

Guidance on Licensure

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I. INTRODUCTION

The Cannabis Control Commission (Commission) regulates licensees that operate in the legal adult- and medical-use marijuana markets in Massachusetts. This includes reviewing applications and issuing licenses for adult-use Marijuana Establishments (MEs) and Medical Marijuana Treatment Centers (MTCs), formally known as Registered Marijuana Dispensaries or RMDs).

The Commission goal is for this guidance to assist applicants and licensees with navigating the application and licensing processes and remaining compliant with applicable laws, regulations, and policies, which include the following:

- St. 2017, c. 55, An Act to Ensure Safe Access to Marijuana
- G.L. c. 94G, Regulation of the Use and Distribution of Marijuana Not Medically Prescribed
- G.L. c. 94I, Medical Use of Marijuana
- Regulations
 - 935 CMR 500.000: Adult Use of Marijuana
 - 935 CMR 501.000: Medical Use of Marijuana
 - 935 CMR 502.000: Colocated Adult-Use and Medical-Use Marijuana Operations
- Guidance Documents

Please note that applicants and licensees are required to remain current with the laws, regulations, and policies governing licensure. Applicants and licensees are responsible for reviewing revisions to this document as changes to laws, regulations, and policies may occur.



FYI—FOR YOUR INFORMATION

Some things to be conscious of when applying to become a licensee:

- *The Commission reviews applications for licensure in a certain order set by regulations. An initial review of your application may not occur right away as other applications may have priority or expedited review.*
- *The Commission will notify applicants and licensees of all next steps—please do not take next steps until directed to do so.*
- *Please ensure that all requests for information are fully complied with in order to reduce the time to obtain licensure, if appropriate.*

The following guidance is not legal advice. If you have additional questions regarding the legal requirements for licensure in the Commonwealth, you are encouraged to consult an attorney.

II. LICENSE TYPES & LIMITS

Applicants can determine the type of license they want to obtain by first determining what type of marijuana business they want to operate.

For example, an applicant that wants to cultivate marijuana has at least four (4) different options depending on whether they want to operate in the adult- or medical-use market and how they want to operate their business:

- Applicants who want to grow and cultivate adult-use marijuana, may apply for one of three Marijuana Establishment (ME) licenses: a Marijuana Cultivation license, a Craft Cooperative license or a Microbusiness license. Further information about each license type is available below.
- Applicants who want to assist registered patients with medical marijuana can obtain a Medical Marijuana Treatment Center (MTC) license, which will allow them to cultivate, produce, and dispense marijuana to registered patients and their caregivers.

Additionally, all license types have limits on the number of licenses an individual or entity can possess, and other restrictions.

Medical Marijuana Treatment Center (MTC)

A Medical Marijuana Treatment Center, commonly referred to as an MTC, is an entity licensed under the medical regulations. An MTC acquires, cultivates, possesses, processes, transports, sells, distributes, delivers, dispenses, or administers marijuana, products containing cannabis or marijuana, related supplies, or educational materials to registered qualifying patients or their personal caregivers for medical use.

MTCs may deliver marijuana and marijuana products directly to patients and caregivers after receiving Commission approval.

Marijuana Cultivator

A Marijuana Cultivator may cultivate, process and package marijuana, to transfer marijuana to other MEs, but not to consumers. Cultivators must select what tier they will be in by determining the total canopy they will cultivate. Canopy is an area calculated in square feet and measured using clearly identifiable boundaries of all areas(s) that will contain mature plants at any point in time. The available tiers include the following:

Tier	Canopy Size Allowed
1	up to 5,000 square feet
2	5,001 to 10,000 sq. ft.
3	10,001 to 20,000 sq. ft.
4	20,001 to 30,000 sq. ft.
5	30,001 to 40,000 sq. ft.
6	40,001 to 50,000 sq. ft.
7	50,001 to 60,000 sq. ft.
8	60,001 to 70,000 sq. ft.
9	70,001 to 80,000 sq. ft.
10	80,001 to 90,000 sq. ft.
11	90,001 to 100,000 sq. ft.

Marijuana Cultivator may submit an application to change the tier in which it is classified. In connection with the renewal of Marijuana Cultivator license, the Commission will review the records of the licensee and may reduce the licensee's tier if the licensee sold less than 70% of what it produced during the six (6) months prior to the renewal application (indoor cultivators) or during the harvest season prior to the application for renewal (outdoor cultivators). Some factors that the Commission may consider in reducing a Marijuana Cultivator's tier include the following:

- Cultivation and production history, including any catastrophic events that may have occurred;
- Transfer, sales, and excise tax payment history;
- Existing inventory and inventory history;
- Sales contracts; and
- Any other factors relevant to ensuring responsible cultivation, production, and inventory management.

Craft Marijuana Cooperative

A Craft Marijuana Cooperative is a type of Marijuana Cultivator which may cultivate, obtain, manufacture, process, package and brand marijuana and marijuana products to transport marijuana to MEs, but not to consumers.

A Craft Marijuana Cooperative is not limited to a particular number of cultivation locations, but is limited to a total canopy of 100,000 square feet and three (3) locations for activities authorized for Marijuana Product Manufacturers. A Craft Marijuana Cooperative must operate according to the seven cooperative principles published by the [International Cooperative Alliance in 1995](#).

Marijuana Product Manufacturer

A Marijuana Product Manufacturer is an entity authorized to obtain, manufacture, process and package marijuana and marijuana products, to transport marijuana and marijuana products to MEs and to transfer marijuana and marijuana products to other MEs, but not to consumers.

Marijuana Retailer

A Marijuana Retailer is an entity authorized to purchase and transport marijuana and marijuana products from other MEs and to sell or otherwise transfer marijuana and marijuana products to other MEs and to consumers.

A Marijuana Retailer provides a retail location which may be accessed by consumers 21 years of age or older or, if the retailer is colocated with an MTC, by individuals who are also registered qualifying patients or personal caregivers.

Existing Licensee Transporter

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An ME that is otherwise licensed by the Commission and also licensed to purchase, obtain, and possess Marijuana or Marijuana Products solely for the purpose of transporting, temporary storage, sale and distribution on behalf of other Marijuana Establishments or MTCs to other establishments, but not to consumers.

Third-Party Transporter

A Marijuana Transporter is an entity that may only transport marijuana or marijuana products and does not hold another ME license and is not licensed as an MTC. A Third-party Transporter is permitted to transport marijuana and marijuana products between MEs and between MTCs.

Marijuana Research Facility

A Marijuana Research Facility is an academic institution, non-profit corporation, domestic corporation, or entity authorized to do business in the Commonwealth of Massachusetts. A Marijuana Research Facility may cultivate, purchase, or otherwise acquire marijuana for the purpose of conducting research regarding marijuana and marijuana products. Any research involving humans must be authorized by an Institutional Review Board. A Marijuana Research Facility may not sell marijuana it has cultivated to other MTCs, MEs or to consumers.

Independent Testing Laboratory (ITL)

An Independent Testing Laboratory, commonly referred to as an ITL, is an entity that does not hold any other type of Marijuana Establishment license and is properly accredited to perform tests in compliance with the stringent requirements of the Commission's protocols for testing marijuana and marijuana products. Licensed ITLs may test marijuana and marijuana products in the adult- and medical-use markets.

ITLs shall be accredited to the most current International Organization for Standardization (ISO) 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement or that is otherwise approved by the Commission. Additionally, ITLs, and the individuals and entities associated with it, shall be independent financially from any licensed MTC or Marijuana Establishment.

Standards Testing Laboratory

A Standards Testing Laboratory is an entity that would otherwise qualify to be an Independent Testing Laboratory but instead performs blind tests to verify the results of an Independent Testing Laboratory at the request of the Commission.

Microbusiness

A Microbusiness is a colocated Tier 1 Marijuana Cultivator, and/or Marijuana Product Manufacturer limited to purchase 2,000 pounds of marijuana from other MEs in one year.

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Microbusiness licensee shall not be a person or entity having direct or indirect control for any other ME except a Social Consumption Establishment. A majority of the Microbusiness' executives or members must have been residents of Massachusetts for no less than 12 months prior to application. Microbusiness may apply for a Delivery endorsement which would allow the licensee to deliver marijuana or marijuana products produced at the licensed location directly to consumers in compliance with established regulatory requirements for retail sale as it relates to delivery.

Delivery-Only Licensee

A Delivery-Only licensee may deliver marijuana or marijuana products directly to consumers at a residential address from a licensed Marijuana Retailer with which the Delivery-Only Licensee has a delivery agreement. A delivery agreement sets forth the business terms of their agreement, as well as, procedures for pre-verification of consumers receiving deliveries. A Delivery-Only Licensee shall not have a retail location accessible to the public. Residential deliveries of marijuana or marijuana products are limited to municipalities that: 1) are listed on the Commission-issued license as the Delivery-Only Licensee's place of business; 2) that allow for the operation of Marijuana Retailers whether one or more retailers are operational or not; and 3) municipalities that opt-in to residential delivery. The Commission shall maintain a database of municipalities that have opted-in to residential delivery. Deliveries may only take place between the hours of 8:00 a.m. – 9:00 p.m., unless otherwise allowed or limited by municipal by-law or ordinance. Municipalities may broaden the time for delivery or may narrow it. It is the responsibility of the licensee to know the rules of the municipality where the licensee delivers.

A Delivery-Only Licensee shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants for a period of twenty-four (24) months from the date the first Delivery-Only Licensee receives a notice to commence operations.

Social Consumption Establishment

Social Consumption Establishment means an entity licensed to sell marijuana or marijuana products and allow consumers to consume marijuana or marijuana products solely on its premises. The application for this license will be made available only after six communities have been selected to participate in the Commission's Social Consumption Pilot Program.

Social Consumption Establishment licenses are limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants, Microbusinesses, and Craft Marijuana Cooperatives for a period of 24 months from the date the first Social Consumption Establishment receives a notice to commence operations.

Delivery Endorsement

In addition to the license types discussed above, the Commission may grant delivery endorsements to qualifying MEs. A delivery endorsement authorizes the licensee to perform deliveries direct from the licensee's licensed establishment to consumers. This endorsement is currently available to MEs that are

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licensed as Microbusinesses and controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants.

Residential deliveries of marijuana or marijuana products are limited to municipalities that: 1) are listed on the Commission-issued license as the Delivery Endorsement holder’s place of business; 2) that allow for the operation of Marijuana Retailers whether one or more retailers are operational or not; and 3) municipalities that opt-in to residential delivery. The Commission shall maintain a database of municipalities that have opted-in to residential delivery. Deliveries may only take place between the hours of 8:00 a.m. – 9:00 p.m., unless otherwise allowed or limited by municipal by-law or ordinance. Municipalities may broaden the time for delivery or may narrow it. It is the responsibility of the licensee to know the rules of the municipality where the licensee delivers.

Limits on Licenses and Endorsements

As discussed previously, all license types have limits on the number of licenses an individual or entity can possess. Additional restrictions may apply to certain license types. The grid below will be helpful when determining what license type to choose when applying, and to understand the limits on license types.



FYI—FOR YOUR INFORMATION

The table below uses specifically defined terms, for example, Person or Entity Having Direct or Indirect Control. Most terms will be defined in the Commission’s regulations in sections 935 CMR 500.002, 501.002, and 502.002. If you encounter a term and don’t know it’s meaning, please check the definition sections for their meaning.

Type	Limits	Additional Limitations
MTC	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three MTCs licenses.	An MTC can acquire ME licenses, however, no Person or Entity Having Direct or Indirect Control shall be granted more than a total of 100,000 sq. ft. of canopy between this license and the adult-use Marijuana Cultivator license. The 100,000 sq. ft. canopy cap applies across the board to all license types or combinations of license types issued by the Commission.
Marijuana Cultivator	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	No Person or Entity Having Direct or Indirect Control shall be granted more than 100,000 sq. ft. of canopy between this license and a MTC license.

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Craft Marijuana Cooperative	Craft Marijuana Cooperatives are limited to one license.	Members or shareholders shall not be Persons or Entities Having Direct or Indirect Control in any other Marijuana Establishment. Such restriction shall not be construed to prohibit members or shareholders from applying for a Marijuana Retailer, Existing Licensee Transporter, Marijuana Research Facility or Social Consumption Establishment license.
Marijuana Product Manufacturer	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	
Marijuana Retailer	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	
Third-Party Transporter	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	No Person or Entity Having Direct or Indirect Control shall have another type of ME or MTC license.
Existing Licensee Transporter	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	A Person or Entity Having Direct or Indirect Control must have another type of MTC license.
Marijuana Research Facility	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	
Independent Testing Laboratory	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	No Person or Entity Having Direct or Indirect Control shall have another type of MTC or ME license
Standards Testing Laboratory	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	No Person or Entity Having Direct or Indirect Control shall have another type of MTC or ME license
Marijuana Microbusiness	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	The licensee(s) shall not be a Person or Entity Having Direct or Indirect Control for any other Marijuana Establishment except a Microbusiness can have a Delivery Endorsement or have a Social Consumption Establishment license, provided that Licenses shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants for a period of

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		twenty-four (24) months from the date the first Delivery-Only Licensee receives a notice to commence operations.
Delivery-Only	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	Licenses shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants for a period of twenty-four (24) months from the date the first Delivery-Only Licensee receives a notice to commence operations.
Social Consumption Establishment	No Person or Entity Having Direct or Indirect Control shall be granted more than (3) three licenses.	Licenses shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants; Microbusinesses; and Craft Marijuana Cooperatives, for a period of twenty-four (24) months from the date the first Social Consumption Establishment receives a notice to commence operations.
Delivery (Endorsement)		A Delivery Endorsement is not a license. A Microbusiness controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants may apply for this endorsement.

III. APPLICATION, LICENSE, AND LICENSE CHANGE FEES

Applicants and licensees shall be charged fees for various activities, some of which include the following:

- An application fee when applying for a license;
- A license fee when approved for a provisional license;
- The annual license fee when renewing a license; and
- When requesting a change of location, name, ownership, or building or renovating an existing structure.

Adult-Use Fees

The fees for adult-use applications and licenses are as follows:

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License Types	Application Fees (Indoor/Outdoor)	Annual License Fee (Indoor/Outdoor)
Marijuana Cultivator (Indoor or Outdoor)		
Tier 1: up to 5,000 square feet	\$200 (I)/\$100 (O)	\$1,250 (I)/\$625 (O)
Tier 2: 5,001 to 10,000 sq. ft.	\$400 (I)/\$200 (O)	\$2,500 (I)/\$1,250 (O)
Tier 3: 10,001 to 20,000 sq. ft.	\$600 (I)/\$300 (O)	\$5,000 (I)/\$2,500 (O)
Tier 4: 20,001 to 30,000 sq. ft.	\$2000 (I)/\$1500 (O)	\$20,000 (I)/\$10,000 (O)
Tier 5: 30,001 to 40,000 sq. ft.	\$2000 (I)/\$1500 (O)	\$22,500 (I)/\$11,250 (O)
Tier 6: 40,001 to 50,000 sq. ft.	\$2000 (I)/\$1500 (O)	\$25,000 (I)/\$12,500 (O)
Tier 7: 50,001 to 60,000 sq. ft.	\$2000 (I)/\$1500 (O)	\$30,000 (I)/\$15,000 (O)
Tier 8: 60,001 to 70,000 sq. ft.	\$2000 (I)/\$1500 (O)	\$35,000 (I)/\$17,500 (O)
Tier 9: 70,001 to 80,000 sq. ft.	\$2000 (I)/\$1500 (O)	\$40,000 (I)/\$20,000 (O)
Tier 10: 80,001 to 90,000 sq. ft.	\$2000 (I)/\$1500 (O)	\$45,000 (I)/\$22,500 (O)
Tier 11: 90,001 to 100,000 sq. ft.	\$2000 (I)/\$1500 (O)	\$50,000 (I)/\$25,000 (O)
Craft Marijuana Cooperative	Total fees for its Canopy. If more than six locations, add \$200 (I)/\$100(O) per additional location.	Total fees for its Canopy. If more than six locations, add \$1,250(I)/\$625(O) per additional location.
Marijuana Product Manufacturing	\$1500	\$10,000
Marijuana Microbusiness	\$1000	50% of all applicable license fees
Independent Testing Laboratory	\$1500	\$10,000
Marijuana Retailer (brick and mortar)	\$1500	\$10,000
Social Consumption Establishment	\$1500	\$10,000
Marijuana Transporter: Third-party Transporter	\$1500	\$5,000
Marijuana Transporter: Existing Licensee Transporter	\$1000	\$5,000
Marijuana Delivery-Only Licensee	\$1500	\$10,000
Marijuana Establishment with a Delivery Endorsement	\$1500	\$10,000
Marijuana Research Facility	\$300	\$1,000

Unless otherwise specified below, all fees are non-refundable and cannot be waived. In addition to the fees above, there are additional fees for background checks and for the Metrc program.

Certain fees are waived for Economic Empowerment applicants and Social Equity Program participants:

- Application fees;

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- Annual license fees are reduced 50%; and
- Monthly Metrc program fees, but not fees for plant tags.

Certain fees are waived Craft Marijuana Cooperatives and Microbusinesses:

- Monthly Metrc program fees, but not fees for plant tags.

Medical-Use Fees

The fees for medical-use applications and licenses are as follows:

License Types	Fees
MTC Application Fee	\$3,500
MTC Initial/Annual License Fee	\$50,000

All fees are non-refundable and cannot be waived. In addition to the fees above, additional fees exist for background checks and for the Metrc program.

Other Fees Associated with Licenses

In addition to application and licensure fees, other fees apply if a licensee is requesting to change their name, location, ownership, or building structure. Licensees shall submit requests for these types of changes along with the applicable fee. Each fee is assessed per each license affected.

These fees apply to both adult- and medical-use licensees and differ only where designated. The fees for these types of changes are as follows:

Change or Review	Fee
Name Change	\$1000
Location Change	50% of the applicable license fee (<i>Adult</i>) 10,000 (<i>Medical</i>)
Building Structure Change	\$1000
Ownership or Control Change (<i>involving at least one entity gaining ownership/control</i>)	\$5000 per entity, per license
Ownership or Control (<i>involving individuals, e.g., change of Board Member</i>)	\$500 per person
Architectural Review Request	\$1500

All fees are non-refundable. The fees above cannot be waived. In addition to the fees above, additional fees exist for the following:

- Background checks for individuals associated with a license application;
- Fingerprinting for individuals associated with a license application;

- Monthly Metrc Program fees (*once licensed*);
- Metrc tags (*once licensed*); and
- Application fees for registering agents (*once licensed*).

IV. LICENSURE OVERVIEW

All businesses that seek to enter the adult- and medical-use markets as licensees must complete several steps prior to commencing full operations. A summary outline of the overall licensing process can be found in the appendix. This section will provide in-depth guidance for applicants seeking licensure.

License Application Process

The first step to becoming a licensee is to submit the license application fee and all three sections of the application:

- Application of Intent,
- Background Check, and
- Management and Operations Profile.

Each section requires applicants to provide accurate information about the business, individuals and entities associated with the business and to demonstrate understanding of, and plans to comply with, the Commission's regulations that are specific to the applicant's license type, location and scale. The adult- and medical-use license applications have essentially the same requirements with differences highlighted in the following sections.

License Application—Application of Intent Section

This section outlines all requirements in the Application of Intent, commonly referred to as the AOI, and provides guidance on how to comply with the Commission's regulations.

Required Individuals and Entities

An applicant must disclose Persons or Entities Having Direct or Indirect Control in their application for licensure. A Person or Entity Having Direct Control satisfies one or more of the following criteria:

- An owner that possess a financial interest in the form of equity of 10% or greater in a ME or MTC;
- A person or entity that possess a voting interest of 10% or greater in a ME or MTC or a right to veto significant events;
- A Close Associate;
- A person or entity that has rights to control, through contract or otherwise, or authority, including but not limited to:
 - to make decisions regarding operations and strategic planning, capital allocations, acquisitions and divestments;
 - to appoint more than 50% of the directors;

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- to appoint or remove corporate-level officers;
- to make major marketing, production, and financial decisions;
- to execute significant or exclusive contracts; or
- to earn 10% or more of the profits or collect more than 10% of the dividends.

Persons or Entities Having Indirect Control means any person or entity having indirect control over operations of a ME or MTC. It specifically includes any person with a controlling interest in an indirect holding or parent company of the applicant, and the chief executive officer and executive director of those companies, or any person or entity in a position indirectly to control the decision-making of a ME or MTC.

Applicants are encouraged to include individuals that exert control through the contribution of services. For example, an individual may exert control by making decisions about the establishment management or operations. Applicants do not need to disclose individuals who provide services and do not exert control. For example, applicants do not need to disclose consultants who consult, but do not make decisions for the establishment.

Disclosure of In-State Interests

Applicants are required to disclose whether any individual or entity listed in the application are disclosed in any other ME or MTC license application or associated with another any existing license. The disclosure should include all current information that is known to be accurate and true.

Disclosure of Out-of-State Interests

Applicants are required to disclose whether any individual or entity listed in an application have past or present marijuana- or license-related business interests in other states and to provide documentation of their interests. Applicants should also disclose any ownership interest in a business that transacts with any cannabis-related businesses. They should exercise their judgment in identifying other business interests relevant to their application.

The documentation required for this section can take the form of a business license, articles of organization, bylaws, operating agreements, or an affidavit stating that the disclosure is accurate and true.

Capital Resources

Applicants shall disclose the amounts and sources of capital resources available to them from any individual or entity that will be contributing capital to establish or operate the identified ME. Forms of capital could include loans (monetary, real or personal property) for repayment or for equity stakes.

The applicant shall disclose the name, address, contact information, and amount and source of the capital that will be provided from each individual or entity. In addition to the disclosure, the applicant must submit documentation that includes, but is not limited to, a bank or financial institution record dated within 60 days of the application submission date verifying the existence of the capital. If the individual or entity is providing capital resources for repayment of a loan, any written agreement governing the loan must be provided as well.

If the individual or entity contributing capital resources could be classified as a Person or Entity Having Direct or Indirect Control, they must also be listed as such in the appropriate section.

After making these disclosures and providing this information, the applicant must certify that the funds used to invest in or finance the ME or MTC were lawfully earned or obtained, which can be demonstrated by an affidavit or notarized document attesting to this requirement. As part of a review of the application, or an inspection of the licensee's operations, the Commission may require additional information or documentation that demonstrates the source of the funds.



ADULT/MEDICAL LICENSE APPLICATION DIFFERENCE

Applicants for licensure as a ME have no minimum amount of capital resources that must be demonstrated. Applicants to become an MTC must demonstrate capital resources of \$500,000 on their first application and an additional \$400,000 for the second and third applications.

Bond or Escrow

All applicants are required to set aside, either through a bond or an escrow account, an amount of money sufficient to cover the dismantling and winding down of the ME or MTC. The amount set aside must be enough to cover the cost of satisfying any outstanding state or municipal sales tax obligations, costs incurred securing the licensee's facility, and cost incurred destroying the marijuana and marijuana products in its inventory.

If the applicant acquires a bond, the applicant is required to set aside the total amount of their licensing fees as set forth in 935 CMR 500.005 or 501.005, even if the fees have been waived. If the applicant establishes an escrow account, the applicant must set aside at least \$5,000, and is encouraged to set aside the total amount of their licensing fees, even if the fees have been waived.

If the applicant acquires a bond, the bond should reflect the following:

- The applicant is the Principal;
- The Commonwealth of Massachusetts Cannabis Control Commission, 2 Washington Square, Worcester, MA, 01604, is the obligee;
- The purpose of the bond is to cover any costs incurred by the Commission to satisfy any outstanding state and local sales tax obligations, costs incurred to secure any licensed marijuana facility, costs incurred to destroy the marijuana and marijuana products in its inventory, and to cover other costs incurred by the Commission or its designee in dismantling or winding down of the licensee's facility in accordance with its policies and governing laws.

If the applicant establishes an escrow account, the account should reflect the following:

- The Commonwealth of Massachusetts Cannabis Control Commission, 2 Washington Square, Worcester, MA, 01604, is the sole beneficiary; and
- The purpose of the bond is to cover any costs incurred by the Commission to satisfy any outstanding state and local sales tax obligations, costs incurred to secure any licensed marijuana facility, costs incurred to destroy the marijuana and marijuana products in its inventory, and to cover other costs incurred by the Commission or its designee in dismantling or winding down of the licensee's facility in accordance with its policies and governing laws.

If the applicant's attorney holds the funds in its trust/escrow account in the client's name, a memorandum of understanding (MOU) with the attorney is an acceptable way to meet this requirement as long as the MOU reflects the following:

- The attorney is holding the funds for the sole purpose of covering any costs incurred by the Commission to satisfy any outstanding state and local sales tax obligations, costs incurred to secure any licensed marijuana facility, costs incurred to destroy the marijuana and marijuana products in its inventory, and to cover other costs incurred by the Commission or its designee in dismantling or winding down of the licensee's facility in accordance with its policies and governing laws.
- The amount of funds; and
- The attorney will release the funds to the Commission or its designee on a demonstration that it has incurred these costs.

Property Identification and Interest Documentation

Each applicant must disclose the location of their proposed ME or MTC. A licensee is limited to performing operations at a single location with the exception of Craft Marijuana Cooperatives and MTC licensees.



ADULT/MEDICAL LICENSE APPLICATION DIFFERENCE

Applicants for licensure as a ME apply for a license usually for a single operation (i.e. cultivation) and must select no more than one location. Applicants to become a MTC apply to cultivate, process, produce, and dispense marijuana under a single license. The licensee can select up to two (2) locations from which they will cultivate, produce, and dispense marijuana.

After identifying the proposed location(s) where operations will be licensed, the applicant is required to submit property interest documentation, which may be demonstrated by one of the following:

- a. clear legal title to the proposed site;
- b. an option to purchase the proposed site;
- c. a legally enforceable agreement to give such title; or
- d. documentation from the owner evidencing permission to use the premises.



FYI—FOR YOUR INFORMATION

Applicants may not be required to pay rent on property during the application phase in certain circumstances. Some property interest documentation options stated above may require no monthly payments until utilizing the premises or acquiring a license. Applicants are encouraged to consult with an attorney on available options.

Host Community Agreement Certification

Each applicant must upload a single-page certification signed by the contracting authorities for the host community and applicant evidencing that they have executed a Host Community Agreement. A single-page certification form is available on the Commission’s website. If the applicant will operate at more than one location (for example, Craft Marijuana Cooperatives or MTCs), a certification form with the above requirements is required for each location.

Additional guidance on the laws governing Host Community Agreements can be located on the Commission’s website. A fully executed Host Community Agreement will not be accepted in lieu of the single-page certification form.

Community Outreach Meeting Attestation and Documentation

The purpose of the Community Outreach Meeting is to inform the public in the host community about the proposed ME or MTC, provide information, and answer the public’s questions. It is strongly suggested that the Community Outreach Meeting be held prior to finalizing a Host Community Agreement because the meeting is intended to help inform the Host Community Agreement process. Each applicant must conduct a Community Outreach Meeting that complies with the following:

- The meeting must be conducted within six (6) months prior to submitting the license application;
- Notice of the meeting must be published in a newspaper of general circulation in the city or town at least 14 calendar days prior to the meeting. The notice must include the time, place, subject matter of the meeting, and proposed address of the ME or MTC;
- Notice of the meeting must be filed with the city or town clerk. The notice must include the time, place, subject matter of the meeting, and proposed address of the ME or MTC;
- Notice of the meeting must be mailed to all abutters and residents within 300 feet of the proposed address of the ME or MTC at least seven (7) calendar days prior to the meeting. The notice must include the time, place, subject matter of the meeting, and proposed address of the ME or MTC;
- At least one (1) meeting must be held in the host community and at least one (1) meeting must be held after normal business hours. A single meeting may be held if it falls within both requirements.
- The following must occur at the meeting:
 - Information presented about the type of ME or MTC to be located at the proposed address;

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- Information presented that is adequate to demonstrate that the location will be maintained securely;
- Information about the steps that will be taken by the ME or MTC to prevent diversion to minors;
- Information presented about the applicant’s plan to positively impact the community;
- Information presented that is adequate to demonstrate that the location will not constitute a nuisance; and
- Community members are allowed to ask questions and receive answers from the ME or MTC.

In order to demonstrate compliance with this requirement, applicants must provide the following:

- A completed Community Outreach Meeting Attestation form available on the Commission’s website. Please ensure to follow the instructions on the form;
- A copy of the notice in the publication that clearly shows the required information that was provided to the public, as well as, the name and date of the publication;
- A copy of the notice filed with the city or town clerk; and
- A copy of the notice mailed to abutters.

If the proposed ME or MTC will have locations in more than one (1) city or town, applicants must fulfill the Community Outreach Meeting requirements for each location.



FYI—FOR YOUR INFORMATION

Please note that the requirement regarding the publication of the Community Outreach Meeting in a newspaper of general circulation as changed. The notice now must be published at least 14 calendar days prior to the meeting. The previous requirement required only a seven (7) day notice. Notices published after November 1, 2019 must comply with this requirement.

Plan to Remain Compliant with Local Ordinances

Each applicant shall submit a description of plans to ensure that the ME or MTC is or will be compliant with local codes, ordinances, and bylaws for its physical address which shall include, but not be limited to, the identification of all local requirements for the sale of adult- or medical-use of marijuana.

This plan shall identify all steps taken with municipal departments or officials regarding local rules and permitting requirements. Additionally, applicants shall include in their plan, but not be limited to, the following information:

- Identification of the appropriate zoning district of the proposed address; and

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- Identification of the appropriate permits that are required, if any, and the timing and frequency of obtaining and renewing such permits.

Plan to Positively Impact Disproportionately Harmed People

Applicants for licensure as an ME or MTC shall submit a Plan to Positively Impact Disproportionately Harmed People. The plans shall be designed to positively impact the following groups of disproportionately harmed people, as designated by the Commission:

1. Past or present residents of the geographic “areas of disproportionate impact,” which have been defined by the Commission and identified in its Guidance for Identifying Areas of Disproportionate Impact. Note that some disproportionately impacted geographic locations are cities or towns, and others are neighborhoods identified by census tracts. The designation of these areas will be re-evaluated periodically.
2. Commission-designated Economic Empowerment Priority applicants;
3. Commission-designated Social Equity Program participants;
4. Massachusetts residents who have past drug convictions; and
5. Massachusetts residents with parents or spouses who have drug convictions.

The plan shall outline the goals, programs, and measurements the ME or MTC will pursue once provisionally licensed. All goals should be measurable and quantifiable. Upon renewal, the licensee will be required to report, at a minimum, detailed, demonstrative, and quantifiable proof of the establishment's efforts, progress, and success of its approved plan.



FYI—FOR YOUR INFORMATION

Please note that additional in-depth guidance is available on the Commission's website for applicants and licensees to comply with the Positive Impact Plan requirement.

Application Fee

Each applicant is required to submit the applicable application fee. All fees, and any applicable waiver or reductions, are outlined within this guidance document.

License Application—Background Check Section

In the Background Check section, commonly referred to as the BGC, the applicant must list all relevant individuals and entities along with all background disclosures and authorization forms. Each individual or entity listed in the Applicant of Intent section shall also be listed in the Background Check section. Individuals and entities will undergo an in-depth background check and individuals will submit to fingerprinting checks.

Background Check Information

The Commission is required to make a determination of suitability for licensure for each individual and entity listed on an application, which is based, in part on the background checks. Background checks will include, but not be limited to, a review of the following:

- Massachusetts’ and national criminal database records;
- Massachusetts’ and national civil database records, including professional and occupational records;
- The individual and entity’s involvement in other marijuana-related businesses; and
- Any actions taken against any license or registration held by the individual or entity.

Each individual and entity listed on the application must disclose actions in Massachusetts or another jurisdiction:

- A description of any criminal action, whether felony or misdemeanor, that resulted in a conviction, guilty plea, plea of nolo contendere or admission of sufficient facts;
- A description of any civil action, including actions related to a professional, occupational, or fraudulent practice;
- A description of any administrative action, including actions related to a medical- or adult-use marijuana operation;
- A description of any disciplinary action taken in any jurisdiction against a license, registration, or certification held by the individual or entity, such as a suspension or revocation, including, but not limited to, a license to prescribe or distribute controlled substances; and
- A description of any license denial.

Applicants are not required to provide information about any conviction that has been sealed or expunged by court order.

Background Authorization Forms

Individuals associated with an application are required to submit to a background check. Background checks are performed by the Commission’s third-party vendor. For the vendor to receive the necessary information, the applicant must submit three (3) authorization forms and an unexpired government-issued photo identification card for each individual listed on the application:

- CORI Acknowledgement Form;
 - All required individuals should complete the required fields of the “Subject Information” section on page two (2) before signing page one (1). When signing page one (1), please do so in front of a notary public or a verifying employee. The notary public or verifying employee may fill out the “Subject Verification” section on page two after reviewing at least one of the individual’s government-issued IDs.

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- This document is valid for one year from the original signature date.
- Disclosure and Acknowledgment Form
 - All required individuals must print their name, sign and date this page. This document is valid for one year from the original signature date.
- Release Authorization Form
 - All required individuals should fill in all fields on page one. However, please sign page one (1) in front of notary public as page two (2) must be notarized. This document is valid for one year from the original signature date.

These forms can be found on the Commission's website. Once all forms are completed by each required individual, they should be returned to the applicant. The applicant should scan each individuals' documents and government-issued identification card as one file, upload the file into the application, and label appropriately.

License Application—Management and Operations Profile Section

The Management and Operations Profile section, commonly referred to as the MOP, provides the Commission with a snapshot of the applicants' approach to operating the ME or MTC. The information required as part of this section is an indicator that the applicant understands the legal requirements to operate a Marijuana Establishment, including the Commission's regulations, has plans that are specific to the applicant's license type, location and scale. and will be able to operate in a lawful manner.

Business Information, Articles of Organization, and Bylaws

All applicants must demonstrate that their proposed business is registered to do business in the Commonwealth as a domestic business corporation or another domestic business entity. Required items will include the following:

- Business name;
- Massachusetts Business Identification number;
- Articles of Organization;
- Bylaws (or the business' operating agreement in cases of limited liability companies or other applicable entity structure); and
- Doing-business-as names.

Please note that all required documents should be in the name of the entity applying for licensure.

Certificates of Good Standing

All applicants must submit certificates of good standing from the Secretary of the Commonwealth, Department of Revenue, and Department of Unemployment Assistance. All certificates should be dated within 90 days of the license application being submitted.

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Please note that the applicant will be required to have employees in order to register and receive a certificate of good standing from Department of Unemployment Assistance. If an applicant does not have employees, an attestation to that effect will be accepted in lieu of the certification of good standing from the Department of Unemployment Assistance only. Please note that all required documents should be in the name of the entity applying for licensure.

Business Plan, Liability Insurance Plan, & Proposed Timeline

All applicants are required to submit a detailed business plan for the operation of the ME or MTC. The plan should only include the official business name, doing-business-as name, and branding name of their products. Additionally, the plan should be tailored the types of license(s) the applicant is seeking from the Commission. Some information that could be included in the plan is revenue and cost projections, company overview, and operational plan.

All applicants are required to submit a plan for obtaining liability insurance that satisfies the regulatory requirements. Applicants do not have to obtain any insurance policies until licensed. However, each applicant is required demonstrate in their plan that they will obtain, once licensed, a policy that shall include general liability and product liability insurance coverage of no less than \$1 million per occurrence and \$2 million in aggregate annually. The deductible for each policy can be no higher than \$5,000 per occurrence.

All applicants are required to submit a proposed timeline for achieving operation of their proposed ME or MTC. The timeline should include information and projected dates about actions or events that will occur after the application is issued a provision licensed. For example, projected timelines could include dates relating to the building or renovation of a structure, installation of security and other equipment, building or construction permits, special permits, hiring of staff, and other milestones.

Summary of Operating Plans, Policies, and Procedures

All applicants must submit certain plans, policies, and procedures related to operating an ME and/or MTC. These plans, policies, and procedures should be specifically drafted to comply with the Commission’s regulations and guidance documents. The table below provides a list of required plans, policies, and procedures for applicants and relevant sections of the Commission regulations associated with the them. Please note that the regulations associated with these plan, policies, and procedures are not designed to be an exhaustive list.

<u>Plan</u>	<u>Applies to:</u>	<u>Adult Regulations</u>	<u>Medical Regulation</u>
Security	All applicants	935 CMR 500.110	935 CMR 501.110
Prevention of Diversion	All applicants	Plan compliant with requirements in 935 CMR 500.000.	Plan compliant with requirements in 935 CMR 501.000.
Storage	All applicants	935 CMR 500.105(11)	935 CMR 501.105(11)
Transportation	All applicants	935 CMR 500.105(13)	935 CMR 501.105(13)
Inventory	All applicants	935 CMR 500.105(8)	935 CMR 501.105(8)
Quality Control and Testing Procedures	All applicants	935 CMR 500.105(3); 500.160	935 CMR 501.105(3); 501.160

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Personnel Policies	All applicants	935 CMR 500.105(1)	935 CMR 501.105(1)
Dispensing Procedures	Marijuana Retailers, MTCs, and Social Consumption Establishments	935 CMR 500.140	935 CMR 501.140
Recordkeeping Procedures	All applicants	935 CMR 500.105(1); 500.105(8); 500.105(9)	935 CMR 501.105(1); 501.105(8); 501.105(9)
Maintenance of Financial Records	All applicants	935 CMR 500.105(9); 500.140	935 CMR 501.105(9); 501.140
Detailed Description of Qualifications and Intended Trainings for Agents	All applicants	935 CMR 500.105(2)	935 CMR 501.105(2)
Energy Compliance Plan	All applicants	935 CMR 500.105(15) and applicable guidance documents	935 CMR 501.105(15) and applicable guidance documents
Restricting Access to Individuals 21 or Older	Adult-use applicants	Plan compliant with requirements in 935 CMR 500.000.	N/A



FYI—FOR YOUR INFORMATION

Security regulations have been updated to include specific requirements relating to cash handling. Applicants and licensees shall include compliant cash handling procedures in their summary of security plans. Cash handling requirements are located in 935 CMR 500.110(7) (adult-use) and 501.110(7) (medical-use).



FYI—FOR YOUR INFORMATION

Energy compliance regulations have been updated and now require all applicants to submit plans in their initial application for licensure. In-depth guidance documents and checklists are available on the Commission's website to assist applicants with complying with this requirement.

Diversity Plan

Applicants for licensure as an ME or MTC shall submit a Diversity Plan as part of its Management and Operations Profile. Diversity Plans shall be designed to promote equity among minorities, women, veterans, people with disabilities, and LGBTQ+ individuals, in the operation of the ME or MTC.

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The plan shall outline the goals, programs, and measurements the ME or MTC will pursue once provisionally licensed. All goals should be measurable and quantifiable. An example of measurable goals associated with a Diversity Plan could include the following:

The applicant plans to have a staff comprised of 60% women, 50% minorities, 25% veterans, 10% people with disabilities, and 10% LGBTQ.

Upon renewal, the licensee will be required to report, at a minimum, detailed, demonstrative, and quantifiable proof of the establishment's efforts, progress, and success of its approved plan.



FYI—FOR YOUR INFORMATION

Please note that additional in-depth guidance is available on the Commission's website for applicants and licensees to comply with the Diversity Plan requirement.

License Application—Additional Requirements for Certain License Types

Applicants applying for certain license types may need to supply additional documentation, plans, policies, or procedures specific to the requested license type. This information is required in addition to the application requirements mandated for all applicants. For example, applicants applying to become Marijuana Cultivators need to submit an operational plan for the cultivation of marijuana as well all other operational plans, policies, and procedures outlined in the application for licensure.

MTCs

Applicants for licensure as an MTC shall include the following plans, policies, and procedures in the Management and Operations Profile section:

1. Plan to provide reduced cost or free Marijuana to patients with documented verified financial hardship;
2. A plan to comply with delivery regulations, if applicable;
3. Operational plan for the cultivation of marijuana in compliance with 935 CMR 501.120, including pesticide use; and
4. A list of all products that applicant plans to produce with the following information:
 - a. Description of types, forms, shapes, colors, and flavors of products;
 - b. Methods of production;
 - c. Safety plan for the manufacture and production of products in compliance with 935 CMR 501.130; and
 - d. Sample of any unique identifying mark that will appear on the product.



FYI—FOR YOUR INFORMATION

Applicants that apply to become MTCs, Marijuana Product Manufacturers, Marijuana Microbusinesses, and Craft Marijuana Cooperatives are required to provide a description of the products they plan to produce in the Management and Operations Profile section of the application. The list of products should be specifically described and identify types, forms, shapes, colors, and flavors. Please note that “name brands” not under the control of the applicant or licensee should not be used.

Example: A rectangular, edible, chocolate bar (other flavors will include milk chocolate).

This list should be updated with the Commission once the applicant or licensee changes the products they are producing or plan to produce.

Marijuana Cultivators

Applicants for licensure as a Marijuana Cultivator shall include an operational plan for the cultivation of marijuana in compliance with 935 CMR 500.120 in its application’s Management and Operations Profile section. Please note that cultivation facilities are required to submit more information regarding their energy impact than other license types.

Craft Marijuana Cooperatives

Applicants for licensure as a Craft Marijuana Cooperative shall include the following information in its Application of Intent:

1. Evidence of residency within the Commonwealth for the members or shareholders associated with the application for a period of 12 consecutive months prior to the date of application;
2. Evidence of the cooperative’s organization as an LLC, LLP, or cooperative corporation under the laws of the Commonwealth;
3. Evidence that one member has filed a Schedule F (Form 1040), Profit or Loss for Farming, within the past five (5) years; and
4. Evidence that the cooperative is organized to operate consistently with the Seven Cooperative Principles established by the International Cooperative Alliance in 1995.

In addition to the above requirements, applicants for licensure as a Craft Marijuana Cooperative shall include the following information in its Management and Operations Profile:

1. Operational plan for the cultivation of marijuana in compliance with 935 CMR 500.120; and
2. A list of all products that applicant plans to produce with the following information:
 - a. Description of types, forms, shapes, colors, and flavors of products;
 - b. Methods of production;
 - c. Safety plan for the manufacture and production of products in compliance with 935 CMR 500.130; and

- d. Sample of any unique identifying mark that will appear on the product.

Marijuana Product Manufacturers

Applicants for licensure as a Marijuana Product Manufacturer shall include the following information in its Management and Operations Profile:

1. A detailed description of the applicant's proposed plan for obtaining marijuana from licensed MEs; and
2. A list of all products that applicant plans to produce with the following information:
 - a. Description of types, forms, shapes, colors, and flavors of products;
 - b. Methods of production;
 - c. Safety plan for the manufacture and production of products in compliance with 935 CMR 500.130; and
 - d. Sample of any unique identifying mark that will appear on the product.

Marijuana Microbusinesses

Applicants for licensure as a Marijuana Microbusiness shall include the following information in its Application of Intent evidence of residency within the Commonwealth for a majority of the members or executives associated with the application for a period of 12 consecutive months prior to the date of application.

In addition to the above requirements, applicants for licensure as a Marijuana Microbusiness shall include the following information in its Management and Operations Profile:

1. Operational plan for the cultivation of marijuana in compliance with 935 CMR 500.120 (if cultivating marijuana); and
2. A list of all products that applicant plans to produce with the following information (if performing product manufacturing operations):
 - a. Description of types, forms, shapes, colors, and flavors of products;
 - b. Methods of production;
 - c. Safety plan for the manufacture and production of products in compliance with 935 CMR 500.130;
 - d. Sample of any unique identifying mark that will appear on the product; and
3. A detailed description of the applicant's proposed plan for obtaining marijuana from licensed MEs (if only performing product manufacturing operations); and
4. If seeking a Delivery Endorsement, a detailed description of the applicant's proposed plan to be compliant with 935 CMR 500.145: *Additional Operating Requirements for Delivery of Marijuana and Marijuana Products to Consumers*.

Marijuana Retailers

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Applicants for licensure as a Marijuana Retailer shall include a detailed description of the applicant's proposed plan for obtaining marijuana from licensed MEs in the Management and Operations Profile section.

Independent Testing Laboratories

Applicants for licensure as an Independent Testing Laboratory shall include their ISO 17025:2017 certification from a third-party accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement in the Management and Operations Profile section.

Delivery-Only Licensee

Applicants for licensure as a Delivery-Only Licensee shall include the following in the Provisional License Application's Application of Intent section:

1. Disclosure and documentation regarding any delivery agreement between the applicant and Marijuana Retailer; and
2. Disclosure and documentation regarding any agreement between the applicant and a Third-Party Technology Platform Provider.

Applicants may not have delivery agreements with Marijuana Retailers or agreements with Third-Party Platform Providers when applying for a Delivery-Only license. If applicants do not have these agreements during the application process, they do not need to provide this information. However, please note, that all applicants and licensees must notify the Commission of any agreements within five (5) business days of any agreement being made.

Additionally, Delivery-only Licensee applicants shall include a detailed summary of its delivery plan and procedures in compliance with 935 CMR 500.145 in the Management and Operations Profile section.



FYI—FOR YOUR INFORMATION

The Commission has approved delivery regulations for the delivery of marijuana and marijuana products to adult-use consumers, registered qualifying patients, and caregivers. Some delivery requirements for licensees include the following:

- *All deliveries shall be tracked through the Commission's seed to sale system;*
- *Only shelf-stable items shall be delivered;*
- *Deliveries shall only occur during certain time frames;*
- *Deliveries shall be performed by registered agents; and*
- *Various requirements pertaining to security and transportation apply.*



ADULT/MEDICAL LICENSE APPLICATION DIFFERENCE

Some differences between deliveries performed for adult- and medical-use purposes:

- *MTCs may deliver, after approval, to registered patients and caregivers as part of their license;*
- *Adult-use consumers shall be pre-verified by a Marijuana Retailer prior to being eligible for delivery;*
- *Adult-use deliveries can only occur in the (1) city/town where the delivery licensee is licensed, (2) city/town that allows for retail of marijuana, and (3) city/town that has notified the Commission that delivery may occur within its borders;*
- *Registered agents performing adult-use deliveries shall wear body cameras at all times outside of the delivery vehicle while delivering marijuana. All adult-use consumers shall be notified of this requirement at the time of order, on proof of order, and at the residence.*

Social Consumption Establishment

Applicants for licensure as a Social Consumption Establishment shall include the following plans, policies, and procedures as part of the Management and Operations Profile section of the Pre-Certification application:

1. Plan to prevent consumers from bringing marijuana and marijuana products onto the premises;
2. Disposal procedures for unsold and unconsumed marijuana products;
3. Procedures to ensure that consumers are not overserved;
4. Procedures to educate consumers about the risk of impairment and penalties for operating under the influence;
5. Operational plan to ensure the ME makes a diligent effort to assist impaired customers in finding means of transportation and is tailored to the ME's geographical region;
6. If vaporization or other non-smoking forms of consumption involving heat are permitted indoors, plans and building plans to ensure the following:
 - a. Consumption area involving heat takes place isolated from other areas, separated by walls and a secure door, with access only from the ME;
 - b. Employees have access to a smoke-free, vapor-free area;
 - c. A ventilation system that directs area from the consumption area to the outside of the building through a filtration system sufficient to remove vapor, consistent with all applicable building codes and ordinances, and adequate to eliminate odor at the property line;
7. Procedures to ensure no sales occur within the consumption area;
8. Procedures to ensure employees monitor the consumption from a smoke-free, vapor-free area including, but not limited to, an employee monitoring the exit of the ME;
9. Procedures to ensure that smoking as defined by M.G.L. c. 270 §22 is prohibited indoors; and
10. Procedures to ensure sanitary practices in compliance with 105 CMR 590 are utilized.

License Application for Delivery-Only Licensees and Social Consumption Establishments

The license application for Delivery-only Licensees and Social Consumption Establishments will vary from all other license applications and consist of two parts: (1) Pre-Certification Application and (2) Provisional License Application. All information and documentation required of all license applicants will be required but at different parts of the application.



FYI—FOR YOUR INFORMATION

The Commission may select up to 12 municipalities for participation in the pilot program. An interested municipality may submit an application to participate in the program which is signed by the city or town's contracting authority. In selecting a city or town, the Commission may take into consideration factors including, but not limited to, the geographic location, socioeconomic characteristics, and population size of municipal applicants. The Social Consumption Establishment application will be made available once at least six (6) municipalities are selected to participate in the pilot program.



FYI—FOR YOUR INFORMATION

Some limitations on what can be served or what can occur within a Social Consumption Establishment pursuant to 935 CMR 500.141:

- *No more than 20 mg of Δ9-THC can be sold to a single consumer in a single day;*
- *Alcohol and tobacco products cannot be sold or consumed on the premises;*
- *Sale of edible marijuana products is limited to pre-packaged Shelf-stable items (no perishable products);*
- *Sale of food pre-packaged, shelf-stable, and drink items other than edible marijuana products is allowed if the ME acquires all necessary licenses and permits to do so; and*
- *May sell marijuana accessories after receiving permission from the Commission.*

Pre-Certification Application

The Pre-Certification Application will require applicants to submit limited information that demonstrates a propensity to successfully operate a ME. The applicant will have to disclose information pertaining to proposed ownership and control, background information, and operating policies and procedures commonly required for all license types. The required application fee will be required unless waived under the regulations. However, in the Pre-Certification Application, applicants will not be prompted or required to submit the following information:

1. Disclosure of location and property interest;
2. Certification of Host Community Agreement;

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3. Community Outreach Meeting documentation;
4. Proof of a bond or escrow;
5. Information about capital resources; and
6. Plan to remain compliant with local ordinances.

Once a Pre-Certification Application is submitted, it will be reviewed for compliance with Commission’s regulations. Background check and fingerprinting is not required at this stage of the application. If approved by the Commission, the applicant will be considered pre-certified—this approval does not convey any type of license or guarantee licensure. However, upon approval, the applicant will be sent a dated notice and a copy of their Pre-Certification Application.

Provisional License Application

Within 12 months of an applicant being pre-certified, the applicant must submit a Provisional License Application. No application fee is required for this part of the application. In this part of the application, the applicant must update all previously provided information. The applicant will be required to submit all other required information and documentation usually disclosed in all other license applications.

Once a Provisional License Application is submitted, it will be reviewed for compliance with Commission’s regulations. Background check and fingerprinting will be required at this stage of the application and the host community will be requested to respond as to the proposed ME’s compliance with local ordinances or bylaws. If approved by the Commission, the applicant will be required to pay the associated license fee pursuant to the regulations and be issued a provisional license.

FYI—FOR YOUR INFORMATION



Social Consumption Establishment licenses shall be exclusively available to Economic Empowerment Applicants, Social Equity Participants, Microbusinesses, and Craft Marijuana Cooperatives for 24 months from when the first commence operations approval is provided to a Social Consumption licensee.

Delivery-Only licenses shall be exclusively available to Economic Empowerment Applicants and Social Equity Participants for 24 months from when the first commence operations approval is provided to a Delivery-Only licensee.

Both 24-month periods above may be extended by the Commission.

Order of Review

The Commission reviews all license applications that have been fully submitted. Once fully submitted, a license application enters the queue to be reviewed based on the date and time submitted and whether the application is a priority, expedited, or general application.

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Previously designated MTC Priority Applicants or Economic Empowerment Applicants may have priority status; consequently, they are reviewed before other applications. Priority status, however, is not available to new applicants. The Commission reviews priority applications on an alternating basis, beginning with the first-in-time-application received from either an MTC Priority Applicant or Economic Empowerment Applicant. The Commission has adopted a policy that an applicant can only utilize its MTC Priority status for an adult-use application where the proposed ME will be colocated with the MTC and perform the same type of operations.

After priority applicants, the Commission will review expedited applications by the date and time the application was fully submitted. Expedited applications are those submitted by Social Equity Participants, Marijuana Microbusiness applicants, Craft Marijuana Cooperative applicants, Independent Testing Laboratory applicants, Outdoor Marijuana Cultivator applicants, minority-owned businesses, women-owned businesses, and veteran-owned businesses. Certain requirements exist for applicants seeking an expedited review:

- Applicants for Marijuana Microbusinesses, Craft Marijuana Cooperatives, Independent Testing Laboratories, and Outdoor Marijuana Cultivators may use expedited review for those specific applications only and no other type of license application;
- A Social Equity Participant must possess 10% or more of equity in a proposed ME for the application to receive expedited review;
- A minority-owned business, women-owned business, and/or veteran-owned business must be disclose this designation in their license application and either (1) be certified as that specific type of business with the Supplier Diversity Office or (2) signed up for the Supplier Diversity Office's required business class and completed and uploaded an affidavit into their license application. Certification as minority-owned business, women-owned business, and/or veteran-owned business by the Supplier Diversity Office will be required prior to obtaining a final license. For more information pertaining to obtaining certification from the Supplier Diversity Office can be located here: <https://www.mass.gov/supplier-diversity-office>.

When no priority or expedited application is awaiting initial review, all other general applications are reviewed by the date and time the application was fully submitted.



ADULT/MEDICAL LICENSE APPLICATION DIFFERENCE

While adult-use applications will be reviewed based, in part, on the type of priority or expedited status they receive, MTC applications are reviewed solely by the date and time the application is submitted. No priority or expedited review is given to MTC applicants.



FYI—FOR YOUR INFORMATION

Expedited review will be provided to certain applicants that submit qualify and fully submit their application prior to December 31, 2020. The Commission will review the effects of this policy, and if needed, may extend the end date.

Responding to a Request for Information (RFI)

Once a license application is received, it is reviewed for compliance with the Commission’s regulations. If any part of the application does not comply with the Commission’s regulations, the applicant will receive a notice requesting further information, commonly referred to as an RFI. All RFI notices will contain information on any deficiency or non-compliant issue identified with a brief narrative.

Applicants will receive RFI notices to the business email address identified in their application. Additional notifications will be sent through MassCIP to the user’s account when the license application or relevant section of the license application is reopened. Applicants should endeavor to cure the deficiency or non-compliant issue in a timely manner and make no additional changes to the application that were not requested. However, if additional changes are made to the application, the applicant should send notification to licensing@cccmass.com.

Once all deficiencies and non-compliant issues have been cured, and all necessary documentation and information has been uploaded, the applicant should resubmit the license application or relevant section. The Commission will review the new information in a timely manner. The application will be deemed complete if it is now found to be in compliance with the Commission’s regulations, otherwise, an additional RFI notice will be sent following a supplemental review.



ADULT/MEDICAL LICENSE APPLICATION DIFFERENCE

All adult-use applications are processed through MassCIP. MTC license applications will also be available through MassCIP. However, for any MTC applicant that is currently in the paper-driven application process, those applicants will continue to submit paper-driven sections of the MTC application for each new stage and in response to any RFI notice received. Please note that all RFI notices for all applications will be sent to the business email address contained within the application.

Application Deemed Complete

The Commission will send applicants a notice when their application is deemed complete. The notice will contain the following information:

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- Payment instructions for background checks to be performed;
- Fingerprint instructions for all required individuals;
- Notification that the application, to the extent permitted by law, has been sent to the host community requesting a response as to the ME/MTCs compliance with local ordinances or bylaws within 60 days; and
- Notification that the Commission will consider the application for a provisional license within 90 days.

Applicants should follow all instructions within this notice in a timely manner. Additionally, applicants are required to keep all information within their application current and can do so by notifying licensing@cccmass.com. Please note that if a material change occurs after an application has been deemed complete, the Commission may deem the application incomplete pending further review.

During this 90-day window, the Commission will review all background check and fingerprint reports for suitability in compliance with 935 CMR 500.800, 500.801, 501.800, and 501.801, as applicable. Additionally, the Commission will review any response sent by the municipality as it relates to local compliance. If any information received presents compliance issues, the applicant will be notified. If all information received is in compliance, the application will be recommended for provisional licensure.



FYI—FOR YOUR INFORMATION

Municipalities most likely have local licensing requirements, such as special permits, that are required to operate a ME or MTC. Some municipalities require satisfaction of local licensing requirements prior to provisional licensure—applicants are expected to ensure any local licensing requirements are satisfied during the application phase. However, as is frequently the case, special permits, building permits, and other local licensing requirements are required prior to final licensure and will be verified by Commission Investigators during the inspectional phase and prior to final licensure and the licensee being able to operate.

License Process

All applicants seeking licensure as a ME or MTC follow the same licensing process. Applicants first submit a license application for the particular license they are seeking. The license application process was discussed in prior sections. The upcoming sections discuss what occurs and is required once the Commission approves an applicant for a provisional license.

Provisional Licensure

Once an applicant is approved for a provisional license, they are considered to be provisionally approved. The provisionally approved applicant shall submit the required license fee payment within 90 days. Failure to pay the applicable license fee within the required time frame shall result in the license approval expiring.

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If this occurs, a new license application will need to be completed pursuant to 935 CMR 500.101 and will require Commission approval.

All provisionally approved applicants will receive a notice following the approval of the Commission via its business email address contained within its application explaining next steps which include the following:

- The process for remitting the required license fee;
- Information pertaining to requesting an architectural review, if applicable;
- The need to submit applications for all current executives, directors, board members, managers, employees, and volunteers as registered agents; and
- The need to submit a request for a Post-Provisional License Inspection once certain requirements have been fulfilled. A form to request this inspection will be included in your provisional license notice.



ADULT/MEDICAL LICENSE APPLICATION DIFFERENCE

The process for remitting the required license fee is different for MEs than for MTCs. Provisionally approved applicants for MEs will log into MassCIP, complete a license fee packet that will be available to them once approved by the Commission for a provisional license, and have the option to pay the license fee electronically or by mailing a check with a document provided for by MassCIP. Provisionally approved applicants for MTCs are currently required to submit the required license fee by completing a remittance form and by mailing the payment via check. Detailed instructions will be given via notice.



ADULT/MEDICAL LICENSE APPLICATION DIFFERENCE:

The process for registering agents is different for MEs than for MTCs. First, all provisionally approved applicants must remit their required license fee. MEs must have their license fee approved in MassCIP. Once approved, licensees may start completing agent registration applications using their license number through MassCIP. MTCs must complete the onboarding documents sent with their provisional license notice and follow all instructions. Once principles have been assigned for your MTC, you will be able to complete agent registration applications through MMJOS.

Licensees may request a Post-Provisional License Inspection once the following has been completed:

- All construction and renovations have been completed;
- All local permits and approvals have been obtained;

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- All current executives, directors, board members, managers, employees, and volunteers have been registered as agents;
- All conditions of the provisional license have been complied with and ready for review by Commission staff; and
- Full compliance exists as to security, storage, transportation, and all other operating procedures, as applicable.

Once the licensee is ready for a Post-Provisional License Inspection, they will complete the request form sent with the provisional license notice and follow the instructions. Commission staff will call and schedule the inspection—this inspection will be an announced inspection. On the day of the inspection, Commission staff will review the licensee’s compliance with applicable regulations.

After an inspection in which a violation is observed or a violation is otherwise determined to have occurred, the Commission shall issue a deficiency statement citing every violation identified, a copy of which shall be left with or sent to the licensee. A licensee shall submit to the Commission a written plan of correction for any violations cited in the deficiency statement issued within ten (10) business days after receipt of the statement. A plan shall state, with respect to each deficiency, the specific corrective step(s) to be taken, a timetable for such steps, and the date by which compliance will be achieved. The Commission shall review the plan of correction and shall notify the licensee of either the acceptance or rejection of the plan. An unacceptable plan must be amended and resubmitted within five (5) business days after receipt of such notice. Commission staff will schedule and perform a re-inspection until full compliance is achieved.

It is important to note that provisional licensees shall not possess marijuana for adult- or medical-use operations prior to being approved for a final license.

Final Licensure

Once the licensee is in full compliance following a Post-Provisional License Inspection, the ME and/or MTC will be recommended to the Commission for a final license. The Commission may approve the issuance of a final license subject to conditions which may include, but not be limited to, the ability to possess marijuana and marijuana products as well as perform operations for the particular license. All final licensees will be prohibited from selling marijuana and marijuana products to other licensees, and to consumers in the case of Marijuana Retailers and certain other licenses, until receiving permission to commence full operations.

All final licensees will receive a notice following the approval of the Commission via its business email address contained within its application explaining next steps which include the following:

- The need for the licensee to have key personnel successfully complete all Metrc training and be granted access into the Metrc system if not already completed;
- Enter beginning inventory into Metrc;
- Begin tagging all plants;
- Ensure all labeling and packaging for finished marijuana and marijuana products are in compliance;

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- Ensure all marijuana and marijuana products that are packaged for sale to consumers have traceable lab results and such results were completed by an Independent Testing Laboratory approved by the Commission for licensure;
- Submit applications for all employees and volunteers as registered agents on an ongoing basis;
- Ensure that the licensee has registered for Marijuana Retail Tax with the Department of Revenue (for Marijuana Retailers only); and
- The need to submit a request for a Post-Final License Inspection once certain requirements have been fulfilled. A form to request this inspection will be included in your final license notice.

Once the licensee is ready for a Post-Final License Inspection, they will complete the request form sent with the final license notice and follow the instructions. Commission staff will call and schedule the inspection—this inspection will be an announced inspection. On the day of the inspection, Commission staff will review the licensee’s compliance with applicable regulations. The procedures for deficiency statements and plans of correction that were stated in the section above also apply to this inspection

Commence Operations

Once the licensee is in full compliance following a Post-Final License Inspection, the ME and/or MTC will be recommended to the Commission to commence operations. Once approved, the licensee will receive a notice to commence operations. Once received, the licensee shall provide written notice to the Commission three (3) full calendar days prior to the date operations will commence. Licensees may begin wholesaling products and certain licensees may begin selling marijuana and marijuana products to consumers and patients.

V. LICENSE RENEWALS

All licensees that have been approved by the Commission for a provisional license, final license, or have commenced operation must renew their license annually. The licensee must access the Massachusetts Cannabis Industry Portal (“MassCIP”) using their username and password. A license becomes active once it is provisionally approved by the Commission and the license fee is received and processed. A license expires one (1) year from the date it becomes active. A renewal application will become available to the licensee in the MassCIP 90 days prior to the expiration of their license. Licensees are required to submit an application for renewal at least 60 days prior to the license expiring.



ADULT/MEDICAL LICENSE APPLICATION DIFFERENCE:

MTCs that are, at a minimum, provisionally licensed, must submit their renewal application and required renewal fee outside of MassCIP for the near future. Forms with instructions are available on the Commission’s website.

License Renewal Requirements

The renewal application will require all licensees to provide **updated** information for the following:

- The licensee's contact information, if necessary;
- The business information for entities currently on the license;
- The personal information for individuals currently on the license, including the removal of individuals and entities that are no longer associated with the license;
- The information pertaining to individual interest in cannabis-related businesses and licenses in Massachusetts and other jurisdictions;
- Proof that the licensee requested from the host community the records of any costs imposed on the city or town that are reasonably related to the operation of the ME or MTC. The licensee's request shall state that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a ME or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26. Documentation shall include the request and the substantive response from the city or town that includes the actual and anticipated expenses resulting from the operation. If the city or town does not submit a substantive response, the licensee shall provide an attestation to that effect.
- The licensee's plan to remain compliant with local ordinances or bylaws to specifically include all information pertaining to zoning districts, special permits, building permits, certificates of occupancy, and any other local requirements;
- New background disclosures for all individuals and entities associated with the license;
- Certificates of good standing from the Massachusetts Department of Revenue, Massachusetts Secretary of the Commonwealth, and Massachusetts Department of Unemployment Assistance dated within 90 days;
- If the licensee is not operational yet, a timeline to become operational which includes the following: outstanding local approvals, operational impediments, and specific projected date(s) as to when any issue will be resolved, and the establishment will become operational.

And the following plans:

- Updated summaries of plans, policies, and procedures relating to security, transportation, prevention of diversion, quality control and testing, dispensing, inventory, and others that were previously required;
- Detailed, demonstrative, and quantifiable proof of the establishment's efforts, progress, and success of its approved Positive Impact Plan;
- Detailed, demonstrative, and quantifiable proof of the establishment's efforts, progress, and success of its approved Diversity Plan;
- Provide an updated Positive Impact Plan;
- Provide an updated Diversity Plan, and
- Finally, renewal applicants will be required to pay the required license fee.

The renewal application will require certain licensees to provide the following:

- Cultivators and Craft Marijuana Cooperatives must provide documentation and information that demonstrates that the cultivation operation has sold more than 70% of its product that has been fully

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harvested within the preceding six months. Cultivators and Craft Marijuana Cooperatives may have their tier level reduced if, based on the dry weight analysis, they have sold less than 70% of the amount of marijuana cultivated and cured to Product Manufacturers or Retailers. When determining whether to reduce a licensee's tier, additional factors may be considered:

- Cultivation and production history and whether the inventory suffered a catastrophic event;
 - Transfer, sales, and excise tax payment history;
 - Existing inventory;
 - Sales contracts; and
 - Any other relevant factor to ensure responsible management.
- Cultivators, Craft Marijuana Cooperatives, and Microbusinesses shall provide the following: (1) a report of its energy and water usage over the previous 12 months and (2) a new or updated energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or registered Architect along with supporting documentation.
 - Product Manufacturers, Microbusinesses, and Craft Marijuana Cooperatives must provide detailed information regarding the products they produced. Required information includes the following: pictures of their products, pictures of the product labels, disclosure of type of product, and description of product including types, forms, shapes, colors, and flavors.
 - Colocated Marijuana Retailers shall submit the following information pertaining to patient supply of marijuana:
 - The licensee's policy and the procedures (e.g., data points, formulas) relied on to determine what constitutes a sufficient quantity and variety of marijuana products consistent with 935 CMR 500.140(10); and
 - The licensee's policy and procedures for determining what qualifies as a reasonable substitution for a medical marijuana product under 935 CMR 500.140(10) and its policy for communicating reliance on the substitution to patients.

Licensees will not be able to update certain information in the renewal application as the Commission has alternative ways to make these changes:

- Licensees will not be able to add individuals or entities that will obtain ownership or control over the establishment;
- Licensees will not be able to change the location of the establishment; and
- Licensees will not be able to change the name of the establishment.

Once the license fee has been paid, and all the required information has been provided and updated, the licensee will be able to submit the renewal application.

The Commission may request additional information to determine whether the renewal application should be granted or denied. The Commission may deny a renewal application for any basis set forth in 935 CMR 500.450, including but not limited to, failure to provide complete, accurate, or truthful information.

License Renewal Questions & Answers

1. How is the license expiration date calculated?

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Once an applicant is approved by the Commission for a provisional license, they must pay their license fee. The date the Commission approved the license fee payment is when the license starts. It expires one year from the date the fee is approved.

2. How do I know when my license expires?

There are several ways to find out when your license will expire:

- The licensee will receive a notice approximately 90 days prior to the license expiration date.
- If you received a final license, the expiration date of your license will be on the upper right corner of the license certificate you received.
- If you log into the MassCIP, you can access your license information which will show the expiration date.

3. Why can't I add individuals or entities in the renewal application?

The process to add individuals or entities onto a license is a separate process provided for in the regulations. This process requires conducting background and fingerprint checks by a vendor. Additionally, it requires the Commission to review individuals and entities for the purpose of compliance with license limits.

4. Why can't I change the address of the establishment in the renewal application?

The process to change the location of an establishment is a separate process provided for in the regulations. This process requires an in-depth analysis of property interest documentation, conducting a Community Outreach Meeting, executing a Host Community Agreement, and requiring municipal notification and response.

5. Why can't I change the name of the establishment in the renewal application?

The process to change the name of an establishment is a separate process provided for in the regulations. This process requires the submission of proposed articles of incorporation and notification to the Secretary of the Commonwealth once the change is approved by the Commission. This notification will require additional approval by the Secretary of the Commonwealth.

6. What will I need to show for documentation to demonstrate the reasonable progress or success of my Positive Impact Plan?

Licensees are required to have a positive impact on disproportionately affected areas. All licensees submit a Positive Impact Plan in their initial application that outline the goals, programs, and measurements they plan to implement. Licensees are then required to demonstrate the progress or success of those programs.

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Licensees should utilize the measurements, and overall metrics, to demonstrate progress or success of each component of their plan. Documentation that may be submitted to demonstrate the progress or success include the following:

- i. Internal reports with verifiable data;
- ii. Participant information and surveys
- iii. Service and vendor agreements;
- iv. Employment reports;
- v. News articles;
- vi. Third-Party documentation;
- vii. Documentation of donations; and
- viii. Other documentation.

7. What will I need to show for documentation to demonstrate the reasonable progress or success of my Diversity Plan?

Licensees are required to promote equity among women, minorities, veterans, people with disabilities, people of all gender identities and sexual orientation. All licensees submit a Diversity Plan in their initial application that outline the goals, programs, and measurements they plan to implement or have implemented. Licensees are then required to demonstrate the progress or success of those programs.

Licensees should utilize the measurements, and overall metrics, to demonstrate progress or success of each component of their plan. Documentation that may be submitted to demonstrate the progress or success include the following:

- i. Internal reports with verifiable data;
- ii. Service and vendor agreements;
- iii. Employment reports;
- iv. Employee surveys;
- v. Training materials
- vi. Other documentation.

8. Why do I need to update the summaries of plan, policies, and procedures of the establishment?

All licensees are required to update the information contained within its original application for licensure. Licensees must also keep and maintain standard operating procedures pursuant to the Commission's regulations. These standard operating procedures may be used to update these plans as long as the relevant sections are uploaded separately.

9. Do I need to have background checks and fingerprints for individuals and entities listed on the renewal application?

No. However, all individuals associated with the establishment must be registered as agents. The licensee is required to perform annual background checks on all agents.

10. What background information must I disclose for individuals and entities?

All background information required under 935 CMR 500.101(1)(b)(3) and any other information that may have direct correlation to the suitability of individuals and entities must be disclosed.

11. What documentation must I provide to show that I sold more than 70% of our product during the past six months for my cultivation or Craft Marijuana Cooperative license?

The Commission's regulations require documentation to demonstrate the amount of marijuana cultivated and sold. Documentation that should be provided include the following:

- i. Metrc report showing cultivation and production history including a statement of whether the plants or inventory suffered a catastrophic event since the issuance or last renewal of the license;
- ii. Transfer, sales, and tax payment history;
- iii. Existing inventory and inventory history;
- iv. Sales contracts; and
- v. Any other factors or documentation relevant to ensuring responsible cultivation, production, and inventory management.

12. What if, under my cultivation license, I did not sell more than 70% of our product during the past six months?

The Commission may relegate, or reduce, your tier level.

13. Do I need to provide a full list of all products that we produce under a product manufacturer license?

Yes. You must disclose a full list of the names, types, forms, descriptions, and item pictures for all products produced.

14. How long are certificates of good standing valid for the renewal application?

Certificates of good standing are valid for 90 days. The Commission will consider the certificate valid as long as it is not older than 90 days from the date the renewal application is submitted.

15. What if my license expires and I don't renew?

The license is no longer valid, and the licensee must cease operations immediately.

16. Can I renew multiple licenses at once?

You may renew multiple licenses at once if they expire during the same time frame. Renewal applications become available 90 days prior to the expiration date and must be submitted no later than 60 days from the date the license expires. Regardless, each license must be renewed using a separate renewal application within the MassCIP.

17. What if I need to request a change in ownership or control, location, or name of the establishment when it is time to renew?

You may submit the change request at the same time. However, the renewal of the license will take precedence.

18. Will I need an inspection prior to the renewal of my license?

Commission staff conduct announced and unannounced inspections periodically. They may conduct an inspection, request documentation, or take other investigative action, as necessary.

19. What are my appeal rights if my license renewal is denied?

You will receive written notice from the Commission if your renewal application is denied. You may request a hearing on the denial of your renewal application by submitting a request for hearing in writing within twenty-one (21) days after the effective date stated in the notice. Failing to timely request a hearing shall constitute a waiver of the right to a hearing before the Commission and final agency action of the Commission.

VI. LICENSE CHANGES

Once an applicant is at least provisionally licensed by the Commission, certain changes to a license shall be approved by the Commission before the change is effectuated. In order for one of the below changes to occur, an application for such change accompanied by the required fee, shall be sent to the Commission for its consideration. Fees for the below changes are identified within this document. The changes that first require Commission approval include the following:

- Changes to ownership and/or control;
- Changes to control;
- Change of location;
- Change of name; and
- Change in structure.

The table below provides some clarification over these types of changes:

<u>License Change</u>	<u>Regulatory Requirement</u>	<u>Additional Information</u>
Ownership	Prior to any change in ownership, where an Equity Holder acquires or increases its ownership to 10% or more of the equity or contributes 10% or more of the initial capital to operate an ME/MTC, including capital that is in the form of land or buildings, the licensee shall submit a request for such change to the Commission.	All individuals and entities associated with this change will be required to undergo a background check and pay associated background checks fees when directed. Individuals will be required to undergo fingerprint checks when

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		directed. Additional due diligence investigations may be conducted where deemed appropriate.
Control	Prior to any change in control, where a new Person or Entity Having Direct or Indirect Control should be added to the license, the licensee shall submit a request for such change to the Commission prior to effectuating such a change. An individual, corporation, or entity shall be determined to be in a position to control the decision-making of an ME/MTC if the individual, corporation, or entity falls within the definition of Person or Entity Having Direct or Indirect Control.	All individuals and entities associated with this change will be required to undergo a background check and pay associated background checks fees when directed. Individuals will be required to undergo fingerprint checks when directed. Additional due diligence investigations may be conducted where deemed appropriate.
Location	Prior to changing its location, a licensee shall submit a request for such change to the Commission.	Once a change of location application has been deemed complete, the municipality in which the licensee plans to operate will be notified and given 60 days to respond as to the licensee's compliance with local ordinances or bylaws. This will occur even in the circumstances where the licensee is moving to a new location within the same municipality.
Name	Prior to changing its name, a licensee shall submit a request for such change to the Commission. Name change requests, and prior approval, shall apply to an establishment proposing a new or amending a current doing-business-as name.	
Structure	Prior to any modification, remodeling, expansion, reduction or other physical, non-cosmetic alteration of the MTC, the establishment shall submit a request for such change to the Commission.	

None of the above changes shall be permitted until approved by the Commission. Failure to obtain approval of such changes may result in a license being suspended, revoked, or deemed void.

Other changes to a licensee's application shall be reported to the Commission within five (5) business days pursuant to 935 CMR 500.104(2) and 935 CMR 501.104(2). Examples of such changes include, but are not limited to, the following:

- Changes to contact information for the business or associated individuals and entities;
- Changes to plans, policies, and procedures; and
- Changes to hours of operation.

VII. COMPLIANCE AND ENFORCEMENT

All licensees are required to remain in full compliance with applicable laws and regulations. Submission of a license application or issuance of a license constitutes consent for any inspection. In addition to the inspections that are conducted as part of the licensing process, licensees can expect any of the following to occur:

- Announced inspections;
- Unannounced inspections;
- Investigations related to complaints;
- Financial audits;
- Inspections related to the Commission's Secret Shopper Program; and
- Other inspections and investigations related to compliance with applicable laws and regulations.

Licensees shall make allow immediate access to the facility on being presented with photo identification documenting the Commission representative's affiliation with the Commission. The licensee shall immediately on request make available to the Commission all information that may be relevant to an inspection or investigation of an incident or a complaint. Commission staff has the authority to demand access to a licensee's papers, books, documents, records, correspondence, electronic communications, and other tangible things to examine and inspect.

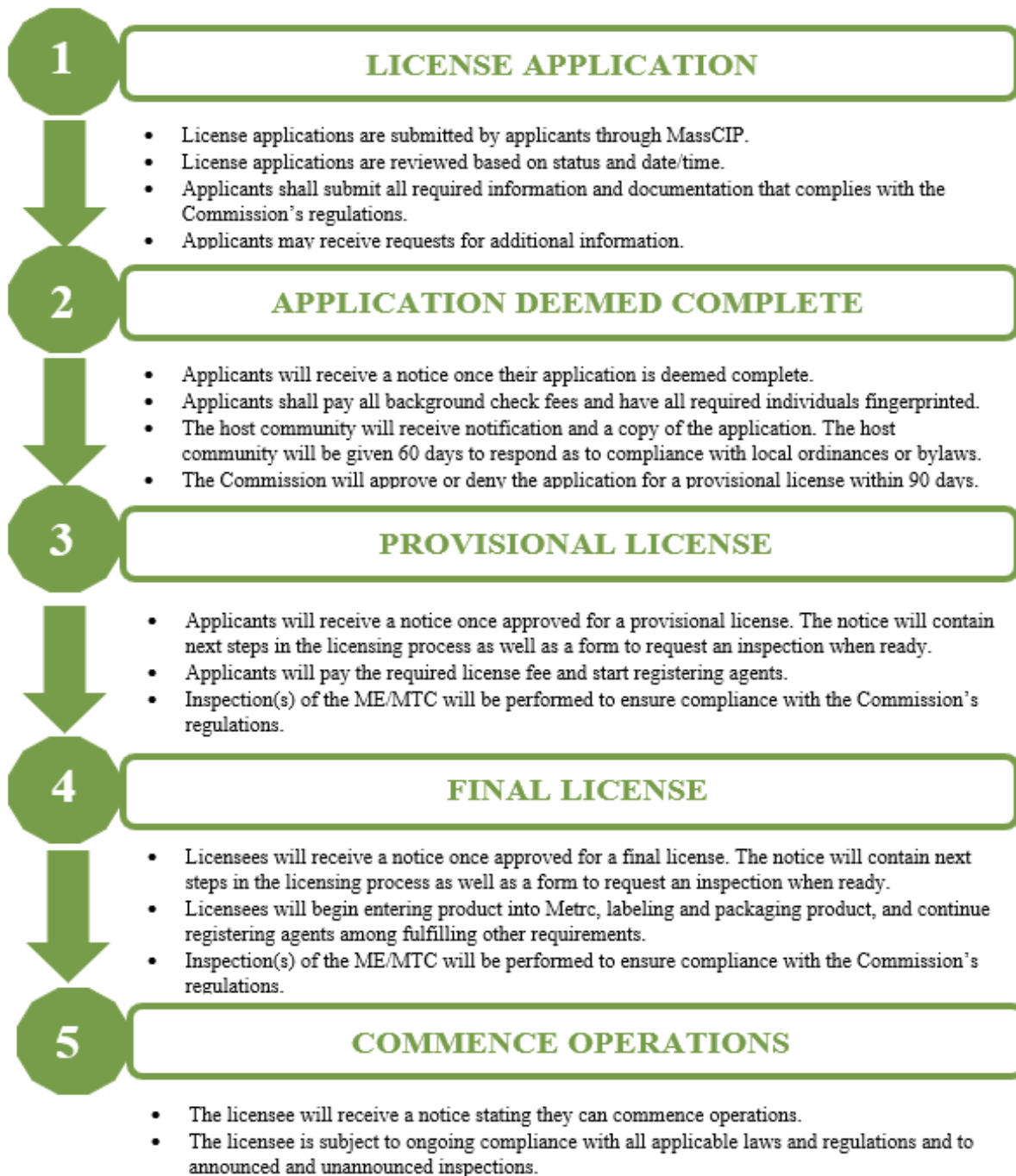
If noncompliance remains, or if a risk to public safety, health, or welfare exists, the following enforcement actions may occur:

- Administrative holds related to products;
- Limitation on sales;
- Removal and prohibition of products;
- Quarantine of products;
- Cease and desist orders;
- Summary suspension orders;
- Orders to show cause;
- Suspension of a license;
- Revocation of a license;
- Denial of a renewal of license; and
- License being deemed void.

The above items are not an exhaustive list. Detailed information regarding administrative actions can be found in the Commission's regulations. If aggrieved, and where applicable, licensees may request a hearing pursuant to 935 CMR 500.500 and/or 935 CMR 501.500.

VIII. APPENDIX

Appendix A: Licensure Flow Chart



Appendix B: License Application Checklist

Application of Intent Section

- ☐ List of all Persons or Entities with Direct or Indirect Control
- ☐ List of all persons or entities contributing 10% or more of capital resources and bank statement(s) or letter(s) from financial institution for each person or entity contributing capital resources showing proof of funds dated within 30 days of submission of the application (*MTC applicants are required to show a specific minimum amount of capital resources*)
- ☐ Disclosure and documentation of any out-of-state or in-state marijuana-related business interests for any individual or entity associated with the application
- ☐ Disclosure of the proposed address of the ME along with property interest documentation
- ☐ Bond or Escrow
- ☐ Host Community Agreement Certification form
- ☐ Community Outreach Meeting Attestation Form, as well as, a copy of Community Outreach Notice from a newspaper, a copy of the Community Outreach Notice filed with the municipality, and a copy of Community Outreach Notice to all abutters within 300 feet of the property
- ☐ Plan to remain compliant with local zoning/ordinances
- ☐ Plan for Positive Impact
- ☐ Specific Requirements for Certain License Types
 - *Marijuana Microbusiness*: evidence of MA residency for a majority of the members or executives
 - *Craft Marijuana Cooperative*: evidence of MA residency for all members and shareholders, evidence of cooperative's business organization, evidence of one member filing a Schedule F (Form 1040), and evidence of organization consistent with Seven Cooperative Principles
 - *Delivery-Only Licensee*: disclosure and documentation of any delivery agreement with Marijuana Retailers and any agreement with a Third-Party Technology Platform Provider

Background Check Section

- ☐ List of all individuals and entities that were entered in the Application of Intent.
- ☐ Disclosure of any past or pending criminal or civil actions, disciplinary actions, and denial of licensure for all individuals and entities.
- ☐ Submission of required documents for each individual: (1) valid government identification, (2) CORI Authorization Form, (3) Release and Authorization Form; (4) IVES 4506-T Form; and (5) Disclosure and Acknowledgment Form.

Management and Operations Profile Section

- ☐ Massachusetts Business Identification Number and any D/B/A information, if applicable
- ☐ Copy of Articles of Organization and Bylaws/Operating Agreement
- ☐ Certificate of Good Standing from the Department of Revenue, Secretary of the Commonwealth and Department of Unemployment Assistance
- ☐ Business Plan
- ☐ Proposed timeline to become operational

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- ☐ Plan to obtain limited liability insurance
- ☐ Summaries of following Operating Plans, Policies, and Procedures:
 - ☐ Security Plan
 - ☐ Inventory Plan
 - ☐ Storage Plan
 - ☐ Transportation Plan
 - ☐ Plan to Restrict Access to 21 Years of Age
 - ☐ Prevention of Diversion Plan
 - ☐ Quality Control and Testing Procedures
 - ☐ Personnel Policies
 - ☐ Record Keeping Policies
 - ☐ Maintenance of Financial Records Policy
 - ☐ Qualifications and Intended Training
 - ☐ Diversity Plan
 - ☐ Energy Compliance Plan
- ☐ Specific Requirements for Certain License Types
 - ☐ *MTC*: cultivation plan, list of products to be produced, methods of production, safety plan, and sample of unique identifying mark
 - ☐ *Marijuana Cultivator*: cultivation plan
 - ☐ *Marijuana Product Manufacturer*: plan to obtain marijuana, list of products to be produced, methods of production, safety plan, and sample of unique identifying mark
 - ☐ *Marijuana Retailer*: plan to obtain marijuana and marijuana products
 - ☐ *Marijuana Microbusiness*: cultivation plan (if cultivating), plan to obtain marijuana (if not cultivating), list of products to be produced, methods of production, safety plan, and sample of unique identifying mark (if producing)
 - ☐ *Craft Marijuana Cooperative*: cultivation plan, list of products to be produced, methods of production, safety plan, and sample of unique identifying mark
 - ☐ *Independent Testing Laboratory*: ISO 17025:2017 certification
 - ☐ *Delivery-Only Licensee*: agreements with Marijuana Retailers and Third-Party Technology Platforms and delivery plan
 - ☐ *Social Consumption Establishment*: additional plans are required—please see guidance document.
- ☐ Proposed Hours of Operation
- ☐ Emergency Contact(s)

Application Fee Section

- ☐ Required application fee