

HOUSE No. 4409

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, February 20, 2024.

The committee on Cannabis Policy, to whom was referred the petition (accompanied by bill, House, No. 117) of David M. Rogers and others relative to medical marijuana businesses, reports recommending that the accompanying bill (House, No. 4409) ought to pass.

For the committee,

DANIEL M. DONAHUE.

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The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to vertical integration of medical marijuana businesses.

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

1 SECTION 1. Paragraph (4) of subsection (d) of Section 2 of Chapter 62 is hereby
2 amended by striking out "medical marijuana treatment center" and inserting in place thereof the
3 following words:-

4 medical marijuana establishment

5 SECTION 2. Paragraph (4) of Section 30 of Chapter 63 is hereby amended by striking
6 out "medical marijuana treatment center" and inserting in place thereof the following words:-

7 medical marijuana establishment

8 SECTION 3. Section 4 of chapter 64N of the General Laws is hereby amended by
9 inserting after the words "medical marijuana treatment center" the following:-

10 , medical marijuana establishment,

11 SECTION 4. Section 1 of chapter 94I of the General Laws is hereby amended by striking
12 the definitions of "Card holder", "Cultivation registration", "Locked area", "Medical marijuana

13 treatment center”, “Medical use marijuana”, “Medical use marijuana license”, “Registration
14 card”, and “Temporary Registration”, and inserting the following definitions:-

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

17 “Cultivation registration”, a registration issued to a fully integrated medical marijuana
18 treatment center or medical marijuana cultivator to grow medical use marijuana under the terms
19 of this chapter, or to a qualified patient or personal caregiver.

20 “Fully integrated medical marijuana treatment center” a medical marijuana-related
21 business licensed by the commission with the ability to cultivate, manufacture, process, and sell
22 medical use marijuana to qualifying patients, personal caregivers, and medical marijuana
23 establishments.

24 “Locked area”, a closet, room, greenhouse or other indoor or outdoor area equipped with
25 locks or other security devices, accessible only to registered and authorized medical marijuana
26 establishment employees, registered qualifying patients or registered personal caregivers.

27 “Medical marijuana establishment”, a medical marijuana cultivator, medical marijuana
28 product manufacturer, fully integrated medical marijuana treatment center, medical marijuana
29 retailer or any other type of medical marijuana-related business licensed by the commission.

30 “Medical marijuana treatment center”, the premises approved under a fully integrated
31 medical marijuana treatment center license

32 “Medical use marijuana”, marijuana or marijuana accessories sold by a medical
33 marijuana establishment or a fully integrated medical marijuana treatment center to a card holder

34 for medical use or marijuana or marijuana accessories possessed by a qualifying patient under a
35 cultivation registration.

36 “Medical use marijuana license”, a license issued by the commission that permits the
37 licensee to operate a medical marijuana establishment or a fully integrated medical marijuana
38 treatment center.

39 “Pre-existing Medical Marijuana Treatment Center,” a fully integrated medical marijuana
40 treatment center licensed prior to the availability of medical marijuana cultivator, medical
41 marijuana product manufacturer, and medical marijuana retailer license types.

42 “Registration card”, a personal identification card issued by the commission to a
43 registered qualifying patient, personal caregiver, laboratory agent or agent of a medical
44 marijuana establishment or a fully integrated medical marijuana treatment center. The
45 registration card facilitates verification of an individual registrant's status, including, but not
46 limited to, verification that a registered healthcare professional has provided a written or
47 electronic certification to the qualifying patient; that the patient has designated the individual as a
48 personal caregiver; that a laboratory agent has been registered with the commission and is
49 authorized to possess and test marijuana; or that an agent has been registered with the
50 commission and is authorized to work at a medical marijuana establishment or a fully integrated
51 medical marijuana treatment center. A temporary registration issued to a qualifying patient shall
52 be deemed a registration card.

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

56 for patients and their personal caregivers to access a medical marijuana establishment or a fully
57 integrated medical marijuana treatment center. Temporary registration shall expire 14 days after
58 the commission issues the registration card.

59 SECTION 5. Subsection (c) of Section 2 of chapter 94I of the General Laws, is hereby
60 amended by striking “medical marijuana treatment center” and inserting in place thereof the
61 following words:-

62 medical marijuana establishment

63 SECTION 6. Section 2 of chapter 94I of the General Laws, is hereby amended by adding
64 the following subsection:-

65 (f) The commission shall establish and enforce license tiers to make available separate
66 license classes, including but not limited to: medical marijuana product manufacturer, medical
67 marijuana cultivator, fully integrated medical marijuana treatment center, and medical marijuana
68 retailer.

69 The commission shall have the power to encourage full participation in the medical
70 marijuana industry by people from communities disproportionately harmed by cannabis
71 prohibition and enforcement.

72 The commission shall promulgate or amend regulations as necessary to be consistent with
73 this act not later than 270 days from the effective date of this act.

74 SECTION 7. Section 7 of chapter 94I, is hereby amended by striking the words “medical
75 marijuana treatment centers” and inserting in place thereof the following words:-

76 medical marijuana establishments, and for any classes of license under subsection (f) of
77 section 2 of this chapter,

78 SECTION 8. Chapter 94G is hereby amended, in section 1, by striking out the definitions
79 of “Host community”, “Host community agreement”, and “Independent testing laboratory”, and
80 inserting the following definitions:-

81 “Host community” a municipality in which a marijuana establishment or a medical
82 marijuana establishment is located or in which an applicant has proposed locating a marijuana
83 establishment or a medical marijuana establishment.

84 “Host community agreement” an agreement between a marijuana establishment or a
85 medical marijuana establishment and a municipality pursuant to subsection (d) of section 3.

86 “Independent testing laboratory”, a laboratory that is licensed by the commission and is:
87 (i) accredited to the most current International Organization for Standardization 17025 by a
88 third-party accrediting body that is a signatory to the International Laboratory Accreditation
89 Cooperation mutual recognition arrangement or that is otherwise approved by the commission;
90 (ii) independent financially from any medical marijuana establishment or any licensee or
91 marijuana establishment for which it conducts a test; and (iii) qualified to test marijuana in
92 compliance with regulations promulgated by the commission pursuant to this chapter.

93 SECTION 9. Subsection (d) of Section 3 of Chapter 94G is hereby amended by striking
94 out, in all instances, the words “marijuana establishment or medical marijuana treatment center”
95 and inserting in place thereof the following words:-

96 marijuana establishment or medical marijuana establishment

97 SECTION 10. Clause (2)(iii) of Subsection (a) of Section 3 of Chapter 94G is hereby
98 amended by striking out the words “medical marijuana treatment center” and inserting in place
99 thereof the following words:-

100 medical marijuana establishment

101 SECTION 11. Subsection (f) of Section 3 of Chapter 94G is hereby amended by striking
102 out “medical marijuana treatment centers” and inserting in place thereof the following words:-

103 medical marijuana establishments

104 SECTION 12. Clause (xx) of subsection (a^{1/2}) of section 4 of Chapter 94G is hereby
105 amended by striking out the words “medical marijuana treatment center” and inserting in place
106 thereof the following words:-

107 medical marijuana establishment

108 SECTION 13. Clause (4) of subsection (c) of section 4 of Chapter 94G is hereby
109 amended by striking out, in both instances, the words “medical marijuana treatment center” and
110 inserting in place thereof the following words:-

111 medical marijuana establishment

112 SECTION 14. Clause (5) of subsection (c) of section 4 of Chapter 94G is hereby
113 amended by striking out the words “medical marijuana treatment centers” and inserting in place
114 thereof the following words:-

115 medical marijuana establishments

116 SECTION 15. Clause (xxxv) of subsection (a^{1/2}) of section 4 of chapter 94G is hereby
117 amended by striking out “medical marijuana treatment centers” and inserting in place thereof the
118 following words:-

119 medical marijuana establishments

120 SECTION 16. Subsection (c) of Section 14A of Chapter 94G is hereby amended by
121 striking out “medical marijuana treatment centers” and inseting in place thereof the following
122 words:-

123 medical marijuana establishments

124 SECTION 17. Chapter 94G is hereby amended by striking out Section 16 and inserting in
125 place thereof the following section:-

126 Section 16. No licensee shall be granted more than 3 marijuana retailer licenses, 3 fully
127 integrated medical marijuana treatment center licenses, 3 medical marijuana retailer licenses, 3
128 medical marijuana product manufacturer licenses, 3 medical marijuana cultivator licenses, 3
129 marijuana product manufacturer licenses, or 3 marijuana cultivator licenses; provided, however,
130 that a licensee may hold 3 marijuana retailer licenses, 3 medical marijuana retailer licenses, 3
131 medical marijuana product manufacturer licenses, 3 medical marijuana cultivator licenses, 3
132 marijuana product manufacturer licenses and 3 marijuana cultivator licenses, provided, however,
133 that each fully integrated medical marijuana treatment center license shall be equivalent to 1
134 medical marijuana retail license, 1 medical marijuana cultivator license and 1 medical marijuana
135 product manufacturer license, and provided furthermore that a licensee holding 3 fully integrated
136 medical marijuana treatment center licenses shall be prohibited from obtaining any additional
137 medical marijuana-related licenses.

138 SECTION 18. The cannabis control commission may allow pre-existing fully integrated
139 medical marijuana treatment centers the ability to amend their license, subject to the license limit
140 established in section 16 of chapter 94G, after the exclusivity period established in Section 1A of
141 94I has ended.

142 SECTION 19. Section 1 of chapter 94G of the General Laws is hereby amended by
143 striking the definition of “Social equity business” and inserting the following definition:-

144 "Social equity business", a marijuana establishment or medical marijuana establishment
145 with not less than 51 per cent majority ownership of individuals who are eligible for the social
146 equity program under section 22 or whose ownership qualifies it as an economic empowerment
147 priority applicant as defined by the commission's regulations promulgated pursuant to section 4.

148 SECTION 20. Chapter 94I is hereby amended by inserting after section 1 the following
149 section:-

150 Section 1A. All medical marijuana establishment licenses, except for pre-existing
151 medical marijuana treatment centers, shall be limited on an exclusive basis to businesses
152 controlled by and with majority ownership comprised of economic empowerment applicants or
153 social equity businesses for a period of 36 months from the date the first such license types
154 receive a notice to commence operations; provided, however, that the commission may vote to
155 extend that period following an evidence-based determination that the goal of the exclusivity
156 period to promote and encourage full participation in the regulated medical marijuana industry
157 by people from communities that have previously been disproportionately harmed by marijuana
158 prohibition and enforcement of the law has not been met.

159 If data collected by the commission demonstrates progress toward the goals and
160 objectives of the exclusivity period as set forth in this section and that demand by registered
161 qualifying patients is likely to exceed the supply that could be provided by businesses that meet
162 the exclusivity requirements during the exclusivity period, the commission may vote during the
163 exclusivity period to allow the following additional businesses to own medical marijuana
164 establishments:

165 Craft marijuana cooperatives as defined in 935 CMR 500.002

166 Massachusetts Minority Business Enterprises (MBE), Women Business Enterprises
167 (WBE), and Veteran Business Enterprises (VBE) with valid certification from the Supplier
168 Diversity Office provided for in Section 61 of Chapter 7.