



EON

Equitable Opportunities Now!

Advancing Equitable Economic Opportunity in MA's Cannabis Industry

**Successfully implementing
“An Act Relative to Equity in
the Cannabis Industry”**



Who We Are

Equitable Opportunities Now is a 501c3 organization on a mission to increase BIPOC participation in the cannabis industry.

We work towards this goal by coordinating community programming to enhance the understanding the cannabis plant, and the emerging industry opportunities. We also work alongside our community, YOU, to work with elected officials to create policies that increase economic opportunities, and reverse social harms to communities destroyed by the failed drug war.



What We Do

1 | PROGRAMS

Working with cannabis companies, and industry professionals to help create valuable connections

Jobs, Careers, & Business Opportunities

Education, Training, & Technical Assistance

2 | POLICY

Working with community for important policy and regulatory changes

Working with state & elected officials to create sensible, equitable cannabis policies

3 | COMMUNITY

Building community through program offerings, direct mentorship, networking sessions, online engagement, celebrations, rallies, and other convenings.



Key Components

“An Act Relative to Equity in the Cannabis Industry” policy changes:

- **Cannabis Social Equity Trust Fund**
 - Grant & Loan Program
 - Cannabis Equity Advisory Board
- **Social Consumption**
- **Advancing equity in local licensing**
 - Municipal equity incentives
 - Local equity policies
 - HCA Reform
- **Expungement**

Cannabis Social Equity Loan Fund

Overview

- Background
- Grant & Loan Fund
- Executive Office of Housing & Economic Development (EOHED)
- Cannabis Social Equity Advisory Board
- Cannabis Control Commission
- Cities & Towns

Cannabis Social Equity Loan Fund

Background

(a) There shall be established and set up on the books of the commonwealth a separate fund, to be known as the Marijuana Regulation Fund. It shall, subject to appropriation, consist of all monies received on account of the commonwealth as a result of applications for and licensing of marijuana establishments, all civil penalties...

(b) **Money in the fund shall be subject to appropriation. Money in the fund shall be expended for the implementation, administration and enforcement of this chapter by the commission and by the department of agricultural resources for the implementation, administration and enforcement... and the provision of pesticide control... Thereafter, money in the fund shall be expended for:** (i) **public and behavioral health** including but not limited to, evidence-based and evidence-informed substance use prevention and treatment and substance use early intervention services in a recurring grant for school districts or community coalitions who operate on the strategic prevention framework or similar structure for youth substance use education and prevention; (ii) **public safety**; (iii) **municipal police training**; (iv) **the Prevention and Wellness Trust Fund** established in section 2G of chapter 111; and (v) **programming for restorative justice, jail diversion, workforce development, industry specific technical assistance, and mentoring services for economically-disadvantaged persons in communities disproportionately impacted by high rates of arrest and incarceration for marijuana offenses** pursuant to chapter 94C



Cannabis Social Equity Loan Fund

New Law

- **Grant & Loan Fund**
 - 15% of cannabis revenue
 - Equal would be 20%; equitable would be 50%
 - New Mass. Legislature bills
- **Executive Office of Housing & Economic Development (EOHED)**
- **Cannabis Social Equity Advisory Board**
- **Cannabis Control Commission**
- **Cities & Towns**

Cannabis Social Equity Loan Fund

EOHED & Advisory Board

- (i) requirements for social equity businesses and municipalities who host such businesses to apply to receive a grant or loan from the fund;**
- (ii) conditions of such grants and loans;**
- (iii) procedures pertaining to marijuana establishments or medical marijuana treatment centers that default on a loan from the fund;**
- (iv) a process by which a license is sold as a result of a licensee's default on a loan from the fund;**
- (v) procedures and policies to ensure that applicants and grantees come from all license types;**
- (vi) prohibitions against the sale, transfer or pledge of any asset or interest by a social equity business to an entity or individual other than a social equity business or an individual qualified as an economic empowerment priority applicant as defined by the commission's regulations within an initial, specified timeframe to begin on the date the business is authorized to commence operations by the commission; provided, however, that the initial, specified timeframe shall not exceed 5 years; and**
- (vii) terms for payment of a clawback requiring the commonwealth to recover 100 per cent of the grant and loan funds should a sale, transfer or pledge of any asset or interest by a social equity business occur in violation of clause (vi).**

Cannabis Social Equity Loan Fund

EOHED & Advisory Board

“The secretary of housing and economic development, in consultation with the advisory board, shall be responsible for the selection of recipients, grant or loan values and conditions for such grants or loans; provided, that when selecting recipients, the secretary in consultation with the advisory board, shall take into consideration the racial, ethnic and gender demographics of the municipality in which the recipient businesses are located.”

Cannabis Social Equity Loan Fund

Cannabis Control Commission

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

Cannabis Social Equity Loan Fund

Massachusetts Cities & Towns

- **What can you do?**
 - Encourage applicants to pursue funding
 - Provide input on regulation creation process
 - Ensure geographic diversity and representation
 - Create your own Grant & Loan Fund
 - Encourage state reps and senators to increase funding
 - Connect with applicants in your communities
- **Questions & Discussion**

Social Consumption

Overview

- **Citizen Petition & Ballot Question**

- Citizen petitioner + 10+% of voters who voted in last election
- Secretary of the Commonwealth
- Clerk
- Board of Registrars or Election Commissioners
- Municipal legislative body

- **Municipal Ordinance or Bylaw**

- City Council, Board of Selectmen, or Town Council can lead!
- Mayors and municipal managers and administrators may be able to file legislation and/or recommend action

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

Social Consumption

Citizen Petition & Ballot Question

- **Petition**

- Prepared by the Secretary of the Commonwealth
- Signed by 10+% of voters who voted in the last election
- Filed with Clerk
- Certified by Board of Registrars or Election Commissioners

- **Ballot Question**

- City Council, Board of Selectmen, or Town Council shall request the question be submitted to voters
- On the ballot at the next regularly occurring municipal or state election
 - “the question shall appear on the ballot for the next regularly occurring municipal election **if the election is to be held not less than 35 days after certification**”
 - “To appear on the ballot for the next regularly occurring biennial state election,” Clerk “shall provide notice, including the ballot question and summary, to the state secretary not later than the first Wednesday in August before the election”

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

Social Consumption

Legislative & Executive Leadership

- **City Council, Board of Selectmen, or Town Council**
 - File your own hearing orders, resolutions, or bylaw / ordinance language
 - Schedule public hearings and community meetings
 - Partner with community orgs and other towns to craft polidi3w
- **Mayors and municipal managers and administrators**
 - File legislation and/or recommend action
 - Partner with Clerks, Election Officials, & Councilors/Selectmen
- **Discussion, Brainstorming, & Questions**

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

Equity in Local Licensing

Overview

- **Licensing financial incentive – New revenue!**
- **Municipal cannabis licensing equity policies**
 - Financial penalty for noncompliance
- **Host Community Agreement (HCA) reform**

New revenue from social equity

1% of social equity business sales

- **The more social equity businesses your municipality hosts, the more additional sales tax revenue it unlocks**
- **Committing modest resources now can create valuable long-term revenue streams – while doing the right thing**

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



New equity req. for local licensing

Mirrors CCC's existing statewide mandate

“the commission shall promulgate regulations to establish minimum acceptable standards for host communities to promote and encourage full participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities; provided, however, that a host community may establish procedures and policies beyond the minimum regulations established by the commission. A city or town that is not a host community shall establish such procedures and policies before entering into a host community agreement with a marijuana establishment or medical marijuana treatment center.”

New equity req. for local licensing

“a host community shall **establish initial procedures or policies required** by paragraph (5) of subsection (d) of section 3 of chapter 94G of the General Laws **not later than July 1, 2023.**”

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

New equity req. for local licensing

Don't risk your community impact fees

- Failure to craft policies & procedures could cost **all** community impact fees
- Be proactive
 - Engage community orgs & leaders, CCC, and other partners in regulatory process
 - Begin researching and crafting your own model policies
 - We're here to help!
 - Connect with other municipal leaders with cannabis policy, regulation, & licensing experience

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

HCA Reform

Overview

“A marijuana establishment or a medical marijuana treatment center seeking a new license or renewal of a license to operate or continue to operate in a municipality that permits such operation shall **negotiate and execute a host community agreement with that host community setting forth the conditions to have a marijuana establishment or medical marijuana treatment center located within the host community, which shall include, but not be limited to, all stipulations of responsibilities between the host community and the marijuana establishment or medical marijuana treatment center.**”

HCA Reform

Typical Provisions

- Parties involved
- Open and closing times
- Signage
- Security
- Termination
- Obligations of the city or town
- Taxes
- Community impact fees & community benefits
- Payment terms
- Compliance with executive orders and municipal regulations

HCA Reform

Community Impact Fee Time Limit

*“a host community agreement may include a community impact fee for the host community; provided, however, that **no host community agreement shall include a community impact fee after the eighth year of operation** of a marijuana establishment or a medical marijuana treatment center.”*

HCA Reform

Community Impact Fee Requirements

- A. Be reasonably related to the costs imposed upon the municipality by the operation operator and documented
- B. Not more than 3% of the gross sales
- C. Not be effective after the marijuana establishment or medical marijuana treatment center's eighth year of operation
- D. Commence on the date a final license is granted by CCC
- E. Not mandate a certain percentage of total or gross sales

They can also be waived!

“A host community may waive the host community agreement requirement; provided, however, that the host community shall submit to the commission a written waiver executed by the host community and the marijuana establishment...”

HCA Reform

No additional fee requirements

- “shall encompass **all** payments and obligations between the host community” and the operator
 - “shall not include any additional payments or obligations, including, but not limited to, monetary payments, in-kind contributions and charitable contributions”
- “Any other contractual financial obligation that is explicitly or implicitly a factor considered in, or is a condition of a host community agreement, shall not be enforceable.”
- “Nothing... shall preclude a marijuana establishment... from voluntarily providing organizations with monetary payments, in-kind contributions and charitable contributions after the execution of the host community agreement; provided, however, that a host community agreement shall not include a promise to make a future monetary payment, in-kind contribution or charitable contribution”

HCA Reform

Documenting community impact costs

- All community impact costs must be documented
- Documented costs must be transmitted to licensees
- Documented costs are public records

*“Any cost imposed upon a host community by the operation of a marijuana establishment or medical marijuana treatment center **shall be documented by the host community and transmitted to the licensee not later than 1 month after the date of the annual renewal of a final license to operate the marijuana establishment or medical marijuana treatment center and shall be a public record...**”*

HCA Reform

Excessive fees could lead to civil action

*“If a licensee believes the information documented and transmitted by a host community is not reasonably related to the actual costs imposed upon the host community in the preceding year by the operation of the marijuana establishment or medical marijuana treatment center, the **licensee may bring a breach of contract action against the host community and recover damages, attorneys’ fees and other costs encompassed in the community impact fee that are not reasonably related to the actual costs imposed upon the city or town.**”*

HCA Reform

CCC review of HCAs

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



HCA Reform

CCC Model HCA & Guidelines

Relevant CCC legislative mandates:

- “Review, regulate, enforce and approve host community agreements”
- “Establish procedures and policies for municipalities to promote and encourage full participation in the regulated marijuana industry during negotiations of host community agreements with social equity program businesses and economic empowerment priority applicants”
- “Develop a model host community agreement, minimum acceptable standards and best practices for municipalities and prospective licensees during negotiations of host community agreements with social equity businesses.”
- “Criteria for reviewing, certifying and approving host community agreements and community impact fees, including criteria for calculating community impact fees”
- “Procedures and policies for host communities to promote and encourage full participation in the regulated marijuana industry... during negotiations of host community agreements with social equity businesses, including, but not limited to, advisory guidelines, best practices and minimum acceptable policy standards.”

How to support social equity businesses financially

- **Create cannabis social equity grant and loan funds**
 - Dedicate cannabis tax revenue AND make a significant early investment
- **Fund technical assistance**
- **Waive community impact fees**
- **Waive licensing, inspection, and other municipal fees**
 - Property tax exemptions/credits for cannabis and other disadvantaged businesses?

How to support social equity businesses in licensing

- **Set equitable licensing ratios** to ensure parity
- **Prioritize social equity businesses** in application review process
- **Use fair and standard HCAs** to level playing field
- **More flexibility with buffer zones and variances** for social equity businesses

How to support social equity businesses internally

- **Invest in staff** to help businesses navigate licensing (and support other agencies working with these businesses)
- Connect applicants to other resources
 - CCC Economic Empowerment Program
 - CCC Social Equity Program
 - Directory of pro bono or discounted service providers
 - Other municipal, state, and private resources
- **Invest in recruiting and retaining diverse staff**
- **Invest in diverse media, trade groups, professional associations, and nonprofits when advertising jobs, public notices, and other municipal marketing efforts**

How to support social equity businesses externally

- **Allow virtual community meetings, and provide virtual options** for public hearings and meetings **whenever possible**
- **Offer live translators, interpreters, and other accommodations**
- **Offer childcare and meals** at public meetings and hearings and in government buildings
- **Translate websites and printed materials**
- **Offer scheduling flexibility and variety** for public meetings to try to accommodate working parents

How to support social equity businesses politically

- Policies
 - Increase funding to cannabis equity fund
 - Create pathways for justice-involved individuals
 - Improve access to expungement
 - Remove real estate barrier
 - Remove medical vertical integration requirement
- Actions
 - Urge your state delegation to support cannabis equity bills
 - Pass resolutions supportive of cannabis equity bills
 - Hold hearings and public meetings to elevate constituent stories and highlight need for further reforms
- Discussion

Invest in recruiting diverse talent

- **Develop a list of targeted media outlets that have diverse readerships and reach constituents who may not consume traditional media**
 - Neighborhood/city/town and regional papers
 - Multilingual outlets
 - Print, broadcast, and online media consumed by people from diverse demographics and backgrounds
 - Trade publications dedicated to advancing equity and diversity
 - Relevant digital influencers and paid social media advertising
- Dedicate **paid advertising** to relevant minority, LGBTQ+, veteran, and women-owned media
- Dedicate staff and resources into **community outreach** to develop a system of community organizations and leaders that can share opportunities and recommend candidates
- Partner with other agencies and organizations to provide **minigrants** to community-based organizations to host in-person and/or digital info sessions about applying for cannabis-related (and perhaps other relevant) appointment opportunities
 - The CCC has proposed budgeting \$25,000 of their modest FY24 budget for “Equity Programming, Strategic Partnerships, and Community Outreach Events” and it would be encouraging to see other government agencies similarly dedicate resources to similar efforts in collaboration with the CCC.
- **Partner with minority professional societies and trade associations, community colleges, HBCUs, public schools, community-based nonprofits**, and other educational organizations serving people of color and from other marginalized communities to create career pathways into state government
- **Use EON’s “Binder Full of Cannabis Experts”** to proactively recruit experts with the background you’re looking for

How to support social equity businesses?

- Questions
- Brainstorming
- Discussion

THANK YOU!

Let this be the start of our conversation...

Reach out any time...

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Connect with the **Cannabis Equity Program at the City of Boston** & other municipal cannabis leaders...

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