, rule, or regulation duly promulgated, or any license, permit, certificate or approval duly granted, by or on behalf of the department's program, shall continue in effect and shall be enforced by the commission until its expiration or until superseded, revised, rescinded or cancelled by the commission.

SECTION 30. (a) Notwithstanding any general or special law to the contrary, upon execution of the agreement between the department and the commission pursuant to section 25, or December 31, 2018, whichever occurs first, the comptroller shall transfer the unexpended balances of the Medical Marijuana Trust Fund established in section 2KKKK of chapter 29 of the General Laws to the Cannabis Revenue Fund, established pursuant to chapter 10A of the General Laws.

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

SECTION31. The commission shall submit a report to the joint committee on marijuana policy on or before June 1, 2018 detailing the progress of the transfer of the program as set forth in sections 25 to 32, inclusive.

SECTION 32. Notwithstanding any general or special law to the contrary, marijuana may be used for medical purposes pursuant to chapter 369 of the acts of 2012 and any rule or regulation promulgated by the department pursuant to said chapter 369 of the acts of 2012 including, without limitation, 105 CMR 725 until the department transfers the oversight and regulation of the program to the commission as provided by section 25.

SECTION 33. Notwithstanding any general or special law to the contrary, any person licensed as of July 1, 2017 to dispense medical use cannabis, or any application pending before the department of public health which have not received provisional or final certification of registration, shall be entitled to convert from a non-profit corporation organized under chapter 180 of the General Laws into a domestic business corporation or a domestic other entity pursuant to chapter 156 of the General Laws, or any other such domestic business entity as permitted by the General Laws, by adopting a plan of entity conversion in accordance with section 9.51 of chapter 156D of the General Laws approved by a vote of two-thirds of the members of its board of directors at a meeting duly called for the purpose or by unanimous written consent; provided, however, notwithstanding any law to the contrary, any plan of entity conversion adopted by an any medical use cannabis licensee or any application for a medical use cannabis license pending before the Massachusetts cannabis control commission which have not received provisional or final certification of registration shall not be required to be approved in accordance with the organic law of the non-profit corporation organized under said chapter 180. Articles of entity conversion shall be signed and submitted to the secretary of the commonwealth in the manner prescribed in and subject to section 9.53 and section 9.55 of said chapter 156D on a form prescribed by the secretary of the commonwealth, and the secretary of the commonwealth shall approve all such filings submitted pursuant to this section. For the purposes of converting from a

non-profit corporation organized under said chapter 180 into a domestic business corporation or a domestic other entity pursuant to said chapter 156, notwithstanding any provision in the articles of organization applications pending before the Massachusetts cannabis control commission which have not received provisional or final certification of registration to the contrary, the members of its board of directors may determine that such plan of entity conversion is consistent with its purpose and such non-profit corporation shall be entitled to surrender its articles of organization in connection with the plan of entity conversion. Notwithstanding any law to the contrary, neither the entity conversion nor the issuance of any shares, interests, or other securities, obligations, rights to acquire interests or other securities, cash, other property, or any combination of the foregoing, set forth in or resulting from the plan of entity conversion shall be subject to taxation or result in the imposition of any tax by the commonwealth.

SECTION 34. Notwithstanding any general or special law to the contrary, the Massachusetts cannabis control commission established pursuant to chapter 10A of the General Laws shall promulgate regulations, guidelines and protocols necessary for the issuance of adult use cannabis licenses pursuant to said chapter 10A no later than March 15, 2018. The commission shall begin to accept applications for adult use cannabis licenses pursuant to said chapter 10A no later than April 1, 2018; provided, however, that the commission shall not issue an adult use cannabis license pursuant to said chapter 10A until July 1, 2018.

SECTION 35. Notwithstanding any general or special law to the contrary, the Massachusetts cannabis control commission established pursuant to chapter 10A of the General Laws shall promulgate regulations, guidelines and protocols necessary for the purposes of authorizing the independent testing of marijuana no later than June 1, 2018.

SECTION 36. Notwithstanding any general or special law to the contrary, it shall be the public policy of the commonwealth that contracts related to the operation of a cannabis establishment under chapter 10A of the General Laws shall not be considered contracts in violation of public policy and may be enforceable.

SECTION 37. Notwithstanding any general or special law to the contrary, no provision of chapter 10A of the General Laws shall be construed or interpreted to require an employer to permit or accommodate conduct otherwise allowed under said chapter 10A in the workplace and shall not affect the authority of employers to enact and enforce workplace policies restricting the consumption of marijuana by employees.

SECTION 38. Notwithstanding any general or special law to the contrary, the use of marijuana shall not disqualify a person from any needed medical procedure or treatment, including organ and tissue transplants.

SECTION 39. The Massachusetts cannabis control commission and the attorney general shall conduct an investigation and study of the advisability of establishing criminal penalties for violations of this act, and shall report their recommendations for amendments to the General Laws to establish such criminal penalties, if any, on or before January 1, 2020. The investigation and study shall include, but shall not be limited to, potential criminal penalties on the following matters: (i) the employment of individuals by cannabis establishments without proper licensure or registration; (ii) the improper or expired licensure of a cannabis establishment; (iii) the improper reporting or payment of any licensure fee or tax required by this act; (iv) the sale, delivery or transfer of marijuana or marijuana products to any person under 21 years of age; (v) the improper manufacturing or extraction of cannabinoid oils or butane hash oil; (vi) interference

with the duties of the bureau, commission, division, or agents thereof; and (vii) the purchase of marijuana or marijuana products on behalf of a person under the age of 21.

SECTION 40. Notwithstanding any general or special law to the contrary, a state, municipal or county employee whose official duties or responsibilities require them to take any action related to the enactment, administration or enforcement of chapter 10A of the General Laws, this act or any rule or regulation promulgated pursuant to said chapter 10A or this act shall be indemnified by their employer for all costs associated with any legal proceedings brought against said state, municipal or county employee by the federal government as a result of any such official action taken by said state, municipal or county employee; provided, however, that no state, municipal or county employee shall be indemnified for a violations of chapter 10A of the General Laws, this act or any rule or regulation promulgated pursuant to said chapter 10A or this act for any actions taken in their personal capacity.

SECTION 41. Notwithstanding any general or special law to the contrary, any restrictions or limitations on the operation of medical use cannabis establishments, adult use cannabis establishments or both imposed by a municipality pursuant to chapter 369 of the acts of 2012 or chapter 334 of the acts of 2016 as of July 1, 2017 shall remain in effect.

SECTION 42. Notwithstanding any general or special law to the contrary, if a majority of a board of selectmen in a town vote to reject any provision of chapter 10A of the General Laws pursuant to section 6 of said chapter 10A said vote shall be sufficient for the town to have rejected said provision of said chapter 10A until the town meeting votes pursuant to said section

6 of said chapter 10A at its next regularly scheduled meeting, or for a period of no longer than 12 months.

SECTION 43. Notwithstanding section 12 of chapter 10A of the General Laws or any general or special law to the contrary, any medical marijuana treatment center registered under chapter 369 of the acts of 2012 as of July 1, 2017 may be issued 1 adult use cannabis license, 1 product manufacturer license and 1 cultivator license pursuant to said chapter 10A.

SECTION 44. (a) There shall be a special commission on operating under the influence to conduct a comprehensive study relative to the regulation and testing of operating under the influence of marijuana, narcotic drugs, depressants or stimulant substances, all as defined in section 1 of chapter 94C of the General Laws. The special commission shall review all aspects of law enforcement personnel being able to properly test impaired operators and prevent impaired operation of motor vehicles. At a minimum, the group shall take into account the following: scientific types of testing and data, medical types of testing and data, possible new technological forms of testing, civil liberties of the operator, social economic aspects of the testing, burden on law enforcement, current status of law within the commonwealth, training of law enforcement, intrusiveness of tests, cost analysis of testing, the current threshold for impairment and the rate of success in finding impaired operators.

(b) The special commission shall consist of: the executive director of the Massachusetts cannabis control commission, who will chair the special commission; the attorney general or a designee; the secretary of the executive office of public safety or a designee; the superintendent of the Massachusetts state police or a designee; the president of the Massachusetts Chiefs of Police Association or a designee; the president of the Massachusetts District Attorney's

Association or a designee; the president of the Massachusetts State Bar Association or a designee; the president of the ACLU of Massachusetts or a designee; the president of the Massachusetts Medical Society or a designee; 1 person appointed by the secretary of the office of health and human services who shall have medical and physiological expertise; 1 public member appointed by the governor with expertise in scientific research on or technological development in testing capabilities of these substances. A majority of the members of the board present and voting shall constitute a quorum.

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

SECTION 45. The treasurer and receiver-general shall make initial appointments to the Massachusetts cannabis advisory board pursuant to section 42 of chapter 10A of the General Laws on or before August 1, 2017.

SECTION 46. Sections 6 and 22 shall take effect upon the execution of the transfer agreement between the department of public health and the Massachusetts cannabis control commission required pursuant to section 25 or on December 31, 2018.