

HOUSE No. 4206

House bill No. 4187, as changed by the committee on Bills in the Third Reading, and as amended and passed to be engrossed by the House. June 4, 2025.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act modernizing the commonwealth's cannabis laws.

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

1 SECTION 1. Chapter 6 of the General Laws is hereby amended by adding the following
2 2 sections:-

3 Section 223. (a) There shall be a Massachusetts cannabis control commission, which shall
4 consist of 3 commissioners, appointed by the governor. The governor shall designate 1
5 commissioner as chair, who shall devote their full time and attention to the duties of the office.
6 The 2 remaining commissioners shall not be full-time. The governor shall appoint
7 commissioners with experience or expertise in any of the following areas: public health, public
8 safety, social justice, the regulation and business of consumer commodities or the production and
9 distribution of marijuana and marijuana products. Prior to appointment to the commission, a
10 background investigation shall be conducted into the financial stability, integrity and
11 responsibility of a candidate, including the candidate's reputation for good character and
12 honesty. No person convicted of a felony shall be eligible to serve on the commission.

(b) Each commissioner shall be a resident of the commonwealth within 90 days of appointment and, while serving on the commission, shall not: (i) hold, or be a candidate for, federal, state or local elected office; (ii) hold an appointed office in a federal, state or local government; or (iii) serve as an official in a political party. Not more than 2 commissioners shall be from the same political party.

(c) The chair shall serve a term co-terminus with the governor. The 2 remaining commissioners shall each serve for a term of 4 years or until a successor is appointed. Each commissioner shall be eligible for reappointment; provided, however, that no commissioner shall serve for more than 8 years. A person appointed to fill a vacancy in the office of a commissioner shall be appointed in a like manner and shall serve for only the unexpired term of that commissioner.

(d) The governor may remove a commissioner for neglect of duty, misconduct or malfeasance in office. Before removal, the commissioner shall be provided with a written statement of the reason for removal and an opportunity to be heard.

(e) Two commissioners shall constitute a quorum and the affirmative vote of 2 commissioners shall be required for an action of the commission. The chair or 2 commissioners may call a meeting; provided, however, that notice of all meetings shall be given to each commissioner and to other persons who request such notice. The commission shall adopt regulations establishing procedures, which may include electronic communications, by which a request to receive notice shall be made and the method by which timely notice may be given.

(f) The chair shall receive a salary equal to the salary of the secretary of administration and finance. The 2 remaining commissioners shall receive a stipend in an amount not more than

10 per cent of the salary of the secretary of administration and finance under section 4 of chapter 7.

(g)(1) The chair shall have and exercise supervision and control over all of the affairs of the commission, including the coordination and administration of its operations, programs and personnel. The chair may delegate any responsibilities to the executive director. The chair shall preside at all hearings at which the chair is present and shall designate a commissioner to act as chair in the chair's absence. The chair shall direct the implementation of the commission's policies and shall have final authority, subject to applicable law and regulations, over personnel management and internal administrative matters. The chair may, as necessary, assign or reassign responsibilities among the commissioners, officers, employees and agents of the commission to ensure the efficient administration of the commission.

(2) The chair shall not participate in or supervise any investigation, inspection, audit, enforcement action or other fact-gathering activity that may be subject to adjudication before the commission.

(3) Nothing in this subsection shall be construed to impair the obligation of the chair or any commissioner to act impartially in any adjudicatory proceeding conducted pursuant to chapter 30A.

(4) When presiding over or participating in an adjudicatory proceeding, the chair shall be subject to all duties, standards and prohibitions applicable to presiding officers pursuant to chapter 30A.

(h) The commissioners shall, if so directed by the chair, participate in the hearing and decision of any matter before the commission; provided, however, that at least 2 commissioners

shall participate in the hearing and decision of matters other than those of formal or administrative character coming before the commission; and provided further, that any matter may be heard, examined and investigated by an employee of the commission designated and assigned by the chair, with the concurrence of 1 other commissioner. Such employee shall make a report in writing relative to the hearing, examination and investigation of every such matter to the commission for its decision. For the purposes of hearing, examining and investigating any such matter, such employee shall have all of the powers conferred upon a commissioner by this section. For each hearing, the concurrence of a majority of the commissioners participating in the decision shall be necessary.

(i)(1) The chair shall appoint an executive director, who shall devote their full-time duties to their office. The executive director shall serve at the pleasure of the chair and under the supervision and direction of the chair. The salary of the executive director shall be determined by the chair after consultation with the commission.

(2) The executive director shall be the chief administrative officer of the commission and shall exercise independent authority over enforcement and the operational units of the commission. Such authority shall be exercised independently of the commissioners, including the chair, who shall not participate in any fact-finding, investigative or enforcement actions that may become the subject of an adjudicatory proceeding under chapter 30A.

(3) The executive director shall, subject to appropriation and consistent with the personnel and budget policies adopted by the chair, appoint and employ a chief financial and accounting officer and may appoint other officers, employees, consultants, agents and legal counsel as may be necessary to carry out the duties of the commission. No funds shall be

transferred or expended by the commission without the approval of the chair and the authorization of the chief financial and accounting officer consistent with financial control policies.

(4) In the event of an absence or vacancy in the office of the executive director or in the case of disability, as determined by the chair, the chair shall designate an acting executive director who shall perform the duties of the office until such vacancy, absence or disability ceases.

(j) Chapters 268A and 268B shall apply to the commissioners and to employees of the commission; provided, however, that the commission shall establish a code of ethics for all members and employees that shall be more restrictive than said chapters 268A and 268B. A copy of the code shall be filed with the state ethics commission. The code shall include provisions reasonably necessary to carry out the purposes of this section and any other laws subject to the jurisdiction of the commission, including, but not limited to: (i) prohibiting the receipt of gifts by commissioners and employees from any marijuana licensee, applicant, close associate, affiliate or other person or entity subject to the jurisdiction of the commission; (ii) prohibiting the participation by commissioners and employees in a particular matter as defined in section 1 of said chapter 268A that affects the financial interest of a relative within the third degree of consanguinity or a person with whom such commissioner or employee has a significant relationship, as defined in the code; and (iii) providing for recusal of a commissioner in a licensing decision due to a potential conflict of interest.

(k)(1) No commissioner, including the chair, shall initiate, participate in or receive any communication concerning the substance of any investigation, enforcement matter or

adjudicatory proceeding, except as part of the official record of a proceeding conducted in accordance with chapter 30A.

(2) This subsection shall not preclude the commission from receiving periodic reports regarding the overall administration or performance of the enforcement division; provided, that such reports shall not include information relating to any specific matter that may reasonably be expected to come before the commission in an adjudicatory capacity.

(3) A commissioner who violates this subsection shall be disqualified from participating in any proceeding related to the subject matter of the prohibited communication and may be subject to further action as provided by law.

(l) The commission shall be a commission for the purposes of section 3 of chapter 12.

(m) The commission shall, for the purposes of compliance with state finance law, operate as a state agency as defined in section 1 of chapter 29 and shall be subject to the laws applicable to agencies under the control of the governor; provided, however, that the comptroller may identify any additional instructions or actions necessary for the commission to manage fiscal operations in the state accounting system and meet statewide and other governmental accounting and audit standards. The commission shall properly classify the commission's operating and capital expenditures and shall not include any salaries of employees in the commission's capital expenditures. Unless otherwise exempted by law or the applicable central service agency, the commission shall participate in any other available commonwealth central services, including, but not limited to, the state payroll system pursuant to section 31 of said chapter 29, and may purchase other goods and services provided by state agencies in accordance with comptroller provisions. The comptroller may chargeback the commission for the transition and ongoing costs

for participation in the state accounting and payroll systems and may retain and expend such costs without further appropriation for the purposes of this section. The commission shall be subject to section 5D and subsection (f) of section 6B of said chapter 29.

Section 224. (a) There shall be a cannabis advisory board to study and make recommendations to the Massachusetts cannabis control commission on the regulation and taxation of marijuana. The board shall consist of: the chair of the Massachusetts cannabis control commission who shall serve as chair; the secretary of economic development or a designee; the commissioner of revenue or a designee; the commissioner of public health or a designee; the commissioner of agricultural resources or a designee; the colonel of the state police or a designee; the president of the Massachusetts Municipal Association, Inc. or a designee; the president of the Massachusetts Patient Advocacy Alliance, Inc. or a designee; a registered qualifying patient appointed by the president of the Massachusetts Patient Advocacy Alliance, Inc.; the executive director of the American Civil Liberties Union of Massachusetts, Inc. or a designee; and 15 persons to be appointed by governor, 1 of whom shall be an expert in marijuana cultivation, 1 of whom shall be an expert in marijuana retailing, 1 of whom shall be an expert in marijuana product manufacturing, 1 of whom shall be an expert in laboratory sciences and toxicology, 1 of whom shall be an expert in providing legal services to marijuana businesses, 1 of whom shall be an expert in minority business development, 1 of whom shall be an expert in economic development strategies for under-resourced communities, 1 of whom shall be an expert in farming or representing the interests of farmers, 1 of whom shall be an expert representing the interests of employers, 1 of whom shall be an expert in municipal law enforcement with advanced training in impairment detection and evaluation, 1 of whom shall be an expert in social welfare or social justice, 1 of whom shall be an expert in criminal justice

reform to mitigate the disproportionate impact of drug prosecutions on communities of color, 1 of whom shall be an expert in minority business ownership, 1 of whom shall be an expert in women-owned business ownership and 1 of whom shall be an expert in the prevention and treatment of substance use disorders.

(b) Members of the board shall serve for terms of 2 years. Members of the board shall meet quarterly and at other times at the discretion of the chair. Members shall serve without compensation but shall be reimbursed for their expenses actually and necessarily incurred in the discharge of their official duties. Members of the board shall not be state employees under chapter 268A by virtue of their service on the board. To take action at a meeting, a majority of the members of the board present and voting shall constitute a quorum.

(c) The cannabis advisory board shall: (i) consider all matters submitted to it by the commission; (ii) on its own initiative, recommend to the commission guidelines, rules and regulations and any changes to guidelines, rules and regulations that the advisory board considers important or necessary for the commission's review and consideration; and (iii) advise on the preparation of regulations pursuant to chapters 94G and 94I.

(d) The chair may appoint subcommittees to expedite the work of the board.

SECTION 2. Sections 76 and 77 of chapter 10 of the General Laws are hereby repealed.

SECTION 3. Paragraph (4) of subsection (d) of section 2 of chapter 62 of the General Laws, as appearing in the 2022 Official Edition, is hereby amended by striking out, in lines 412 and 413, the words "medical marijuana treatment center" and inserting in place thereof the following words:- medical marijuana establishment.

SECTION 4. Section 66 of chapter 62C of the General Laws, as so appearing, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

The commissioner may require a person required to be licensed or registered under chapters 64A to 64C, inclusive, chapters 64E to 64J, inclusive, chapter 64M or chapter 64O or subject to taxation under section 21 of chapter 138 or section 30 of chapter 94G, to file with the commissioner a bond, satisfactory to the commissioner, in such amount as the commissioner may determine, with a surety company authorized to transact business in the commonwealth as surety, to secure the payment of any tax, including any interest and penalties thereon, due or which may become due from such person under said chapters; provided, however, that the amount of such bond required from a vendor under chapter 64H or 64I shall not exceed the amount which the commissioner shall determine to be such vendor's average tax liability for a 6-month period.

SECTION 5. Section 67 of said chapter 62C, as so appearing, is hereby amended by striking out, in lines 12 and 13, the words "chapter 64J or as a direct broadcast satellite service provider as defined in chapter 64M" and inserting in place thereof the following words:- chapter 64J, as a direct broadcast satellite service provider as defined in chapter 64M or as a wholesaler or retailer as defined in chapter 64O.

SECTION 6. Section 30 of chapter 63 of the General Laws, as so appearing, is hereby amended by striking out, in line 61, the words "medical marijuana treatment center" and inserting in place thereof the following words:- medical marijuana establishment.

SECTION 7. Section 4 of chapter 64N of the General Laws, as so appearing, is hereby amended by striking out, in lines 2 and 3, the words “medical marijuana treatment center” and inserting in place thereof the following words:- medical marijuana establishment.

SECTION 8. The General Laws are hereby amended by inserting after chapter 64N the following chapter:-

Chapter 64O.

CONSUMABLE CBD PRODUCTS TAX

Section 1. As used in this chapter, the following words shall, unless the context clearly requires otherwise, have the following meanings:

“Consumable CBD product”, as defined in section 1 of chapter 94G.

“Manufacturer”, any person who holds a consumable CBD product manufacturer endorsement or a certificate of compliance issued by the cannabis control commission pursuant to section 31 of chapter 94G.

“Person”, a natural person, corporation, association, partnership or other legal entity.

“Retailer”, any person who operates a store or concession for the purpose of selling consumable CBD products at retail and who holds a consumable CBD product retailer endorsement issued by the cannabis control commission pursuant to section 33 of chapter 94G.

“Wholesaler”, any person who purchases consumable CBD products from a manufacturer or person so purchasing and selling and licensed as a wholesaler, and who sells consumable CBD products to wholesalers or retailers for resale, and who holds a consumable CBD product

208 wholesaler endorsement issued by the cannabis control commission pursuant to section 32 of
209 chapter 94G.

210 Section 2. No person shall sell consumable CBD products or act as a wholesaler or
211 retailer in the commonwealth unless licensed pursuant to section 67 of chapter 62C. Each license
212 so issued or a duplicate copy thereof shall be prominently displayed on the premises covered by
213 the license.

214 Section 3. A tax is hereby imposed upon the sale of consumable CBD products by a
215 retailer licensed pursuant to section 2 at a rate of 5.35 per cent of the total sales price received by
216 such retailer as a consideration for the sale of consumable CBD products. The tax shall be levied
217 in addition to state tax imposed upon the sale of property or services as provided in section 2 of
218 chapter 64H and shall be paid by a retailer licensed pursuant to section 2 to the commissioner at
219 the time provided for filing the return required by section 16 of chapter 62C.

220 SECTION 9. Chapter 94 of the General Laws is hereby amended by adding the following
221 4 sections:-

222 Section 330. As used in this section and sections 331 to 333, inclusive, the following
223 words shall, unless the context clearly requires otherwise, have the following meanings:

224 “Cannabinoid”, as defined in section 1 of chapter 94G.

225 “Consumable CBD product”, as defined in section 1 of chapter 94G.

226 “Governmental entity”, an official body of the commonwealth, or an official body of a
227 county, city or town within the commonwealth.

228 “Hemp”, as defined in section 116 of chapter 128.

229 “Hemp beverage”, as defined in section 1 of chapter 94G.

230 “Hemp beverage product”, as defined in section 1 of chapter 94G.

231 “Industrial hemp”, as defined in section 116 of chapter 128.

232 “Person”, a natural person, corporation, association, partnership or other legal entity.

233 “Topical hemp product”, a final product derived from hemp that is not intended to be
234 ingested, inhaled or otherwise introduced into the human body, other than through topical
235 administration or application, and that does not cause an altered mental state or other intoxicating
236 effect when ingested, inhaled or otherwise introduced into the human body, even if the altered
237 mental state or other intoxicating effect is not among its stated purposes.

238 Section 331. (a) Topical hemp products may be sold or otherwise transferred in the
239 commonwealth; provided, however, that a topical hemp product shall not be sold or otherwise
240 transferred if the topical hemp product is:

241 (i) advertised as consumable by ingestion, inhalation or otherwise introducible into the
242 human body other than through topical administration or application;

243 (ii) advertised as causing or having the ability to cause an altered mental state or other
244 intoxicating effect when ingested, inhaled or otherwise introduced into the human body;

245 (iii) in packaging that includes any markings or images indicating that it may cause an
246 altered mental state or other intoxicating effect;

247 (iv) in packaging that closely resembles the packaging of candy or other food products
248 marketed towards children; or

(v) adulterated; provided, however, that hemp included in a topical hemp product shall not be considered an adulterant.

Section 332. No product containing any cannabinoid shall be sold or otherwise transferred in the commonwealth; provided, however, that the following products may be sold or otherwise transferred in the commonwealth: (i) prescription drugs as defined in section 1 of chapter 94C; (ii) food ingredients generally recognized as safe by the U.S. Food and Drug Administration; (iii) marijuana and marijuana products sold pursuant to chapter 94G; (iv) hemp beverages and hemp beverage products sold pursuant to chapter 94G; (v) consumable CBD products sold pursuant to said chapter 94G; (vi) industrial hemp sold pursuant to chapter 128; (vii) seeds of the plant *Cannabis sativa* L.; and (viii) topical hemp products sold pursuant to section 331.

Section 333. (a) If a local board of health has reason to suspect a violation of section 331 or 332, the local board of health shall conduct examinations and investigations and may take samples of products for analysis to determine compliance with sections 331 and 332.

(b)(1) If a local board of health determines through the examination or investigation pursuant to subsection (a) that a violation of section 331 or 332 occurred, the local board of health shall take enforcement action.

(2) For a first violation of section 331 or 332, the local board of health shall: (i) remove from the premises all products in violation of sections 331 and 332 and destroy said products; and (ii) provide a written warning to the violating person that repeated violations may result in revocation of any operating permits and licenses; provided, that the written warning may require

the violating person to complete an informational course that explains the laws and regulations related to the sale of products that contain cannabinoids.

(3) For repeated violations of section 331 or 332, the local board of health shall remove from the premises all products in violation of sections 331 and 332 and destroy said products. Local boards of health may provide written notice of the violation, within 30 days of a determination of the violation, to all governmental entities that have issued a permit or license related to the production or sale of food, alcohol, tobacco, cosmetics, consumable CBD products or drugs as defined in section 1 of chapter 94C to any violating person.

(c) The department shall promulgate rules or regulations to administer sections 331 and 332 and for enforcement pursuant to this section. Regulations or rules shall establish: (i) civil administrative fines for repeated violations of sections 331 and 332; (ii) requirements and programming for any informational course that explains the laws and regulations surrounding the sale of products that contain cannabinoids that may be required for a person to complete after a violation; (iii) penalties for a person required to complete an informational course pursuant to clause (ii) who fails to complete the course within 6 months of receipt of the warning; provided, that failure to complete said course shall be considered a separate violation; and (iv) an appeals process for an individual assessed a fine; provided, that an appeal shall be filed not more than 21 days after receipt of the notice of the fine.

(d) Local boards of health shall notify, in writing, all persons within their jurisdiction that have active permits or licenses relating to food, alcohol, tobacco, cosmetics or drugs as defined in section 1 of chapter 94C in a timely manner of any changes related to the local board of

health's enforcement pursuant to this section or any rules established by the local boards of health related to enforcement.

(e) Nothing in this section shall be construed to exempt from penalty any person found responsible for a violation of section 331 or 332 as a result of not receiving a written communication described in subsection (d); provided, that the local board of health shall have made a good faith effort to provide the information pursuant to subsection (d).

SECTION 10. Section 1 of chapter 94C of the General Laws, as most recently amended by section 10 of chapter 186 of the acts of 2024, is hereby further amended by striking out the definition of "Marihuana" and inserting in its place the following definition:-

"Marihuana", all parts of the plant *Cannabis sativa* L., whether growing or not; and resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin; provided, this shall not include the mature stalks of the plant, industrial hemp as defined in section 116 of chapter 128, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, except the resin extracted therefrom, fiber, oil, cake or the seeds of the plant *Cannabis sativa* L.; hemp as defined by section 116 of chapter 128; topical hemp products as defined by section 330 of chapter 94; consumable CBD product as defined by section 1 chapter 94G; and hemp beverage and hemp beverage product as defined by section 1 chapter 94G.

SECTION 11. Section 32L of said chapter 94C, as appearing in the 2022 Official Edition, is hereby amended by striking out, in lines 2, 23, 25, 30, 35, 36 and 45, the figure "2" and inserting in place thereof, in each instance, the following figure:- 3.

SECTION 12. Section 32M of said chapter 94C, as so appearing, is hereby amended by striking out, in line 3, the figure “2” and inserting in place thereof the following figure:- 3.

SECTION 13. Section 34 of said chapter 94C, as so appearing, is hereby amended by striking out, in line 18, the words “one ounce of marihuana” and inserting in place thereof the following words:- 2 ounces of marihuana.

SECTION 14. Section 1 of chapter 94G of the General Laws, as so appearing, is hereby amended by striking out the definition of “Cannabinoid” and inserting in place thereof the following definition:-

“Cannabinoid”, any small organic molecule capable of interacting, either as an agonist, antagonist or inhibitor, both reversible and irreversible, of either cannabinoid receptor, including CB1 and CB2 receptors.

SECTION 15. Said section 1 of said chapter 94G, as so appearing, is hereby further amended by striking out the definitions of “Consumer”, “Controlling person” and “Commission” and inserting in place there of the following 4 definitions:-

“Commission”, the Massachusetts cannabis control commission established in section 223 of chapter 6.

“Consumable CBD product”, a product that is to be consumed by humans, by eating or sublingual application, that contains, or is advertised, labeled or offered for sale as containing, cannabinoids derived from hemp, which, at most, contains trace amounts of THC. Consumable CBD products shall not include marijuana products, hemp beverages or hemp beverage products. Consumable CBD products shall not be considered food as defined in section 1 of chapter 94.

334 “Consumer”, a person who is at least 21 years of age.

335 “Controlling person”, an officer, board member or other individual who has a financial or
336 voting interest of 10 per cent or greater in a marijuana establishment.

337 SECTION 16. Said section 1 of said chapter 94G, as so appearing, is hereby further
338 amended by striking out the definitions of “Hemp”, “Host community”, “Host community
339 agreement” and “Independent testing laboratory” and inserting in place thereof the following 6
340 definitions:-

341 “Hemp”, as defined in section 116 of chapter 128.

342 “Hemp beverage”, a beverage intended for human consumption that is not an alcoholic
343 beverage, as defined in section 1 of chapter 138, that contains, or is advertised, labeled or offered
344 for sale as containing cannabinoids derived from hemp. Hemp beverages shall not be considered
345 food as defined in section 1 of chapter 94.

346 “Hemp beverage product”, a hemp beverage in a container intended for retail sale not to
347 be drunk on premises pursuant to section 28. A hemp beverage product shall not be considered
348 food as defined in section 1 of chapter 94.

349 “Host community”, a municipality in which a marijuana establishment or a medical
350 marijuana establishment is located or in which an applicant has proposed locating a marijuana
351 establishment or a medical marijuana establishment.

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

“Independent testing laboratory”, a laboratory that is licensed by the commission and is:

- (i) accredited to the most current International Organization for Standardization 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Cooperation mutual recognition arrangement or that is otherwise approved by the commission;
- (ii) independent financially from any medical marijuana establishment or any licensee or marijuana establishment for which it conducts a test; and (iii) qualified to test marijuana in compliance with regulations promulgated by the commission pursuant to this chapter.

SECTION 17. Said section 1 of said chapter 94G, as so appearing, is hereby further amended by striking out the definitions of “Manufacture” and “Marijuana” and inserting in place thereof the following 2 definitions:-

“Manufacture”, to compound, blend, extract, infuse or otherwise make or prepare a marijuana product, consumable CBD product, hemp beverage or hemp beverage product.

“Marijuana” or “Marihuana”, all parts of any plant of the genus Cannabis, not excepted below and whether growing or not; and resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin including tetrahydrocannabinol as defined in section 1 of chapter 94C; provided, however, that marijuana shall not include: (i) the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil or cake made from the seeds of the plant or the seeds of the plant Cannabis sativa L.; (ii) hemp as defined by section 116 of chapter 128; (iii) topical hemp products as defined by section 330 of chapter 94; (iv) consumable CBD products,

375 hemp beverages or hemp beverage products; or (v) the weight of any other ingredient combined
376 with marijuana to prepare topical or oral administrations, food, drink or other products.

377 SECTION 18. Said section 1 of said chapter 94G, as so appearing, is hereby further
378 amended by striking out the definition of “Medical marijuana treatment center” and inserting in
379 place thereof the following definition:-

380 “Medical marijuana establishment”, as defined in section 1 of chapter 94I.

381 SECTION 19. Said section 1 of said chapter 94G, as so appearing, is hereby further
382 amended by striking out the definition of “Production batch” and inserting in place thereof the
383 following 2 definitions:-

384 “Production batch”, a batch of finished plant material, cannabis resin, cannabis
385 concentrate, consumable CBD product, hemp beverage product or marijuana-infused product
386 made at the same time, using the same methods, equipment and ingredients. The licensee or
387 entity authorized to manufacture consumable CBD products or hemp beverages shall assign and
388 record a unique, sequential alphanumeric identifier to each production batch for the purposes of
389 production tracking, product labeling and product recalls. All production batches shall be
390 traceable to 1 or more cultivation batches, except for production batches of consumable CBD
391 products and hemp beverage products, which shall be traceable to the transportable hemp
392 concentrate used to manufacture such products.

393 “Qualified out-of-state testing laboratory,” a laboratory that is: (i) accredited to the most
394 current International Organization for Standardization 17025 by a third-party accrediting body
395 that is a signatory to the International Laboratory Accreditation Cooperation mutual recognition
396 arrangement or that is otherwise approved by the commission; (ii) independent financially from

any entity for which it conducts a test and any entity that manufactures or sells marijuana or marijuana products, hemp beverages, hemp beverage products or consumable CBD products; (iii) qualified to test hemp beverages, hemp beverage products or consumable CBD products in compliance with regulations promulgated by the commission pursuant to this chapter, including but not limited to, a requirement that the entity submit an attestation demonstrating financial independence as required by this chapter; (iv) licensed in its home state to test hemp or cannabis; and (v) certified and in good standing with the commission.

SECTION 20. Said section 1 of said chapter 94G, as so appearing, is hereby further amended by striking out the definition of “Social equity business” and inserting in place thereof the following definition:-

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

SECTION 21. Said section 1 of said chapter 94G, as so appearing, is hereby further amended by inserting after the definition of “Terpenoid” the following definition:-

“Transportable hemp concentrate”, the product of any chemical or physical process applied to naturally occurring biomass that: (i) concentrates or isolates the cannabinoids contained in the biomass; (ii) is derived from the hemp plant that, based on sampling that was collected not more than 30 days before the day on which the hemp plant was harvested, contains a combined concentration of total THC and any THC analog of less than 0.3 per cent on a dry weight basis; (iii) has a THC and THC analog concentration total that is less than 20 per cent

419 when concentrated from the hemp plant to the purified state; and (iv) is intended to be processed
420 into a hemp beverage product.

421 SECTION 22. Section 3 of said chapter 94G, as so appearing, is hereby amended by
422 striking out, in lines 10, 98 and 99, 103, 106, 111 and 112, 114 and 115, 117, 120 and 121, 127,
423 130 and 131, 135 and 136, 139 and 140, 147, 150 and 151, 156, 162 and 163, 177 and 178 and
424 190, the words “medical marijuana treatment center” and inserting in place thereof, in each
425 instance, the following words:- medical marijuana establishment.

426 SECTION 23. Said section 3 of said chapter 94G, as so appearing, is hereby further
427 amended by striking out, in lines 31 and 223, the words “medical marijuana treatment centers”
428 and inserting in place thereof, in each instance, the following words:- medical marijuana
429 establishments.

430 SECTION 24. Said section 3 of said chapter 94G, as so appearing, is hereby further
431 amended by striking out, in lines 118 and 119, the words “medical marijuana treatment center’s”
432 and inserting in place thereof the following words:- medical marijuana establishment’s.

433 SECTION 25. Section 4 of said chapter 94G, as so appearing, is hereby amended by
434 striking out, in line 5, the words “appoint officers and”.

435 SECTION 26. Subsection (a) of said section 4 of said chapter 94G, as so appearing, is
436 hereby amended by striking out clauses (xxxi) and (xxxii) and inserting in place thereof the
437 following 5 clauses:-

438 (xxxi) establish procedures and policies for municipalities to promote and encourage full
439 participation in the regulated marijuana industry during negotiations of host community

440 agreements with social equity program businesses and economic empowerment priority
441 applicants;

442 (xxxii) develop a model host community agreement, minimum acceptable standards and
443 best practices for municipalities and prospective licensees during negotiations of host community
444 agreements with social equity businesses;

445 (xxxiii) inspect and test any hemp beverage product being sold at retail pursuant to
446 section 28;

447 (xxxiv) inspect and test any consumable CBD product being sold at retail pursuant to
448 section 33; and

449 (xxxv) limit the total number of licenses available under this chapter and chapter 94I.

450 SECTION 27. Said section 4 of said chapter 94G, as so appearing, is hereby further
451 amended by striking out, in lines 169 and 170, 355 and 356 and 357, the words “medical
452 marijuana treatment center” and inserting in place thereof, in each instance, the following
453 words:- medical marijuana establishment.

454 SECTION 28. Said section 4 of said chapter 94G, as so appearing, is hereby further
455 amended by inserting after the word “commission”, in lines 290 and 291, the following words:- ,
456 including, but not limited to, procedures and requirements to enable the sale of a marijuana
457 establishment or medical marijuana establishment to a licensee’s employees through an
458 employee stock ownership plan as defined in section 407(D)(6)(A) of the Employee Retirement
459 Income Security Act of 1974, codified at 29 U.S.C. 1107(d)(5).

SECTION 29. Said section 4 of said chapter 94G, as so appearing, is hereby further amended by striking out, in lines 313 and 314 and 361 and 362, the words “medical marijuana treatment centers” and inserting in place thereof, in each instance, the following words:- medical marijuana establishments.

SECTION 30. Said section 4 of said chapter 94G, as so appearing, is hereby further amended by inserting after the word “chapter”, in line 384, the following words: - , data on the complaints received through the portal established in subsection (m).

SECTION 31. Said section 4 of said chapter 94G, as so appearing, is hereby further amended by striking out, in lines 386 and 387, the words “the attorney general, the treasurer and receiver-general,”.

SECTION 32. Said section 4 of said chapter 94G, as so appearing, is hereby further amended by adding the following subsection:-

(m) The commission shall establish and maintain an online portal for anonymous submission of complaints concerning suspected violations of this chapter or the commission’s regulations, including, but not limited to: (i) improper practices by independent testing laboratories; and (ii) violations of license ownership limitations pursuant to section 16. The commission shall adopt procedures to review, log and assess all complaints in a timely manner. The anonymity of complainants shall not preclude the commission from initiating inquiries or enforcement actions where sufficient information is provided to support further investigation. The commission may, in addition, maintain a phone line or any other line of communication that it considers appropriate for the anonymous submission of complaints.

SECTION 33. Subsection (a) of section 7 of said chapter 94G, as so appearing, is hereby amended by striking out clause (1) and inserting in place thereof the following clause:-

(1) possessing, using, purchasing, processing or manufacturing marijuana and marijuana products; provided, that the total amount in an individual's possession shall be not more than the dry weight equivalency of 2 ounces of marijuana flower, as determined by the commission. The commission shall promulgate regulations to establish conversion standards for marijuana concentrates, infused products and other formats to ensure equivalency based on potency and form.

SECTION 34. Said subsection (a) of said section 7 of said chapter 94G, as so appearing, is hereby further amended by striking out clause (4) and inserting in place thereof the following clause:-

(4) giving away or otherwise transferring without remuneration marijuana or marijuana products to a person 21 years of age or older; provided, however, that the total quantity transferred shall not exceed an amount equivalent in dry weight to 2 ounces of marijuana flower, as determined by the commission; provided further, that such transfer shall not be advertised or otherwise promoted to the public.

SECTION 35. Section 13 of said chapter 94G, as so appearing, is hereby amended by striking out, in line 12, the figure "1" and inserting in place thereof the following figure:- 2.

SECTION 36. Said section 13 of said chapter 94G, as so appearing, is hereby further amended by striking out, in line 50, the words "1 ounce but not more than 2" and inserting in place thereof the following words:- 2 ounces but not more than 3.

SECTION 37. Subsection (c) of section 14A of said chapter 94G, as amended by section 242 of chapter 7 of the acts of 2023, is hereby further amended by striking out the words “executive office of housing and economic development” and inserting in place thereof the following words:- executive office of economic development.

SECTION 38. Said subsection (c) of said section 14A of said chapter 94G, as so amended, is hereby further amended by striking out the words “medical marijuana treatment centers” and inserting in place thereof the following words:- medical marijuana establishments.

SECTION 39. Said chapter 94G is hereby further amended by striking out section 16 and inserting in place thereof the following section:-

Section 16. (a) No licensee shall be granted more than 6 marijuana retailer licenses, 3 fully integrated medical marijuana treatment center licenses, 3 marijuana product manufacturer licenses or 3 marijuana cultivator licenses; provided, however, that a licensee may hold 6 marijuana retailer licenses, 3 fully integrated medical marijuana treatment center licenses, 3 marijuana product manufacturer licenses and 3 marijuana cultivator licenses; and provided further, that a licensee that holds 3 fully integrated medical marijuana treatment center licenses shall not hold any additional medical marijuana establishment licenses established by the commission pursuant to section 7 of chapter 94I.

(b) The limitations of subsection (a) shall not apply to: (i) a person functioning solely as a trustee during or after the sale of a marijuana establishment or medical marijuana establishment to a licensee’s employees through an employee stock ownership plan as defined in section 407(D)(6)(A) of the Employee Retirement Income Security Act of 1974, codified at 29 U.S.C.

1107(d)(5); or (ii) a person or entity that possesses a financial interest in the form of equity in a license of less than 35 per cent.

SECTION 40. Said chapter 94G is hereby further amended by adding the following sections:-

Section 23. (a) For the purposes of this section, the word “licensee” shall mean any marijuana establishment licensed pursuant to this chapter, any medical marijuana establishment licensed pursuant to chapter 94I or any other applicable licensee determined by the commission.

(b) It shall be unlawful for any licensee to receive or extend credit, directly or indirectly, for marijuana or marijuana products sold or delivered to any licensee except in the usual course of business and for a period of not more than 60 days. Nothing in this chapter shall require any licensee to extend credit to any other licensee. If any licensee does not discharge in full any such indebtedness within such 60-day period, the indebtedness shall be overdue and such licensee shall be delinquent within the meaning of this section. Within 3 days after a licensee becomes delinquent, the licensee that extended the credit shall notify the commission and the delinquent licensee in a manner to be determined by the commission. The notice shall contain the name of the delinquent licensee, the date of delivery of the marijuana or marijuana products and the amount of the indebtedness remaining undischarged. Within 5 days after receipt of such notice, the commission shall review the delinquency report and, upon finding it valid, post the name and address only of the delinquent licensee in a delinquent list containing the names and addresses of all delinquent licensees. Such posting shall constitute notice to all licensees of the delinquency of such licensee.

(c) If a licensee is seriously damaged in its business by riot, insurrection, civil disturbance, fire, explosion or by an act of God, so-called, the licensee may file an application with the commission requesting that the provisions of subsection (b) be suspended as to the licensee for a reasonable period. The commission shall set down the application for hearing within 21 days and shall notify all licensees engaged in selling to the applicant of the hearing and give all interested parties the right to be heard. Pending such hearing, the commission may, after an investigation and determination that the facts as stated by the licensee in its application would constitute reasonable grounds for relief, order that such licensee shall not be posted as delinquent. If the commission finds it is in the public interest to do so, it may suspend the application of subsection (b) with respect to the applicant for such period as it may consider to be reasonable and in the public interest. Such action shall not deprive creditors of all legal rights available to them for the collection of the indebtedness and shall be contingent on such terms and conditions as the commission shall determine.

(d) No licensee shall sell or deliver, directly or indirectly, marijuana or marijuana products to a licensee whose name is posted on the delinquent list, except upon full payment made on or before delivery by certified funds, electronic funds transfer or other payment method as may be approved by the commission and no licensee that is posted on the delinquent list shall purchase or accept delivery of any marijuana or marijuana product except upon full payment made on or before delivery by certified funds, electronic funds transfer or other payment method as may be approved by the commission.

(e) Upon full discharge of the indebtedness for which a licensee was posted to the delinquent list, the licensee who filed the letter of notice of delinquency shall, within 24 hours thereafter, notify the commission of the discharge of the indebtedness. The commission shall,

567 within 1 business day after the receipt of such notice, strike the name of the delinquent licensee
568 from the list. The commission shall, by regulations, prescribe how licensees, other than the 2
569 concerned, shall be notified of the filing of the name of a licensee on the delinquency list and the
570 removal of the name of a delinquent from such list.

571 (f) The commission shall not authorize a change of ownership or control of a licensee on
572 the delinquent list until all delinquencies are satisfied and the commission has removed the
573 licensee from the delinquent list under this section, except for approval of court-appointed
574 receivers or trustees under a voluntary assignment for the benefit of creditors; provided, that
575 prior approval of such assignment shall be obtained from the commission after notice to all
576 creditors has been given and reasonable time allowed for objections by all creditors.

577 (g) Notwithstanding and in lieu of any other penalty in this chapter, any person who
578 violates this section shall be punished by a fine of not more than \$5,000.

579 (h) The posting list shall be available for inspection by any licensee or a duly authorized
580 agent only; provided, however, that the commission may allow third party access to the list by its
581 licensing software provider.

582 Section 24. (a)(1) No hemp beverage product or consumable CBD product shall be sold
583 in the commonwealth unless such product is registered with the commission.

584 (2) The commission shall publish and update on its website a publicly available list of
585 registered hemp beverage products and consumable CBD products.

(b)(1) The commission shall register a hemp beverage product or a consumable CBD product after submission of an application that demonstrates compliance with this section. The application shall be in a form and manner determined by the commission.

(2) The application shall include, but shall not be limited to:

(i) the name and address of the applicant;

(ii) the name and address of the brand or company whose name shall appear on the label of the hemp beverage product or consumable CBD product;

(iii) the name of the hemp beverage product or consumable CBD product;

(iv) the name and address of the manufacturer of the hemp beverage product or consumable CBD product;

(v) a complete copy of the front and back of the label that will appear on the hemp beverage product or consumable CBD product; and

(vi) a certificate of analysis compliant with commission regulations from an independent testing laboratory, a laboratory registered with the United States Drug Enforcement Administration that conducts testing under 7 C.F.R. 990.25(g)(3) or a qualified out-of-state independent testing laboratory for: (A) the production batch for each hemp beverage product or consumable CBD product; and (B) the transportable hemp concentrate used to manufacture the hemp beverage product or consumable CBD product.

(3) Any application for registration shall be accompanied by a registration processing fee in an amount to be determined by the commission.

(4) The commission shall approve or deny such an application within 30 days of receipt of the application.

(c) The registration shall be subject to suspension or revocation for cause.

(d) The commission may conduct tests to ensure that any claim made by an applicant about a hemp beverage product or a consumable CBD product is accurate.

(e) The commission shall establish an off-the-shelf testing program for hemp beverage products not to be drunk on premises under section 15 of chapter 138 and pursuant to section 28. The commission shall notify the alcoholic beverages control commission of any: (i) updates to the publicly available list of registered hemp beverage products pursuant to paragraph (2) of subsection (a); and (ii) products being sold in violation of the commission's regulations or this chapter.

(f) The commission shall establish an off-the-shelf testing program for consumable CBD products sold at retail pursuant to section 33. The commission may revoke or suspend a consumable hemp manufacturer, wholesaler or retailer endorsement following a determination of a violation of this section or sections 31 through 33, inclusive.

Section 25. (a) The commission shall promulgate regulations consistent with this chapter to administer the regulation of hemp beverages, hemp beverage products and consumable CBD products sold in the commonwealth.

(b) The regulations shall include, but shall not be limited to:

(i) a maximum amount of cannabinoids per hemp beverage product container; provided, however, that such maximum amount of total THC per container established by the commission

shall be 5 milligrams per container or shall equal the container limit for marijuana beverage products established by the commission under this chapter, whichever is greater;

(ii) requirements for the size and form of hemp beverage product containers and consumable CBD products; provided, however, that the minimum size of each hemp beverage product container shall be not less than 7.5 ounces;

(iii) requirements and standards sufficient to ensure that cannabinoids present in transportable hemp concentrate, hemp beverages, hemp beverage products and consumable CBD products were naturally produced;

(iv) requirements for the manufacture, packaging and labeling of hemp beverages, hemp beverage products and consumable CBD products intended to be sold or offered for sale in the commonwealth; provided, that, when applicable, these standards shall be as strict or stricter than the standards adopted for marijuana product manufacturers adopted by the commission;

(v) testing standards for the certificate of analysis required by this section for transportable hemp concentrate and batches of hemp beverage products and consumable CBD products, including, but not limited to analysis to characterize the cannabinoid profile and chemical contaminants;

(vi) standards for qualified out-of-state testing laboratories;

(vii) procedures for off-the-shelf testing of hemp beverage products; and

(viii) standards for determining trace amounts of THC in consumable CBD products.

Section 26. (a) No person shall manufacture a hemp beverage that is intended to be sold or offered for sale in the commonwealth unless such person holds a hemp beverage manufacturer

endorsement or a certificate of compliance issued by the commission. The commission may impose a fine of not more than \$10,000 on a person that advertises, announces, establishes, maintains or is concerned in establishing or maintaining a hemp beverage manufacturing operation in the commonwealth without an endorsement granted by the commission. Each day during which a violation continues shall constitute a separate offense. The commission may conduct surveys and investigations to enforce compliance.

(b)(1) The commission shall issue for a term of 1 year, and renew for a like term, an endorsement to manufacture hemp beverages to an entity that submits to the commission, in a form and manner prescribed by the commission, an application that demonstrates eligibility for an endorsement. The commission shall not issue an endorsement under this section unless the applicant holds an unencumbered license to: (i) manufacture alcoholic beverages issued under chapter 138; or (ii) manufacture marijuana-infused products issued under this chapter or chapter 94I. The commission shall approve or deny such an application within 30 days of receipt of the application.

(2) Such an endorsement shall be subject to suspension, revocation or refusal to renew for cause.

(3) Any application for an endorsement, or renewal thereof, shall be accompanied by an application processing fee in the amount of \$5,000.

(c)(1) The commission shall issue a certificate of compliance to an out-of-state entity authorized by its home state to manufacture or distribute alcoholic beverages or products containing cannabinoids derived from hemp if: (i) the entity submitted an application in compliance with regulations promulgated by the commission; (ii) the applicant satisfies the

670 requirements established by the commission; (iii) the applicant is in compliance with this chapter
671 and the regulations promulgated by the commission; and (iv) the applicant has paid the required
672 fee. The certificate shall be issued upon the condition that the holder shall furnish, when
673 requested, information concerning all shipments or sales of hemp beverage products made by the
674 holder into the commonwealth. The commission shall issue a certificate of compliance within 30
675 days of submission of an application.

676 (2) The commission may suspend, cancel or revoke any certificate issued hereunder for a
677 violation of the terms or conditions thereof.

678 (3) All certificates shall be issued to expire December 31 of the year of issuance and the
679 fee shall be not less than \$200.

680 (d) No holder of a hemp beverage manufacturer endorsement or certificate of compliance
681 shall sell a hemp beverage or hemp beverage product to any person in the commonwealth unless
682 such person holds an endorsement or certificate of compliance from the commission to
683 manufacture hemp beverages or a license to import all alcoholic beverages at wholesale issued
684 under section 18 of chapter 138.

685 (e) A holder of a hemp beverage manufacturer endorsement may utilize existing facilities
686 and equipment to manufacture hemp beverages and hemp beverage products in accordance with
687 regulations promulgated by the commission. No hemp beverage manufacturer shall obtain any
688 hemp for the purpose of manufacturing any hemp beverage that is intended to be manufactured,
689 sold or offered for sale in the commonwealth unless such hemp is in the form of transportable
690 hemp concentrate, and no such hemp beverage manufacturer shall use any hemp other than

691 transportable hemp concentrate to manufacture any such hemp beverage or hemp beverage
692 product.

693 Section 27. (a) No person shall sell a hemp beverage product at wholesale in the
694 commonwealth unless such person holds a license to import or sell all alcoholic beverages at
695 wholesale issued under section 18 of chapter 138. The commission may impose a fine of not
696 more than \$10,000 on any person that advertises, announces, establishes, maintains or is
697 concerned in establishing or maintaining a hemp beverage wholesaler operation without a
698 license. Each day during which a violation continues shall constitute a separate offense.

699 (b) Holders of all alcoholic beverage wholesale licenses issued under section 18 of
700 chapter 138 shall only sell hemp beverage products to holders of an off-premises, all alcoholic
701 beverage retail license issued under section 15 of chapter 138.

702 (c) The commission may conduct surveys and investigations to enforce compliance with
703 this section.

704 Section 28. (a) Only holders of an off premises all alcoholic beverage license under
705 section 15 of chapter 138 shall sell hemp beverages to consumers. Sales to consumers by any
706 person other than a licensee under section 15 of chapter 138 shall be strictly prohibited. No hemp
707 beverage product shall be sold, or offered for sale, at retail to any individual by way of any
708 indirect means, including, but not limited to, by way of mail or any telephonic or other electronic
709 means. The commission may impose a fine of up to \$10,000 on a person that advertises,
710 announces, establishes, maintains or is concerned in establishing or maintaining a retail
711 establishment that sells, or offers for sale, at retail, hemp beverage products in violation of this
712 subsection. Each day during which a violation continues shall constitute a separate offense.

(b) Holders of off premises all alcoholic beverage licenses under section 15 of chapter 138 shall only purchase hemp beverage products to be sold at retail from a holder of an all alcoholic beverage wholesale license issued under section 18 of chapter 138.

(c) The commission may conduct surveys and investigations to enforce compliance with this section.

Section 29. No hemp beverage product shall be sold to any individual who is younger than 21 years of age. No owner, agent or employee of a business authorized to sell hemp beverage products shall sell any hemp beverage products to an individual without first verifying the individual's age with a valid government-issued driver's license or identity card to establish that such individual is 21 years of age or older.

Section 30. (a) A hemp beverage product excise tax shall be levied on all hemp beverage products at a rate of \$4.05 per gallon. Manufacturers under section 26 shall file their tax at a schedule specified by the department of revenue and pay for products manufactured in the commonwealth for sale in the commonwealth. Out-of-state wholesalers of businesses shall file at a schedule specified by the department of revenue and pay for hemp beverage products shipped into the commonwealth for sale in the commonwealth. Hemp beverage products shall be exempt from sales tax. Hemp beverage products stored or manufactured in the commonwealth intended for or sold outside of the commonwealth shall not be subject to an excise tax under this section.

(b) The administration of the tax imposed by this section shall be vested in the commissioner of revenue and governed by chapter 62C. All sums received under sections 23 to 28, inclusive, including all sums received as penalties, forfeitures, interest, costs of suits and

734 fines, less all amounts allowed as refunds and abatements under sections 23 to 28, inclusive,
735 shall be credited to the General Fund.

736 Section 31. (a) No person shall manufacture a consumable CBD product that is intended
737 to be sold or offered for sale in the commonwealth unless such person holds a consumable CBD
738 manufacturer endorsement or a certificate of compliance issued by the commission. The
739 commission may impose a fine of not more than \$10,000 on a person that advertises, announces,
740 establishes, maintains or is concerned in establishing or maintaining a consumable CBD product
741 manufacturing operation in the commonwealth without an endorsement granted by the
742 commission. Each day during which a violation continues shall constitute a separate offense.

743 (b)(1) The commission shall issue for a term of 1 year, and renew for a like term, an
744 endorsement to manufacture consumable CBD products to an entity that submits to the
745 commission, in a form and manner prescribed by the commission, an application that
746 demonstrates eligibility for an endorsement. The commission shall not issue an endorsement
747 unless the applicant holds an unencumbered license to manufacture marijuana-infused products
748 issued under this chapter or chapter 94I. The commission shall approve or deny such an
749 application within 30 days of receipt of the application.

750 (2) Such an endorsement shall be subject to suspension, revocation or refusal to renew for
751 cause.

752 (3) Any application for an endorsement, or renewal thereof, shall be accompanied by an
753 application processing fee in the amount of \$5,000.

754 (c)(1) The commission shall issue a certificate of compliance to an out-of-state entity
755 authorized by its home state to manufacture or distribute products containing cannabinoids

derived from hemp if the entity has submitted an application in compliance with regulations made by the commission, the applicant satisfies the requirements established by the commission, the applicant is in compliance with this chapter and the regulations made by the commission and the applicant has paid the required fee. The certificate shall be issued upon the condition that the holder shall furnish, when requested, information concerning all shipments or sales of CBD consumable products made by the holder into the commonwealth. The commission shall issue a certificate of compliance within 30 days of submission of an application.

(2) The commission may suspend, cancel or revoke any certificate issued hereunder for a violation of the terms or conditions thereof.

(3) All certificates shall be issued to expire December 31 of the year of issuance and the fee shall be not less than \$200.

(d) No holder of a consumable CBD manufacturer endorsement or certificate of compliance shall sell a consumable CBD product to any person in the commonwealth unless such person holds an endorsement or certificate of compliance from the commission to manufacture consumable CBD products or an endorsement to sell CBD products at wholesale.

(e) A holder of a consumable CBD manufacturer endorsement may utilize existing facilities and equipment to manufacture consumable CBD products in accordance with regulations promulgated by the commission. No consumable CBD product manufacturer shall obtain any hemp for the purpose of manufacturing any consumable CBD product that is intended to be manufactured, sold or offered for sale in the commonwealth unless such hemp is in the form of transportable hemp concentrate, and no such consumable CBD product manufacturer

777 shall use hemp other than in the form of transportable hemp concentrate to manufacture any such
778 CBD consumable product.

779 (f) The commission may conduct surveys and investigations to enforce this section.

780 Section 32. (a) No person shall sell a consumable CBD product at wholesale in the
781 commonwealth unless such person holds a consumable CBD product wholesaler endorsement
782 issued by the commission. The commission may impose a fine of not more than \$10,000 on any
783 person that advertises, announces, establishes, maintains or is concerned in establishing or
784 maintaining a consumable CBD product wholesaler without an endorsement granted by the
785 commission. Each day during which a violation continues shall constitute a separate offense.

786 (b)(1) The commission shall issue for a term of 1 year, and renew for a like term, an
787 endorsement to sell consumable CBD products at wholesale to an entity that submits to the
788 commission, in a form and manner prescribed by the commission, an application that
789 demonstrates eligibility for an endorsement under this section. The commission shall not issue an
790 endorsement under this section unless the applicant holds an unencumbered license to sell
791 consumable CBD products at wholesale issued under section 67 of chapter 62C. The commission
792 shall approve or deny such an application within 30 days of submission.

793 (2) Such an endorsement shall be subject to suspension, revocation or refusal to renew for
794 cause.

795 (3) Any application for a consumable CBD product wholesaler endorsement, or renewal
796 thereof, shall be accompanied by an application processing fee in the amount of \$5,000.

(c) No holder of a consumable CBD product wholesaler endorsement shall sell a consumable CBD product to any person unless such person holds an endorsement from the commission to sell consumable CBD products at retail or wholesale under this chapter.

(d) The commission may conduct surveys and investigations to enforce this section.

Section 33. (a) No person shall sell, or offer for sale, at retail a consumable CBD product unless such person holds a consumable CBD product retailer endorsement issued by the commission. No consumable CBD product shall be sold, or offered for sale, at retail to any individual by way of any indirect means, including, but not limited to, by way of mail or any telephonic or other electronic means. The commission may impose a fine of not more than \$10,000 on a person that advertises, announces, establishes, maintains or is concerned in establishing or maintaining a retail establishment that sells, or offers for sale, at retail consumable CBD products in violation of this subsection. Each day during which a violation continues shall constitute a separate offense.

(b)(1) The commission shall issue for a term of 1 year, and renew for a like term, an endorsement to sell consumable CBD products at retail to an entity that submits to the commission, in a form and manner prescribed by the commission, an application that demonstrates eligibility for such an endorsement under this section. The commission shall approve or deny such an application within 30 days of receipt of the application.

(2) Such an endorsement shall be subject to suspension, revocation or refusal to renew for cause.

(3) Any application for a consumable CBD product retailer endorsement, or renewal thereof, shall be accompanied by an application processing fee in the amount of \$5,000.

(c) The commission shall not issue an endorsement under this section unless the applicant holds an unencumbered license to sell consumable CBD products at retail under section 67 of chapter 62C.

(d) No holder of a consumable CBD product retailer endorsement shall purchase consumable CBD products to be sold at retail from any person unless such person holds an endorsement to sell wholesale consumable CBD products issued by the commission.

(e) The commission may conduct surveys and investigations to enforce this section.

SECTION 41. Section 1 of chapter 94I of the General Laws, as appearing in the 2022 Official Edition, is hereby amended by striking out the definition of “Card holder” and inserting in place thereof the following definition:-

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

SECTION 42. Said section 1 of said chapter 94I, as so appearing, is hereby further amended by striking out, in line 16, the words “section 76 of chapter 10” and inserting in place thereof the following words:- section 223 of chapter 6.

SECTION 43. Said section 1 of said chapter 94I, as so appearing, is hereby further amended by striking out the definition of “Cultivation registration” and inserting in place thereof the following definition:-

“Cultivation registration”, a registration issued to a medical marijuana establishment to grow medical use marijuana under the terms of this chapter, or to a qualified patient or personal caregiver.

840 SECTION 44. Said section 1 of said chapter 94I, as so appearing, is hereby further
841 amended by inserting after the definition of “Electronic certification” the following definition:-

842 “Fully integrated medical marijuana treatment center”, an entity licensed by the
843 commission with the ability to cultivate, manufacture, process and sell medical use marijuana to
844 qualifying patients, personal caregivers and medical marijuana establishments.

845 SECTION 45. Said section 1 of said chapter 94I, as so appearing, is hereby further
846 amended by striking out the definition of “Locked area” and inserting in place thereof the
847 following definition:-

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

851 SECTION 46. Said section 1 of said chapter 94I, as so appearing, is hereby further
852 amended by striking out the definitions “Marijuana”, “Medical marijuana treatment center”,
853 “Medical use marijuana”, “Medical use marijuana license” and “Medical use marijuana
854 licensee”, and inserting in place thereof the following 3 definitions:-

855 “Marijuana”, as defined in section 1 of chapter 94G.

856 “Medical marijuana establishment”, a fully integrated medical marijuana treatment center
857 or any other type of licensed medical use of marijuana-related business.

858 “Medical use marijuana”, marijuana or marijuana accessories sold by a medical
859 marijuana establishment to a card holder for medical use, or marijuana or marijuana accessories
860 possessed by a qualifying patient under a cultivation registration.

SECTION 47. Said section 1 of said chapter 94I, as so appearing, is hereby further amended by striking out the definition of “Registration card” and inserting in place thereof the following definition:-

“Registration card”, a personal identification card issued by the commission to a registered qualifying patient, personal caregiver, laboratory agent or agent of a medical marijuana establishment. The registration card shall facilitate verification of an individual registrant’s status, including, but not limited to, verification that: (i) a registered healthcare professional has provided a written or electronic certification to the qualifying patient; (ii) the patient has designated the individual as a personal caregiver; (iii) a laboratory agent has been registered with the commission and is authorized to possess and test marijuana; or (iv) an agent has been registered with the commission and is authorized to work at a medical marijuana establishment. A temporary registration issued to a qualifying patient shall be deemed a registration card.

The registration card shall facilitate identification for the commission and law enforcement of those individuals who are exempt from criminal and civil penalties for conduct pursuant to the medical use of marijuana.

SECTION 48. Said section 1 of said chapter 94I, as so appearing, is hereby further amended by striking out the definition of “Temporary Registration” and inserting in place thereof the following definition:-

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

883 for patients and their personal caregivers to access a medical marijuana establishment.
884 Temporary registration shall expire 14 days after the commission issues the registration card.

885 SECTION 49. Section 2 of said chapter 94I, as so appearing, is hereby amended by
886 striking out subsection (a) and inserting in place thereof the following subsection:-

887 (a) The commission shall operate a medical use of marijuana program, which shall permit
888 a qualifying patient with a debilitating medical condition to obtain a written or electronic
889 certification from a healthcare professional with whom the patient has a bona fide healthcare
890 professional-patient relationship to purchase medical use marijuana from a medical marijuana
891 establishment. Upon issuance of a written certification from a healthcare professional, the
892 commission shall issue a registration card to the qualifying patient. A medical marijuana
893 establishment licensed and authorized by the commission to deliver, sell or otherwise transfer
894 medical use marijuana to consumers may sell medical use marijuana to a card holder.

895 SECTION 50. Said section 2 of said chapter 94I, as so appearing, is hereby further
896 amended by striking out, in lines 29, 37 and 39, the words “medical marijuana treatment center”,
897 each time they appear, and inserting in place thereof, in each instance, the following words:-
898 medical marijuana establishment.

899 SECTION 51. Section 3 of said chapter 94I, as so appearing, is hereby amended by
900 striking out, in lines 5 and 23 and 24, each time they appear, the words “medical marijuana
901 treatment center” and inserting in place thereof, in each instance, the following words:- medical
902 marijuana establishment.

SECTION 52. Said section 3 of said chapter 94I, as so appearing, is hereby further amended by striking out, in lines 10 and 11, the words “medical marijuana treatment centers” and inserting in place thereof the following words:- medical marijuana establishments.

SECTION 53. Said section 3 of said chapter 94I, as so appearing, is hereby further amended by striking out, in line 16, the words “medical use marijuana licensee or establishment” and inserting in place thereof the following words:- medical marijuana establishment.

SECTION 54. Section 7 of said chapter 94I, as so appearing, is hereby amended by striking out, in lines 3 and 4, the words “medical marijuana treatment centers” and inserting in place thereof the following words:- medical marijuana establishments, including any classes of license established under this section.

SECTION 55. Said section 7 of said chapter 94I, as so appearing, is hereby further amended by adding the following 3 paragraphs:-

The commission may adopt regulations to: (i) establish and provide for the issuance of additional types or classes of licenses to operate medical use of marijuana-related businesses; and (ii) limit the number of medical marijuana establishment licenses a licensee may be granted.

The commission may establish procedures and policies for municipalities to promote and encourage full participation in the regulated medical marijuana industry during negotiations of host community agreements with social equity program businesses and economic empowerment priority applicants pursuant to clause (xxxix) of subsection (a) of section 4 of chapter 94G.

The commission shall adopt regulations to promote and encourage full participation in the regulated medical marijuana industry by people from communities that have previously been

924 disproportionately harmed by marijuana prohibition and enforcement and to positively impact
925 those communities pursuant to clause (iv) of subsection (a1/2) of section 4 of chapter 94G.

926 SECTION 56. Section 116 of chapter 128 of the General Laws, as so appearing, is hereby
927 amended by striking out the definition of “Hemp” and inserting in place thereof the following
928 definition:-

929 “Hemp”, the plant of the genus cannabis and any part of the plant, whether growing or
930 not, with a delta-9-tetrahydrocannabinol concentration that does not exceed 0.3 per cent on a dry
931 weight basis or per volume or weight of marijuana product or the combined per cent of delta-9-
932 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus
933 cannabis regardless of moisture content that is produced by and in accordance with an approved
934 State and Tribal Hemp Plan under 7 U.S.C. § 1639p or the Department of Agriculture plan under
935 7 U.S.C. § 1639q.

936 SECTION 57. Section 34C of chapter 138 of the General Laws, as so appearing, is
937 hereby amended by inserting after the word “beverages”, in lines 3 and 4, the following words:-
938 or hemp beverage products, as defined in section 1 of chapter 94G.

939 SECTION 58. Said chapter 138 is hereby further amended by adding the following
940 section:-

941 Section 80. A licensee under section 15, may sell hemp beverage products, as defined in
942 section 1 of chapter 94G consistent with section 15 and section 28 of chapter 94G. A licensee
943 under section 18, may import hemp beverage products consistent with section 18 and section 27
944 of chapter 94G. The commission may promulgate regulations to implement this section.

SECTION 59. The Massachusetts cannabis control commission shall study and report on patterns of cannabis use in the commonwealth. The commission shall study: (i) patterns of use, methods of consumption, sources of purchase and general perceptions of marijuana among minors, college and university students and adults; (ii) incidents of impaired driving; and (iii) incidents of hospitalization and the use of other health care services related to marijuana use. Based on findings of the study, the commission shall report on the: (i) science of identifying a quantifiable level of marijuana-induced impairment of motor vehicle operation; (ii) financial impacts to the state healthcare system for hospitalizations related to marijuana use; and (iii) prevalence of cannabis use disorder in the commonwealth. The commission shall incorporate available data into the report, including, but not limited to, data obtained pursuant to subsection (b) of section 17 of chapter 94G of the General Laws. Not later than January 1, 2027, the commission shall submit its report and any recommendations for legislation to the clerks of the house of representatives and the senate and the joint committee on cannabis policy.

SECTION 60. The Massachusetts cannabis control commission shall study the businesses licensed pursuant chapters 94G and 94I of the General Laws or the commission shall retain an outside expert with an expertise in economic analysis to study businesses licensed pursuant to said chapters 94G and 94I. The study shall analyze the appropriate number of licenses to be granted under said chapters 94G and 94I, the adequacy of cannabis supply for patients and consumers, whether an oversupply harms market participants and the adequacy of the commission's enforcement of its regulations with respect to cultivation tiers. Not later than July 1, 2027, the commission shall publish the results of the study on its website and submit a copy of the report to the clerks of the house of representatives and the senate and to the joint committee on cannabis policy.

SECTION 61. The Massachusetts cannabis control commission, in collaboration with the cannabis advisory board, shall review its rules and regulations to ensure that those rules and regulations are based on the most recent standards in a manner consistent with the stated objectives of paragraph 1 of subsection (a) of section 15 of chapter 94G of the General Laws and report the findings from the review to the governor, the clerks of the house of representatives and the senate, the joint committee on cannabis policy and the cannabis advisory board not later than July 1, 2027.

SECTION 62. Not later than July 1, 2026, the Massachusetts cannabis control commission, in collaboration with the cannabis advisory board, shall review its rules and regulations regarding: (i) workplace safety, including, but not limited to, air quality and first responder access; and (ii) enforcement and investigation protocols promulgated pursuant to clauses (xv) and (xxiii) of subsection (a1/2) of section 4 of chapter 94G of the General Laws. Not later than July 1, 2027, the commission shall report its findings to the governor, the clerks of the house of representatives and the senate, the joint committee on cannabis policy and the cannabis advisory board.

SECTION 63. Not later than 12 months after the effective date of this act, the Massachusetts cannabis control commission shall conduct a targeted audit and compliance review of marijuana establishments and medical marijuana treatment centers to evaluate adherence to the ownership and control limitations pursuant to section 16 of chapter 94G of the General Laws. The commission shall prioritize reviews based on license type, risk indicators and prior compliance history. Not later than 18 months from the effective date of this act, the commission shall submit a report to the clerks of the house of representatives and the senate and

the joint committee on cannabis policy summarizing the findings of the audit, including any identified patterns of noncompliance and recommended regulatory or legislative actions.

SECTION 64. Not later than 12 months after the effective date of this act, the Massachusetts cannabis control commission shall amend its regulations and begin accepting applications pursuant to section 16 of chapter 94G of the General Laws, as amended by section 39; provided, however, that the commission shall not grant a licensee more than 4 retail licenses until 24 months after the effective date of this act, or more than 5 retail licenses until 36 months after the effective date of this act; and provided further, that the commission shall give priority consideration to applications pertaining to the licenses of social equity businesses, Massachusetts minority business enterprises, women business enterprises or veteran business enterprises with valid certification from the supplier diversity office of the operational services division.

SECTION 65. (a) Notwithstanding section 16 of chapter 94G of the General Laws and chapter 94I of the General Laws or any other general or special law to the contrary, all medical marijuana establishment licenses that are not fully integrated medical marijuana treatment centers shall be limited on an exclusive basis to social equity businesses for a period of 36 months from the date that the first of such license types receive a notice to commence operations; provided, however, that the Massachusetts cannabis control commission may vote to extend the exclusivity period following an evidence-based determination that the goal of the exclusivity period to promote and encourage full participation in the regulated medical marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law has not been met.

1011 (b) If data collected by the commission demonstrates progress toward the goals and
1012 objectives of the exclusivity period as set forth in subsection (a) and the demand by registered
1013 qualifying patients is likely to exceed the supply that could be provided by businesses that meet
1014 the exclusivity requirements during the exclusivity period, the commission may vote during the
1015 exclusivity period to allow the following additional businesses to own medical marijuana
1016 establishments: (i) craft marijuana cooperatives as defined in 935 CMR 500.002; (ii)
1017 Massachusetts minority business enterprises; (iii) women business enterprises; and (iv) veteran
1018 business enterprises; provided, that businesses pursuant to clauses (ii) through (iv), inclusive,
1019 shall have valid certification from the supplier diversity office pursuant to section 61 of chapter 7
1020 of the General Laws.

1021 SECTION 66. Not later than 90 days after the effective date of this act, local boards of
1022 health shall communicate, in writing, information regarding the requirements of sections 330 to
1023 333, inclusive, of chapter 94 of the General Laws and the penalties for violations to persons
1024 within their jurisdiction who may be impacted by said sections 330 to 333, inclusive, of said
1025 chapter 94.

1026 SECTION 67. Notwithstanding section 76 of chapter 10 of the General Laws or any other
1027 general or special law to the contrary, the terms of all commissioners serving on the
1028 Massachusetts cannabis control commission as of May 28, 2025 shall terminate on the effective
1029 date of this act. Commissioners shall thereafter be appointed by the governor pursuant to section
1030 223 of chapter 6 of the General Laws not later than 30 days after the effective date of this act.

1031 SECTION 68. All members of the cannabis advisory board shall remain members until
1032 the expiration of their terms. The members thereafter shall be appointed by the governor for a
1033 term of 2 years pursuant to section 224 of chapter 6 of the General Laws.

1034 SECTION 69. The alcoholic beverages control commission shall promulgate or amend
1035 regulations as necessary to be consistent with this act not later than 1 year after the effective date
1036 of this act.

1037 SECTION 70. The Massachusetts cannabis control commission shall promulgate or
1038 amend regulations as necessary to be consistent with this act not later than 1 year after the
1039 effective date of this act.

1040 SECTION 71. The Massachusetts department of revenue shall promulgate or amend
1041 regulations as necessary to be consistent with this act not later than 1 year after the effective date
1042 of this act.