

COMMONWEALTH OF MASSACHUSETTS

6th Annual Activities Report

October 2023

TABLE OF CONTENTS

LEGISLATIVE MANDATE
EXECUTIVE SUMMARY
INTRODUCTION
IMPLEMENTATION OF ADULT- AND MEDICAL-USE MARIJUANA PROGRAMS 6
Law
Licensing7
Enforcement
Communications
Equity Programming and Community Outreach13
Constituent Services
Government Affairs and Policy
Legal
Finance
Revenue
Personnel
Research
CONCLUSION

LEGISLATIVE MANDATE

Under Chapter 55 of the Acts of 2017, An Act to Ensure Safe Access to Marijuana (Act), the Cannabis Control Commission (Commission) is charged with implementing the statutory and regulatory schemes governing the adult-use, and now medical-use, marijuana programs. The following report is issued pursuant to Section 31 of the Act, which provides in relevant part:

"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." St. 2017, c. 55, § 31.

On November 9, 2022, Chapter 180 of the Acts of 2022 came into effect, marking the first-time major changes were made to the Commission's governing legislation. This new law addressed the Commission's policy recommendations by entrusting the agency with new oversight and bringing clarity to the terms of Host Community Agreements, creating a publicly administered social equity loan fund administered by the Executive Office of Economic Development, and adopting a technical change to allow municipalities to opt-in to social consumption licenses. It also requires cities and towns to incorporate equitable policies at the local licensing level, eliminates certain suitability restrictions that prevented prospective agents with certain criminal backgrounds from participating in the industry, and codifies Massachusetts' first-in-the-nation Social Equity Program, among other fixes. The Commission will promulgate regulations pertaining to Host Community Agreements, minimum standards for local equity, and Marijuana Establishment agent suitability by November 9, 2023, in accordance with the statute.

EXECUTIVE SUMMARY

Purpose

This report provides information regarding the implementation under the Act of the adultuse marijuana program pursuant to the aforementioned legislation, inclusive of the Medical Use of Marijuana Program, which <u>the Commission successfully transferred</u> from the Department of Public Health on December 24, 2018 with 47 Medical Marijuana Treatment Centers, roughly 57,000 patients and 7,000 personal caregivers. Activities contained herein cover the 2022 fiscal year. Data included in the report are the most recent available as of June 30, 2023, unless stated otherwise.

Findings

The Commission has built upon its legislative mandate to implement the burgeoning adultuse marijuana industry and Medical Use of Marijuana Program and has matured beyond a startup organization. To that end, the agency continues to make significant progress in areas the Legislature identified as priorities and is well prepared to implement and execute critical new statutes while continuing to serve as a national leader in promoting public health and safety in the industry and building an inclusive marketplace.



INTRODUCTION

Within the evolving landscape of the licensed cannabis industry, the Commission is committed to providing responsible oversight and comprehensive regulation to uphold public health and safety and for a sustainable and equitable industry. The previous year has marked a pivotal chapter in the Commission's history due to major, critical updates in state laws regarding municipal equity requirements, Commission oversight of the local licensing process, and new abilities for municipalities to opt-in to allow for social consumption licensing within their borders. It also included significant milestones, such as back-to-back record setting months of Marijuana Retail Sales in June, July and August 2023, culminating in more than \$5 billion in aggregate gross adult-use sales in August.

Established in September 2017, the mission of the Commission is to honor the will of Massachusetts voters by safely, equitably, and effectively implementing and administering the laws enabling access to medical and adult-use marijuana in the Commonwealth.

Executive Director Shawn Collins, who was unanimously appointed to the role in September 2017, and a dedicated workforce comprising 131 professionals, make up the agency. Leading the Commission are five Commissioners who craft policy and vote on applications for licensure. These include four Commissioners who were appointed in 2021—Nurys Camargo, Bruce Stebbins, Ava Callender Concepcion, and Kimberly Roy—as well as Chair Shannon O'Brien, who was appointed this past year in September 2022.

The Commission has continued to evolve and grow since its inception six years ago. Last year, the Commission began reviewing its governance structure to solidify and refine agency processes and procedures that will outlast the individuals who have been instrumental in getting the organization off the ground and building upon its foundation. To comply with the Open Meeting Law, which protects mediation sessions, Commissioners voted in April 2022 to "have the Commission participate in mediation between the Commissioners and staff leadership, for the purpose of finding common ground and obtaining buy-in from all parties, in our efforts to establish a durable and effective governance structure." Since then, three different Chairs have engaged in this process. The Commission continues to meet in Executive Session to make progress on this matter.

Considering the end of the state's COVID-19 public health emergency in May, the Commission has reinstated in-person public meetings while maintaining a hybrid methodology with remote access for the public to ensure inclusivity and accessibility. Operating from headquarters in Worcester and a satellite office in Boston, physical assemblies, conferences, and speaking engagements persist across the Commonwealth with Commission representatives effectively engaging in a hybrid operational framework.

This year's annual report presents a comprehensive analysis of the initiatives, challenges, achievements, and prospects that have defined the Massachusetts cannabis landscape throughout the past year. The agency and the industry are not in crisis. On the contrary, through strategic collaboration, diligent enforcement, and continuous adaptation, the Commission has not only continued to shape the industry's upward trajectory but has also upheld its commitment to public health and safety, social equity, and business vitality. From regulatory advancements to economic empowerment endeavors, from analyzing market trends to increasing public engagement, the Commission has taken a multifaceted approach to keep the Commonwealth at the forefront of responsible cannabis compliance.

IMPLEMENTATION OF ADULT- AND MEDICAL-USE MARIJUANA PROGRAMS

Law

Statute.

St. 2022, c. 180, <u>An Act Relative to Equity in the Cannabis Industry</u>, went into effect on November 9, 2022, and further amends M.G.L. c. 94G. The Commission is reviewing draft regulations and considering policy changes that respond to these recent statutory changes. The Commission voted to approve draft regulations on July 28, 2023, and will file them with the Secretary of State's Regulations Division on August 15, 2023, and publish them on the Commission's website. The regulations will then be open to written comments and undergo a public hearing for testimony in accordance with state law. Following the hearing, the Commission will review public comments and vote on final regulations. The Commission is required to promulgate new regulations implementing Chapter 180 no later than November 9, 2023.

Promulgation of Regulations.

On March 23, 2018, the first iteration of regulations, 935 Code Mass. Regs. § 500.000: *Adult Use of Marijuana*, were published in the Massachusetts Register. On December 24, 2018, the Medical Use of Marijuana Program successfully transferred from the Department of Public Health to the Commission, as was mandated by Section 64 of the Act. At that time, the Commission then promulgated 935 CMR 501.000: *Medical Use of Marijuana* and 935 CMR 502.000: *Colocated Adult Use and Medical Use Marijuana Operations*. On January 8, 2021, the Commission promulgated amendments to 935 CMR 500.000: *Adult Use of Marijuana* and 935 CMR 501.000: *Medical Use of Marijuana*; and repealed 935 CMR 502.000: *Colocated Adult-use and Medical-use Marijuana Operations*, which was incorporated, as applicable, in 935 CMR 500.000 and 935 CMR 501.000.

Guidance.

In addition to its regulations, the Commission regularly drafts, revises, and adopts guidance for licensing and other administrative processes implicated by its legislative mandate. To date, the Commission has published more than 30 guidance documents designed to assist consumers, patients, applicants, business owners, equity programming participants, and local officials. Guidance documents are available on the Commission's website at https://mass-cannabis-control.com/guidancedocuments/. Once draft regulations are duly promulgated, as part of implementation, the Commission will issue updated or new guidance documents to ensure the public has adequate resources to understand the new requirements. The Commission will continue to issue guidance documents from time to time as matters arise to aid the public in complying with the various regulations or avoiding public health risks.

Licensing

Through the legalization of adult-use marijuana in the Commonwealth, the Legislature required the Commission to certify priority applicants, license Marijuana Establishments, register agents, and approve applicants for a Social Equity Program. To that end, the Commission and its vendors designed and implemented the Massachusetts Cannabis Industry Portal (MassCIP) as an electronic registration system, and Metrc, the state's seed-to-sale tracking system of record.

As of January 2020, the administration of the medical marijuana program shifted from the previously responsible Department of Public Health to the Commission. With this transition, the electronic application, licensing, and agent registration through MassCIP extended to include Medical Marijuana Treatment Centers (MTC).

Priority Applicants.

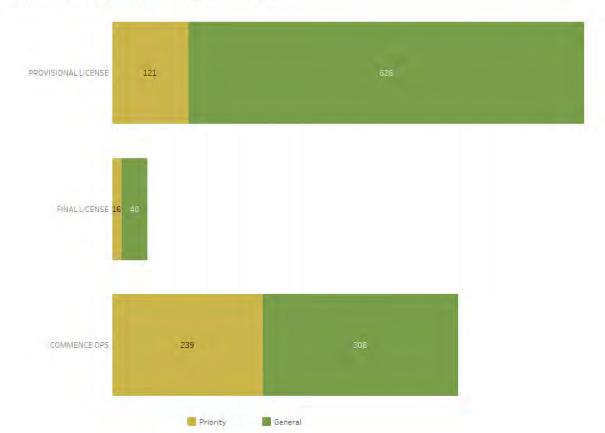
Between April 17, 2018, and May 22, 2018, the Commission offered an application process for economic empowerment priority certification in accordance with state law. In total, the Commission received 322 submitted applications and ultimately granted priority certification to 81 Medical Marijuana Treatment Center or "MTC" (formerly referred to as RMD) applicants and 122 Certified Economic Empowerment Priority Applicants. As of July 2023, the Commission has issued 22 commence operations approvals to economic empowerment priority applicants and 37 commence operations approvals to social equity program participants, enabling them to begin various licensing operations in the Commonwealth.

Provisional and Final Licensees.

As of July 2023, the Commission had received 1,706 license applications for adult-use Marijuana Establishments. At the time of this report, Commission staff are reviewing 13 adult-use license applications and further reviewing and inspecting 10 provisional licensees. The following is a summary breakdown of the 1,485 Marijuana Establishment license applications fully submitted to the Commission as of July 2023:

- 257 MTC Priority Applicants (which, according to state law, is an MTC previously approved by the Department of Public Health when it administered the Medical Use of Marijuana Program and had at least obtained a MTC provisional license as of April 1, 2018);
- 126 Certified Economic Empowerment Priority Applicants (as certified by the Commission in 2018 in accordance with state-mandated timelines);
- 310 Social Equity Participant Applicants (as approved through the Commission's Social Equity Program);
- 635 Expedited Applicants (as allowed through Commission policy approved in November 2019 as part of a process for certain businesses to receive expedited review. These applicants consist of minority-, women-, and veteran-owned businesses as certified by the Supplier Diversity Office as well as Independent Testing Laboratories, Outdoor Cultivators. Marijuana Microbusinesses, and Craft Marijuana Cooperatives. Social Equity Program Participant Applicants also receive expedited review.); and
- 688 General Applicants which do not meet any of the aforementioned criteria.

As of July 2023, 556 licensees have received notices from the Commission that authorize them to commence business operations in the Commonwealth, another 50 entities currently possess final licenses, and 499 have been approved for provisional licenses. Each year, the licensing team has authorized more businesses to commence operations and approved more final licenses than the previous year.



Approved Adult-Use Applicants by License Type

In Fiscal Year 2022, the Commission has seen a consistent increase in applications for provisional licensure, final licensure, and to commence operations. From a statistical perspective, there has been an approximate 30% rise in applications for commencing operations in fiscal year 2022 as compared to the preceding fiscal year, 2021. There has been a notable pattern in applications for Tier 1 to Tier 3 cultivation facilities, showing a surge of 14 applications compared to the previous year. In contrast, licenses for Tiers 9 to 11 cultivation facilities have grown by 4 licenses in the same time period.

Closures.

Of the 566 adult-use Marijuana Establishment licenses the Commission has authorized to commence operations, sixteen (16) licenses, or 2.8%, have either surrendered, not renewed their license, or have had their license revoked/voided by the agency and are no longer operating in

Massachusetts.

Adult-use Marijuana Retailers, which are the most sought-after license type, have seen even fewer closures. Since November 2018, 314 dispensaries have been approved to commence operations and open their doors to adult-use cannabis consumers in Massachusetts. Only five (5) licensees, or 1.6% have either surrendered or not renewed their license, leaving 309 active and operational Marijuana Retailers in the Commonwealth.

Changes of Ownership (Entities).

Between July 2022 and July 2023, Enforcement staff has made approximately 58 recommendations for Change of Ownership applications involving entities with direct and indirect control.

Medical Provisional and Final Licenses.

In addition to regulating the adult-use cannabis industry in Massachusetts, the Commission has overseen the Medical Use of Marijuana Program since it was transferred from the Department of Public Health in December of 2018. As of July 1, 2023, the medical-use cannabis industry is comprised of the following: 102 licensees that have commenced full operations to serve registered qualifying patients and caregivers through vertically integrated MTCs, as well as 43 provisional licensees, and 45 expired licenses. As of July 2023, the Medical Use of Marijuana Program is composed of 94,136 Certified Active Patients, 7,265 Active Caregivers and 441 Certifying Healthcare Providers.

Enforcement

The Commission is proud of the fair and comprehensive investigatory process it has developed and employed since the agency's inception in 2017 to ensure licensees comply with state law and regulations. Massachusetts' regulations are some of the strongest in the nation, and the agency stands by its policies and procedures that are building a safe, effective, and equitable industry.

Certain investigatory activities over the past year have risen to a unique level of public interest and concern. The length of any ongoing investigation is influenced, in part, by the complexity of the compliance issues and the extent of inter-agency collaboration needed to perform a due diligence review. It's also important to note that there is still limited legal and regulatory precedent in many compliance areas due to federal prohibition of cannabis.

Compliance monitoring activities, such as unannounced inspections, are routine and integral to ensuring investigators see how a licensee operates on a typical day, not one in which it prepares for an inspection. Investigators are not required to disclose the purpose of their investigation while on site. In fact, staff have an obligation to protect the integrity of Commission investigations to find the truth. Only then can Commissioners review and act on findings without preconceived notions or bias.

Publicly presenting a particular interest in any matter that is currently under investigation or review for legal action is unusual and risks damaging the agency's ability to carefully and legally exercise its enforcement power. Sharing details of the investigation prior to its conclusion risks damaging public confidence in the integrity of the Commission's investigatory and enforcement mechanisms and can taint the neutrality that the Commissioners' have a duty to maintain if or when a matter comes before them to make a final decision that could likely be challenged and subject to further judicial scrutiny pursuant to G.L. c. 30A.

Enforcement Referrals.

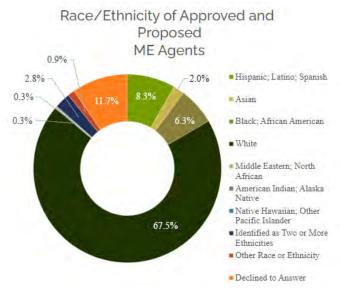
Since July 2022, Enforcement staff has made approximately eight (8) investigative referrals to Enforcement Counsel, which reviews findings for possible litigation. During this period, Enforcement staff has completed 900 total inspections, including unannounced inspections, license closure inspections, change of location inspections, structural change completion inspections, post-provisional license inspections, and post-final license inspections. From these inspections, Enforcement staff has issued approximately 450 Notices of Deficiencies to licensees. Enforcement staff have also processed approximately 240 architectural review and structural change applications, and approximately 8 alternative security provisions.

Enforcement Actions.

In addition to the aforementioned 450 Notices of Deficiencies to licensees, the agency also initiated one emergency enforcement action, resulting in the immediate suspension of licensee operations, posing a public safety risk. During this time, Enforcement also initiated two enforcement actions responsive to regulatory noncompliance, which remain pending. In September 2022, Enforcement negotiated a Final Order and Stipulated Agreement on an emergency enforcement action, securing affirmative relief to resolve public safety and welfare risks. In December 2022, Enforcement negotiated a Final Order and Stipulated Agreement on an enforcement action resulting in affirmative relief in the public interest and a fine payment of \$22,275.00.

Agents.

As of July 2023, the Commission had received 22,260 applications for Marijuana Establishment agent registrations. 36.1% (8,037) of the applicants identified as female, 62.8% (13,975) identified as male, 0.5% (110) identified by a different gender and 0.6% (138) declined to answer. The Commission has also received 7,975 agent registrations for Medical Marijuana Treatment Centers. 63.1% (5,031) of applicants identified as male, 36.6% (2,919) identified as female and 0.3% (25) declined to answer.



Responsible Vendor Training (RVT).

Commission regulations 935 CMR 500.105(2)(b) and 935 CMR 500.105(2)(b) outline the Responsible Vendor Training Requirement for all current Marijuana Establishment and Medical Marijuana Treatment Center agents. The Licensing Department manages the RVT Program, including the application process, communication with applicants and current vendors, and any regulatory updates regarding RVT. To date, the Commission has approved 30 applicants to be Certified RVT Vendors. Of the Certified Vendors, ten run their operations in Massachusetts while the remaining ten vendors operate outside of the state using either synchronous or asynchronous learning methods.

In May 2023, the Commission unveiled new training curricula for cannabis business employees. These Responsible Vendor Training (RVT) curricula are designed to cater to both MTCs and adult-use Marijuana Establishments. The mandatory Basic Core Curriculum, already in place, covers essential topics such as product knowledge, responsible serving procedures, risk mitigation strategies, and public safety. An optional Advanced Core Curriculum is now available, enabling Agents to build on the knowledge, skills, and practices covered in the Basic Curriculum and specialize in areas such as cultivation, product manufacturing, social equity, and more. A Delivery Core Curriculum was also introduced and will be required for delivery agents to ensure compliance with regulations and will provide training on how to safely conduct deliveries, cash handling policies, strategies for de-escalating potentially dangerous situations, collecting and communicating information to assist in investigations, and more.

The Commission published <u>RVT Guidance</u> and <u>FAQ</u> documents to guide applicants through the RVT certification process as well as an updated <u>RVT Checklist</u> in the public documents section of the Commission's website.

Communications

The Commission is in regular contact with members of the public through various media and platforms. Beyond their monthly public meeting schedule, Commissioners regularly attend and present at public events throughout the Commonwealth, the Northeast, and nationwide. Commissioners have made or participated in numerous media engagements, presentations, speeches, panel discussions, roundtables, and other forums before stakeholder groups such as community organizations, senior citizen groups, municipal officials, financial institutions, industry, and law enforcement.

Website.

From July 1, 2022, through June 30, 2023, the Commission's website received more than 3,300,000 page views and 434,000 unique visits, and in April of 2023, the Commission launched a new section of the website devoted to all the Commission's equity programming with an aim to provide a better user experience and access to information for site visitors. This website section, consisting of ten new pages of content including step-by-step guidance, application support, information on suitability and pre-certification, and expanded resources for constituents, received 6,258 page views and 2,469 unique visits from its April launch through June 30, 2023.

Virtual Engagement.



The Commission sent, on average, six (6) email campaigns to subscribers per month with an open rate of 40% (21.33% being the average email open rate across all industries and 28.77% for Government entities). The Commission's social media presence includes Instagram (@CannabisControlCommission, 3,890 followers) and LinkedIn

(@CannabisControlCommission, 8,388) in addition to Twitter, now called X, (@MA_Cannabis, 9,200 followers) and Facebook (@MassCCC, 2,940 followers). Through these various channels, the Commission continues to communicate with the public regarding the work of the agency and its regulation of the developing industry.

Public Awareness Campaign.

The Commission utilized organic promotion in Fiscal Year 23 to highlight evergreen content from its state-mandated public awareness campaign, More About Marijuana (<u>www.MoreAboutMJ.Org</u>). Previously, the campaign's educational messaging has been developed in partnership with MORE Advertising, and utilized third-party research, surveys, and focus groups of Massachusetts residents to implement content. Although More About Marijuana

was not funded for Fiscal Year 2023, Communications utilized this past April 20—a date sometimes recognized by adult-use cannabis consumers—as an opportunity to <u>re-educate the public about the agency's brand pillars</u> of building a safe, effective, and equitable marketplace, including a public awareness video featuring all five Commissioners and the Executive Director.

Related print collateral and branded outreach materials remain accessible to the public through the <u>Massachusetts Health Promotion Clearinghouse</u>.

In collaboration with the Massachusetts Registry of Motor Vehicles and AAA Northeast, the Cannabis Control Commission developed a curriculum called "Shifting Gears: The Blunt Truth about Marijuana and Driving" with the aim of educating teenage drivers about the risks of cannabis-impaired driving. This program, presented in a 25-minute video, has been incorporated into driver education classes, enhancing the curriculum with evidence-based information regarding how tetrahydrocannabinol (THC) affects cognition, vision, reaction time, and perception of time and distance. Massachusetts has led the way as the first adult-use cannabis state to adopt such a program, and the program has already served as a model for other states seeking to bolster road safety and educate drivers in their legalized cannabis states.



Equity Programming and Community Outreach

The Commission continues to assess and build upon the nation's first statewide Social Equity Program (SEP). The Equity Programming and Community Outreach (EPCO) team is led by the Director of Equity Programming and Community Outreach, a redesigned role that has reaffirmed that a lens of equity is placed on the Commission's work. The department has also expanded to include additional staff to support the agency's robust community outreach needs to Disproportionately Impacted Areas (DIA), the medical community, municipalities and government officials, academia, and other priority constituents.

Social Equity Program.

The SEP is designed to build a pathway into the legal cannabis industry for individuals disproportionately impacted by previous prohibition. The SEP focuses on those most impacted by the War on Drugs, marijuana prohibition, disproportionate arrest and incarceration, and provides training, technical assistance, and mentorship for entry into the regulated marketplace across four areas: entrepreneurship, entry- and managerial-level workforce and professional development, and ancillary business support. Its overall mission is to decrease the disparities in life outcomes for impacted individuals and improve the quality of life for those from DIAs. Commission staff have initiated a three-year strategic planning process to ensure the SEP continues to effectively meet its intended goals.

Approved Social Equity Participants and Certified Economic Empowerment Priority Applicants are eligible for expedited application review within the Commission's licensing queue when they submit a licensing application, receive certain fee waivers, and have exclusive access to Commission pre-certification and delivery and social consumption license types. The agency previously expanded SEP criteria and increased participation in the Program to any individual listed as an owner on the original certification of a Certified Economic Empowerment Priority Applicant who satisfies certain criteria.

SEP Program goals are to:

- Reduce barriers to entry in the commercial marijuana industry, regardless of desired specialty within the industry;
- Provide professional and technical services as well as mentoring for individuals and businesses facing systemic barriers; and
- Promote sustainable, socially, and economically reparative practices in the commercial marijuana industry in Massachusetts.

To qualify for the Program, an applicant must meet one of the following criteria:

- Residency in an a DIA for at least five (5) of the past 10 years and income may not exceed 400% of the Area Median Income in the applicant's respective town/city;
- A past drug conviction, continuance without a finding, or an equivalent conviction in other jurisdictions, and residency in Massachusetts for at least the preceding 12 months;
- Marriage to, or the child of, a person with a drug conviction, a continuance without a finding, or an equivalent conviction in other jurisdictions, and residency in Massachusetts for at least the preceding 12 months;
- Any individual listed as an owner on the original certification of a Certified Economic Empowerment Priority Applicant who satisfies one or more the following criteria:
 - Lived for five (5) of the preceding ten years in a DIA, as determined by the Commission;
 - Experience in one (1) or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities;
 - o Black, African American, Hispanic, or Latino descent; or
 - Other significant articulable demonstration of past experience in or business practices that promote economic empowerment in DIAs.

Since its inception, the Commission has accepted 872 participants into the free technical assistance and training program. Cohort III has been the largest class to date, consisting of 446 participants, of which approximately 65% of participants self-identify as Black, African American, Hispanic, or Latino descent.

Advanced Courses.

As the Commission continued refining its programming, the need for additional advanced courses became apparent. Using survey results collected from participants, the Commission worked with its technical assistance and training vendor to develop and deliver advanced-level courses in April and May of 2023. The Social Equity Program curriculum will continue evolving as the industry grows and as new resources are discovered to assist SE Participants in entering the Massachusetts cannabis industry.

Priority Licensees.

The Commission remains fully committed to its mission of encouraging and enabling full participation within the marijuana industry from individuals and communities that have previously been disproportionately harmed by marijuana prohibition and enforcement through strategic. intentional. supportive and programming. The Commission has approved licenses owned by Social Equity Participants and Certified Economic Empowerment Priority Applicants totaling 99 Provisional Licenses, four (4) Final Licenses, and 59 Licenses have commenced operations.



Exclusive Licenses.

Our delivery license types, including Delivery Courier, Delivery Operator, and Microbusiness with Delivery Endorsements, are exclusively available to approved Social Equity Program (SEP) Participants and Certified Economic Empowerment Applicants (EEA) – with the exclusivity period that began on April 1, 2022, when the first Marijuana Delivery Operator received their notice to commence operations in the Commonwealth and will span a minimum of 36 months. As of June 30, 2023, 198 businesses have been pre-certified as either a Delivery Courier, Delivery Operator, or Microbusiness with Delivery Endorsement.

Engagement and Events.

EPCO has held and attended a plethora of events in the past and is committed to ongoing engagement with the community. The Commission continues to partner with the Greater Boston Chamber of Commerce – City Awake (City Awake) by hosting a virtual event, held most recently in September 2022, titled the *Intersection of Cannabis and Equity*. This annual gathering is designed to provide information on the Commission's Social Equity Program and allow individuals to connect with representatives who can share resources for entering the cannabis marketplace. With 250 registered attendees, approximately 120 individuals joined the live webinar, including four (4) municipal representatives, three (3) representatives from the legislature, and two (2) officials from other states.

The Commission and City Awake will be hosting another joint event in September of 2023, titled *Intersection of Cannabis and Equity*, this time in person and designed to inspire diverse



Millennials from the Greater Boston area through programming, presentations, workshops, and hearing from panels comprised of experts in cannabis business, and leaders in civic engagement and local communities.

In collaboration with Archipelago Strategies Group (ASG) and Intercultural Productions, LLC, the Equity Programming and Community Outreach, Digital and Creative Services, and Traditional Communications teams developed an integrated multimedia awareness campaign to raise awareness of (1) equity provisions, programs, and resources available to Massachusetts residents and communities that have been harmed by the War on Drugs and (2) the open application period for SEP Cohort 4. The campaign is produced in multiple languages and targets ethnic media and geographic areas with high concentrations of people of African and Latin-X heritage.

Robust community outreach events will coincide with the integrated multimedia awareness campaign and provide current and prospective equity participants access to community stakeholders, nonprofits, municipal officials and Commission staff, local and statewide programming, SEP application clinics, employment opportunities, cannabisfriendly banking and financing solutions, and other resources that can help individuals enter the legal cannabis industry as an owner, employee, or ancillary services vendor.

Areas of Disproportionate Impact (DIA) Work.

Consistent with the statutory and regulatory mandate, the Commission has been reviewing its initial 2018 list of DIAs, defined as a geographic area identified by the Commission for the purposes identified in M.G.L. c. 94G, § $4(a^{1/2})(iv)$, and which has had historically high rates of arrest, conviction, and incarceration related to Marijuana crimes. *See* 935 CMR 500.002 and 501.002. *A Study Identifying Disproportionately Impacted Areas by Cannabis Prohibition in Massachusetts* ("Study"), was completed by the Donahue Institute and the University of Massachusetts Amherst and presented to the Commission in March 2021. This study produced a new list of DIA. The study was referred to the Commission's internal Access and Equity workgroup ("workgroup") to evaluate its findings. The workgroup presented a history of the DIA list at its August 2022 meeting and presented its policy recommendations in September 2022. The Commission has since approved including two (2) new DIAs – the City of Lawrence, and a census tract in the City of Worcester that the workgroup identified as having been inadvertently left off the initial list.



Constituent Services

The Commission ensures timely responses to all inquiries from the public. Constituents may contact the agency through the <u>MassCannabisControl.com</u> "Contact" page, email, call, or write the agency with their opinions, questions, comments, and concerns. The Commission receives more than 100 inquiries per day directed to its Constituents Services

phone line and email box. The Director of Constituent Services liaises with other departments and staff to resolve constituent cases. Similarly, staff members under the Chief of Investigations and Enforcement regularly respond to questions about licenses and applications, compliance, ownership, suitability, and other matters related to operating businesses.

Regarding concerns about whistleblower complaints, the Commission takes the safety and welfare of Registered Agents, patients, and consumers seriously, and follows up on concerns and allegations such as whistleblower and citizen complaints pertaining to regulatory violations by licensees. The Commission also <u>requires</u> licensees' SOPs as part of the post-provisional license inspection—ahead of the final license phase. Licensees are required to have personnel records and policies available upon request by the Commission, and a licensee that cannot produce these records upon request will be in violation of 935 CMR 500.105(9)(d)4.b. If the Commission does not have jurisdiction based on the nature of the complaint, it can take steps to ensure the complaint is referred to the appropriate agency.

Prior to the pandemic, staff attended community meetings and other public events to ensure people can speak directly with Commission representatives. The most frequently received questions and comments typically pertain to the Medical Use of Marijuana Program, compliance, marijuana policy, the legal industry, Marijuana Establishments, social equity, and related state laws.

In Fiscal Year 2023, the Commission implemented a new call center system that has improved the Commission's ability to collect and use data on constituent inquiries. In Fiscal Years 2024-2025, the Commission plans to use this information to improve services where appropriate and build in budget requests.



Government Affairs and Policy

The Commission continues to monitor the legislative process and is grateful for the Legislature's collaboration over the last five years. As the agency continues its build-out to meet

the demands of the booming licensed cannabis industry, it will seek to continue that deep collaboration with legislative partners. The Commission is in regular contact with the Legislature and Executive departments on a variety of topics. Most often, legislative offices are in contact with the Commission on behalf of their constituents. From time to time, however, the Commission will reach out to the Legislature to request insight and/or consideration of matters within the Legislature's purview (e.g., <u>Report on Host Community Agreements</u> and <u>Social Consumption</u>).

To underscore the importance of accessible and responsive government, Commissioners assigned the Executive Director a goal of achieving an initial response time of 24 hours for all inquiries.

On May 29, 2023, the Commission hosted its inaugural State of Cannabis event at the State House. Commissioners and representatives from multiple departments had the opportunity to engage with legislators and staff, providing comprehensive insights into the Commission's functions, diverse departments, and initiatives. Commission staff were available after a presentation to responded to legislative inquiries and connect with legislative staff.



Statements of Commission Policy.

Per the Commission's legislative outreach policy, the Commission does not weigh in on specific bills but rather, may advocate for general policies to support an industry that protects public safety, health, and welfare, and that promotes an equitable and fair marketplace. The Commission may also, by majority vote, approve policy statements to aid the Legislature on topics that fall under the agency's purview. Under this process, the Commission approved one Statement of Commission Policy during the previous year.

In June 2023, the Commission unanimously voted to support the following policy statement relative to increasing Veterans' access to the Commonwealth's Medical Use of Marijuana Program. The Statement was shared with both the Senate and House:

The Cannabis Control Commission supports expanding the definition of "Qualifying patient" to include a veteran receiving their health care at a federal Veterans Administration facility who provides documentation that the Veterans Administration has diagnosed the veteran with an existing debilitating medical condition to the Commission. In addition, the Commission also supports the definition of "Debilitating medical condition" to be modified to include post-traumatic stress disorder and opioid use disorder.

Patient Support for Medical Use of Marijuana Program.

On December 24, 2018, the Medical Use of Marijuana Program was transferred from the Department of Public Health and fully integrated into the Commission. Commission staff routinely respond to patient inquiries in addition to processing patient, caregiver, and provider registrations.

The Commission also eliminated patient registration and renewal fees, introduced an Initial Access certification process for Patients and Caregivers to streamline access to medicine, expanded the use of Telehealth certification during the COVID-19 state of emergency, and provided digital applications for interested physicians, nurse practitioners, and physician assistants to join the Program, among other updates.

As of July 2023, the Medical Use of Marijuana Program is composed of 94,136 Certified Active Patients, 7,265 Active Caregivers and 441 Certifying Healthcare Providers. Staff in Constituent Services assist patients, caregivers, and providers with registration and troubleshooting technical issues.

Legal

The Legal Department advises the Commission and its staff on the interpretation and implementation of its governing laws and on applicable areas of state and federal law. In addition,



Legal coordinates as needed on responding to external inquiries from members of the public and from federal and state agencies and officials, including agency counsel. Staff also supports professional groups and academic institutions focused on the developing area of cannabis law.

Regulatory Working Groups.

In response to the recent changes in state law known as Chapter 180 of the Acts of 2022: An Act Relative to Equity in the Cannabis Industry, the Commission assigned three Working Groups composed of Commissioners and staff to discuss policies to implement reforms based on the following subject areas:

Host Community Agreements (HCAs): The HCA Working Group was tasked with developing policy recommendations relative to the new statutory requirement that the Commission reviews HCAs, establish a written waiver process, and develop a model HCA. The recommendations from the working group were incorporated into draft regulations which will be available for public comment before final promulgation on November 9, 2023.

Municipal Equity: The Municipal Equity Working Group was tasked with developing policy recommendations relative to the new statutory mandates to promote social equity at the municipal level. Under Chapter 180, the Commission is required to establish procedures and policies for municipalities to promote Certified Economic Empowerment Priority Applicants (EEAs) and Social Equity Program Participant (SEP) businesses, including new standards for prioritizing applicants, minimum acceptable standards, and best practices for municipalities negotiating HCAs. The recommendations from the working group were incorporated into draft regulations which will be available for public comment before final promulgation on November 9, 2023.

Suitability: In accordance with Chapter 180, the Commission eliminated previously existing disqualifiers that prevented individuals with certain criminal backgrounds from employment in the legal industry as Registered Agents for Marijuana Establishments and Medical Marijuana Treatment Centers, with exceptions for Independent Testing Laboratory Agents and license owners.

Social Consumption: Under Chapter 180, municipalities can authorize social consumption establishments at the local level. The Social Consumption Working Group is tasked with reviewing the Commission's existing social consumption regulations to consider whether any new regulations or amendments to the existing regulations are needed to move the Social Consumption Marijuana Establishment license forward in Massachusetts. The Social Consumption Regulatory Working Group, while not beholden to the November 9, 2023, statutory deadline to implement new regulations for Social Consumption Establishments, continues to review the Commission's existing license type and regulations as well as receive public input via listening sessions.

Litigation.

The Legal Department works closely with the Office of the Attorney General on litigation and other matters implicating the interpretation and implementation of the Commission's laws and associated areas of the law. As of the date of this report, the Commission is not a party to any pending litigation matters. Legal staff also monitors and alerts Commissioners and staff to important decisions made by federal and state courts.

Open Meeting Law Compliance.

The Commission conducts its public meetings in compliance with the Open Meeting Law, G. L. c. 30A, §§ 18-25, which includes posting notice and materials at least 48 hours in advance of its meetings. The Commission's public meetings continue online, consistent with the Governor's executive order related to the Open Meeting Law and the Legislature's enactment of Chapter 20 of the Acts of 2021. In addition to live-streaming its public meetings, the Commission posts recordings of its public meetings on its YouTube channel and its minutes on its website. On a tri-annual basis, the Commission reviews its executive session minutes for release to the public. Relatedly, Legal staff also advises on compliance with Robert's Rules of Order, previously adopted by the Commission.

Ethics Compliance.

As required by G. L. c. 10, § 76 (k), the Commission has developed its own Code of Ethics. The Legal Department supports Commissioners and staff in ensuring compliance with state ethics laws and its code of ethics. In March 2022, Legal staff verified that all staff acknowledged receipt of the conflict-of-interest law and completed the required ethics training. As part of its onboarding process, Legal staff ensures that new employees satisfy applicable ethics requirements.

Public Record Compliance.

During Calendar Year 2022-2023, the Commission's Records Access Officer received and responded to approximately 225 requests for public records. When necessary, the Commission has withheld exempt records under G. L. c. 4, § 7 (26), including to safeguard records considered to be confidential under its statutes and regulations. In January 2023, the Commission filed its annual report with the Secretary of State's Public Records Division. As needed, it consults with the division to ensure compliance.

In March 2023, the Commission did accidentally release documents that contained information about an active investigation and—separate from that investigation—materials that contained the names, residential address, email address, phone number, date of birth, and, in some cases, reason for "deregistration" of registered agents working in the Massachusetts cannabis industry. The Commission was not the victim of any targeted data breach or attack, and protected Personal Information was not disclosed.

Immediately upon discovering this error, the Commission notified the requestor of the issue, sought their cooperation in deleting files containing this information, and took proactive action to prevent any further distribution. The requestor agreed to delete the identified files. The Commission also consulted with the Office of the Attorney General and the Office of Consumer Affairs and Business Regulation to determine what actions the agency may take in response to this production. Although issuing a notice to affected constituents was not required by law, the Commission did so as it believed, for the sake of transparency, it was important to make constituents aware of the disclosure and the efforts taken to contain any distribution.

As of the date of this report, the Commission is not a party to any pending appeals concerning its response to public record requests.

The Commission's operating principles include a focus on conducting all processes openly and transparently. To that end, staff regularly post the following:

- Applications granted provisional and final licensure, found at: <u>https://masscannabiscontrol.com/public-documents/licensing-decisions/</u>
- Executive summaries, public meeting minutes, and other materials presented during Commission public meetings, found at: https://masscannabiscontrol.com/public-documents/.

The Legal Department also consults on the maintenance of the Open Data Platform. The Open Data Platform can be found at <u>https://opendata.mass-cannabis-control.com/</u>. In September 2021, the Commission added medical sales data to the platform and continues to explore more technological solutions to increase the public's access to Commission records.

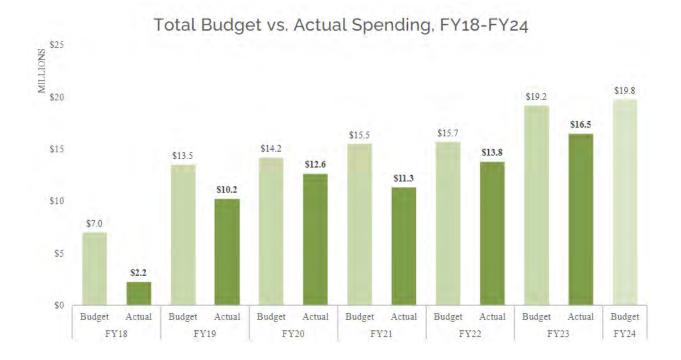
Finance

Commission operations are supported through the Marijuana Regulation Fund, which is subject to appropriation and supports public health and safety needs, substance use disorder prevention, programming for restorative justice, jail diversion, workforce development, and the Cannabis Social Equity Trust Fund, among other uses.

In Fiscal Year 2023, the Legislature appropriated \$19.2 million in total for the Commission: \$15.8 million for the Commission's Operations and \$3.4 million for the Medical Use of Marijuana Program.

Through July 2023, the Commission spent \$16.4M million in Fiscal Year 2023 funds. The Commission continues to grow, hire additional staff, and implement legislative mandates as the industry matures while generating surplus revenue for the Commonwealth.

For Fiscal Year 2024, the Legislature appropriated a total of \$19.7 million for the Commission: \$16.3 million for the Commission's Operations and \$3.5 million for the Medical Use of Marijuana Program. The amount appropriated was less than the Commission's Fiscal Year 2024 request, which totaled \$23.7 million to support the implementation of Chapter 180. While the Commission is taking cost savings measures in Fiscal Year 2024, the Commission may seek a supplemental budget to meet current and ongoing public safety requirements and new requirements based on the statutory changes around HCAs, social consumption, and equity.



Revenue

The Commission is proud to have continued to operate at a cost-neutral basis. In fact, as this report shows, the Commission's activities have enabled annual increases in sales taxes. Revenue from application, licensing, fines, and other fees, along with adult-use marijuana sales and excise tax revenue, is deposited into the Marijuana Regulation Fund. In Fiscal Year 2023, the Commission collected \$21.4 million in revenue. Through May 2023, the Massachusetts Department of Revenue reported a total of \$234.4 million in marijuana sales tax revenue and marijuana excise tax revenue for Fiscal Year 2023. In total, the Commission has generated a \$255.8 million contribution to the Marijuana Regulation Fund through fees and excise tax revenues.

Relative to adult-use cannabis revenue in the Commonwealth, by the end of the summer, the agency anticipates surpassed \$5 billion in gross sales since the first two adult-use retail stores on the East Coast opened for business on November 20, 2018. According to Leafly's 2022 **Harvest Report**, cannabis is the highest revenue generating crop in Massachusetts. The dollar value associated with adult-use cannabis products in the Commonwealth is \$361 million. The next highest ranked is cranberries, pulling almost \$66 million in 2021.

This past fiscal year also witnessed remarkable sales achievements with June establishing a new record for a single month at \$132.9 million in gross sales. The ongoing trajectory continued in July and August, even with the expansion of cannabis legalization in surrounding New England states, that are also seeing record sales in recent months.

These increases are expected to continue, in part, due to the increasing number of customers purchasing seeds and clones from licensed retailers and dispensaries. As of May 2023, Marijuana Retailers, Marijuana Delivery Operators, and MTCs may sell up to six clones to an individual consumer per day. However, there is no limitation on the number of seeds that can be sold. Massachusetts law allows adult consumers ages 21 or older to grow up to six cannabis plants in a home, or up to 12 plants in households with more than one person over age 21.

Personnel

The Commission's Human Resources Department is responsible for creating and implementing policies, processes, and programs to support the Commission's mission, strategic vision, and efforts to create a great place to work. The Commission has a strong commitment to attracting, rewarding, developing, and retaining an inclusive, diverse, and talented workforce. At the time of this report, the Commission employs 131 staff, of which 54% are female and 26% are persons of color. The agency's management team is 58% female and 40% persons of color. The agency has 2% of employees who chose not to specify their gender, and 19% did not specify their ethnicity. Human Resources has rolled out various employee programs to support staff and foster a community of engagement while working in a remote environment.



Research

The Commission's Research Department currently consists of a Chief of Research, two Project Coordinators, and two Research Analysts. The department plans to hire two additional staff members in Fiscal Year 2024, budget dependent.

Section 17(a) of G.L. c.94G and St. 2017, c.55 requires the Commission to develop a research agenda to better understand the social and economic trends of cannabis in the Commonwealth. The law identifies at least seven categories of study and authorizes an expansion of that scope with the aim of informing future decisions that would aid in the closure of the unregulated marketplace and monitoring the public health impacts of cannabis and cannabis legalization.

Since the Commission completed all one-time research items pursuant to St. 2017, c. 55 in

2022, it is focused on providing updates to metrics pursuant to Section 17(a) of G.L. c.94G. The Research Department will publish Special Topic Reports and two standardized reports in alternating years: 1) Industry Report and 2) International Cannabis Policy Study (ICPS) Report.

Between July 1, 2022- July 1, 2023, the Commission has released one comprehensive research report to satisfy the annual research mandate entitled, *Cannabis Use Trends in Massachusetts, Findings from the International Cannabis Policy Study, 2019-2020,* in pursuant of G.L. c.94G § 17(a) This study, using the International Cannabis Policy Study survey, pivots from the previous baseline-focused studies assessing 1-2 metrics comprehensively, to assessing multiple research metrics to provide ongoing surveillance of items in one report.

Work is underway to disseminate a second comprehensive research report in April 2024 pursuant to G.L. c.94G § 17(a)(iii), G.L. c.94G § 17(a)(iv), and G.L. c.94G § 17(a)(v). This study will provide a comprehensive assessment on the cannabis industry, including ownership and employment, diversity, equity and inclusion, among other topics of policy interest. [See Table 1 for Commission legislative reports].

The Research Department continues to work internally, as well as collaborate with various state agencies, academic researchers, and other stakeholders to employ primary and secondary data collection methods to examine a spectrum of items. As cannabis policy research gains interest nationwide, the Commission set both long- and short-term goals to ensure its research is high-quality, impactful, comprehensive, and collaborative. Thus, in addition to research reports, the Department has also published six peer-reviewed scientific articles and invited commentaries and gave thirteen presentations at national scientific conferences and academic institutions to advance the study of effects on cannabis laws.

Members of the Research Department served as Guest Editors for a full issue of the scientific journal *Clinical Therapeutics*, focused on the intersection of cannabis research and policy, published in July 2023. In this Special Issue, entitled, *Cannabis Comes into The Light at the End of a Long Tunnel*, the work of the Commission and colleagues, including Representative Daniel Donahue, highlighted Massachusetts' cannabis research and policy to an international audience. This issue is Open-Access; thus, all articles are available to anyone interested and can be found here and here. [See Table 2 below for Commission research scientific publications].

Additionally, the Commission sponsored a Symposium at the Research Society on Marijuana (RSMj) conference in Boston, July 2022. This Symposium, entitled, *From Reefer Madness to Regulation: Forming Evidence-Based Cannabis Policy at the Intersection of Regulation and Research*, included five presentations by Commissioners, Commission staff, and external colleagues. This Symposium highlighted the unique Massachusetts experience of a cannabis regulatory governance body including an internal Research Department and the applied cannabis research the Commission has published pursuant to Section 17(a) of G.L. c.94G and St. 2017, c.55, as well as the Public Awareness Campaign and the Disproportionate Impact Study. [See Table 3 for Commission research presentations].

Commission Research Products from July 1, 2022- July 1, 2023

 Table 1. Cannabis Control Commission Research Reports, July 1, 2022- July 1, 2023

 Cannabis Use Trends in Massachusetts, Findings from the International Cannabis Policy Study, 2019-2020. Worcester, MA: Massachusetts Cannabis Control Commission. [G. L. c. 94G, § 17 (a) (b)] The Department assessed International Cannabis Policy Study (ICPS) metrics to complete assessment of topics pursuant to G. L. c. 94G, § 17 (a) (b), Published September 8, 2022

Table 2. Commission Scientific Publications and Invited Commentaries, July 1, 2022- July 1, 2023

- Hard G., Jones AA., Das A., Johnson JK. Medical Cannabis Laws and Adolescent Use Initiation. Cannabis. November 2022. https://publications.sciences.ucf.edu/cannabis/index.php/Cannabis/article/view/86
- Johnson JK, Colby A. Cannabis Research and Therapeutics: An International Quasi-experiment in Cannabis Policy. Specialty Update. Volume 45, Issue 6. July 2023. DOI: <u>10.1016/j.clinthera.2023.04.012</u> <u>https://pubmed.ncbi.nlm.nih.gov/37414498/</u>
- Schauer GL, Johnson JK, Rak DJ, Sheehy TJ, Nakata M, Collins SP. A Research Agenda to Inform Cannabis Regulation: How Science Can Shape Policy. Volume 45, Issue 6. July 2023. DOI: <u>10.1016/j.clinthera.2023.03.010</u> <u>https://pubmed.ncbi.nlm.nih.gov/37414500/</u>
- Johnson JK, Colby A. History of Cannabis Regulation and Medicinal Therapeutics: It's Complicated. Specialty Update. Volume 45, Issue 6. July 2023. DOI: <u>10.1016/j.clinthera.2023.04.011</u> <u>https://pubmed.ncbi.nlm.nih.gov/37414502/</u>
- Colby A, Dilley JA, Pensky HM, Johnson JK. Medical Cannabis Program Sustainability in the Era of Recreational Cannabis. Specialty Update. Volume 45, Issue 6. July 2023. DOI: <u>10.1016/j.clinthera.2023.01.017</u> <u>https://pubmed.ncbi.nlm.nih.gov/37414508/</u>
- Dilley JA, Johnson JK, Colby AM, Sheehy TJ, Muse EJ, Filley JR, Segawa MB, Schauer GL, Kilmer B. Cannabis Retail Market Indicators in Five Legal States in the United States: A Public Health Perspective. Specialty Update. Volume 45, Issue 6. July 2023. DOI: <u>10.1016/j.clinthera.2023.06.015</u> <u>https://pubmed.ncbi.nlm.nih.gov/37455228/</u>

Table 3. Commission Research Presented at National Scientific Meetings and Guest Lectures, July1, 2022- July1, 2023

- 1. Kim S., Johnson JK. *Research and Regulation— A Novel Way Forward for State Agencies and Evidence-Based Policies.* Research Society on Marijuana (RSMj) July 2022. Symposium Presentation.
- 2. Johnson JK., Colby A., Laramie O., Pensky H. State and Individual Metrics to Understand Changing *Cannabis Patterns in a Maturing Legal Market*. Research Society on Marijuana (RSMj) July 2022. Symposium Presentation.
- 3. Colby A., Sarkis M., Clark P, Johnson JK. Cannabis Legalization and Novel Data Sources for Regulation and Research. Research Society on Marijuana (RSMj) July 2022. Symposium Presentation.
- 4. Whitehill JM., Johnson RM, Johnson JK., Patavina A., English F., Doonan SM, Concepcion AC., Sinclair C., Melnik M. Research Society on Marijuana (RSMj) July 2022. Symposium Presentation.
- 5. Laramie O., Doonan SM, Colby A., Hunt L., Neuwirth J., Johnson JK. Research Society on Marijuana (RSMj) July 2022. Symposium Presentation

- 6. Laramie O., Doonan SM., Colby A., Pensky H., Johnson JK. *Responsible Vendor Training as a Macro-Level Prevention Tool– A Case Study of the Massachusetts Cannabis Industry*. Research Society on Marijuana (RSMj) July 2022. Poster Presentation.
- 7. Colby A., Sarkis M., Johnson JK. Using Retailer Data and Subjective Resident Experience to Assess Legal Cannabis Access in Massachusetts. Research Society on Marijuana (RSMj) July 2022. Poster Presentation.
- 8. **Doonan SM., Johnson JK.**, Firth C., Flores A., Joshi S. Racial Equity in Cannabis Policy: *Diversity in the Massachusetts Adult-Use Industry at 18-Months*. Research Society on Marijuana (RSMj) July 2022. Flash Talk.
- Kritikos AF., Pacula RL., Hodgkin, D., Johnson JK. Prevalence and Predictors of Simultaneous Cannabis and Alcohol Use Among Medical Cannabis Patients— Is one metric enough? Research Society on Marijuana (RSMj) July 2022. Oral Presentation.
- 10. Johnson JK. Public Awareness Campaign Metrics for Public Health in Legalized Adult-Use Cannabis States. Council of State and Territorial Epidemiologists (CSTE) June 2023. Poster Presentation.
- 11. Colby A, Humiston G, Laramie O, Pensky H, Johnson JK, Sarkis M. State and Individual Metrics to Understand Changing Cannabis Patterns in a Maturing Legal Market. Council of State and Territorial Epidemiologists (CSTE) June 2023. Poster Presentation.
- 12. Invited Panelist, Third Annual Cannabis Science and Policy Forum, CannaBizMD, Baltimore, MD. [Panelist: Chief of Research, Dr. Johnson]
- 13. Invited Lecturer, Cannabis Research in Massachusetts, Dept. of Community Health, Tufts University [Lecturer: Chief of Research, Dr. Johnson]

CONCLUSION

This sixth annual report identifies the Commission's ongoing operations since its establishment as well as needs implicated by the continued growth of the regulated medical- and adult-use cannabis industry in Massachusetts. As this report demonstrates, the Commission has anticipated needs, created significant efficiencies, and continued to meet requirements outlined in statute.

For much of the past year, Commissioners and staff have deeply engaged in thoughtful and rigorous review and consideration of regulations to implement Chapter 180 of the Acts of 2022. Thanks to the Legislature and Administration, Massachusetts has continued its leadership on promoting an equitable industry by extending the Commonwealth's status as the first state in the nation to have an equity mandate to the local level. Further, regulations clarifying and enforcing Host Community Agreements between municipalities and applicants will create a level playing field for operators and provide the necessary guidelines local officials have asked for.

In the coming months, the Commission will promulgate these regulations and begin the implementation process. The agency looks forward to collaborating with stakeholders at the state and local level, with applicants and licensees, and with members of the community to ensure the licensed Massachusetts cannabis industry remains safe, effective and equitable.