

Cannabis Licensing

Overview of Potential Upcoming Changes

Ronald B. Hogan

Chief Strategy Officer

April 26, 2022

Malden Cannabis History

Malden Cannabis Ordinance passed March 2019

Round 1

- ▶ Advertising for applications was done on 4/1/2019; closed May 20, 2019
- ▶ 8 applications received by Cannabis Commission (for eleven licenses)
- ▶ First interview held June 2019; All interviews publicly held
- ▶ Sept. 2019 first approval granted; by November of 2019 4 applications approved to proceed for Special Permit application (Max possible)
 - ▶ 2 subsequently withdrew applications
 - ▶ 2 approved by state and working toward opening

Round 2

- ▶ Advertising for applications was done on 01/11/2021
- ▶ 5 applications received (two were reapplications)
- ▶ Two applications approved to proceed for Special Permit application by 04/15/21

What's the Gripe?

Statewide- Two Areas of Ongoing Concern

- Host Community Agreements that overreach
- Deep pockets required to have a seat at the table
- Lack of participation by disadvantaged groups

Payments for marijuana licenses appear to skirt state law

By Dan Adams Globe Staff, August 22, 2018, 6:50 p.m.



Local rule is undermining Massachusetts' attempt to create equity in the cannabis industry

Two years into legalization, not one equity candidate has opened a dispensary.



Because It's Been a Long Night



Senate Bill S2601

★ BILL S.2801
192nd (Current)

AN ACT RELATIVE TO EQUITY IN THE CANNABIS
INDUSTRY

**Passed by Massachusetts Senate on April 7th, 2022 with
strong support**

- ▶ **Provides incentives for communities to license Social Equity applicants**
 - ▶ 1% of sales tax distributed to communities with Social Equity (SE) licensees
 - ▶ Distributed pro rata based upon sales; more SE licenses = Bigger piece of the pie
- ▶ **Alters significantly the approach to HCA and community impact fees**
 - ▶ “Look Back” at actual costs to determine community impact fee
 - ▶ CCC approval of agreement required unless mutual consent of waiver
- ▶ **Establishes A Social Equity Trust Fund**
 - ▶ Grants, no interest and forgivable loans to Social Equity applicants
 - ▶ Funded with 10% of funds received by MA in Marijuana Regulation Fund
- ▶ **Establishes approval process for on premise consumption**
 - ▶ Voter ballot if petition submitted signed by 10% of voters (prior state election) OR
 - ▶ Adopted by local ordinance

Malden Considerations

Changes That Will be Required

- Updates to ordinance requirements for Host Community Agreements to comport with amended law.

Changes That Should be Discussed

- Changes to increase participation from Social Equity applicants
 - Things to consider include primary use requirement, zoning, restricting one additional license to Social Equity only, etc.
- Approach and ordinances regarding on site consumption.

Some change is coming, exact details to be determined. If we've issued five licenses by then, we will have lost our opportunity to have these changes impact Malden in a positive way.