

MARIJUANA HANDLERS[™] – Massachusetts Act The Regulation and Taxation of Marijuana Act – MHC/104/MA

Learn identification requirements, various types, methods of use and how to identify for authenticity.

MARIJUANA HANDLERS[™] - Lesson Outline

- 935 CMR: CANNABIS CONTROL COMMISSION ADULT USE OF MARIJUANA
- $\circ\,$ Lesson Key Points
- Lesson Quiz

MARIJUANA HANDLERS[™] - Lesson Goals

- Student should acquire a working knowledge of Massachusetts Marijuana Regulations.
- <u>Student should acquire a working knowledge of Massachusetts Marijuana Industry</u> <u>employment requirements.</u>

935 CMR: CANNABIS CONTROL COMMISSION – ADULT USE OF MARIJUAN

935cmr500

MARIJUANA HANDLERS[™] – Key Points

Local and state licensing and enforcement

(1) Marijuana Establishments and marijuana establishment agents shall comply with all local rules, regulations, ordinances, and bylaws.

(2) Nothing in 935 CMR 500.000 shall be construed so as to prohibit lawful local oversight and regulation, including fee requirements, that does not conflict or interfere with the operation of 935 CMR 500.000



Incident and notification requirements

A <u>Marijuana</u> Establishment shall notify appropriate law enforcement authorities and the Commission of any breach of security immediately and, in no instance, more than 24 hours following discovery of the breach with a written incident report to be <u>submitted within 10</u> <u>calendar days</u>, and that record of the incident must be <u>maintained for 1 year or the length of the</u> <u>investigation</u>. <u>Notification shall occur</u>, but not be limited to, during the <u>following</u> occasions:

- 1. discovery of <u>discrepancies</u> identified during inventory;
- 2. diversion, theft or loss of any marijuana product;
- 3. <u>any criminal action</u> involving or occurring on or in the Marijuana Establishment premises;

4. <u>any suspicious act</u> involving the sale, cultivation, distribution, processing or production of marijuana by any person;

- 5. <u>unauthorized destruction</u> of <u>marijuana;</u>
- 6. any loss or unauthorized <u>alteration</u> of <u>records</u> related to marijuana;

7. an <u>alarm activation</u> or other event that <u>requires response</u> by public safety personnel or security personnel privately engaged by the Marijuana Establishment;

8. the <u>failure</u> of any <u>security alarm</u> system <u>due to</u> a loss of <u>electrical</u> power or <u>mechanical</u> malfunction that is expected to last <u>more than eight hours</u>; or

9. any other <u>breach</u> of <u>security.</u>

• Administrative and criminal liability

A policy for the <u>immediate dismissal</u> of <u>any</u> marijuana establishment <u>agent who</u> has:

1. <u>Diverted marijuana</u>, which shall be reported to law enforcement officials and to the Commission;



2. <u>Engaged</u> in <u>unsafe practices</u> with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or

3. Been <u>convicted</u> or <u>entered</u> a <u>guilty plea</u>, plea of nolo contendere, <u>or admission to</u> sufficient facts <u>of a felony drug offense involving</u> distribution to a <u>minor</u> in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.

A Marijuana Establishment shall obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, except as provided in 935 CMR 500.105(10)(b) or otherwise approved by the Commission. The deductible for each policy shall be no higher than \$5,000 per occurrence.

4. <u>Those who engage</u> in the manufacture, distribution, dispensation, cultivation or possession of marijuana with the intent to manufacture, distribute, dispense, or cultivate <u>beyond the bounds of</u> <u>the protections</u> conferred....may <u>subject</u> themselves to state or federal law enforcement action and, if convicted, <u>imprisonment or fines</u>.

License sanctions

(1) The <u>Commission may issue</u> an order to a licensee to show cause as to why a fine or other <u>financial penalty against a licensee should not be imposed for any acts or omissions determined</u> to be in <u>violation</u> of any provision <u>of the state marijuana laws</u>, including 950 CMR 500.000.

- (a) Each such order:
- 1. shall be in writing;

2. shall <u>describe</u> with particularity the nature of the <u>violation</u>, including a reference to the law or regulation determined to have been violated;

3. <u>may contain</u> an assessment of an administrative <u>fine</u> of <u>up to \$25,000</u>, or an order of abatement fixing a reasonable time for abatement of the violation or both;

4. shall be <u>served personally or by certified mail</u>; and



5. shall inform the <u>licensee</u> or person that he or she <u>may request a hearing</u> in accordance with 935.500(d).

(b) Failure to pay a fine within <u>30 calendar days</u> of the date of the <u>assessment</u>, unless the order is appealed pursuant to 935 CMR 500.500, <u>may result in further action</u> being taken by the Commission.

The <u>Commission</u>, in determining the amount of sanctions to impose <u>may consider</u> mitigating circumstances including, but not limited to:

- 1. the licensee's good faith efforts to avoid a violation;
- 2. the licensee's <u>cooperation</u> in the investigation;
- 3. the licensee's <u>willingness</u> to <u>accept responsibility</u>;

4. the licensee's status as current or past leader pursuant to the Leadership Ratings Program under 935 CMR 500.040; and

5. the licensee's <u>compliance with the training requirements</u> pursuant to 935 CMR 500.105(2)(B).

500.302: Complaints Process

(1) A <u>dedicated telephone number</u>, <u>email address</u> or <u>other means</u> shall be <u>provided</u> <u>for</u> members of the <u>public</u> or consumers <u>to notify the Commission of complaints</u> regarding Marijuana Establishments or marijuana establishment agents.

(2) The <u>Commission may</u>, at its discretion, investigate or <u>decline</u> to <u>investigate</u> any <u>complaint or</u> <u>refer</u> a complaint <u>to</u> another <u>law enforcement or regulatory authority</u>.

500.310: Deficiency Statements

After an inspection in which a violation is observed the Commission shall issue a deficiency statement.



500.320: Plans of Correction

(1) A <u>Marijuana Establishment shall submit</u> to the Commission a <u>written plan of correction</u> for any violations cited <u>within 10 business days</u>.

(2) Every <u>plan shall state</u>, with respect to each deficiency, the <u>specific corrective step</u>.

(3) The <u>Commission shall review</u> the <u>plan</u> of correction and shall <u>notify</u> the <u>Marijuana</u> <u>Establishment</u> of either the <u>acceptance or rejection</u> of the plan.

(4) An <u>unacceptable</u> plan must be <u>amended</u> <u>and</u> <u>resubmitted within 5 business days</u> after receipt of such notice.

500.330: Marijuana Establishments: Limitation of Sales

(1) If the <u>Commission</u> determines that a Marijuana Establishment <u>does not</u> substantially <u>comply</u> the Commission <u>may order</u> that the Marijuana <u>Establishment</u> shall <u>not sell marijuana</u>, after a date specified.

(2) The <u>Commission shall not make</u> such a <u>determination until</u> a Marijuana <u>Establishment</u> has <u>been notified</u> that the establishment does not substantially comply with applicable provisions.

(3) An order that a Marijuana Establishment shall not sell marijuana may be rescinded when the Commission finds that the establishment is in compliance.

500.340: Summary Cease and Desist Order and Quarantine Order

(1) A summary cease and desist order or quarantine order may be imposed by the Commission prior to a hearing in order to immediately <u>stop or restrict operations</u> by a Marijuana Establishment to protect the public health, safety, or welfare.

(2) <u>On receipt</u> of notice of the order, the licensee and its associated agents <u>will immediately</u> <u>comply</u> with the requirements of the order.

(3) If a hearing is requested in writing within 14 calendar days after the effective date stated in the order, a licensee shall be afforded a hearing.

(4) If, after further investigation, the Commission determines that there are grounds to suspend or revoke a Marijuana Establishment's license, it may also issue an order to show cause why the license should not be suspended or revoked or take any other administrative action it deems necessary to protect the public health, safety, or welfare.



(5) The requirements of the <u>cease</u> and <u>desist</u> or quarantine <u>order</u> shall <u>remain in effect</u> until the Commission rescinds or amends the order <u>until</u> there is a <u>final decision</u> on the merits of a Commission order to show cause.

500.450: <u>Marijuana Establishment License</u>: Grounds for Denial of Renewal Applications, <u>Suspension and Revocation</u>

(1) The <u>Marijuana Establishment</u> is <u>not operational within the time projected</u> in the license application or the time otherwise approved by the Commission.

(2) <u>Information provided</u> by the Marijuana Establishment was <u>materially inaccurate, incomplete,</u> or <u>fraudulent.</u>

(3) The Marijuana Establishment has <u>failed to comply</u> with any <u>requirement</u> or any <u>applicable law</u> or <u>regulation</u>, including laws and regulations of the Commonwealth <u>relating</u> to <u>taxes</u>, <u>child</u> <u>support</u>, <u>workers'</u> <u>compensation</u>, and professional and commercial <u>insurance coverage</u>.

(4) The Marijuana Establishment has failed to submit a plan of correction.

(5) The Marijuana Establishment has assigned or <u>attempted</u> to <u>assign</u> its <u>license</u> to another entity <u>without prior approval.</u>

(6) There has been a lack of responsible operation of the Marijuana Establishment:

(a) <u>failure</u> to <u>maintain</u> the Marijuana <u>Establishment</u> in a <u>clean</u>, <u>orderly</u>, and sanitary <u>fashion</u>;

(b) <u>permitting</u> a marijuana establishment <u>agent to use a registration card belonging to a different</u> <u>person;</u>

(c) <u>repeated sales</u> of marijuana products to <u>individuals younger than 21 years old</u>, unless in each instance, the marijuana establishment agent reasonably relied upon validly issued government identification;

(d) repeated failure to verify the age of an individual prior to permitting that individual on the premises of a Marijuana Establishment or making sales of marijuana products to that individual;
(e) other incompetent or negligent operation.

(7) The financial management of the Marijuana Establishment has resulted in the <u>filing</u> of a petition for <u>bankruptcy</u> or <u>receivership</u>.

(8) An <u>executive</u> or <u>member</u> of a Marijuana Establishment has <u>maintained</u> a <u>substandard</u> level of <u>compliance</u> with the <u>statutory</u> and <u>regulatory requirements</u> for the <u>operation</u> of a Marijuana <u>Establishment in another jurisdiction</u>.

(9) A marijuana establishment agent has a history of criminal conduct.

(10) An <u>executive</u> or <u>member</u> of a Marijuana Establishment has <u>committed</u>, <u>permitted</u>, <u>aided</u>, or <u>abetted</u> any <u>illegal practices in</u> the <u>operation</u> <u>of</u> any Marijuana <u>Establishment</u>.

(11) The Marijuana Establishment has <u>failed to cooperate</u> or give information <u>to</u> a <u>law</u> <u>enforcement official acting within</u> his or her <u>lawful jurisdiction</u> related <u>to</u> any <u>matter</u> arising out of conduct <u>at</u> any Marijuana <u>Establishment</u>.

(12) The <u>conduct</u> or <u>practices</u> of the Marijuana Establishment have been <u>detrimental to</u> the



safety, health, or welfare the public.

(13) The <u>conduct</u> or <u>practices</u> of the Marijuana Establishment <u>demonstrate a lack of suitability</u>.

(14) Any other ground that serves the purposes of (Commission).

• Waste disposal

(a) All recyclables and waste, including organic waste composed of or containing finished marijuana and marijuana products, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.

(b) Liquid waste containing marijuana or by-products of marijuana processing shall be disposed of in compliance with all applicable state and federal requirements.

Solid waste containing cannabis waste generated at a marijuana establishment may be ground up and mixed with solid wastes such that the resulting mixture renders the cannabis unusable for its original purposes. Once such cannabis waste has been rendered unusable, it may be brought to a solid waste transfer facility or a solid waste disposal facility (e.g., landfill or incinerator) that holds a valid permit issued by the Department of Environmental Protection or by the appropriate state agency in the state in which the facility is located.

No fewer than two Marijuana Establishment Agents must witness and document how the marijuana waste is disposed or otherwise handled

• Health and safety standards

A Marijuana Establishment authorized to process marijuana shall do so in a safe and sanitary manner;

A <u>Marijuana Establishment</u> shall <u>process</u> the leaves and flowers of the female marijuana plant only, which shall be:

- <u>Well cured</u> and generally free of seeds and stems;
- <u>Free</u> of <u>dirt</u>, sand, debris, and other foreign matter;
- Free of contamination by mold, rot, other fungus, and bacterial diseases;
- <u>Prepared</u> and handled on <u>food-grade</u> stainless <u>steel tables</u>; and
- <u>Packaged</u> in a <u>secure area</u>.



Any Marijuana Establishment Agent whose job includes contact with marijuana or non-edible marijuana products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements;

Any Marijuana Establishment Agent working in direct contact with preparation of marijuana or non-edible marijuana products <u>shall conform to sanitary practices while on duty</u>, including: maintaining adequate <u>personal cleanliness</u>, <u>washing hands thoroughly</u> in an adequate hand-washing area before starting work and at any other time when hands may have become soiled or contaminated;

Hand-washing facilities shall be adequate and convenient and shall be furnished with running water at a suitable temperature;

Hand-washing facilities shall be located in the Marijuana Establishment in production areas and where good sanitary practices require employees to wash and sanitize their hands, and shall provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;

There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;

Litter and waste shall be properly removed, disposed of so as to minimize the development of odor, and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12);

Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately <u>kept clean</u> and in good repair;

There shall be <u>adequate safety lighting</u> in all processing and storage areas, as well as areas where equipment or utensils are cleaned;

Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition;

All contact surfaces, including utensils and equipment, shall be maintained in a clean and <u>sanitary condition</u>. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a <u>sanitizing agent registered by the U.S. Environmental</u> <u>Protection Agency (EPA)</u>, in accordance with labeled instructions. Equipment and utensils shall



be so designed and of such material and workmanship as to be adequately cleanable;<u>All toxic</u> items shall be identified, held, and stored in a manner that protects against contamination of marijuana products;

<u>A Marijuana Establishment's water supply shall be sufficient for necessary operations</u>. Any private water source shall be capable of providing a safe, potable, and adequate supply of water to meet the Marijuana Establishment's needs;

Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Marijuana Establishment. Plumbing shall properly convey sewage and liquid disposable waste from the Marijuana Establishment. There shall be no cross-connections between the potable and wastewater lines;

A Marijuana Establishment shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;

<u>Products</u> that can support the <u>rapid growth of undesirable microorganisms shall be held in a</u> <u>manner that prevents the growth</u> of these microorganisms;

Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers;

All vehicles and transportation equipment used in the transportation of marijuana products or edibles requiring temperature control for safety <u>must be designed</u>, <u>maintained</u>, <u>and equipped as</u> necessary to provide adequate temperature control to prevent the marijuana products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c);

All Marijuana Establishments, including those that develop or process edible marijuana products, shall comply with sanitary requirements. All edible products shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: Minimum Sanitation Standards for Food Establishment;

All edible marijuana products shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food, and with the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements; and



Any marijuana product that is made to resemble a typical food or beverage product must be packaged and labelled as required by 935 CMR 500.105(5) and 500.105(6).

• Patrons prohibited from bringing marijuana onto licensed premises

1) In addition to the general operational requirements for Marijuana Establishments required under 935 CMR 500.105, Marijuana Cultivators shall comply with additional operational requirements required under 935 CMR 500.120 and

*Maintain an alcohol, smoke, and drug-free workplace policies

(2) A Marijuana Cultivator may cultivate its own marijuana or acquire marijuana from other Marijuana Establishments for the purposes of propagation.

(3) Only a licensed Marijuana Cultivator or Micro business is permitted to cultivate marijuana for adult use for sale to Marijuana Establishments.

A retailer cannot deliver marijuana products to consumers or allow on-site social consumption by consumers on the premises of the Marijuana Establishment

Unless a license expressly permits such conduct, patrons may not bring marijuana onto a licensed premises:

Example: medical patients are permitted to bring unused, excess, or contaminated products to the registered marijuana dispensary where they purchased the product for disposal (935 CMR 501.105(12): Patient Education).

• Permitted hours of sale

A description of the Marijuana Establishment's hours of operation and after-hours contact information, which shall be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000.



• Conduct of establishment

The Marijuana Establishment shall conduct all activities authorized by 935 CMR 500.000 at the address(es) identified on the final license issued by the Commission.

Every Marijuana Establishment shall have and follow a set of detailed written operating procedures.

LICENSE TYPES

<u>Marijuana Cultivator</u>: <u>may</u> cultivate, process, and package marijuana, to transport marijuana to Marijuana Establishments and to <u>transfer marijuana to other Marijuana Establishments</u>, <u>but not</u> <u>to consumers</u>. A Marijuana Cultivator may not exceed the canopy allowed by its tier until expansion is approved by the Commission;

<u>Craft Cooperative</u>: <u>may</u> cultivate, obtain, manufacture, process, package, and brand marijuana products to <u>deliver marijuana to Marijuana Establishments</u>, <u>but not to consumers</u>. It may only hold one license but may have unlimited cultivation locations while staying within its tier limits. It may have 3 locations for product manufacturing;

Marijuana Product Manufacturer: <u>may</u> obtain, manufacture, process, and package marijuana products, to <u>transport marijuana products to Marijuana Establishments and to transfer marijuana</u> <u>products to other Marijuana Establishments, but not to consumers</u>;

Marijuana Retailer: may purchase and transport marijuana products from Marijuana Establishments and to <u>transport</u>, <u>sell</u>, <u>or otherwise transfer marijuana products to Marijuana</u> Establishments and to consumers. A retailer cannot deliver marijuana products to consumers or allow on-site social consumption by consumers on the premises of the Marijuana Establishment;

Marijuana Research Facility: may cultivate, purchase, or otherwise <u>acquire marijuana for the</u> <u>purpose of conducting research regarding marijuana products.</u> Any research involving humans must be authorized by an Institutional Review Board (IRB). <u>A research facility may not sell</u> <u>marijuana cultivated under its research license.</u> All research regarding marijuana must be <u>conducted by individuals 21 years of age or older;</u>

Independent Testing Laboratory: must be accredited as required under 935 CMR 500; no executive or member of a Marijuana Establishment may have any financial or other interest in an



Independent Testing Laboratory providing testing services for any Marijuana Establishment; <u>no</u> <u>individual employee of a laboratory providing testing services for Marijuana Establishments may</u> <u>receive direct or indirect financial compensation from any Marijuana Establishment;</u>

Standards Laboratory: must meet requirements of Independent Testing Laboratories, but an Independent Testing Laboratory may not serve as a Standards Laboratory; may test samples upon request by Commission in a manner determined by the Commission so as not to reveal to the laboratory the source of the marijuana products;

Third-Party Transporter: an entity registered to do business in Massachusetts that does not hold another Marijuana Establishment license pursuant to 935 CMR 500.050 and is <u>not registered as a</u> Medical Marijuana Treatment Center (MTC) that <u>may transport marijuana</u>, marijuana products, and money on behalf of a Marijuana Establishment; <u>may warehouse</u> marijuana and marijuana products as determined by the Commission;

Existing Licensee Transporter: a Marijuana Establishment that wishes to contract with other Marijuana Establishments to transport their marijuana, marijuana products, and money to other Marijuana Establishments; may

warehouse marijuana and marijuana products as determined by the Commission; and

Microbusiness: a Tier 1 Marijuana Cultivator or Product Manufacturer or both; may purchase no more than 2,000 pounds of marijuana per year from other Marijuana Establishments; <u>may not have an ownership stake in any other Marijuana Establishment</u>.

Prohibited Conduct:

The <u>Marijuana Establishment</u> has <u>failed</u> to <u>cooperate</u> or <u>give information to a law enforcement</u> official <u>acting within</u> his or her <u>lawful jurisdiction</u> <u>related</u> to any matter arising out of <u>conduct</u> at any Marijuana Establishment.

The <u>conduct</u> or <u>practices</u> of the Marijuana Establishment have been <u>detrimental to the safety</u>, health, or welfare the public.

The conduct or practices of the Marijuana Establishment demonstrate a lack of suitability as specified in 935 CMR 500.800 and 500.801.



• Permitting inspections by state and local licensing and enforcement authorities

(1) The Commission or its agents may inspect a Marijuana Establishment and affiliated vehicles at any time without prior notice in order to determine the Marijuana Establishment's compliance with St. 2016, c. 334, as amended by St. 2017, c. 55 and 935 CMR 500.000.

All areas of a Marijuana Establishment, all marijuana establishment agents and activities, and all records are subject to such inspection. Acceptance of a license by a Marijuana Establishment constitutes consent for such inspection.

(2) <u>A Marijuana Establishment shall immediately upon request make available to the Commission</u> <u>all information that may be relevant to a Commission inspection</u>, or an investigation of any incident or complaint.

(3) <u>A Marijuana Establishment shall make all reasonable efforts to facilitate the Commission's inspection, or investigation</u> of any incident or complaint, including the taking of samples, photographs, video or other recordings by the Commission or its agents, and to facilitate the Commission's interviews of marijuana establishment agents.

• Licensee responsibilities for activities occurring within licensed premises

A Marijuana Establishment shall implement sufficient safety measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana at the Marijuana Establishment. Security measures taken by the licensee to protect the premises, employees, consumers and general public shall include, but not be limited to, the following:

Adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication permitted by these regulations and its enabling statute are allowed to remain on the premises.

Storing all finished marijuana products in a secure, locked safe or vault in such a manner as to prevent diversion, theft and loss.

Licensees must adhere to limits on their licenses (i.e., no consumption on-site unless authorized).



Licensees have the same legal responsibilities toward employees, contractors, and visitors as any other business.

Maintenance of records

Records of a Marijuana Establishment must be available for inspection by the Commission, upon request. The records of a Marijuana Establishment shall be maintained in accordance with generally accepted accounting principles. Written records that are required and are subject to inspection include, but are not necessarily limited to, all records required in any section of 935 CMR 500.000, in addition to the following:

(a) <u>Written operating procedures</u> as required by 935 CMR 500.105(1);

(b) Inventory records as required by 935 CMR 500.105(8);

(c) <u>Seed-to-sale tracking records</u> for all marijuana products as required by 935 CMR 500.105(8)(e);

(d) The following personnel records:

1. Job descriptions for each employee and volunteer position, as well as <u>organizational charts</u> consistent with the job descriptions;

2. A <u>personnel record</u> for <u>each</u> marijuana establishment <u>agent</u>. Such records shall be <u>maintained</u> for at <u>least 12 months after termination</u> of the individual's affiliation with the Marijuana Establishment.

A <u>staffing plan</u> that will <u>demonstrate accessible business hours</u> and <u>safe</u> cultivation <u>conditions</u>;

Personnel policies and procedures;

All background check reports obtained in accordance with 935 CMR 500.030

<u>Business records</u>, which shall include <u>manual</u> or <u>computerized records</u> of: <u>assets</u> and <u>liabilities</u>; monetary <u>transactions</u>; books of <u>accounts</u>, which shall include <u>journals</u>, <u>ledgers</u>, <u>supporting</u> <u>documents</u>, agreements, checks, invoices, and vouchers; sales records including the quantity, form, and <u>cost</u> of marijuana <u>products</u>; and <u>salary</u> and <u>wages paid</u> to each employee, stipend paid



to each board member, and any <u>executive compensation</u>, <u>bonus</u>, <u>benefit</u>, <u>or item of value paid</u> to <u>any individual affiliated</u> with a Marijuana Establishment, <u>including</u> members of the <u>nonprofit</u> corporation, if any;

All records must be kept for at least 2 years after closure at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission.

Privacy issues

Every <u>Marijuana Establishment</u> shall have and follow a set of <u>detailed written operating</u> <u>procedures.</u>

Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters

If the Marijuana Establishment has a second location, it shall develop and follow a set of such operating procedures for that facility.

Operating procedures shall include, but need not be limited to the following plan describing how confidential information will be maintained.

Prohibited purchases and practices

The following advertising, marketing, and branding activities are prohibited:

1. advertising, marketing, and branding in such a manner that is deemed to be <u>deceptive</u>, <u>false</u>, <u>misleading</u>, or <u>untrue</u>, or tends to <u>deceive</u> or create a <u>misleading impression</u>, whether directly, <u>or</u> by ambiguity or <u>omission</u>;

2. <u>advertising</u>, <u>marketing</u> and <u>branding</u> by <u>means</u> <u>of</u> <u>television</u>, <u>radio</u>, <u>internet</u>, <u>mobile</u> <u>applications</u>, <u>social media</u>, or <u>other electronic communication</u>, <u>billboard</u> or other <u>outdoor</u> <u>advertising</u>, or <u>print publication</u>, <u>unless at least 85%</u> of the <u>audience</u> is reasonably expected to be



21 years of age or older as determined by reliable and current audience composition data;

3. <u>advertising, marketing, and branding</u> that utilizes statements, <u>designs,</u> representations, pictures or illustrations that <u>portray anyone younger than 21 years old</u>;

4. advertising, marketing, and branding including, but not limited to, mascots, cartoons, brand sponsorships and celebrity endorsements, that is deemed to appeal to a person younger than 21 years old;

5. <u>advertising</u>, <u>marketing</u>, and <u>branding</u>, <u>including statements</u> by a licensee, that makes any <u>false</u> or <u>misleading statements</u> <u>concerning other licensees</u> and the conduct and products of such other licensees;

6. <u>advertising</u>, <u>marketing</u>, and <u>branding</u> through certain identified promotional <u>items as</u> determined by the Commission including, but not limited to, <u>gifts</u>, <u>giveaways</u>, <u>coupons</u>, or "<u>free</u>" or "<u>donated</u>" <u>marijuana</u>;

7. <u>advertising</u>, <u>marketing</u>, and <u>branding</u> by a licensee that asserts <u>that</u> its <u>products are safe</u>, or represent that its products <u>have curative</u> or <u>therapeutic effects</u>, other than labeling required pursuant to M.G.L. c. 94G, § $4(a^{1}/_{2})(xxvi)$, <u>unless supported</u> by substantial evidence or substantial <u>clinical data</u> with reasonable scientific rigor as <u>determined by the Commission</u>;

8. <u>installation</u> of any <u>neon signage</u> or any illuminated external signage which <u>fails to comply</u> with all local ordinances and requirements;

9. <u>installation</u> of any <u>external signage</u> that is <u>illuminated beyond</u> the period of <u>30 minutes before</u> <u>sundown until closing</u>; <u>10</u>. the use of <u>vehicles equipped with radio or loud speakers</u> for the <u>advertising of marijuana</u>;

11. the <u>use of radio</u> or <u>loud speaker equipment</u> in any Marijuana Establishment <u>for</u> the <u>purpose of</u> <u>attracting attention</u> to the <u>sale</u> of <u>marijuana;</u>

12. <u>advertising</u>, <u>marketing</u>, and <u>branding at</u>, or in <u>connection</u> with, a <u>charitable</u>, <u>sporting</u> or <u>similar event</u>, unless at least <u>85% of the audience is reasonably expected to be 21 years of age</u> or older, as determined by reliable, current audience composition data;

13. <u>operation of any website</u> of a Marijuana Establishment that <u>fails</u> to <u>verify</u> that the <u>entrant</u> is <u>21 years of age</u> or older;



14. use of unsolicited pop-up advertisements on the internet;

15. <mark>any advertising, marketing, and branding materials for marijuana products that fails</mark> to <u>contain the standard health warning</u> developed by the DPH;

16. any <u>advertising</u> of an improper or objectionable nature including, but not limited to, the use of recipe books or <u>pamphlets</u> for marijuana products which <u>contain obscene</u> or <u>suggestive</u> <u>statements;</u>

17. advertising, marketing or branding of marijuana products, on clothing, cups, drink holders, apparel accessories, electronic equipment or accessories, sporting equipment, novelty items and similar portable promotional items;

18. advertising, marketing or branding on or in public or private vehicles and at bus stops, taxi stands, transportation waiting areas, train stations, airports, or other similar transportation venues including, but not limited to, vinyl-wrapped vehicles or signs or logos on transportation vehicles or company cars;

19. <u>signs or other printed matter advertising any brand or kind of marijuana product that are</u> <u>displayed on the exterior or interior of any licensed premises wherein marijuana products are not</u> <u>regularly and usually kept for sale</u>;

20. advertising or marketing of the price of marijuana products, except that the Marijuana Establishment shall provide a catalogue or a printed list of the prices and strains of marijuana available at the Marijuana Establishment to consumers and may post the same catalogue or printed list on its website and in the retail store; and

21. <u>display of marijuana products</u> so as to be <u>clearly visible to a person from the exterior of</u> a Marijuana <u>Establishment</u>

• Safe delivery practices and

All <u>vehicles transporting</u> marijuana products <u>shall be staffed</u> with a <u>minimum of two marijuana</u> <u>establishment agents</u>. <u>At least one agent</u> shall <u>remain with the vehicle at all times</u> that the vehicle contains marijuana or marijuana products.

Marijuana Transporters shall use best management practices to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts.



1. <u>Marijuana establishment agents must document</u> and <u>report</u> any unusual <u>discrepancy</u> in <u>weight</u> or inventory to the Commission and law enforcement authorities not more than <u>24 hours</u> of the <u>discovery</u> of such a discrepancy.

2. Marijuana establishment <u>agents</u> <u>shall report</u> to the <u>Commission</u> and <u>law enforcement</u> authorities any <u>vehicle accidents</u>, diversions, <u>losses</u>, or <u>other reportable incidents</u> that occur during transport, <u>not more than 24 hours</u> of such accidents, diversions, losses, or other reportable incidents.

Identification of risky situations;

Strategies for de-escalating potentially dangerous robbery:

What to do and what not to do when confronted by someone who is armed:

Do: Comply with request.

Don't: Confront, Antagonize or Run.

1) Information agents should be prepared to relay to law enforcement to assist in an investigation.

2) There may be a process that is different than a traditional identification check. Delivery agent would need to have/obtain the pre-certified information and check against it.

3) Monitor for indications of impairment and withhold product delivery if necessary.

4) Notify consumers at the point of delivery that they are being recorded.

Cultural competency

A <u>Marijuana Retailer</u> shall make <u>available educational materials</u> about marijuana products to <u>consumers.</u>

A <mark>retailer must have an <u>adequate</u> supply of current educational material</mark> available for distribution.



<u>Cultural competency practices</u>

Educational materials must be available in commonly spoken languages designated by the Commission, which will include, but not be limited to appropriate materials for the visually- and hearing-impaired.

Such materials shall be made available for inspection by the Commission upon request. The Commission will establish fines or other civil penalties for a Marijuana Establishment's failure to provide these materials.

The <u>educational material must include</u> at least the following:

(a) A warning that marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;

(b) A warning that when under the influence of marijuana, driving is prohibited by M.G.L. c. 90, § 24, and machinery should not be operated;

(c) <u>Information</u> to <u>assist</u> in the <u>selection</u> of <u>marijuana</u>, <u>describing</u> the potential <u>differing</u> <u>effects</u> of <u>various strains</u> of marijuana, as well as various <u>forms</u> and <u>routes</u> of <u>administration</u>;

(d) <u>Materials</u> <u>offered</u> to consumers to enable them to track the strains used and their associated <u>effects;</u>

(e) Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency must also be explained;

(f) A <u>discussion</u> of <u>tolerance</u>, <u>dependence</u>, and <u>withdrawal</u>;

(g) Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;

(h) A <u>statement</u> that <u>consumers may not sell marijuana</u> to any <u>other</u> individual;

(i) <u>Information regarding penalties</u> for possession or distribution of marijuana in <u>violation</u> of



Massachusetts law; and

(j) Any other information required by the Commission.