
Memorandum

To: Host Communities
From: Cannabis Control Commission
Date: June 29, 2023
Subject: Initial Policies and Procedures for Host Communities to Promote and Encourage the Full Participation in the Regulated Marijuana Industry by People from Disproportionately Harmed Communities as Required by Chapter 180 of the Acts of 2022

[Chapter 180 of the Acts of 2022](#): *An Act Relative to Equity in the Cannabis Industry* (“Chapter 180”) was enacted by the Massachusetts Legislature on August 1, 2022, and signed by Governor Baker on August 11, 2022. Under Chapter 180, the Cannabis Control Commission (“Commission”) has been tasked with ensuring that people from communities disproportionately harmed by the prohibition and enforcement of marijuana are guaranteed fair, transparent, and equitable access to the regulated cannabis industry, with the hope of promoting their full and meaningful participation. Chapter 180 also mandates that the Commission guide Host Communities to encourage full participation in the cannabis industry by establishing their own transparent and objective selection processes when negotiating Host Community Agreements (“HCAs”) with Social Equity Businesses.

Host Communities are required to adopt initial policies and procedures related to municipal equity by July 1, 2023. The Commission provides this memorandum to suggest strategies and resources for Host Communities to consider in order to meet this requirement. Chapter 180 requires the Commission to promulgate regulations in accordance with these requirements no later than November 9, 2023, at which time, a full regulatory framework will be issued and enforced in collaboration with the Department of Revenue.

To meet this new mandate, Host Communities should consider focusing on ways to support people from communities disproportionately harmed by marijuana prohibition and enforcement, which may include Social Equity Businesses, as defined by Chapter 180, as well as Social Equity Program (“SEP”) Participants or Certified Economic Empowerment Priority Applicants (“EEA”) as defined under Commission regulations. To date, 872 people have participated in the Commission’s SEP. Further, 122 individuals have qualified as EEAs. Past participants or qualifying applicants would be eligible to fulfill the Host Community’s equity mandate.



Host Communities should also be aware that, under [M.G.L. c. 64N, §5](#), they may be eligible to receive an additional 1% of the total sales price of the sale of marijuana or marijuana products from that portion of the excise imposed on marijuana and marijuana products, distributed quarterly, if they host a marijuana retailer that is a Social Equity Business.

Below, Host Communities will find a brief description of the criteria that applicants must possess to qualify for the SEP or as an EEA. Host Communities may adopt initial policies and procedures to promote and encourage the full participation of applicants that qualify for these programs in order to meet their obligation under Chapter 180.

Applicants are eligible for the Commission’s SEP if they demonstrate they meet at least one of the criteria below:

- Income that does not exceed [400% of Area Median Income](#) and residency in a [Disproportionately Impacted Area](#), as defined by the Commission, for at least five of the past 10 years;
- Residency in Massachusetts for at least the past 12 months and a conviction or continuance without a finding for an offense under M.G.L. c. 94C or an equivalent conviction in Other Jurisdictions;
- Residency in Massachusetts for at least the past 12 months and proof that the SEP applicant was either married to or the child of an individual with a conviction or continuance without a finding for a M.G.L. c. 94C offense or an equivalent conviction in Other Jurisdictions;
- Any individual listed as an owner on the original certification of a Certified Economic Empowerment Priority Applicant who satisfies one or more the following criteria:
 - Lived for five of the preceding 10 years in a Disproportionately Impacted Area, as determined by the Commission;
 - Experience in one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities;
 - Black, African American, Hispanic or Latino descent; or
 - Other significant articulable demonstration of past experience in or business practices that promote economic empowerment in a Disproportionately Impacted Area.

If you need to verify if someone participated in the SEP, you can request guidance from the Commission at Equity@CCCMass.com or (774) 415-0200. If you need to verify qualifications for the SEP, you can review the resources at MassCannabisControl.com/Equity.

In accordance with state law, the Commission provided priority licensing review to EEAs between April 1, 2018, and April 15, 2018. EEA status was granted to applicants who demonstrated at least three of the following six criteria:

- Majority of ownership belongs to people who have lived in Disproportionately Impacted Areas for five of the last 10 years.
- Majority of ownership has held one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities.
- At least 51% of current employees/subcontractors reside in Disproportionately Impacted Areas and will increase to 75% by first day of business.
- At least 51% of employees or subcontractors have drug-related CORI but are otherwise legally employable in a cannabis-related enterprise.
- Majority of ownership is made up of individuals from Black, African American, Hispanic, or Latino descent.
- Owners can demonstrate significant past experience in or business practices that promote economic empowerment in Disproportionately Impacted Areas.

If you need to verify if someone is certified as an EEA, you can request guidance from the Commission at Equity@CCCMass.com or (774) 415-0200. If you need to verify qualifications for EEA status, you can review the resources at MassCannabisControl.com/Equity.

These definitions, the Commission’s existing guidance documents, and the suggestions listed below, are intended to give Host Communities the tools they need to establish initial policies and procedures to promote and encourage the full participation by people from communities disproportionately harmed by the prohibition and enforcement of marijuana. This information is not intended to serve as legal advice. These initial policies and procedures may serve as a base program for equity in the Host Community’s respective cannabis policies and lay the groundwork for the upcoming regulations promulgated by the Commission.

If Host Communities have legal questions regarding their rights or obligations under the Commonwealth’s cannabis laws or any other laws, they are encouraged to consult with town or corporate counsel.

Below are some policies a municipality may consider utilizing to satisfy the requirement to adopt initial policies and procedures under Chapter 180:

Lower or eliminate fees for equity applications to reduce barriers to entry:

- Consider a waiver or reduction of fees associated with the municipal HCA approval process and/or zoning review process.
- Reduction or elimination of the Community Impact Fee.

Improve transparency and efficiency in the approval process to reduce barriers to entry and lower costs:

- Host Communities should adopt options to support equity applicants within their HCA selection scoring assessment.
- Make improvements to municipal websites to clearly outline the steps needed to gain approval for an HCA (including zoning and other approvals, not limited to the fire chief, health department, and police chief).
- Create a written roadmap that can be accessed on a public bulletin board or in a packet handed out to applicants. This document should provide a clear picture of the steps needed for approval, including the relevant contacts within municipal government responsible for approval.
- Create links to all needed application documents or create a package of documents needed for HCA/Zoning approval, meeting dates, submission deadlines, associated fees, information and contacts for all parties involved in the cannabis business application process.
- Communities should expedite their response to the Commission's request for confirmation that an applicant is compliant with local zoning, ordinances, and bylaws.

Other items to consider either on a website or in a roadmap document:

- Include the most up to date local cannabis ordinances.
- Include a map that clearly designates areas for zoning of Marijuana Establishments and Medical Marijuana Treatment Centers.
- Publicize all HCA applications as well as any written scoring or evaluation made by the Host Community when reviewing applicants for approval.
- Create a clearly defined HCA approval process that includes the criteria decision makers will consider when choosing successful applications.
- Determine how equity will be included in this evaluation process.
- Consider eliminating or reducing the weight of prior participation in the regulated cannabis market when scoring applications, which can discourage equity applicants or smaller entrepreneurs.

Two Host Communities that currently provide positive examples are Newton and Somerville. While all Host Communities may not have the same resources as these larger communities, their websites provide many examples of policies and procedures that promote transparency, objectivity, and inclusion of equity that communities might consider adopting.

Newton includes equity as one criterion when considering HCA applications. They provide clear details into the special permit process. The zoning map includes an overlay of allowed areas for applicants to assess; and incorporates special limitations the community has adopted (e.g., requiring half mile separation between siting of individual licensees). It includes relevant contact information, and the HCA application is accessible online. Newton publicizes HCA decisions including how reviewers weighed the applicant against the stated criteria.

- <https://www.newtonma.gov/government/planning/development-review/high-interest-projects/marijuana-uses>

Somerville not only includes equity in its scoring process, but has created a numerical grade for each criterion, and lists all relevant application fees. These scores and a written description offer even greater transparency, making it easier for all applicants and the community to see how decisions are made and further promote confidence that equity applicants enjoy a fair opportunity to compete.

- <https://www.somervillema.gov/departments/programs/adult-use-marijuana-establishments>

Here are some links to helpful resources available through the Commission website:

- [Guidance for Host Communities on Equity and Host Community Agreements](#)
- [Guidance on Equity Programs](#)
- [Frequently Asked Questions about the Social Equity Program](#)
- [Equity Webpage](#)
- [State and Local Government Webpage](#)
- [Host Community Agreements Webpage](#)
- [Municipal Equity Webpage](#)

If you have any questions on this memorandum, please contact the Commission at Commission@cccmass.com.