

SENATE No. 3096

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

SENATE, July 31, 2022

1 Report of the committee of conference on the disagreeing votes of the two branches, with
2 reference to the House amendments to the Senate Bill relative to equity in the cannabis industry
3 (Senate, No. 2823) (amended by the House by striking out all after the enacting clause and
4 inserting in place thereof the text of House document numbered 4800),-- reports, a “Bill relative
5 to equity in the cannabis industry.” (Senate, No. 3096).
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For the Committee:

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| Michael J. Rodrigues | Daniel M Donohue |
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**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act relative to equity in the cannabis industry.

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

8 SECTION 1. Subsection (d) of section 2 of chapter 62 of the General Laws, as appearing
9 in the 2020 Official Edition, is hereby amended by adding the following paragraph:-

10 (4) An amount equal to the amount paid or incurred during the taxable year in carrying on
11 the trade or business of a marijuana establishment as defined in section 1 of chapter 94G or a
12 medical marijuana treatment center as defined in section 1 of chapter 94I that would have been
13 deductible under the Code, but for section 280E of said Code.

14 SECTION 2. Section 30 of chapter 63 of the General Laws is hereby amended by striking
15 out paragraph 4, as so appearing, and inserting in place thereof the following paragraph:-

16 4. “Net income”, gross income less the deductions, but not credits, allowable under the
17 provisions of the Code, as amended and in effect for the taxable year; provided, however, that
18 any deduction otherwise allowable which is allocable, in whole or in part, to 1 or more classes of
19 income not included in a corporation’s taxable net income, as determined under subsection (a) of
20 section 38, shall not be allowed. In the case of a corporation exempt from taxation under section

21 501 of the Code, “net income” means unrelated business taxable income, as defined in section
22 512 of the Code. In lieu of disallowing any deduction allocable, in whole or in part, to dividends
23 not included in a corporation’s taxable net income, 5 per cent of such dividends shall be
24 includable therein, as provided in said subsection (a) of said section 38. For the purposes of this
25 section and said subsection (a) of said section 38, the term “dividend” shall include, but not be
26 limited to, amounts included in federal gross income pursuant to sections 951 and 951A of the
27 Code. For the purposes of this section, any dividend received directly or indirectly from a real
28 estate investment trust, as provided in sections 856 to 859, inclusive, of the Code, for the taxable
29 year of the trust in which a dividend is paid, shall not be: (i) treated as a dividend; and (ii)
30 included as part of the dividends received deduction otherwise available to the taxpayer under
31 paragraph (1) of said subsection (a) of said section 38. Any dividend received directly or
32 indirectly from a regulated investment company, as provided in sections 851 to 855, inclusive, of
33 the Code, shall not be included as part of the dividends received deduction otherwise available
34 under said paragraph (1) of said subsection (a) of said section 38.

35 The following deductions shall be allowed: (i) a deduction for that portion of wages or
36 salaries paid or incurred for the taxable year equal to the amount of the credit allowable for the
37 taxable year under section 51 of the Code and otherwise disallowed under section 280C of said
38 Code; and (ii) a deduction for any amount paid or incurred during the taxable year in carrying on
39 the trade or business of a marijuana establishment, as defined in section 1 of chapter 94G, or a
40 medical marijuana treatment center, as defined in section 1 of chapter 94I, that would have been
41 deductible under the Code, but for section 280E of said Code.

42 Deductions with respect to the following items shall not be allowed:

- 43 (i) dividends received;
- 44 (ii) losses sustained in other taxable years, except for the net operating losses as provided
45 in paragraph 5 of this section;
- 46 (iii) taxes on or measured by income, franchise taxes measured by net income, franchise
47 taxes for the privilege of doing business and capital stock taxes imposed by any state;
- 48 (iv) the deduction allowed by section 168(k) of said Code;
- 49 (v) except as otherwise provided in section 31J, interest expense paid, accrued or asserted
50 in connection with a dividend of a note or similar obligation stating the requirement that such
51 interest is to be paid by the corporation that dividends such obligation to its shareholders;
- 52 (vi) the deduction allowed by section 199 of the Code;
- 53 (vii) the deduction described in section 163(e)(5) of the Code to the extent increased by
54 amendments to section 163(e)(5)(F) and section 163(i)(1) of the Code, inserted by section 1232
55 of the federal American Recovery and Reinvestment Act of 2009, Pub. L. 111-5; and
- 56 (viii) the deductions allowed by sections 245A, 250 and 965(c) of the Code.

57 SECTION 3. Section 7E of chapter 64C of the General Laws, as so appearing, is hereby
58 amended by striking out subsection (m) and inserting in place thereof the following subsection:-

59 (m) Marijuana products and marijuana accessories as defined in section 1 of chapter 94G
60 shall not be subject to the excise imposed under this section; provided, however, that marijuana
61 accessories that are manufactured to also deliver nicotine shall be considered an electronic
62 nicotine delivery system and shall be subject to the excise imposed under this section.

63 SECTION 4. Section 1 of chapter 64N of the General Laws, as so appearing, is hereby
64 amended by adding the following subsection:-

65 (c) “Social equity business”, a marijuana retailer that is a social equity business, as
66 defined in section 1 of chapter 94G.

67 SECTION 5. Section 2 of said chapter 64N, as so appearing, is hereby amended by
68 amended by adding the following paragraph:-

69 A sum equal to 1 per cent of the total sales price received under this section from a
70 marijuana retailer that is a social equity business, as defined in section 1 of chapter 94G, shall,
71 not less than quarterly, be distributed, credited and paid by the state treasurer upon certification
72 of the commissioner to each city or town that has at least 1 marijuana retailer that is a social
73 equity business, in proportion to the amount of the sums received from the sale of marijuana or
74 marijuana products by any such marijuana retailer in the city or town. Any city or town seeking
75 to dispute the commissioner's calculation of its distribution under this paragraph shall notify the
76 commissioner, in writing, not later than 1 year from the date the money was distributed by the
77 commissioner to the city or town.

78 SECTION 6. Section 1 of chapter 94G of the General Laws, as so appearing, is hereby
79 amended by inserting after the definition of “Host community” the following definition:-

80 “Host community agreement”, an agreement between a marijuana establishment or a
81 medical marijuana treatment center and a municipality pursuant to subsection (d) of section 3.

82 SECTION 7. Said section 1 of said chapter 94G, as so appearing, is hereby further
83 amended by inserting after the definition of “Marijuana retailer” the following definition:-

84 “Medical marijuana treatment center”, a medical marijuana treatment center as defined in
85 section 1 of chapter 94I.

86 SECTION 8. Said section 1 of said chapter 94G, as so appearing, is hereby further
87 amended by inserting after the definition of “Residual solvent” the following definition:-

88 “Social equity business”, a marijuana establishment with not less than 51 per cent
89 majority ownership of individuals who are eligible for the social equity program under section 22
90 or whose ownership qualifies it as an economic empowerment priority applicant as defined by
91 the commission’s regulations promulgated pursuant to section 4.

92 SECTION 9. Section 3 of said chapter 94G, as so appearing, is hereby amended by
93 striking out subsection (b) and inserting in place thereof the following subsection:-

94 (b)(1) For the purposes of this subsection, the following words shall, unless the context
95 clearly requires otherwise, have the following meanings:

96 “Ballot question committee”, as defined in section 1 of chapter 55.

97 “Registrars”, as defined in section 1 of chapter 50.

98 (2) The city council of a city and the board of selectmen or town council of a town shall,
99 upon the filing with the city or town clerk of a petition meeting the requirements of this
100 subsection, request that the question of whether to allow, in the city or town, the sale of
101 marijuana and marijuana products for consumption on the premises where sold, be submitted to
102 the voters of the city or town.

103 The petition shall be on a form prepared by the state secretary, signed by not less than 10
104 per cent of the number of voters of the city or town who voted at the preceding biennial state

105 election and submitted in a timely manner, after filing the petition with the city or town clerk, to
106 the board of registrars or election commissioners. The board of registrars or election
107 commissioners shall certify the signature of registered voters not more than 7 days after receipt
108 of the petition. Upon certification of the signatures, the following question, and a fair and concise
109 summary of the question to be prepared by the city solicitor or town counsel, shall be placed on
110 the ballot for the next regularly occurring municipal or state election in the city or town:

111 “Shall [city or town] allow the sale of marijuana and marijuana products, as those terms
112 are defined in section 1 of chapter 94G of the General Laws, for consumption on the premises
113 where sold, a summary of which appears below?”

114 Notwithstanding the foregoing, the question shall appear on the ballot for the next
115 regularly occurring municipal election if the election is to be held not less than 35 days after
116 certification. To appear on the ballot for the next regularly occurring biennial state election, the
117 city or town clerk shall provide notice, including the ballot question and summary, to the state
118 secretary not later than the first Wednesday in August before the election.

119 If a majority of the votes cast in the city or town are in favor of allowing the consumption
120 of marijuana or marijuana products on the premises where sold, such city or town shall have
121 authorized the consumption of marijuana and marijuana products on the premises where sold.

122 (3) As an alternative to a local voter initiative petition process under paragraph (2), a city
123 or town may, by ordinance or by-law, allow the consumption of marijuana or marijuana products
124 on the premises where sold. No local voter initiative shall be required if the sale of marijuana and
125 marijuana products for consumption on the premises is authorized by local law.

126 (4) A ballot question committee organized to favor or oppose a question placed on the
127 ballot pursuant to paragraph (2) of this subsection shall comply with applicable guidance and
128 regulations issued by the office of campaign and political finance for municipal ballot question
129 committees.

130 SECTION 10. Said section 3 of said chapter 94G, as so appearing, is hereby further
131 amended by striking out subsection (d) and inserting in place thereof the following subsection:-

132 (d)(1) A marijuana establishment or a medical marijuana treatment center seeking a new
133 license or renewal of a license to operate or continue to operate in a municipality that permits
134 such operation shall negotiate and execute a host community agreement with that host
135 community setting forth the conditions to have a marijuana establishment or medical marijuana
136 treatment center located within the host community, which shall include, but not be limited to, all
137 stipulations of responsibilities between the host community and the marijuana establishment or
138 medical marijuana treatment center.

139 (2)(i) Notwithstanding any general or special law to the contrary, a host community
140 agreement may include a community impact fee for the host community; provided, however, that
141 no host community agreement shall include a community impact fee after the eighth year of
142 operation of a marijuana establishment or a medical marijuana treatment center. The community
143 impact fee shall: (A) be reasonably related to the costs imposed upon the municipality by the
144 operation of the marijuana establishment or medical marijuana treatment center, as documented
145 pursuant to subparagraph (iii); (B) amount to not more than 3 per cent of the gross sales of the
146 marijuana establishment or medical marijuana treatment center; (C) not be effective after the
147 marijuana establishment or medical marijuana treatment center's eighth year of operation; (D)

148 commence on the date the marijuana establishment or medical marijuana treatment center is
149 granted a final license by the commission; and (E) not mandate a certain percentage of total or
150 gross sales as the community impact fee.

151 (ii) Notwithstanding any general or special law to the contrary, the community impact fee
152 shall encompass all payments and obligations between the host community and the marijuana
153 establishment or a medical marijuana treatment center. The community impact fee shall not
154 include any additional payments or obligations, including, but not limited to, monetary
155 payments, in-kind contributions and charitable contributions by the marijuana establishment or
156 medical marijuana treatment center to the host community or any other organization. Payment of
157 the community impact fee shall be due annually to the host community, with the first payment
158 occurring not sooner than upon the first annual renewal by the commission of a final license to
159 operate the marijuana establishment or medical marijuana treatment center. Any other
160 contractual financial obligation that is explicitly or implicitly a factor considered in, or is a
161 condition of a host community agreement, shall not be enforceable. Nothing in this section shall
162 preclude a marijuana establishment or a medical marijuana treatment center from voluntarily
163 providing organizations with monetary payments, in-kind contributions and charitable
164 contributions after the execution of the host community agreement; provided, however, that a
165 host community agreement shall not include a promise to make a future monetary payment, in-
166 kind contribution or charitable contribution.

167 (iii) Any cost imposed upon a host community by the operation of a marijuana
168 establishment or medical marijuana treatment center shall be documented by the host community
169 and transmitted to the licensee not later than 1 month after the date of the annual renewal of a
170 final license to operate the marijuana establishment or medical marijuana treatment center and

171 shall be a public record as defined by clause Twenty-sixth of section 7 of chapter 4 and chapter
172 66. If a licensee believes the information documented and transmitted by a host community is not
173 reasonably related to the actual costs imposed upon the host community in the preceding year by
174 the operation of the marijuana establishment or medical marijuana treatment center, the licensee
175 may bring a breach of contract action against the host community and recover damages,
176 attorneys' fees and other costs encompassed in the community impact fee that are not reasonably
177 related to the actual costs imposed upon the city or town.

178 (3) The commission shall review and approve each host community agreement as part of
179 a completed marijuana establishment or medical marijuana treatment center license application
180 and at each license renewal. If the commission determines that a host community agreement is
181 not in compliance with this section, the commission shall provide written notice of any
182 deficiencies and may request additional information from the prospective licensee and host
183 community. The commission shall not approve a final license application unless the commission
184 approves the host community agreement and certifies that the host community agreement
185 complies with this subsection. The commission shall complete its review of a host community
186 agreement not later than 90 days after it is received by the commission.

187 (4) A host community may waive the host community agreement requirement; provided,
188 however, that the host community shall submit to the commission a written waiver executed by
189 the host community and the marijuana establishment or medical marijuana treatment center.

190 (5) Notwithstanding any general or special law to the contrary, the commission shall
191 promulgate regulations to establish minimum acceptable standards for host communities to
192 promote and encourage full participation in the regulated marijuana industry by people from

193 communities that have previously been disproportionately harmed by marijuana prohibition and
194 enforcement and to positively impact those communities; provided, however, that a host
195 community may establish procedures and policies beyond the minimum regulations established
196 by the commission. A city or town that is not a host community shall establish such procedures
197 and policies before entering into a host community agreement with a marijuana establishment or
198 medical marijuana treatment center.

199 (6) The commission shall issue rules and promulgate regulations necessary to implement
200 this subsection.

201 SECTION 11. Said section 3 of said chapter 94G, as so appearing, is hereby further
202 amended by adding the following subsection:-

203 (f) A city or town shall adhere to cannabis control commission regulations promulgated
204 pursuant to section 4 regarding procedures and policies for host communities to promote and
205 encourage full participation in the regulated marijuana industry by people from communities that
206 have been disproportionately harmed by marijuana prohibition and enforcement and may
207 establish additional procedures and policies to further this goal. The failure of a host community
208 to adhere to such procedures and policies shall result in a monetary penalty to the host
209 community equal to the annual total of community impact fees received from all marijuana
210 establishments or medical marijuana treatment centers operating within the host community, to
211 be deposited into the Cannabis Social Equity Trust Fund established in section 14A of chapter
212 94G.

213 SECTION 12. Section 4 of said chapter 94G, as so appearing, is hereby further amended
214 by striking out, in line 102, the words “employment or”.

215 SECTION 13. Said section 4 of said chapter 94G, as so appearing, is hereby further
216 amended by inserting after the word “minor”, in line 104, the following words:-

217 ; and provided further, that a prior criminal conviction or other criminal case disposition
218 shall not disqualify an individual or otherwise affect eligibility for employment in connection
219 with a marijuana establishment, other than an independent testing laboratory, unless the offense
220 involved the distribution of a controlled substance, including marijuana, to a minor.

221 SECTION 14. Subsection (a) of said section 4 of said chapter 94G, as so appearing, is
222 hereby amended by striking out clauses (xxvii) and (xxviii) and inserting in place thereof the
223 following clauses:-

224 (xxvii) monitor any federal activity regarding marijuana;

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

227 (xxix) review, regulate, enforce and approve host community agreements pursuant to
228 paragraph (3) of subsection (d) of section 3;

229 (xxx) prioritize social equity program businesses and economic empowerment priority
230 applicants and any other class of applicants the commission deems eligible for expedited review
231 during an evaluation of applications and inspections;

232 (xxxii) establish procedures and policies for municipalities to promote and encourage full
233 participation in the regulated marijuana industry during negotiations of host community
234 agreements with social equity program businesses and economic empowerment priority
235 applicants; and

236 (xxxii) develop a model host community agreement, minimum acceptable standards and
237 best practices for municipalities and prospective licensees during negotiations of host community
238 agreements with social equity businesses.

239 SECTION 15. Subsection (a½) of said section 4 of said chapter 94G, as so appearing, is
240 hereby amended by striking out clauses (xxxiii) and (xxxiv) and inserting in place thereof the
241 following clauses:-

242 (xxxiii) requirements that prohibit marijuana product manufacturers from altering or
243 utilizing commercially-manufactured food products when manufacturing marijuana products
244 unless the food product was commercially manufactured specifically for use by the marijuana
245 product manufacturer to infuse with marijuana; provided, however, that a commercially-
246 manufactured food product may be used as an ingredient in a marijuana product if: (A) it is used
247 in a way that renders it unrecognizable as the commercial food product in the marijuana product;
248 and (B) there is no statement or advertisement indicating that the marijuana product contains the
249 commercially-manufactured food product;

250 (xxxiv) energy and environmental standards for licensure and licensure renewal of
251 marijuana establishments licensed as a marijuana cultivator or marijuana product manufacturer;

252 (xxxv) criteria for allowing marijuana establishments and medical marijuana treatment
253 centers to satisfy their positive impact plan requirement for licensure in part by donating a
254 percentage of their revenue to the Cannabis Social Equity Trust Fund established in subsection
255 (a) of section 14A;

256 (xxxvi) criteria for reviewing, certifying and approving host community agreements and
257 community impact fees, including criteria for calculating community impact fees consistent with
258 subsection (d) of section 3; and

259 (xxxvii) procedures and policies for host communities to promote and encourage full
260 participation in the regulated marijuana industry, pursuant to paragraph (5) of subsection (d) of
261 section 3, during negotiations of host community agreements with social equity businesses,
262 including, but not limited to, advisory guidelines, best practices and minimum acceptable policy
263 standards.

264 SECTION 16. Said section 4 of said chapter 94G, as so appearing, is hereby further
265 amended by striking out the word “marijuana”, in lines 347 and 357, and inserting in place
266 thereof, in each instance, the following word:- cannabis.

267 SECTION 17. Section 14 of said chapter 94G, as so appearing, is hereby amended by
268 inserting after the words “chapter 132B”, in line 15, the following words:-

269 ; provided, however, that, annually, 15 per cent of the fund shall be transferred to the
270 Cannabis Social Equity Trust Fund established in section 14A.

271 SECTION 18. Said chapter 94G is hereby further amended by inserting after section 14
272 the following section:-

273 Section 14A. (a) There shall be a Cannabis Social Equity Trust Fund to encourage the full
274 participation in the commonwealth’s regulated marijuana industry of entrepreneurs from
275 communities that have been disproportionately harmed by marijuana prohibition and
276 enforcement. The fund shall consist of: (i) funds transferred pursuant to subsection (b) of section

277 14; and (ii) any funds from private sources, including, but not limited to, gifts, grants and
278 donations. Money in the fund shall be used to make grants and loans, including no-interest loans
279 and forgivable loans, to social equity program participants and economic empowerment priority
280 applicants. The fund shall be administered by the executive office of housing and economic
281 development, in consultation with the cannabis social equity advisory board established in
282 subsection (b). Money remaining in this fund at the end of the fiscal year shall not revert to the
283 General Fund.

284 (b) There shall be a cannabis social equity advisory board, hereinafter referred to as the
285 advisory board, consisting of individuals from, or with experience advocating on behalf of,
286 communities that have been disproportionately harmed by marijuana prohibition and
287 enforcement. The board shall consist of: 1 person appointed by the governor with a background
288 in the cannabis industry, who shall serve as chair; 1 person appointed by the treasurer and
289 receiver-general with a background in finance or commercial lending; 1 person appointed by the
290 attorney general with a background in business development or entrepreneurship; and 2 persons
291 appointed by a majority vote of the governor, treasurer and receiver-general and attorney
292 general, both of whom shall have experience in business development, preferably in the cannabis
293 industry. When making appointments, an appointing authority shall select individuals who are
294 from, or have experience advocating for, communities that have been disproportionately harmed
295 by marijuana prohibition and enforcement. Each advisory board member shall serve for a 5-year
296 term and may be reappointed by their appointing authority and shall serve without compensation
297 except for reimbursement of actual expenses reasonably incurred in the performance of their
298 duties as a member or on behalf of the advisory board. Any vacancy in a seat on the advisory
299 board shall be filled by the appropriate appointing authority within 60 days of the vacancy. The

300 appointing authority may remove an advisory board member who was appointed by that
301 appointing authority for cause. Before removal, the advisory board member shall be provided
302 with a written statement of the reason for removal and an opportunity to be heard.

303 (c) The executive office of housing and economic development, in consultation with the
304 advisory board, shall promulgate regulations governing the structure and administration of the
305 fund, including, but not limited to: (i) requirements for social equity businesses and
306 municipalities who host such businesses to apply to receive a grant or loan from the fund; (ii)
307 conditions of such grants and loans; (iii) procedures pertaining to marijuana establishments or
308 medical marijuana treatment centers that default on a loan from the fund; (iv) a process by which
309 a license is sold as a result of a licensee's default on a loan from the fund; (v) procedures and
310 policies to ensure that applicants and grantees come from all license types; (vi) prohibitions
311 against the sale, transfer or pledge of any asset or interest by a social equity business to an entity
312 or individual other than a social equity business or an individual qualified as an economic
313 empowerment priority applicant as defined by the commission's regulations within an initial,
314 specified timeframe to begin on the date the business is authorized to commence operations by
315 the commission; provided, however, that the initial, specified timeframe shall not exceed 5 years;
316 and (vii) terms for payment of a clawback requiring the commonwealth to recover 100 per cent
317 of the grant and loan funds should a sale, transfer or pledge of any asset or interest by a social
318 equity business occur in violation of clause (vi). The secretary of housing and economic
319 development, in consultation with the advisory board, shall be responsible for the selection of
320 recipients, grant or loan values and conditions for such grants or loans; provided, that when
321 selecting recipients, the secretary in consultation with the advisory board, shall take into

322 consideration the racial, ethnic and gender demographics of the municipality in which the
323 recipient businesses are located.

324 (d) Annually, not later than July 31, the executive office of housing and economic
325 development, in consultation with the advisory board, shall report on expenditures from the fund
326 in the previous fiscal year. The report shall include, but shall not be limited to: (i) information
327 that identifies and describes the amount of money expended from the fund; (ii) a list of the
328 entities that received a grant or loan from the fund; (iii) the geographic location of recipient
329 entities; (iv) the form of funding received by each entity; (v) information indicating whether each
330 recipient entity is a minority-owned entity; and (vi) any other information that the executive
331 office and the advisory board deem appropriate to ensure equity and accountability. The report
332 shall be filed with the clerks of the house of representatives and the senate, the house and senate
333 committees on ways and means and the joint committee on cannabis policy. The executive office
334 shall make the report publicly available on its website.

335 (e) The violation of a condition of a grant or loan made pursuant to this section or any
336 other violation of this section shall be punished by a fine of not more than 50 per cent of the
337 violator's grant or loan value per violation, in addition to funds paid under clause (vii) of
338 subsection (c), if applicable.

339 SECTION 19. Subsection (b) of section 17 of chapter 94G of the General Laws, as
340 appearing in the 2020 Official Edition, is hereby amended by inserting after the first sentence the
341 following 2 sentences:-

342 Said departments and executive offices shall: (i) provide the commission with any
343 existing data requested by the commission, subject to any applicable confidentiality laws and

344 regulations regarding personally identifying information; (ii) collect data, as reasonably
345 requested by the commission, to complete the commission's research agenda; and (iii) provide
346 data requested by the commission pursuant to clause (ii) to the commission subject to any
347 applicable confidentiality laws and regulations regarding personally identifying information. Any
348 personally identifiable information contained in data acquired through this section shall not be
349 considered a public record and shall not be subject to disclosure pursuant to clause twenty-sixth
350 of section 7 of chapter 4 and chapter 66.

351 SECTION 20. Said chapter 94G is hereby further amended by adding the following
352 section:-

353 Section 22. The commission shall administer a social equity program to encourage and
354 enable full participation in the marijuana industry of people from communities that have been
355 disproportionately harmed by marijuana prohibition and enforcement and to positively impact
356 those communities. The program shall offer: (i) technical assistance and training; and (ii)
357 guidance on how to access funds available through the Cannabis Social Equity Trust Fund,
358 established in section 14A, to individuals certified by the commission as economic
359 empowerment priority applicants and that meet other criteria determined by the commission.

360 SECTION 21. Section 22 of chapter 270 of the General Laws, as appearing in the 2020
361 Official Edition, is hereby amended by inserting after the definition of "Enclosed" the following
362 definition:-

363 "Licensed marijuana social consumption establishment", an establishment that is, at a
364 minimum: (i) licensed by the Massachusetts cannabis control commission established under
365 section 76 of chapter 10 for sale of marijuana and marijuana products for consumption on the

366 premises pursuant to regulations promulgated pursuant to section 4 of chapter 94G; and (ii)
367 authorized to allow social consumption of cannabis on the premises, where required, by the
368 appropriate authority in the city or town in which the establishment is located; provided
369 however, that tobacco shall not be sold, smoked, vaporized or consumed at said establishment.

370 SECTION 22. Said section 22 of said chapter 270, as so appearing, is hereby amended by
371 adding the following subsection:-

372 (p) Nothing in this section shall prohibit the consumption of marijuana, including, but not
373 limited to, marijuana consumption that involves the combustion, heating, vaporization or
374 aerosolization of cannabis products, at a licensed marijuana social consumption establishment, in
375 designated consumption areas and as permitted by cannabis control commission regulations
376 promulgated pursuant to section 4 of chapter 94G.

377 SECTION 23. Chapter 276 of the General Laws is hereby amended by inserting after
378 section 100K the following section:-

379 Section 100K^{1/4}. (a) Notwithstanding the requirements of section 100I and section 100J, a
380 court shall, within 30 days of a petition being filed, order the expungement of a record created as
381 a result of a criminal court appearance, juvenile court appearance or disposition for: (1) the
382 possession or cultivation of an amount of marijuana decriminalized by chapter 387 of the acts of
383 2008; (2) the possession or cultivation of an amount of marijuana decriminalized by chapter 334
384 of the acts of 2016; (3) the possession or cultivation of an amount of marijuana decriminalized
385 by chapter 55 of the acts of 2017; (4) possession of marijuana with intent to distribute based on
386 an amount of marijuana decriminalized by chapter 387 of the acts of 2008, chapter 334 of the
387 acts of 2016 or chapter 55 of the acts of 2017; or (5) distribution of marijuana based on an

388 amount of marijuana decriminalized by chapter 387 of the acts of 2008, chapter 334 of the acts
389 of 2016 or chapter 55 of the acts of 2017.

390 (b) Prior to entering an order on a petition for expungement pursuant to subsection (a),
391 the court shall hold a hearing if requested by the petitioner or the district attorney. Upon granting
392 or denying a petition for expungement pursuant to subsection (a), the court shall enter written
393 findings of fact.

394 (c) Upon an order for expungement pursuant to this section or section 100F, section 100G
395 or section 100H, the court clerk's office shall provide the petitioner with a certified copy of the
396 order, the docket sheets and the criminal complaint related to the expunged charge. The court
397 shall send a copy of the expungement order to the clerk of the court where the record was
398 created, to the commissioner of probation and to the commissioner of criminal justice
399 information services.

400 SECTION 24. Section 51 of chapter 55 of the acts of 2017 is hereby amended by striking
401 out the words "and (ii)" and inserting in place thereof the following words: (ii) a campaign to
402 educate the public on health risks associated with marijuana and tetrahydrocannabinol
403 consumption, including, but not limited to, the risks: (A) to mental health; (B) of use during
404 pregnancy; (C) of use of high potency products; and (D) of home extraction of marijuana
405 concentrates; and (iii).

406 SECTION 25. (a) Notwithstanding any general or special law to the contrary, a host
407 community shall establish initial procedures or policies required by paragraph (5) of subsection
408 (d) of section 3 of chapter 94G of the General Laws not later than July 1, 2023.

409 (b) The failure of a host community to establish procedures or policies pursuant to
410 subsection (a) shall result in a monetary penalty to the host community equal to the annual total
411 of community impact fees received from all marijuana establishments or medical marijuana
412 treatment centers operating within the host community, to be deposited into the Cannabis Social
413 Equity Trust Fund established in section 14A of said chapter 94G.

414 SECTION 26. (a) The cannabis control commission, in consultation with the department
415 of elementary and secondary education and the department of public health, shall conduct a
416 study on the possession, administration and consumption of medical marijuana, as defined in
417 chapter 94I, at public or private schools in the commonwealth as it relates to students who have
418 been issued valid registration cards pursuant to said chapter 94I. The study shall include, but not
419 be limited to: (i) an examination of policies on the possession, administration and consumption
420 of medical marijuana by students at public and private schools in the commonwealth; (ii) an
421 analysis of existing legal, regulatory and administrative obstacles to possession, administration
422 and consumption of medical use marijuana at public and private schools in the commonwealth;
423 (iii) a survey of available methods of consumption, administration and storage of medical use
424 marijuana at public and private schools; (iv) recommendations on best practices for public and
425 private schools in the commonwealth to ensure that students have access to medical use
426 marijuana while also maintaining a safe school environment for all students; and (v)
427 recommendations on eliminating obstacles and expanding accommodations to possess,
428 administer and consume medical use marijuana at public and private schools in the
429 commonwealth..

430 (b) Not later than August 31, 2023, the Massachusetts cannabis control commission, in
431 consultation with the department of elementary and secondary education and the department of

432 public health, shall submit a report of its findings and recommendations to the clerks of the
433 house of representatives and the senate, the joint committee on cannabis policy and the joint
434 committee on children, families and persons with disabilities.

435 SECTION 27. Initial appointments to the cannabis social equity advisory board
436 established in section 14A of chapter 94G of the General Laws shall be made not later than 60
437 days after the effective date of this act.

438 SECTION 28. The Massachusetts cannabis control commission shall promulgate or
439 amend regulations as necessary to be consistent with this act not later than 1 year from the
440 effective date of this act.

441 SECTION 29. Sections 1 and 2 shall take effect for taxable years beginning on or after
442 January 1, 2022.