HOUSE . . . . . No. 3818

The Commonwealth of Massachusetts

The committee of conference on the disagreeing votes of the two branches with reference to the Senate amendment (striking out all after the enacting clause and inserting in place thereof the text contained in Senate document numbered 2097) of the House Bill to ensure the public health and safety of patient and consumer access to medical and adult use of marijuana in the Commonwealth (House, No. 3776), reports recommending passage of the accompanying bill (House, No. 3818) July 17, 2017.

Ronald Mariano	Patricia D. Jehlen
Mark J. Cusack	William N. Brownsberger
Hannah E. Kane	Richard J. Ross

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The Commonwealth of Massachusetts

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

An Act to ensure safe 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. Chapter 10 of the General Laws is hereby amended by striking out sections 76 and 77, as appearing in the 2016 Official Edition, and inserting in place thereof the following 2 sections:-

Section 76. (a) There shall be a Massachusetts cannabis control commission which shall consist of 5 commissioners:1 of whom shall be appointed by the governor and shall have a background in public health, mental health, substance use, or toxicology; 1 of whom shall be appointed by the attorney general and shall have a background in public safety; 1 of whom shall be appointed by the treasurer and receiver-general and shall have experience 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 shall have professional experience in oversight or industry management, including commodities, production or distribution in a regulated industry and 1 of whom shall have a background in legal, policy or social justice issues related to 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, and honesty. 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 that commissioner.

(d) The treasurer and receiver-general, the governor or the attorney general may remove a commissioner who was appointed by that appointing authority 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 office; (iv) commits gross misconduct; or (v) is convicted of a felony. The treasurer and receiver-general, the governor and the attorney general may, by majority vote, remove a commissioner who was appointed by majority vote of the state treasurer, the governor and the attorney general 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. Before removal, the commissioner shall be provided with a written statement of the reason for removal and an opportunity to be heard.

(e) 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.

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

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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 section 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 marijuana 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.

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

(m) 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 laws 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 77. (a) There shall be a cannabis advisory board to study and make recommendations to the cannabis control commission on the regulation and taxation of marijuana. The board shall consist of: the executive director of the cannabis control commission who shall serve as chair; the secretary of the executive office of housing and economic development or a designee; the commissioner of revenue or a designee; the commissioner of public health or a designee; the commissioner of agricultural resources or a designee; the colonel of the state police or a designee; the president of the Massachusetts Municipal Association, Inc. or a designee; the president of the Massachusetts Patient Advocacy Alliance, Inc. or a designee; a registered qualifying patient appointed by the president of the Massachusetts Patient Advocacy Alliance, Inc.; the executive director of the American Civil Liberties Union of Massachusetts, Inc. or a designee; 5 members to be appointed by the treasurer and receiver-general; 1 of whom shall be an expert in marijuana cultivation, 1 of whom shall be an expert in marijuana retailing, 1 of whom shall be an expert in marijuana product manufacturing, 1 of whom shall be an expert in laboratory sciences and toxicology and 1 of whom shall be an expert in providing legal services to marijuana businesses; 5 members to be appointed by the governor; 1 of whom shall be an expert in minority business development, 1 of whom shall be an expert in economic development strategies for under-resourced communities, 1 of whom shall be an expert in farming or representing the interests of farmers,1 of whom shall be an expert representing the interests of employers and 1 of whom shall be an expert in municipal law enforcement with advanced training in impairment detection and evaluation; and 5 members to be appointed by the attorney general: 1 of whom shall be an expert in social welfare or social justice, 1 of whom shall be an expert in criminal justice reform to mitigate the disproportionate impact of drug prosecutions on communities of color, 1 of whom shall be an expert in minority business ownership, 1 of whom

shall be an expert in women-owned business ownership and 1 of whom shall be an expert in the prevention and treatment of substance use disorders. Members of the board shall serve for terms of 2 years. Members of the board shall serve without compensation but shall be reimbursed for their expenses actually and necessarily incurred in the discharge of their official duties. Members of the board shall not be state employees for the purposes of chapter 268A by virtue of their service on the board. For the purposes of taking action at a meeting, a majority of the members of the board present and voting shall constitute a quorum.

(b) The cannabis advisory board shall: (i) consider all matters submitted to it by the commission; (ii) 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 (iii) advise on the preparation of regulations pursuant to chapter 94G and chapter 369 of the acts of 2012.

(c) The chair may appoint subcommittees in order to expedite the work of the board; provided, however, that the chair shall appoint: (i) a subcommittee on public health to develop recommendations on products, labelling, marketing, advertising, related public health issues, potency, which may include a recommended maximum limit for individual servings of marijuana products, and packaging, which may include the development and implementation of a public health warning to appear on marijuana products; (ii) a subcommittee on public safety and community mitigation to develop recommendations on law enforcement, property, business and consumer issues; (iii) a subcommittee on the cannabis industry to develop recommendations on cultivation, processing, manufacturing, transportation, distribution, seed-to-sale tracking and market stability; and (iv) a subcommittee on market participation to develop recommendations on women, minority and veteran-owned businesses, local agriculture and growing cooperatives.

SECTION 2. Subsection (b) of said section 77 of said chapter 10, as appearing in section 1, is hereby amended by striking out the words “369 of the acts of 2012” and inserting in place thereof the following figure:- 94I.

SECTION 3. Section 5I of chapter 18 of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by striking out, in lines 41 to 43, inclusive, the words “or for the payment to the commonwealth of or any political subdivision thereof of any fees, fines, bail or bail bonds ordered by a court” and inserting in place thereof the following words:- ; for the payment to the commonwealth or a political subdivision thereof of a fee, fine, bail or bail bond ordered by a court; or marijuana or marijuana products that are sold pursuant to 94G.

SECTION 4. 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 a cruise ship; or at a marijuana establishment as defined in chapter 94G.

SECTION 5. 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 6. 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 7. Section 3 of chapter 40A of the General Laws, as so appearing, is hereby amended by inserting after the word 94G in line 44, the following words:-

“provided, further that nothing in this section shall preclude a municipality from establishing zoning by-laws or ordinances which allow commercial marijuana growing and cultivation on land used for commercial agriculture, aquaculture, floriculture, or horticulture.”

SECTION 8. 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 9. 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 marijuana establishment or otherwise deriving receipts from conducting a marijuana business or activity, income-producing activity shall be considered to be performed in this commonwealth to the extent that the location of marijuana transactions or activities that generated the receipts is in this commonwealth.

SECTION 10. 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 11. 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 marijuana establishment or otherwise deriving receipts from conducting a marijuana business or activity, income-producing activity shall be considered to be performed in this commonwealth to the extent that the location of marijuana transactions or activities that generated the receipts is in this commonwealth.

SECTION 12. Section 2 of chapter 64N, as so appearing, is hereby amended, in lines 4, by striking the figure “3.75” and inserting in place thereof the following:-

“10.75”

SECTION 13. Said chapter 64N, as so appearing, is hereby further amended by striking out section 3 and inserting in place thereof the following section:-

(a) A city or town that accepts this section in the manner provided in section 4 of chapter 4 may impose a local sales tax upon sale or transfer of marijuana or marijuana products by a marijuana retailer operating within the city or town to anyone other than a marijuana establishment at a rate not greater than 3 per cent of the total sales price received by the marijuana retailer as a consideration for the sale of marijuana or marijuana products. The marijuana retailer shall pay the local sales tax imposed under this section to the commissioner at the same time and in the same manner as the sales tax due to the commonwealth.

(b) All sums received by the commissioner under this section shall, at least quarterly, be distributed, credited and paid by the treasurer and receiver-general upon certification of the commissioner to each city or town that has accepted this section in proportion to the amount of the sums received in that city or town. Any city or town seeking to dispute the commissioner's calculation of its distribution under this subsection shall notify the commissioner, in writing, not later than 1 year from the date the tax was distributed by the commissioner to the city or town.

(c) This section shall take effect in a city or town on the first day of the calendar quarter following 30 days after its acceptance by the city or town or on the first day of a later calendar quarter that the city or town may designate.

SECTION 14. Section 1 of chapter 94C of the General Laws, as so appearing, is hereby amended by inserting after the word “plant”, in line 225, the following words:- , industrial hemp as defined in section 116 of chapter 128.

SECTION 15. Section 32L of said chapter 94C, as so appearing, is hereby amended by striking out, in lines 2, 25, 30, 35, 36 and 45, the words “one ounce” and inserting in place thereof, in each instance, the following words:- 2 ounces.

SECTION 16. Said section 32L of said chapter 94C, as so appearing, is hereby further amended by striking out, in lines 3 and 4, the words “eighteen years of age or older to” and inserting in place thereof the following words:- 18 to 21 years of age, inclusive, to.

SECTION 17. Said section 32L of said chapter 94C, as so appearing, is hereby further amended by striking out, in lines 19 and 20, the words ““An Act Establishing a Sensible State Marihuana Policy,” neither” and inserting in place thereof the following words:- section 24I of chapter 90, chapter 94G and chapter 387 of the acts of 2008, neither.

SECTION 18. Said section 32L of said chapter 94C, as so appearing, is hereby further amended by striking out, in line 23, the words “an ounce” and inserting in place thereof the following words:- 2 ounces.

SECTION 19. Section 32M of said chapter 94C, as so appearing, is hereby amended by striking out, in line 3, the words “one ounce” and inserting in place thereof the following words:- 2 ounces.

SECTION 20. Chapter 94G of the General Laws is hereby amended by striking out section 1 and inserting in place thereof the following section:-

Section 1. As used in this chapter, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"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.

"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 marijuana establishment licensed under this chapter.

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

"Controlling person", an officer, board member or other individual who has a financial or voting interest of 10 per cent or greater in a marijuana establishment.

"Commission", the Massachusetts cannabis control commission established by section 76 of chapter 10.

"Craft marijuana cultivator cooperative", a marijuana cultivator comprised of residents of the commonwealth organized as a limited liability company or limited liability partnership under the laws of the commonwealth, or an appropriate business structure as determined by the commission, and that is licensed to cultivate, obtain, manufacture, process, package and brand marijuana and marijuana products to deliver marijuana to marijuana establishments but not to consumers.

"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 marijuana licensee shall assign and record a unique, sequential alphanumeric identifier to each cultivation batch for the purposes of production tracking, product labeling and product recalls.

"Experienced marijuana establishment operator", (i) a medical marijuana treatment center as defined in chapter 369 of the acts of 2012 with a registration in good standing, or (ii) a reorganized marijuana business established by a vote of at least 2/3 of the board of directors of an entity that submitted an application for a registration to operate a medical marijuana treatment center to the department of public health before October 1, 2015 and was issued a provisional registration to operate a medical marijuana treatment center by the department of public health before the effective date of this chapter.

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

"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.

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

"Independent testing laboratory", a laboratory that is licensed by the commission and is: (i) accredited to the most current International Organization for Standardization 17025 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 marijuana treatment center or any licensee or marijuana establishment for which it conducts a test; and (iii) qualified to test marijuana in compliance with regulations promulgated by commission pursuant to this chapter.

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

"Licensee", a person or entity licensed by the commission to operate a marijuana establishment under this chapter.

"Manufacture", to compound, blend, extract, infuse or otherwise make or prepare a marijuana product.

"Marijuana" or "Marihuana", all parts of any plant of the genus Cannabis, not excepted below and whether growing or not; the seeds thereof; and resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin including tetrahydrocannabinol as defined in section 1 of chapter 94C; provided that "Marijuana" shall not include: (1) 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; (2) Hemp; or (3) 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 cultivator", an entity licensed to cultivate, process and package marijuana, to deliver marijuana to marijuana establishments and to transfer marijuana to other marijuana establishments, but not to consumers.

"Marijuana establishment", a marijuana cultivator, independent testing laboratory, marijuana product manufacturer, marijuana retailer or any other type of licensed marijuana-related business.

"Marijuana product manufacturer", an entity licensed to obtain, manufacture, process and package marijuana and marijuana products, to deliver marijuana and marijuana products to marijuana establishments and to transfer marijuana and marijuana products to other marijuana establishments, but not to consumers.

"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, beverages, topical products, ointments, oils and tinctures.

“Marijuana retailer”, an entity licensed to purchase and deliver marijuana and marijuana products from marijuana establishments and to deliver, sell or otherwise transfer marijuana and marijuana products to marijuana establishments and to consumers.

“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.

“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 as defined in this section.

“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.

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

“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.

"Unreasonably impracticable", that 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 marijuana establishment.

SECTION 21. Section 2 of said chapter 94G, as so appearing in the 2016 official edition, is hereby amended by striking out clause (3) of subsection (d) and inserting in place thereof the following clause:-

(3) authorize the possession or consumption of marijuana or marijuana accessories on the grounds of or within a public or private school where children attend classes in preschool programs, kindergarten programs or grades 1 to 12, inclusive, on a school bus, in any youth center, or on the grounds of or within any correctional facility or detoxification facility.

SECTION 22. Said section 2 of said chapter 94G, as so appearing, is hereby amended by inserting, after the year "2012", in line 55, the following:-

except where otherwise provided for in this chapter

SECTION 23.Section 3 of said chapter 94G, as so appearing, is hereby amended by striking, beginning in line 9, "prohibit placing a marijuana establishment which cultivates, manufactures or sells marijuana or marijuana products in any area in which a medical marijuana treatment center is registered to engage in the same type of activity; (2) limit the number of marijuana establishments in the city or town, except that a city or town may only adopt an ordinance or by-law by a vote of the voters of that city or town if the ordinance or by-law: (i) prohibits" and inserting in place thereof the following:-

"operate to (1) prevent the conversion of a medical marijuana establishment licensed on or before July 1, 2017 engaged in the cultivation, manufacture or sale of marijuana or marijuana products to a marijuana establishment engaged in the same type of activity under this chapter or (2) limit the number of marijuana establishments below the limits established pursuant to paragraph (2);

(2) limit the number of marijuana establishments in the city or town, provided, however, that, in the case of a city or town in which the majority of voters voted in the affirmative for question 4 on the 2016 state election ballot, entitled "Legalization, Regulation, and Taxation of Marijuana, and, after December 31, 2019 in the case of any other city or town, the city or town shall submit any by-law or ordinance for approval to the voters pursuant to the procedure in subsection (e) before adopting the by-law or ordinance if it would:

(i) prohibit".

SECTION 24. Said section 3 of said chapter 94G, as so appearing, is hereby amended by striking, in line 20, the word "limits" and inserting in place thereof the following word:-

"limit".

SECTION 25. Said section 3 of said chapter 94G, as so appearing, is hereby amended by striking, in line 24, the word "limits" and inserting in place thereof the following word:-

"limit".

SECTION 26. Said section 3 of said chapter 94G, as so appearing, is hereby amended by inserting after the word "establishments", in line 30, the following:-

provided that 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 27. Said section 3 of said chapter 94G, as so appearing, is hereby amended by striking subsection (d) and inserting in place thereof the following:-

(d) A marijuana establishment or a medical marijuana treatment center seeking to operate or continue to operate in a municipality which permits such operation shall execute an agreement with the host community setting forth the conditions to have a marijuana establishment located within the host community which shall include, without limitation, all stipulations of responsibilities between the host community and the marijuana establishment or a medical marijuana treatment center. An agreement between a marijuana establishment or a medical marijuana treatment center and a host community may 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 establishment and shall, in no event, amount to more than 3 percent of the gross sales of the establishment or be effective for longer than 5 years. Any cost to a city or town imposed by the operation of a marijuana 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.

(e) If an ordinance or by-law must be submitted for approval pursuant to subsection (a)(2), the following procedures will be followed:

(1) The city solicitor or town counsel shall prepare a fair and concise summary of the proposed ordinance or by-law which will make clear the number and types of marijuana establishments which will be permitted to operate under the proposed ordinance and by-law and shall be included on the ballot.

(2) A ballot shall be prepared asking "Shall this [city or town] adopt the following [by-law or ordinance]? [solicitor/counsel summary] [full text of by-law or ordinance]

(3) If the majority of the votes cast in answer to the question are in the affirmative, the city or town may adopt the by-law or ordinance, but if the majority is in the negative, the city or town shall not adopt the by-law or ordinance.

A ballot question under this subsection may be placed on the ballot at a regular or special election held by the city or town by a vote of the board of selectmen or city or town council, with the approval of the mayor, and subject to a municipal charter, if applicable.

SECTION 28. Section 4 of said chapter 94G, as so appearing, is hereby amended by striking out subsection (a) and inserting in place thereof the following 2 subsections:-

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

(i) appoint officers and hire employees;

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

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

(iv) 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;

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

(vi) 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;

(vii) 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;

(viii) 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;

(ix) require an applicant for 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;

(x) determine which applicants shall be awarded licenses;

(xi) deny an application or limit, condition, restrict, revoke or suspend a license;

(xii) establish a registration process, based on finding of suitability or approval of licensure;

(xiii) fine a person licensed, registered, found suitable or approved for licensure, for any cause that the commission deems reasonable;

(xiv) 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: (A) a violation of this chapter or any regulation adopted by the commission; (B) willfully violating an order of the commission directed to a licensee or a person required to be registered; (C) the conviction of a criminal offense; or (D) any other offense which would disqualify such a licensee from holding a license;

(xv) conduct investigations into the qualifications of all applicants for employment by the commission and all applicants for licensure;

(xvi) receive from the state police, the department of criminal justice information services 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 licensees, applicants for license, and lab agents as provided in section 21;

(xvii) be present, through its inspectors and agents, at any time, in marijuana establishments for the purposes of exercising its oversight responsibilities;

(xviii) inspect and have access to all equipment and supplies in a marijuana establishment;

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

(xx) For cause, demand access to and inspect all papers, books and records of close associates of a licensee whom the commission suspects is involved in the financing, operation or management of the 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;

(xxi) require that the books and financial or other records or statements of a licensee be kept in a manner that the commission considers proper;

(xxii) impose fees and fines, as authorized by this chapter and penalties and sanctions for a violation of this chapter or any regulations promulgated by the commission;

(xxiii) collect fees under this chapter;

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

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

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

(xxvii) monitor any federal activity regarding marijuana; and

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

(a ½) The commission shall, in accordance with chapter 30A of the General Laws, adopt regulations consistent with this chapter for the administration, clarification and enforcement of laws regulating and licensing marijuana establishments. The regulations shall include:

(i) methods and forms of application which an applicant for a license shall follow and complete before consideration by the commission;

(ii) a schedule of application, license and renewal fees in an amount necessary to pay for all regulation and enforcement costs of the commission; provided however that fees may be relative to the volume of business conducted or to be conducted by the marijuana establishment.

(iii) qualifications for licensure and minimum standards for employment that are directly and demonstrably related to the operation of a marijuana establishment and similar to qualifications for licensure and employment standards in connection with alcoholic beverages as regulated under chapter 138 of the General Laws; provided that a prior conviction solely for a marijuana-related offense or for a violation of section 34 of chapter 94C of the General Laws shall not disqualify an individual or otherwise affect eligibility for employment or licensure in connection with a marijuana establishment, unless the offense involved the distribution of a controlled substance, including marijuana, to a minor;

(iv) procedures and policies to 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; (v) standards for the licensure of marijuana establishments, including, but not limited to updating that licensure;

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

(vii) requirements for the information to be furnished by an applicant or licensee;

(viii) criteria for evaluation of the application for a license;

(ix) requirements for the information to be furnished by a licensee relating to the licensee's employees;

(x) requirements for fingerprinting or other method of identification of an applicant for a license or a licensee;

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

(xii) minimum uniform standards of accounting procedures;

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

(xiv) any necessary registration requirements for employees working at the marijuana establishment;

(xv) requirements that all marijuana establishment employees be properly trained in their respective professions as necessary;

(xvi) procedures for the interim authorization of a marijuana establishment under this chapter;

(xvii) minimum standards for the requirement that all 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;

(xviii) minimum security requirements for licensees sufficient to deter and prevent theft and unauthorized entrance into areas containing marijuana, which shall include but not be limited to the use of security cameras, provided that the requirements shall not prohibit the cultivation of marijuana outdoors or in greenhouses;

(xix) minimum standards for liability insurance coverage or requirements that a certain sum be placed in escrow to be expended for coverage liabilities;

(xx) requirements and standards sufficient to ensure for the virtual separation of marijuana cultivated, processed, manufactured, delivered or sold by a licensee that is also licensed as a medical marijuana treatment center pursuant to chapter 369 of the acts of 2012 or chapter 94I. Such requirements shall leverage seed-to-sale tracking technology and may allow for the appropriate transfer or acquisition of marijuana seeds, clones, cuttings, plants or plant tissue between such entities;

(xxi) requirements and procedures to prevent the sale, delivery or transfer of marijuana to persons under 21 years of age, or the purchase of marijuana on behalf of a person under 21 years of age, including a prohibition on persons under 21 entering marijuana establishments;

(xxii) standards for manufacturing or extracting cannabinoid oils or butane hash oil;

(xxiii) health and safety standards, established in consultation with the department of public health and the department of agricultural resources, 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 set forth in 105 CMR 500.000, and health inspections provided however, that the authority to promulgate regulations pertaining to the use of pesticides shall remain with the department of agricultural resources;

(xxiv) requirements for the packaging of marijuana and marijuana products that shall, at a minimum: (1) require the most current consumer product safety commission standards, set forth in 16 C.F.R. 1700 et seq.; (2) protect children from accidently ingesting marijuana or marijuana products, including by making packaging certified child-resistant and resealable; (3) require the division of each serving within a package containing multiple servings in a manner that allows consumers and card holders to easily identify a single serving; (4) prohibit the use of bright colors, cartoon characters and other features designed to appeal to minors; (5) ensure that packaging is opaque or plain in design; (6) limit each serving size to no greater than 10 milligrams of delta-nine-tetrahydrocannabinol (Δ9-THC); and (7) prohibit any packaging that imitates or has a semblance to any existing branded consumer products, including foods and beverages, that do not contain marijuana

(xxv) requirements for the potency or dosing limitations of edible marijuana products sold by licensees

(xxvi) requirements for the labeling of a package containing marijuana or marijuana products that shall, at a minimum, include: (1) a symbol or easily recognizable mark issued by the commission that indicates the package contains marijuana or a marijuana product; (2) a symbol or other easily recognizable mark issued by the commission on the package indicating to children that the product is harmful to children; (3) the name and contact information of the marijuana cultivator or the marijuana product manufacturer who produced the marijuana or marijuana product; (4) the results of sampling, testing and analysis conducted by a licensed independent testing laboratory; (5) a seal certifying the marijuana meets such testing standards; (6) a unique batch number identifying the production batch associated with manufacturing, processing, and cultivating; (7) a list of ingredients and possible allergens; (8) the amount of delta-nine-tetrahydrocannabinol (Δ9-THC) in the package and in each serving of a marijuana product as expressed in absolute terms and as a percentage of volume; (9) the number of servings in a package if there are multiple servings; (10) a use-by date, if applicable; and (11) 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."

(xxvii) procedures and policies, in cooperation with the department of agricultural resources, to promote and encourage full participation in the regulated marijuana industry by farmers and businesses of all sizes, which shall include creating a schedule of cultivator license fees commensurate with cultivation size and regulations to create a craft marijuana cultivator cooperative system, including but not limited to, the following: (1) a limitation on ownership

interests in a marijuana cultivator cooperative; (2) a limit on the total marijuana produced by a craft marijuana cultivator by the number of plants, surface area used for cultivation or output by weight; and (3) a reasonable fee for licensure as a craft marijuana cultivator cooperative;

(xxviii) requirements for the safe disposal of excess, contaminated, adulterated or deteriorated marijuana, which shall consider policies which promote the recycling of such waste, including, but not limited to, recycled industrial products.

(xxix) requirements for advertising, marketing and branding of marijuana and marijuana products that shall, at a minimum, include: (1) a prohibition on advertising, marketing and branding in such a manner that is deemed to be deceptive, false, or misleading (2) a prohibition on advertising, marketing and branding by means of television, radio, internet, billboard or print publication unless at least 85 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; (3) a prohibition on advertising, marketing and branding which utilize statements, designs, representations, pictures or illustrations that portray anyone less than 21 years of age; (4) a prohibition on advertising, marketing and branding, including but not limited to mascots, cartoons, brand sponsorships and celebrity endorsements that is deemed to appeal to a person or persons less than 21 years of age; (5) a prohibition on advertising, marketing and branding, including statements by a licensee, that make any false or misleading statements concerning other licensees and the conduct and products of such other licensees; (6) 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; (7) a prohibition on advertising, marketing and branding by a licensee that asserts its products are safe, other than labeling required pursuant to this chapter; (8) a reasonable prohibition on timing and use of illuminated

external signage that shall comply with all local ordinances and requirements and a prohibition on neon signage; (9) a prohibition of the use of vehicles equipped with either radio or loud speakers for the advertising of marijuana; (10) a prohibition on the use of radio or loud speaker equipment in any marijuana establishment for the purpose of attracting attention to the sale of marijuana; (11) an allowance that a licensee may sponsor a charitable, sports, or similar event, but a prohibition of advertising, marketing, and branding at, or in connection with, such an event unless at least 85 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; (12) a requirement that the website of a marijuana establishment shall verify that the entrant is at least 21 years of age; (13) a prohibition on the use of unsolicited pop-up advertisements on the internet; and (14) a requirement that all advertising, marketing, or branding materials for marijuana and marijuana products contain a standard health warning developed by the department of public health.

(xxx) procedures and requirements to enable the transfer of a license for a marijuana establishment to another qualified person or to another suitable location with notification and approval by the commission.

(xxxi) requirements to establish a process allowing the commission to order a prohibition on the sale of a marijuana product found especially appealing to persons under 21;

(xxxii) requirements to establish a process allowing a marijuana product manufacturer to voluntarily submit a product, its packaging and intended marketing to the commission for review of whether the product is especially appealing to persons under 21;

(xxxiii) requirements that prohibit marijuana product manufacturers from altering or utilizing commercially-manufactured food products when manufacturing marijuana products

unless the food product was commercially manufactured specifically for use by the marijuana product manufacturer to infuse with marijuana; provided, however, that a commercially-manufactured food product may be used as an ingredient in a marijuana product if: (i) it is used in a way that renders it unrecognizable as the commercial food product in the marijuana product; and (ii) there is no statement or advertisement indicating that the marijuana product contains the commercially-manufactured food product; and

(xxxix) energy and environmental standards for licensure and licensure renewal of marijuana establishments licensed as a marijuana cultivator or marijuana product manufacturer

SECTION 29. Clause (xx) of subsection (a½) of section 4 of said chapter 94G, as appearing in section 28, is hereby amended by striking out the words “369 of the acts of 2012” and inserting in place thereof the following figure:- 94I

SECTION 30. Said section 4 of said chapter 94G, as so appearing, is hereby amended by striking subsections (b)(2) and (b)(3).

SECTION 31. Said section 4 of said chapter 94G, as so appearing, is hereby amended by striking subsection (c)(2).

SECTION 32 . Said section 4 of said chapter 94G is hereby further amended by striking subsections (e) and (f) and inserting in place thereof the following subsections:-

(e) 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.

(f) The commission shall investigate, in conjunction with the department of public health, the effects of marijuana and marijuana products with a high potency of tetrahydrocannabinol on the human body and recommend whether there should be restrictions on the potency of tetrahydrocannabinol in marijuana and marijuana products.

SECTION 33. Said section 4 of said chapter 94G, as so appearing, is hereby further amended by striking out subsections (h) and (i) and inserting in place thereof the following 2 subsections:-

(h) 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, not more than 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 marijuana policy and the chairs of the house and senate committees on ways and means.

(i) The commission shall annually review the tax rate established by chapter 64N 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 that further the intent of this chapter by filing those recommendations with the clerks of the house of representatives and the senate who shall forward the recommendations to the joint committee on marijuana policy, the joint committee on consumer protection and professional licensure, the joint committee on revenue, the joint committee on mental health, substance use and recovery,

the joint committee on public health and any other committee deemed appropriate by the commission.

SECTION 34. Said section 4 of said chapter 94G, as so appearing, is hereby further amended by striking out, in line 187, the figure “15” and inserting in place thereof the following figure:-

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SECTION 35. Said section 4 of said chapter 94G is hereby amended by inserting the following subsection:-

(l) The commission shall promulgate advisory guidelines and best practices on the cultivating of marijuana within a person’s primary residence;

SECTION 36. Section 5 of said chapter 94G, as so appearing, is hereby amended by striking out, in line 11, the words “Except as provided in subsection (c) of this section, the” and inserting in place thereof the following word:-

The.

SECTION 37. Said section 5 of said chapter 94G, as so appearing, is hereby further amended by striking out subsection (c).

SECTION 38. Section 9 of said chapter 94G, as so appearing, is hereby amended by striking out subsection (b) and inserting in place thereof the following subsection:-

(b) Any licensee, or agent or employee thereof, under this chapter who reasonably relies on a liquor purchase identification card issued pursuant to section 34B of chapter 138 or motor

vehicle license issued pursuant to section eight of chapter ninety, or on an identification card issued under section 8E of chapter 90, or on a valid passport issued by the United States government, or by the government, recognized by the United States government, of a foreign country, or a valid United States issued military identification card, for proof of a person's identity and age shall not suffer any modification, suspension, revocation or cancellation of such license, nor shall he suffer any criminal liability, for delivering or selling marijuana or marijuana products to a person under 21 years of age. Any licensee, or agent or employee thereof, under this chapter, who reasonably relies on a liquor purchase identification card issued pursuant to said section 34B of said chapter 138, or an identification card issued under said section 8E of said chapter 90, or motor vehicle license issued pursuant to said section 8, for proof of a person's identity and age shall be presumed to have exercised due care in making such delivery or sale of marijuana or marijuana products to a person under 21 years of age. Such presumption shall be rebuttable.

SECTION 39. Section 12 of said chapter 94G, as so appearing, is hereby amended by adding the following subsection:-

(g) No licensee shall operate a marijuana establishment without an operations certificate issued by the commission.

(h) Each licensee shall file an emergency response plan with the fire department and police department of the host community

SECTION 40. Section 13 of said chapter 94G, as so appearing, is hereby

amended by adding the following 2 subsections:-

(h) Notwithstanding chapter 94C, a person less than 21 years of age, except a qualifying patient holding a valid registration card for the medical use of marijuana, who cultivates not more than 12 marijuana plants 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. If that person is less than 18 years of age, the parent or legal guardian of that person shall be notified in accordance with section 32N of said chapter 94C. If a person is less than 17 years of age at the time of the offense and fails to complete a drug awareness program not later than 1 year after the offense, that person may be subject to delinquency proceedings.

(i) Whoever furnishes marijuana, marijuana products or marijuana

accessories to a person less than 21 years of age, either for the person's own use or for the use of the person's parent or another person shall be punished by a fine of not more than $2,000 or by imprisonment for not more than 1 year or both such fine and imprisonment.

For the purposes of this subsection, "furnish" shall mean to knowingly or intentionally

supply, give or provide to or allow a person less than 21 years of age, except for the children and grandchildren of the person being charged, to possess marijuana, marijuana products or marijuana accessories on premises or property owned or controlled by the person charged.

This subsection shall not apply to the sale, delivery or furnishing of medical marijuana pursuant to chapter 369 of the acts of 2012 .

SECTION 41. The second paragraph of subsection (i) of said chapter 94G, as appearing in section 40, is hereby amended by striking out the words “369 of the acts of 2012” and inserting in place thereof the following figure:- 94I.

SECTION 42. Section 14 of said chapter 94G, as so appearing, is hereby amended by striking out subsection (b) and inserting in place thereof the following subsection:-

(b) Money in the fund shall be subject to appropriation. Money in the fund shall be expended for the implementation, administration and enforcement of this chapter by the commission and by the department of agricultural resources for the implementation, administration and enforcement of sections 116-123, inclusive, of chapter 128 and the provision of pesticide control pursuant to chapter 132B. Thereafter, money in the fund shall be expended for: (i) public and behavioral health including but not limited to, evidence-based and evidence-informed substance use prevention and treatment and substance use early intervention services in a recurring grant for school districts or community coalitions who operate on the strategic prevention framework or similar structure for youth substance use education and prevention; (ii) public safety; (iii) municipal police training; (iv) the Prevention and Wellness Trust Fund established in section 2G of chapter 111; and (v) programming for restorative justice, jail diversion, workforce development, industry specific technical assistance, and mentoring services for economically-disadvantaged persons in communities disproportionately impacted by high rates of arrest and incarceration for marijuana offenses pursuant to chapter 94C.

SECTION 43. Said chapter 94G is hereby further amended by adding the following sections:-

Section 15. (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 shall be sold or otherwise marketed pursuant to this chapter or chapter 369 of the acts of 2012 that has not first been tested by an independent testing laboratory and determined to meet the commission's testing protocols issued pursuant to subsection (a)(1).

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

(4) 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.

(5) No individual who possesses an interest in or is a laboratory agent employed by an independent testing laboratory, and no immediate family member of that individual, shall possess an interest in or be employed by a marijuana establishment.

(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, and date of birth of the laboratory agent.

(4) An 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 as provided in section 21 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 to 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 said sections 167 to 178, inclusive, of said chapter 6 and the regulations thereunder.

(c) A registered laboratory agent shall not be subject to arrest, prosecution, 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 the agent: (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 chapters 94G and 94I of the General Laws.

Section 16. No licensee shall be granted more than 3 marijuana retailer licenses, 3 medical marijuana treatment center licenses, 3 marijuana product manufacturer licenses or 3 marijuana cultivator licenses; provided, however, that a licensee may hold 3 marijuana retailer licenses, 3 medical marijuana treatment center licenses, 3 marijuana product manufacturer licenses and 3 marijuana cultivator licenses.

Section 17. (a) The commission shall develop a research agenda in order to understand the social and economic trends of marijuana in the commonwealth, to inform future decisions that would aid in the closure of the illicit marketplace and to inform the commission on the public health impacts of marijuana. The research agenda shall include, but not be limited to: (i) patterns of use, methods of consumption, sources of purchase and general perceptions of marijuana among minors, among college and university students and among adults; (ii) incidents of impaired driving, hospitalization and use of other health care services related to marijuana use, including a report of the state of the science around identifying a quantifiable level of marijuana-induced impairment of motor vehicle operation and a report on the financial impacts on the state healthcare system of hospitalizations related to marijuana ; (iii) economic and fiscal impacts for state and local governments including the impact of legalization on the production and distribution of marijuana in the illicit market and the costs and benefits to state and local revenue; (iv) ownership and employment trends in the marijuana industry examining participation by racial, ethnic and socioeconomic subgroups, including identification of barriers

to participation in the industry; (v) a market analysis examining the expansion or contraction of the illicit marketplace and the expansion or contraction of the legal marketplace including estimates and comparisons of pricing and product availability in both markets; and; (vi) a compilation of data on the number of incidents of discipline in schools, including suspensions or expulsions, resulting from marijuana use or possession of marijuana or marijuana products; and (vii) a compilation of data on the number of civil penalties, arrests, prosecutions, incarcerations and sanctions imposed for violations of chapter 94C for possession, distribution or trafficking of marijuana or marijuana products, including the age, race, gender, country of origin, state geographic region and average sanctions of the persons charged.

(b) The commission shall incorporate available data into its research agenda, including the baseline study conducted pursuant to chapter 351 of the acts of 2016, and coordinate and form partnerships with the department of public health, the department of elementary and secondary education, the department of higher education, the executive office of public safety and security and the executive office of labor and workforce development. The commission shall annually report on the results of its research agenda and, when appropriate, make recommendations for further research or policy changes. The annual reports shall be posted online in a machine-readable format. The commission shall publish the first such report not later than July 1, 2019.

Section 18. The commission shall audit as often as the commission determines necessary the accounts, programs, activities, and functions of all 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 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 19. Any liability to the commonwealth under this chapter shall constitute a debt to the commonwealth. Once a statement naming a licensee is recorded, registered or filed, any such debt shall constitute a lien on all commercial property owned by a licensee in the commonwealth and shall have priority over an encumbrance recorded, registered or filed with respect to any site.

Section 20. A licensee shall be subject to chapters 62 to 62E, inclusive, and chapters 63 and 63B.

Section 21. (a) The commission shall conduct fingerprint-based checks of state and national criminal history databases, as authorized by Public Law 92-544, for the following

purposes: (i) prior to issuing a license as provided in M.G.L. c. 94G, § 4 and (ii) to determine the suitability of lab agents as provided in M.G.L. c. 94G, § 15 . Authorized department staff may receive criminal offender record information and the results of checks of state and national criminal history databases under said Public Law 92-544 but they shall not receive juvenile adjudications and delinquency matters or sealed records. When the department obtains the results of checks of state and national criminal history databases, it shall treat the information according to section 167 to 178, inclusive, of chapter 6 and the regulations thereunder regarding criminal offender record information.

(b) Fingerprint submissions shall be submitted by the commission to the identification unit within the department of state police through the department of criminal justice information services, or its successor, for a state criminal records check and to the Federal Bureau of Investigation for a national criminal records check according to the policies and procedures established by the identification unit and the department of criminal justice information services. The department of state police and Federal Bureau of Investigation are expressly authorized to search criminal justice databases including all latent fingerprint submissions. Fingerprint submissions may be retained by the Federal Bureau of Investigation, the state identification section and the department of criminal justice information services to assist the commission. The department of criminal justice information services may disseminate the results of a state and national criminal history check to the commission as provided in this section.

(c) Notwithstanding subsections 9 and 9 1/2 of section 4 of chapter 151B, if the commission receives criminal history record information from the state or national fingerprint-based criminal background checks that includes no disposition or is otherwise incomplete, the commission may request that an individual provide additional information regarding the results

of the criminal background checks to assist the commission in determining the applicant's suitability for employment, licensure, registration or approval.

(d) The department of criminal justice information services shall disseminate the results of the criminal background check to the commission. The department of criminal justice information services shall only disseminate information under this section that would otherwise be available to the commission as provided in this section.

(e) All persons required to submit fingerprints under this section shall pay a fee to be established by the secretary of administration and finance, in consultation with the secretary of public safety and the commission, to offset the costs of operating and administering a fingerprint-based criminal background check system. The secretary of administration and finance, in consultation with the secretary of public safety and the commission, may increase the fee accordingly if the Federal Bureau of Investigation increases its fingerprint background check service fee. The commission may pay the fee on behalf of applicants or reimburse applicants for all or part of the fee on the grounds of financial hardship. Any fees collected from fingerprinting activity under this chapter shall be deposited into the Fingerprint-Based Background Check Trust Fund, established in section 2HHHH of chapter 29.

SECTION 44. Paragraph (2) of subsection (a) of section 15 of said chapter 94G, as appearing in section 44, is hereby amended by striking out the words “369 of the acts of 2012” and inserting in place thereof the following figure:- 94I.

SECTION 45. The General Laws are hereby amended by inserting the following chapter:-

Chapter 94I

Medical Use of Marijuana

Section 1. As used in this chapter the following words shall, unless the context clearly requires otherwise, have the following meanings:-

“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 of marijuana, and has a role in the ongoing care and treatment of the patient.

“Card holder”, a registered qualifying patient, personal caregiver, or agent of a medical marijuana treatment center who has been issued and possesses a valid registration card.

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

“Cultivation registration”, a registration issued to a medical marijuana treatment center for growing medical use marijuana 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.

“Electronic certification” a document signed or executed electronically by a registered healthcare professional, stating that in the healthcare professional's professional opinion, the potential benefits of marijuana for medical use 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(s). Electronic certifications upon submission by a healthcare professional to the commission shall automatically generate a temporary registration.

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

“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 medical marijuana treatment center employees, registered qualifying patients or registered personal caregivers.

“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.

“Medical use marijuana”, marijuana or marijuana accessories sold by a medical marijuana treatment center licensee to a card holder for medical use or marijuana or marijuana accessories possessed by a qualifying patient under a cultivation registration.

“Medical marijuana treatment center”, the premises approved under a medical use marijuana license.

"Medical use marijuana license”, a license issued by the commission that permits the licensee to operate a medical marijuana treatment center.

“Medical use marijuana licensee”, a person or entity who holds a medical use marijuana 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.

“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 marijuana 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.

"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 marijuana treatment center. 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 marijuana treatment center. A temporary registration issued to a qualifying patient shall be deemed a registration card.

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.

"Sixty-day supply", that amount of medical use marijuana 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.

"Temporary Registration" an interim registration document for patients and their personal caregivers generated automatically upon the commission's receipt of a healthcare professional's electronic certification. The temporary registration document shall constitute a registration card

for patients and their personal caregivers to access medical marijuana treatment center. Temporary registration shall expire 14 days after the commission issues the registration card.

"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 of marijuana 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 2. (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 or electronic certification from a healthcare professional with whom the patient has a bona fide healthcare professional-patient relationship to purchase medical use marijuana from a medical marijuana treatment center. Upon issuance of a written certification from a healthcare professional, the commission shall issue a registration card to the qualifying patient. A medical marijuana treatment center may sell medical use marijuana 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 the medical use of marijuana within a bona fide healthcare professional-patient relationship; or (ii) providing a qualifying patient with written or electronic certification, based upon a full assessment of the qualifying patient's medical history and condition, including a debilitating medical condition, that the medical use of marijuana 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 marijuana.

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

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

(c) A medical marijuana treatment center 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 marijuana 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 marijuana treatment center is limited by verified financial hardship, a physical incapacity to access reasonable transportation, or the lack of a medical marijuana treatment center 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 marijuana 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 law enforcement officials of the commonwealth when verifying a card holder's registration.

Section 3. (a) The commission shall maintain a confidential, interoperable database including, but not limited to: (i) the qualifying patients issued a registration card for medical use of marijuana; (ii) the healthcare professionals registered to issue written certifications; (iii) the name of any medical marijuana treatment center; (iv) the quantity of medical use marijuana dispensed to a card holder; and (v) any other pertinent information. Individual names and other identifying information shall be exempt from section 10 of chapter 66, and not subject to disclosure, except to employees of the commission in the course of their official duties, medical marijuana treatment centers to facilitate dispensing of medical use marijuana 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 marijuana 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. 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 marijuana treatment center, or any state or local law enforcement official for the purposes of conducting an investigation pursuant this chapter.

Section 4. Any healthcare professional that issues a written certification for the medical use of marijuana shall register with the commission pursuant to regulations promulgated by the commission.

Section 5. Any qualifying patient receiving a written or electronic certification for medical use marijuana shall register with the commission pursuant to regulations promulgated by the commission.

Section 6. This chapter shall not:

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

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

(iii) amend existing penalties for operating, navigating or being in actual physical control of any motor vehicle, train, aircraft, motorboat or other motorized form of transport or machinery while impaired by marijuana or a marijuana product;

Section 7. The commission shall promulgate rules and regulations for the implementation of this chapter under the procedures of chapter 30A. The commission shall set application fees for medical marijuana treatment centers so as to defray the administrative costs of the medical marijuana program and ensure the medical marijuana program is revenue neutral.

No regulation of the commission regarding the medical use of marijuana 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 8. Marijuana sold pursuant to this chapter shall not be taxed under chapters 64H, 64I, 64K, or 64N of the General Laws.

SECTION 46. Chapter 128 of the General Laws is hereby amended by adding the following 8 sections:-

Section 116. As used in this section and sections 117 to section 123, inclusive, the following words shall have the following meanings unless the context clearly requires otherwise:

"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.

"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 may be planted, grown, harvested, possessed, processed, bought, sold or researched subject to sections 116 to 123. 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 sections 116 to 123, inclusive.

(b) A 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 from a distributor approved by the department.

(c) Hemp shall only be used for the following: (i) research purposes; and (ii) commercial purposes considered reasonable by the commissioner.

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

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

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

(d) A person utilizing industrial hemp 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 include, but not be limited to: (i) the name and address of any 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 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; (vi) a

nonrefundable application fee in an amount which shall be established by the commissioner; (vii) any other information as may be required pursuant to subsection (d); and (vii) any other information as may be required by the commissioner.

(f) All documents included in an application for licensure submitted under subsection (e) of section 118 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 considered by the department to be confidential in nature due to their public safety implications, shall be considered public records for the purposes of chapter 66 of the General Laws.

Section 119. (a) After 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 123, inclusive, have been satisfied and upon the issuance of written findings that issuing the license will be in the best interest of the commonwealth.

(b) The commissioner shall deny an application for a license filed pursuant to section 118 if the applicant: (i) fails to satisfy the minimum qualifications for licensure pursuant to sections 116 to 123, inclusive,; or (ii) for good cause shown.

Section 120. The commissioner shall suspend, revoke or refuse to renew the license of a person who violates sections 116 to 123, inclusive, following appropriate process in accordance with chapter 30A.

Section 121. (a) The department and the commissioner shall promulgate rules and regulations for the implementation, administration and enforcement of sections 117 to 123, inclusive.

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

Section 122. The department may inspect and have access to the equipment, supplies, records, real property and other information deemed necessary to carry out the department's duties under sections 116 to 123, inclusive, from a person participating in the planting, growing, harvesting, possessing, processing, purchasing, selling or researching of hemp, industrial hemp. The department may establish an inspection and testing program to determine delta-9 tetrahydrocannabinol levels and ensure compliance with the limits on delta-9 tetrahydrocannabinol concentration.

Section 123. The department may establish civil administrative fines for violations of sections 116 to 123, inclusive. A person aggrieved by the assessment of a fine under this section or a licensure action under section 120 may appeal by filing a notice of appeal with the department not later than 21 days after the receipt of the notice of the fine or licensure action. The adjudicatory hearing shall be conducted in accordance with chapter 30A.

SECTION 47. Section 22 of chapter 270 of the General Laws, as so appearing in the 2016 Official Edition , is hereby amended by inserting after the word "inhaled", in line 97, the following words:- , including marijuana as defined in section 1 of chapter 94G.

SECTION 48. Chapter 369 of the acts of 2012 is hereby repealed.

SECTION 49. (a) There shall be a special commission on operating under the influence and impaired driving, hereinafter the commission, 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 ability to properly test impaired operators and prevent impaired operation of motor vehicles. The commission shall study : (i) scientific types of testing and data, (ii) medical types of testing and data, (iii) possible new technological forms of testing, (iv) civil liberties of the operator, (v) social economic aspects of the testing, (vi) admissibility of evidence of impaired driving in court proceedings, (vii) burden on law enforcement, (viii) the current status of law within the commonwealth, (ix) training of law enforcement, (x) intrusiveness of tests, (xi) cost analysis of testing, (xii) the current threshold for determining impairment, (xiii) the rate of success in stopping impaired operators and (xiv) anything else the commission deems necessary or significant.

(b) The special commission shall consist of 13 members as follows: the executive director of the Massachusetts cannabis control commission, who shall serve as chair of the commission; the attorney general or a designee; the secretary of public safety and security or a designee; the colonel of the Massachusetts state police or a designee; the president of Massachusetts Chiefs of Police Association Incorporated or a designee; the president of the Massachusetts District Attorney's Association or a designee; the president of the Massachusetts Bar Association or a designee; the president of the American Civil Liberties Union of Massachusetts, Inc. or a designee; the chief executive officer and president of the AAA Southern

New England or a designee, the president of the NAACP New England Area Conference or a designee, the president of the Massachusetts Medical Society or a designee; 1 person appointed by the secretary of health and human services who shall have medical and physiological expertise; 1 person appointed by the governor who shall be a member of the public 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 on or before January 1, 2019.

SECTION 50. The department of public health, in consultation with the Massachusetts cannabis control commission, shall establish the following science-based public awareness campaigns: (i) a campaign to inform the public about responsible use of marijuana, including information on edibles and warnings about the dangers of manufacturing marijuana products at home; and (ii) a campaign to educate youth about marijuana use with a goal of decreasing the youth usage rate. The public awareness campaigns shall be funded from revenues received from the Marijuana Regulation Fund established in section 14 of chapter 94G of the General Laws.

SECTION 51. The executive office of public safety and security shall establish public awareness campaigns to: (i) educate the public about impaired driving including, but not limited to, impairment by the use of marijuana; (ii) inform the public that a gift of marijuana given in conjunction with the sale of another item in order to evade laws governing the sale of marijuana is illegal and that a person who grants such a gift is subject to prosecution; and (iii) inform people eligible to have their records sealed as a result of changes to criminal laws resulting from

marijuana decriminalization and legalization. The public awareness campaigns shall be funded from revenues received from the Marijuana Regulation Fund established in section 14 of chapter 94G of the General Laws.

SECTION 52. Notwithstanding subsections (c) and (d) of section 76 of chapter 10 of the General Laws, the initial appointments to the cannabis control commission by the governor and the attorney general shall serve for a term of 4 years and the initial appointments by majority vote of the treasurer, and receiver-general, governor and attorney general shall serve for a term of 3 years.

SECTION 53. Notwithstanding any general or special law to the contrary, the Massachusetts cannabis control commission established pursuant to section 76 of chapter 10 of the General Laws shall promulgate regulations, guidelines and protocols necessary for the purposes of authorizing the independent testing of marijuana on or before May 1, 2018. The Massachusetts cannabis control commission shall temporarily adopt the independent testing regulations currently adopted by the department of public health in 105 CMR 725.105 up until the commission has promulgated the regulations, guidelines and protocols for independent testing of marijuana in section 15 of Chapter 94G of the General Laws, on or before May 1, 2018.

SECTION 54: Chapter 334 of the acts of 2016 is hereby amended by striking out section 7 in its entirety and replacing with the following section:-

“The initial appointments to the cannabis control commission under section 76 of chapter 10 of the General Laws shall be no later than September 1, 2017.”

SECTION 55: Chapter 334 of the acts of 2016 is hereby amended by striking out section 8 in its entirety and replacing with the following section:-

"The initial appointments to the cannabis advisory board under section 77 of chapter 10 of the General Laws shall be no later than August 1, 2017."

SECTION 56. Chapter 334 of the acts of 2016 is hereby amended by striking out sections 10 and 11.

SECTION 57. Notwithstanding any general or special law to the contrary, the Massachusetts cannabis control commission established pursuant to section 76 chapter 10 of the General Laws shall promulgate regulations, guidelines and protocols necessary for the issuance of licenses pursuant to said chapter 94G no later than March 15, 2018. The commission shall begin to accept applications for licenses pursuant to said chapter 94G no later than April 1, 2018.

SECTION 58. (a) The Massachusetts cannabis control commission shall prioritize review and licensing decisions for applicants for retail, manufacture or cultivation licenses who:

(1) are registered marijuana dispensaries with a final or a provisional certificate of registration in good standing with the department of public health pursuant to 105 CMR 725.000 that are operational and dispensing to qualifying patients; or

(2) demonstrate experience in or business practices that promote economic empowerment in communities disproportionately impacted by high rates of arrest and incarceration for offenses under chapter 94C.

(b) The commission shall identify all applications subject to prioritization under subsection (a) submitted between April 1, 2018 and April 15, 2018 and grant or deny such applications prior to reviewing any other applications for licenses.

(c) The commission shall not issue a license pursuant to chapter 94G until June 1, 2018.

(d) The commission shall not approve any application for a license submitted by such a registered marijuana dispensary if, pursuant to chapter 94G, a host community, as defined in chapter 94G, has prohibited marijuana establishments under 94G.

SECTION 59. The cannabis control commission, in consultation with the department of agricultural resources, shall report to the joint committee on marijuana policy and the house and senate committees on ways and means on participation in the regulated marijuana industry by farmers and businesses of all sizes. The first report shall provide recommendations to ensure farmers' access to marijuana licenses and to allow for the growth, cultivation, production and harvest of marijuana on farm or agricultural lands, including, to the extent permitted by state and federal law, lands protected under an agricultural preservation restriction and the possibility of including marijuana and industrial hemp as land in horticultural use for the purposes of assessment and taxation pursuant to the provisions of chapter 61A. These recommendations, including drafts of legislation necessary to carry its recommendations into effect shall be reported within 12 months of the effective date of this act. The second report shall update the legislature on progress made to promote and encourage full participation in the regulated marijuana industry by farmers and businesses of all sizes and shall be filed not later than December 31, 2018.

SECTION 60. The Massachusetts cannabis control commission shall make necessary accommodations and promulgate special regulations for the counties of Dukes and Nantucket. Such regulations shall be promulgated on or before May 1, 2018.

SECTION 61. Notwithstanding any general or special law to the contrary, a person having a record of criminal court appearance or disposition on file with the office of the commissioner of probation for a charge of unlawful possession of a controlled substance under section 34 of chapter 94C of the General Laws shall be eligible to have the record and related records, if any, sealed immediately under section 100A of chapter 276 of the General Laws if the controlled substance specified in the complaint related to the court appearance or disposition was marihuana under clause (1) of subsection (b) of Class D of section 31 of said chapter 94C.

SECTION 62. The cannabis advisory board shall provide recommendations related to the costs associated with the purchase of medicinal marijuana by veterans of the United States military and individuals receiving health insurance benefits through the United States Department of Veterans Affairs. The cannabis advisory board shall make recommendations relative to improving cost-effective access to medicinal marijuana and individuals receiving health insurance benefits through the United States Department of Veterans Affairs to the cannabis control commission not later than September 1, 2018.

SECTION 63. The secretary of public safety and security shall make a recommendation to the legislature not later than July 1, 2018, regarding a statewide system and procedures for civil citations.

SECTION 64. The Massachusetts cannabis control commission, in collaboration with the department of revenue, shall study the feasibility of alternative tax bases for calculating taxes on

marijuana and marijuana products, including by weight, volume, or tetrahydrocannabinol potency. The commission shall file the results of this study together with any recommendations for changes to marijuana tax policy with the clerks of the senate and the house of representatives, who shall forward the recommendations to the senate and house chairs of the joint committee on marijuana policy and the senate and house chairs of the joint committee on revenue not later than July 1, 2020.

SECTION 65. (a) Notwithstanding any general or special law to the contrary, the cannabis control commission shall report on the incoming receipts and expenditures and any other activities of the Marijuana Regulation Fund, established in section 14 of chapter 94G of the General Laws, every 6 months. The report shall be submitted to the clerks of the senate and the house of representatives and the senate and house committees on ways and means.

SECTION 66. (a) As used in sections 66 to 71, inclusive, the following terms shall, unless the context clearly requires otherwise, have the following meanings:-

"Commission", the Massachusetts cannabis control commission established pursuant to section 76 of chapter 10 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 66 to 71, inclusive. 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 67. (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 66 or on January 1, 2019.

(b) All officers and employees of the 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, and without change in union representation or certified collective bargaining unit as certified by the state labor relations commission or in local union representation or affiliation, 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 68. 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 10 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 program. The personnel administrator, in consultation with the commission, shall determine the appropriate job titles for former employees of the 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 any applicable collective bargaining agreement or authority policy in place upon the effective date of this act.

SECTION 69. 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 70. 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 71. (a) Notwithstanding any general or special law to the contrary, upon execution of the agreement between the department and the commission pursuant to section 66, 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 Marijuana Regulation Fund established in section 14 of chapter 94G 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 chairs of the house and senate committees on ways and means.

SECTION 72. The commission shall submit a report to the joint committee on marijuana policy not later than July 15, 2018 detailing the progress of the transfer of the program as set forth in sections 66 to 71, inclusive.

SECTION 73. 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 including, but not limited to, 105 CMR 725 until the department transfers the oversight and regulation of the program to the commission as provided by section 66.

SECTION 74. Notwithstanding any general or special law to the contrary, any person with a provisional or final certification of registration as of July 1, 2017 to dispense medical use marijuana, 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 2/3 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 marijuana licensee or any application for a medical use marijuana 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 75. (a) The Massachusetts cannabis control 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 to continue as a medical marijuana treatment center. Upon renewal of the license for a medical marijuana treatment center, all regulations promulgated by the commission needed for such licensing requirement, shall be met and approved by the commission.

(b)Notwithstanding any general or special law to the contrary, for the purposes of reviewing and approving an application for a license to operate a marijuana establishment, the Massachusetts cannabis control 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 achievement of accreditation status. The commission shall ensure an expedited review process for applicants for a license to operate a marijuana establishment 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 76. 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, not later than January 1, 2020.

SECTION 77. 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 94G of the General Laws or chapter 369 of the acts of 2012, this act or any rule or regulation promulgated pursuant to said chapter 94G or chapter 369 of the acts 2012 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 94G or chapter 369 of the acts of 2012 of the General Laws, this act or any rule or regulation promulgated pursuant to said chapter 94G or chapter 369 of the acts of 2012 or this act for any actions taken in their personal capacity.

SECTION 78. Section 77 is hereby amended by striking out, in each instance, the words "chapter 369 of the acts of 2012" and inserting in place thereof, each time they appear, the following figure:- 94I.

SECTION 79: (a) For the purposes of this section, the terms "minority business enterprise", "women business enterprise", and "veteran business enterprise" shall have the same meanings as defined in section 58 of chapter 7.

(b) The cannabis control commission shall conduct a study on participation in the regulated marijuana industry, including participation by minority business enterprises, women business enterprises and veteran business enterprises. The study shall include, but shall not be limited to: (i) a review of the participation in activities related to the regulation, licensing and promotion of marijuana establishments; (ii) a compilation of data on the individuals and entities that apply for and are issued licenses under chapter 94G of the General Laws, including the individual's or members of an entity's race, gender, country of origin and state geographic region; and (iii) any evidence of discrimination or barriers to entry in the regulated marijuana industry.

(c) If, upon completion of the study, the commission determines that there is evidence of discrimination or barriers to entry in the regulated marijuana industry, the commission shall adopt diversity licensing goals that provide meaningful participation of communities disproportionately affected by cannabis prohibition and enforcement, including minority business enterprises, women business enterprises and veteran business enterprises. The commission shall, in consultation with the supplier diversity office under the executive office of administration and finance, develop training programs designed and implemented to achieve

meaningful participation by minority persons, women, and veterans. These programs shall include, but shall not be limited to: (i) recruitment of minority, women, and veteran owned business enterprises to become licensed in marijuana related businesses; (ii) development of workforce training for minorities, women, and veterans to enter into marijuana related businesses; (iii) creation of employer training to attract minorities, women, and veterans into the workforce; and (iv) outreach to disadvantaged groups, including consultations with state agencies and providing education and training opportunities .

In implementation of licensing of marijuana retailers, the commission shall prepare annual reports that shall include, but shall not be limited to: (i) the total number of licensed marijuana retailers; (ii) the number and percentage of licenses provided to minority, women, and veteran owned business; (iii) the total number and percentage of minority, women, and veteran employees in the marijuana industry, and (iv) recommendations on reducing or eliminating any identified barriers to entry, including access to capital, in the marijuana industry. The reports shall be submitted to the treasurer and receiver general, the house and senate chairs of the joint committee on marijuana policy, the clerks of the house and senate, and the governor. The commission shall post each annual report on its website.

(d) The commission shall file its findings and recommendations with the clerks of the senate and the house of representatives, the chairs of the joint committee on marijuana policy and the senate and house committees on ways and means.

SECTION 80. (a) The Massachusetts cannabis control commission shall establish energy and environmental standards pursuant to paragraph (xxxix) of section 4(a ½) of chapter of 94G of the General Laws, provided, that such standards shall be promulgated in consultation with the

department of energy resources, the department of environmental protection and the department of agricultural resources; and provided further, that such standards shall require, at a minimum, that any marijuana establishment licensed as a marijuana cultivator or marijuana product manufacturer demonstrate, as a condition of licensure, or as a condition for licensure renewal if such standards are not established prior to initial licensure, compliance with such energy and environmental standards

(b) the Massachusetts cannabis control commission shall establish a working group that shall include, but not be limited to: the executive director of the cannabis control commission or a designee, the commissioner of energy resources or a designee, the commissioner of environmental protection or a designee and the commissioner of agricultural resources or a designee. The working group shall provide recommendations to the commission on: (i) ways to reduce energy and water usage in the marijuana industry; (ii) mitigating other environmental impacts; (iii) annual energy audits, energy efficiency measures, energy conservation measures and energy conservation projects as defined in section 1 of chapter 164 of General Laws; (iv) additional best practices that would ensure marijuana establishment compliance with standards promulgated under paragraph (a).

SECTION 81. Notwithstanding any general or special law to the contrary, nothing in this act shall affect any restrictions or limitations on the operation of medical marijuana treatment centers, marijuana 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.

SECTION 82. Notwithstanding any general or special law to the contrary, the treasurer and receiver-general, working in cooperation with the department of capital asset management

and maintenance, may determine where to locate temporary office space for the establishment and operation of the Massachusetts cannabis control commission.

SECTION 83. Sections 2, 29, 41, 44, 45, 48, 71, and 78 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 66 or on December 31, 2018, whichever occurs first.