

February 27, 2020

Chair Sonia Chang-Diaz and Chair David Rogers
24 Beacon St.
Room 111 and Room 544
Boston, MA 02133

Dear Chair Chang-Diaz, Chair Rogers, and members of the Joint Committee on Cannabis Policy,

Thank you for your thoughtful engagement with a variety of stakeholders and for sharing our ongoing commitment to honor the will of the voters by safely, equitably, and effectively creating a legal cannabis industry for Massachusetts.

In this spirit, in our individual capacities as Chairman and Executive Director of the Commission, we are writing to make three suggestions for your consideration. These suggestions are based on the requirements of Chapter 55 of the Acts of 2017, research studies our agency has conducted and published, and practical observations we have made over the past two and a half years.

- 1) The Legislature may wish to consider codifying the Commission's Social Equity Program in statute and establish a dedicated source of funding in order to ensure consistent and sustained access to training, technical assistance, mentorship, and other benefits for people from communities disproportionately harmed by prohibition as referenced by Chapter 55 of the Acts of 2017.
- 2) Currently, the Commission is required to ensure that people from communities that have been disproportionately harmed by marijuana prohibition are included in the legal marijuana industry, and to prioritize the review of businesses that economically empower those communities. Municipalities, however, have no such requirement in their separate consideration of hosting these businesses. Because no applicant is considered to have submitted a complete application without a form of local approval, this has created an inconsistency and a disparity in the types of applicants who are able to navigate and ultimately succeed in our application process. The inconsistency has impeded our ability to fulfill our requirements, and thus the Commonwealth's ability to meet its commitments. The Legislature may wish to address this inconsistency by enacting a similar requirement for municipalities to ensure the inclusion of the same communities.
- 3) As a step toward leveling the playing field and supporting access for small businesses and marginalized groups, the Legislature may wish to create a Social Equity Loan Fund similar to the [Illinois Social Equity Cannabis Business Development Fund](#) or the [City of Oakland Equity Loan Program](#). This would begin to address the lack of capital that is most widely cited as a barrier to entry preventing businesses with fewer resources from entering the market. This would be an efficient and effective way to satisfy Chapter 94G 14(b)(v), which directs marijuana tax revenue to fund programming for restorative justice and services for economically-disadvantaged people in communities disproportionately impacted by high rates of arrest and incarceration for



marijuana offenses. The fund should also be structured to allow for private donations. Currently, several cannabis businesses in Massachusetts are keeping funds in escrow in order to donate them for this purpose, and others have expressed a willingness to contribute to a fund with these objectives.

We appreciate your consideration of these suggestions and remain available to discuss these suggestions in more detail or answer any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to be 'SH', written in a cursive style.

Steven Hoffman, Chairman

Massachusetts Cannabis Control Commission

A handwritten signature in black ink, appearing to be 'Shawn Collins', written in a cursive style.

Shawn Collins, Executive Director

Massachusetts Cannabis Control Commission

