
Cannabis Control Commission Approves Draft Regulations for Adult Use Delivery in Massachusetts

WORCESTER— The Cannabis Control Commission (Commission) on Thursday approved draft regulations that establish two Marijuana Establishment types that would be authorized to deliver adult-use cannabis directly to consumers in the Commonwealth: Limited Delivery Licenses and Wholesale Delivery Licenses. Thursday's meeting was part of the Commission's ongoing deliberations to modify Massachusetts' medical- and adult-use cannabis regulations this year.

The Commission's development of Limited Delivery Licenses and Wholesale Delivery Licenses follows its promulgation of a Delivery-Only, Delivery Endorsement, and precertification licensing process in 2019 which

received substantial public feedback during the agency's initial 2020 regulatory review period. The Limited Delivery License represents an evolution of the Delivery-Only License the Commission had previously approved in 2019, and maintains those policies and provisions in order to keep barriers to industry entry low and support participation by applicants with limited capital. In direct response to public comment received during the initial 2020 regulatory review period, the Commission approved the new Wholesale Delivery License authorizing businesses to purchase marijuana and finished marijuana products at wholesale from Cultivators, Craft Marijuana Cooperatives, Product Manufacturers, and Microbusinesses, and sell individual orders directly to consumers. By expanding the delivery operations available to licensees, the Commission also adopted additional compliance requirements for Wholesale Delivery Licenses pertaining to wholesaling, warehousing, white labeling, and sales.

To further the agency's mission of ensuring meaningful participation in the legal cannabis industry by communities that have been disproportionately harmed by marijuana prohibition, the Commission's draft delivery regulations specify that both license types will be exclusively available to Certified Economic Empowerment Applicants (EEAs) and Social Equity Program (SEP) Participants for a minimum of three years. The draft regulations differentiate Limited Delivery Licenses and Wholesale Delivery Licenses from Retail Marijuana Establishments, which are required to have a storefront, and specify they would be subject to the Commission's overarching ownership and control provisions. As a result, a single entity may be able to hold up to three Wholesale Delivery Licenses, or three Limited Delivery Licenses, or three Marijuana Retailer licenses, or three of any combination of those. Commissioner Britte McBride, who presented the draft regulations to her colleagues Thursday, noted applying these control limits enable the agency to continue defending against a small number of licensees controlling or attempting to dominate the Commonwealth's regulated market.

Among the draft delivery regulations approved Thursday, the Commission approved:

Limited Delivery Licenses

- Levying a \$1,500 application fee and \$5,000 annual licenses fee; and
 - To support unobstructed pathways into the regulated industry, all Limited Delivery application and license fees would be waived for EEAs and SEP participants in their first year of licensure under the exclusivity period; and
 - Annual license fees also would be reduced by 50%, or to \$2,500, upon renewal and all subsequent years for applicants eligible for the exclusivity period.
- Automatically converting existing Pre-Certified "Delivery-Only" applicants to Limited Delivery Applicants.

Wholesale Delivery Licenses

- Levying a \$1,500 application fee and \$10,000 annual license fee;
 - Annual license fees would be reduced by 50%, or to \$5,000, for EEAs and SEP participants in accordance with the Commission's traditional fee structure.
- Applying the same security provisions required of all Marijuana Establishments operating indoor areas to Wholesale Delivery Licenses;
 - Wholesale Delivery Licenses would be required to maintain a warehouse; and
 - Warehouses would be required to comply with limited access area regulations and have a loading area or sally port where vehicles can be securely loaded.

- Requiring the same product storage provisions regulating all other Marijuana Establishments to Wholesale Delivery Licenses, including adequate lighting, ventilation, temperature, humidity, space and equipment;
- Extending the equivalent Marijuana Establishment requirements related to age verification; limitations on sales; unauthorized sales and right to refuse sales or delivery; recording sales; consumer education; testing; product database; and vendor samples to Wholesale Delivery Licenses;
- Authorizing Wholesale Delivery Licensees to white label, or affix a product label that includes the branding (name and logo) of a specific Marijuana Establishment to a finished marijuana product that was previously produced and packaged by a licensed Product Manufacturer, Cultivator, Microbusiness or Craft Marijuana Cooperative for sale to consumers;
 - White labeling may be performed by the Wholesale Delivery Licensee or the licensed Marijuana Establishment from which the wholesale originated; and
 - Vaporizer products may not be white labeled under the draft regulations to enable the Commission to implement and ensure compliance with new labeling requirements meant to strengthen public health, safety, and consumer awareness around those devices.

Once agency staff incorporate the changes Commissioners adopted Thursday, a segmented version of the draft regulations focusing specifically on delivery will be published and become subject to a public comment period. Only feedback focused on delivery will be considered, as this will be the second opportunity for the public to weigh in on the Commission's regulations over the course of the 2020 review cycle. View the [August 3 public hearing here](#) to access previous public comments the

Commission received on the full set of draft medical- and adult-use regulations.

The Commission plans to reconvene to discuss the draft delivery regulations and public comment on October 20. For more context regarding the policies proposed for the Limited Delivery and Wholesale Delivery Licenses, video of Commissioners' recent discussions can be found on the agency's [Facebook](#) and [YouTube](#) pages. Draft regulations and related public meeting materials are available at [MassCannabisControl.Com/Documents](https://www.mass.gov/info-details/masscannabiscontrol.com/documents).

Additional information about the Commission's regulatory review process is available at [MassCannabisControl.Com](https://www.mass.gov/info-details/masscannabiscontrol.com), by contacting the Commission by phone (774-415-0200) or email (Commission@CCCMass.Com), or following the agency on [Facebook](#) and [Twitter](#).

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MEDIA CONTACT:

Cedric Sinclair | Director of Communications

857-268-6454

Maryalice Curley | Press Secretary

857-292-4891

press@cccmass.com

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