



BOSTON CITY COUNCIL

Committee on Government Operations
Michael F. Flaherty, Chair

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REPORT OF COMMITTEE CHAIR

November 20, 2019

Dear Councillors:

Docket #0315, an ordinance establishing equitable regulation of the cannabis industry in the City of Boston, was sponsored by Councilor Kim Janey and referred to the Committee on Government Operations on February 6, 2019. The Committee on Government Operations held a hearing on March 19, 2019 where public comment was taken. The Committee also held a working session on June 4, 2019.

Docket #0315 is an ordinance that would create the Cannabis Board and the Boston Equity Program. The proposal establishes qualifying criteria for equity applicants, outlines application requirements for cannabis establishment applicants, and establishes criteria for licensing. At the hearing, the Committee discussed the need for equity, transparency, accountability, and certainty. The Committee discussed the establishment of an independent board as provided in the proposal, having community involvement, the current application process, and community host agreements. The Committee discussed the role of the Office of Neighborhood Services, community meetings, forums, and open houses. The Committee emphasized the importance of predictability and local control. The Committee discussed criteria used to determine equity applicants. The Committee discussed the establishment of the Cannabis Board as outlined in the proposal, the implementation of funding programs, and having every other license as an economic empowerment license. The Committee discussed the non-opposition letter and its inapplicability to the recreational use marijuana industry. The Committee asked about standardized benefits for community host agreements and enforcement. The Committee also indicated support for City Council involvement.

Chief John Barros, Economic Development and Jerome Smith, Director of Neighborhood Services attended on behalf of the Administration and offered testimony that described the Administration's objectives and reviewed the current application process and procedures. Administration officials explained that the current process is through the zoning board of appeals. Administration officials discussed having a regulatory system that promotes upward mobility as well as creating new programs to support an inclusive and diverse industry. Mr. Smith explained that the Office of Neighborhood Services is still involved with the Office of Emerging Industries. Mr. Smith also indicated that there is some standardization with the host community agreements.

The Committee heard testimony from a panel consisting of industry representatives. This panel offered suggestions regarding equity programs and local action that included having a preferred

vendor list; exempting certified equity applicants from buffer zone requirements; implementing a local program for equity; providing technical assistance; and, business loans. Business representatives discussed the difficulties that they encounter when entering into the marijuana industry. The difficulties and barriers to entry include finding a location, getting a bank account, and funding opportunities. Industry representatives explained that finding a location is difficult because some landlords do not want to rent to marijuana businesses. The business panel suggested that the city and state create opportunities for businesses and provide incentives to landlords who are willing to rent space for such businesses. The Committee heard testimony from the public which reflected comments in support for transparency in the process and support for equity and economic empowerment exemptions in the buffer zone areas. Public testimony also discussed taking equity into account when determining land use and overall support for equity programs.

The Committee also heard testimony from Attorney Michael Ross. Attorney Ross explained that there is a lack of diversity in the industry and offered recommendations to the proposal. Mr. Ross explained that the state's economic empowerment application period only lasted two weeks and stated that it is important for cities to step up and develop their own programs. Mr. Ross reviewed and compared the social equity programs in the proposed ordinance, the Somerville ordinance, and the state's program. Mr. Ross offered the following recommendations to the proposal: include areas of median income to the area of disproportionate impact; add the Asian population to the criteria; grandfather in the non-opposition letter by including language in the ordinance; fully comply with state law; expand definitions by including arrest as opposed to just convictions similar to San Francisco; expand criteria by including more people into the pool; and, consider exemption for social equity program within a buffer zone.

The Committee held a working session on June 4, 2019 to address issues that arose from the hearing and to discuss language changes. At the working session, the Committee discussed Community Host Agreements; recommendations for changes to the ordinance; the need to remove barriers for economic empowerment and equity applicants; and, adding a grandfather clause for businesses that received letters of non-opposition from the City Council. The Committee discussed the establishment of an equity program, a registry, and an independent board to oversee the process. Councilor Janey submitted suggested language changes to the originally filed docket and the Committee reviewed the proposed changes. The Committee discussed including a grandfather provision for the medical marijuana companies that came before the Council. The Committee discussed the importance of a fair and transparent process, the objectives of the City, the Community Host Agreement process and the City's role in its process as well as license application fees.

The following individuals from the Administration attended the working session and offered testimony: Jerome Smith, Chief of Civic Engagement and Neighborhood Services Director; and Alexis Tkachuk, Director of Emerging Industries. Mr. Smith indicated that the City is committed to a fair process that is transparent and understandable. Mr. Smith indicated that the City is committed to providing assistance to equity applicants. In order to achieve equity, the Administration will strive to have up to one-half of licenses for equity applicants. Mr. Smith indicated that the Administration supports providing diverse applicants with the ability to open downtown establishments. Ms. Tkachuk offered comments about the City's equity goals and the licensing process. Ms. Tkachuk stated that the initial applicant pool lacked diversity; however, the City conducted a deliberative approach to ensure that equity goals would be reached. Ms. Tkachuk explained that the six recreational retail marijuana Host Community Agreements in place consist of the following: three with minority ownership interests; two with minority

leadership; five with local owners/leaders; and, three with local small business owner landlords. Ms. Tkachuk also referenced the beneficial interest form that is signed under the pains and penalties of perjury. Mr. Smith also explained that state law mandates that the City execute community Host Agreements and that such agreements expire after five years and must be renewed.

The Administration suggested matching the definition section to the terms included in the state law. The Committee discussed the role of the City Council in appointing and confirming the Board. Mr. Smith suggested giving the Boston Licensing Board jurisdiction over the cannabis licensing as opposed to creating a new board. Mr. Smith reasoned that a new board would create another level of bureaucracy and that the Boston Licensing Board would be able to assume the licensing duties. Councilor Janey emphasized the importance of establishing an independent board consisting of individuals with areas of expertise. Councilor Janey also requested a commitment to funding in the City's budget for the equity fund.

Summary of Amendments

Based upon information gathered at the hearing and working session, changes to the definition section; the criteria for eligibility as an equity applicant; residency requirements; the composition and responsibilities of the Boston Cannabis Board; and, licensing requirements are recommended. Specifically, the following changes are recommended:

- Technical change in the sixth *Whereas* clause to spell out the words “Massachusetts General Laws” and the “Code of Massachusetts Regulations”;
- The inclusion of additional terms in the definitions section, 8-13.2, to reflect the terms used in state law. The new terms are as follows: “area of disproportionate impact;” “close associate;” “controlling person;” “investor;” “licensee;” “marijuana transporter”;
- The deletion of the term “marijuana delivery only retailer”;
- Section 8-13.3 subsection (2) is amended by adding the words “arrest or,” “between the years 1971-2016,” and “manufacturing, or cultivation,” in order to allow a person with a past arrest to qualify as an equity applicant in addition to a conviction for the possession, sale, manufacturing, or cultivation of marijuana between 1971-2016 or is the child of a person with a past arrest or conviction for the possession, sale, manufacturing, or cultivation of marijuana between 1971-2016; and deleting the term “trafficking” and the words “married to; this section is further amended by adding the words “who has been a resident of Boston for the past 5 years”;
- Section 8-13.3 subsection (3) is amended by increasing the residency requirement to seven years from five years;
- Section 8-13.3 subsection (4) is amended by adding Asian descent as a category so that subsection (4) now states: A person who is Black, African American, Hispanic, Latino or Asian descent”;
- Section 8-13.3 subsection (5) is amended by making the annual household income requirement at or below 100% of the area median income and deleting the words “400% of the federal poverty level;” this change recognizes the economic situation in Boston;
- Section 8-13.3 is amended by adding subsection (6) which establishes certification by the Cannabis Control Commission as an Economic Empowerment Applicant as one of the criteria to determine eligibility as an equity applicant in Boston and is further amended by adding “and is a resident of Boston for at least one of the last three years” after the word “Applicant”;

- Section 8-13.3 is further amended by adding a paragraph that requires the Office of Emerging Industries to establish a Boston Cannabis Equity Program to offer services to equity applicants which include technical assistance with business operations, technical assistance recruiting employees, guidance through the application process, technical assistance with legal compliance, accounting and tax preparedness assistance, best practices for operating in the marijuana industry, technical assistance with store security, and technical assistance identifying capital, vendors and raising funds. A new provision is added at the end of Section 8-13.3 that requires equity applicants and licensees to meet the conditions established under the ordinance for equity eligibility in order to be eligible for benefits under the Boston Cannabis Equity Program. This new paragraph gives the Office of Emerging Industries jurisdiction over the Boston Cannabis Equity Program. This is a change from the original docket which gave the responsibility to the Boston Cannabis Board; a new sentence is added as the last sentence that states: The City of Boston shall maintain an equal or greater number of equity applicant licensees to licensees who do not qualify as equity applicants”;
- Section 8-13.4 is amended by striking the original language in its entirety and replacing it with a new provision that requires the Mayor to establish the Cannabis Board and requires the Mayor to do so;
- Section 8-13.5 is amended by striking the original paragraph in its entirety and replacing it with the following sentence: “Any persons or entity seeking to operate any type of adult-use marijuana establishment shall require a local license issued by the City of Boston”;
- Section 8-13.6, Application Requirements, is amended to require that applicants submit the names of controlling persons and close associates in addition to business owners and investors and language providing clarification that the mailing address of the property owner be included;
- Section 8-13.7 relates to Community Outreach, Host Community Agreements and is amended by striking the first sentence in the original docket and replacing it with the following first sentence: “The City shall hold at least one community meeting on the application near the proposed location of the establishment”;
- Section 8-13.7 is further amended by striking the last paragraph in the original docket and replacing it with a new paragraph that includes language that requires collaboration with the district city councilor and requires involvement by the district city councilor by submitting a letter of support, non-support, or non-opposition;
- Section 8-13.8 establishes criteria for that the Board must consider. Section 8-13.8 is amended by adding a new second sentence that expressly states that licensees comply with the laws and regulations of the State and the City. The criteria includes the following changes from the initially filed docket: Applications shall be evaluated by a percentage scale based on the Applicant’s diversity and inclusion weighted at 25%; employment plan weighted at 20%; community feedback and public support weighted at 20%; location, safety, and security weighted at 20%; parking and transportation plan weighted at 15%; this section is also amended to provide further detail and description to the criteria;
- Section 8-13.9 relates to fees and amends the language from the original docket by deleting the term “(Package)” in the first sentence and adding a new sentence as the last sentence in the paragraph that allows the Board to establish a reasonable fee in conjunction with the annual renewal of a license; the second paragraph in the original docket has been deleted;

- Section 8-13.10, is amended to combine inspections and enforcement under the same section and gives jurisdiction to the Inspectional Services Department and Boston Police Department to inspect establishments and to ensure compliance with state and local regulations. The originally filed docket did not include the police department; language is also added that includes Board notification of violations;
- Section 8-13.11 establishes the Boston Equity Fund which will be administered by the Office of Emerging Industries to support equity applicants and licensees. The original legislation did not include the Boston Equity Fund which will be administered by the Office of Emerging Industries; however, the need for funding to establish a successful equity program was discussed at the hearing working session; the amended version includes a sunset clause that includes the following language after the words “HCA revenue”: until 2024 or upon the Boston Equity Fund reaching \$5,000,000 (five million dollars), whichever occurs first;
- Section 8-13.12 relates to conditions and validity of licenses and includes a technical change in the first sentence to “Host Community Agreement” from “Community Host Agreement” and requires that an establishment receive a final license from the Cannabis Control Commission and receives a license from the Cannabis Board within 12 months and requires that licensure with the Cannabis Control Commission remain valid and current;
- Section 8-13.14 relates to revocation and expiration and adds a new provision after the first sentence that requires the Board to publish and post electronically a written policy that clarifies business activities or business practices that may subject a license holder to scrutiny, changes to their license or license suspension and gives the Board discretionary authority to update the policy; Section 8-13.14 is further amended by adding two new sentences at the end that state that each license expires annually after initial issuance and that the Board must renew licenses annually;
- Section 8-13.15 relates to the establishment of an online registry and places requirements on the Board to maintain such registry and include certain information to increase transparency by disclosing the applicants as well. Changes to this section include the following: in the first sentence the words “and maintain an” are added; a new provision is added in the first sentence that requires the online registry to include “applicants and licensees under this section, the applicant or licensees current status in the approval process, any close associates, any controlling persons, and any investors in the business, any management agreements entered into;
- Adds a new second sentence in Section 8-13.15 that states: “The registry shall include all currently licensed applicants as well as all pending applicants.”

Passage of Docket #0315 establishes a Boston Equity Program, criteria for licenses, and application requirements. Docket #0315 creates an independent board known as the “Boston Cannabis Board” to ensure that the cannabis industry is equitable and to issue licenses for all marijuana establishments. The amended version of Docket #0315 maintains the establishment of the Boston Equity Program, the Boston Cannabis Board, as well as application requirements and licensing criteria. The amended version centralizes local control and makes the equity program stronger by having the Office of Emerging Industries administer the program and offer services to equity applicants. The amended version also establishes the Boston Equity Fund to address the need of funding to support small businesses in the cannabis industry. The amended version includes language to ensure that Host Community Agreements are kept current at all times and adds language to the criteria section to ensure quality control. The changes to the revocation and expiration section provide clarity for businesses and the changes to the registry section increase

transparency by including applicant information. Passage of Docket #0315 in its amended draft establishes an equity program at the local level; establishes criteria for licenses to ensure quality and fairness; establishes a mechanism for funding to assist small businesses; establishes standards and best practices for businesses; recognizes community impact and involvement; strengthens residency requirements and standards; and, provides transparency through the creation of a registry.

By the Chair of the Committee on Government Operations, to which the following was referred:

Docket #0315, an ordinance establishing equitable regulation of the cannabis industry in the City of Boston,

submits a report recommending that this docket **ought to pass in a new draft.**

For the Chair:

A handwritten signature in cursive script that reads "Michael F. Flaherty".

Michael F. Flaherty, Chair
Committee on Government Operations



CITY OF BOSTON IN CITY COUNCIL

AN ORDINANCE ESTABLISHING EQUITABLE REGULATION OF THE CANNABIS INDUSTRY IN THE CITY OF BOSTON

- WHEREAS:** In 2016, the Citizens of the Commonwealth of Massachusetts approved ballot Question 4, a proposal to legalize and regulate adult-use marijuana, with 53.7% of the vote in the Commonwealth and 62.6% of the vote in the City of Boston in the affirmative, according to Massachusetts Election Statistics, and the Legislature passed Chapter 55 of the Acts of 2017, *An Act to ensure safe access to marijuana*, and;
- WHEREAS:** The cannabis industry is likely to become a multi-million dollar industry, with early sales already generating millions of dollars, and;
- WHEREAS:** Certain racial and ethnic groups, in particular Blacks and Latinos, have been disproportionately arrested and incarcerated for the use and distribution of cannabis and other drugs due to the so-called “War on Drugs,” and;
- WHEREAS:** To date, no certified minority-owned businesses have been licensed by the state’s Cannabis Control Commission, and;
- WHEREAS:** The law requires the development of “procedures and policies 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,” and;
- WHEREAS:** The City of Boston has, in accordance with Massachusetts General Laws Chapter 94G and 935 Code of Massachusetts Regulations 500, begun to hold community meetings and discussions about, and negotiate host community agreements with, people and groups seeking to operate cannabis establishments, and the City of Boston Zoning Commission has approved zoning regulations regarding adult-use cannabis establishments, and;
- WHEREAS:** Other municipalities have enacted equity programs on a municipal level as a part of their local approval process, and;
- WHEREAS:** Many parts of Boston have been identified by the Cannabis Control Commission as areas disproportionately impacted, and;
- WHEREAS:** It is important to ensure that communities disproportionately impacted by the prohibition of cannabis are able to benefit from this multi-million dollar industry. ***NOW, THEREFORE, BE IT***

ORDAINED: By the Boston City Council, as follows:

Section 1:

The City of Boston Code, Ordinances, Chapter VIII shall be amended by adding at the end thereof, the following new section and subsections:

8-13: Establishing the Equitable Regulation of the Cannabis Industry in the City of Boston.

8-13.1 Purpose

The purpose of this ordinance is to ensure equity in the City of Boston's cannabis industry. The policies enacted during the "War on Drugs" and its associated policies have had a disproportionate impact on people of Black, African American, Latino, and/or Hispanic descent. Within the City of Boston, neighborhoods particularly impacted include Roxbury, Dorchester, and Mattapan. It would be unjust if, following the legalization of cannabis by the voters of the Commonwealth of Massachusetts, people from the affected groups were not allowed to receive the economic benefits of legalization.

8-13.2 Definitions

"Area of disproportionate impact," means a geographic area identified by the Boston Cannabis Board or the Cannabis Control Commission, which has had historically high rates of arrest, conviction, and incarceration related to marijuana crimes between 1971 and 2016.

"Cannabis Control Commission" or "CCC," as used herein, shall refer to the Massachusetts Cannabis Control Commission.

"Close associate," a person who holds a relevant financial interest in, or is entitled to exercise power in, the business of an applicant or licensee and, by virtue of that interest or power, is able to exercise a significant influence over the management or operation of a marijuana establishment licensed under this chapter.

"Controlling person," an officer, board member or other individual who has a financial or voting interest of 10 percent or greater in a marijuana establishment.

"Craft marijuana cooperative," a marijuana cultivator comprised of residents of the Commonwealth and organized as a limited liability company, limited liability partnership, or cooperative corporation under the laws of the Commonwealth. A cooperative is licensed to cultivate, obtain, manufacture, process, package and brand cannabis or marijuana products to transport marijuana to Marijuana Establishments, but not to consumers.

"Investor," any person or entity who has provided a marijuana applicant with financial resources in exchange for an ownership stake in the business.

"Licensee," a person or entity licensed by the Boston Cannabis Board and the Cannabis Control Commission to operate a marijuana establishment.

"Marijuana applicant" or "applicant," any person, business, organization, or group that has submitted an application to the City of Boston to open a marijuana establishment.

“Marijuana,” or “cannabis” all parts of any plant of the genus Cannabis, not excepted below and whether growing or not; the seeds thereof; 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 sterilized seed of the plant that is incapable of germination; (ii) hemp; or (iii) the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink or other products.

“Marijuana cultivator,” an entity licensed to cultivate, process and package marijuana, to deliver marijuana to marijuana establishments and to transfer marijuana to other marijuana establishments, but not to consumers.

“Marijuana establishment,” a marijuana cultivator, independent testing laboratory, marijuana product manufacturer, marijuana retailer, marijuana research facility, or any other type of licensed marijuana-related business.

“Marijuana independent testing laboratory,” a laboratory that is licensed by the Cannabis Control 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 Cannabis Control Commission; (ii) independent financially from any medical marijuana treatment center or any licensee or marijuana establishment for which it conducts a test; and (iii) qualified to test marijuana in compliance with 935 CMR 500.160 and MGL c. 64C, sec. 34.

“Marijuana product manufacturer,” an entity licensed to obtain, manufacture, process and package marijuana and marijuana products, to deliver marijuana and marijuana products to marijuana establishments and to transfer marijuana and marijuana products to other marijuana establishments, but not to consumers.

“Marijuana products,” products that have been manufactured and contain marijuana or an extract from marijuana, including concentrated forms of marijuana and products composed of marijuana and other ingredients that are intended for use or consumption, including edible products, beverages, topical products, ointments, oils and tinctures.

“Marijuana research facility,” an entity licensed by the Cannabis Control Commission to engage in research projects. Such a facility may cultivate, purchase, or otherwise acquire cannabis for the purpose of conducting research regarding marijuana or marijuana products. A research facility may be an academic institution.

“Marijuana retailer,” an entity licensed to purchase and deliver marijuana and marijuana products from marijuana establishments and to deliver, sell or otherwise transfer marijuana and marijuana products to marijuana establishments and to consumers.

“Marijuana social consumption operator,” a marijuana retailer licensed to purchase marijuana and marijuana products from marijuana establishments and to sell marijuana and marijuana products on its premises only to consumers or allow consumers to consume marijuana or marijuana products on its premises only.

“Marijuana transporter,” a marijuana retailer that does not provide a retail location accessible to the public, but is authorized to deliver directly from a marijuana cultivator facility, craft marijuana cultivator cooperative facility, marijuana product manufacturer facility, or micro-business.

“Microbusiness,” a co-located marijuana establishment that can be either a marijuana cultivator of up to 5,000 square feet or product manufacturer or both, in compliance with the operating procedures for each license. A Microbusiness that is a Marijuana Product Manufacturer may purchase no more than 2,000 pounds of marijuana per year from other marijuana establishments.

8-13.3 Boston Equity Program

An applicant shall be designated by the Boston Cannabis Board as an equity applicant if at least 51% of its ownership, meets at least 3 of the following criteria:

1. A person who has resided in an area of disproportionate impact, as defined by the Cannabis Control Commission, for at least 5 of the last 10 years.
2. A person who has a past arrest or conviction for the possession, sale, manufacturing, or cultivation of Marijuana between 1971 and 2016, who has been a resident of Boston for the past 5 years; OR a person who is the child of a person with a past arrest or conviction for the possession, sale, manufacturing, or cultivation of Marijuana between 1971 and 2016, who has been a resident of Boston for the past 5 years.
3. A person who has resided in the City of Boston for at least the past 7 years.
4. A person who is of Black, African American, Hispanic, Latino or Asian descent.
5. A person whose annual household income is at or below 100% of the area median income
6. A person who has been certified by the Cannabis Control Commission as an Economic Empowerment Applicant and is a resident of Boston for at least one of the last three years.

The Office of Emerging Industries shall establish a program, known as the “Boston Cannabis Equity Program,” to offer equity applicants services, which may include:

1. Technical assistance with business operations, including the development of business plans.
2. Technical assistance recruiting employees.
3. Guidance and assistance through the application process.
4. Technical assistance with legal compliance.
5. Accounting and tax preparedness assistance.
6. Best practices for operating in the marijuana industry.
7. Technical assistance with store security.
8. Technical assistance identifying and raising funds and capital and identifying vendors.

An applicant or licensee shall only be eligible for the benefits of the Boston Cannabis Equity Program if they continue to meet the above conditions.

The City of Boston shall maintain an equal or greater number of equity applicant licensees to licensees who do not qualify as equity applicants.

8-13.4 Boston Cannabis Board

The Mayor shall establish a Cannabis Board.

8-13.5 Applicability

Any persons or entity seeking to operate any type of adult-use marijuana establishment shall require a local license issued by the City of Boston.

8-13.6 Application Requirements

An applicant in any category of cannabis establishment shall file, in a form and manner specified by the City of Boston, an application for licensure as a cannabis establishment. Applicants shall be required to submit the following information as part of their initial application:

1. The entity name and the trade name to be used, and business certificate.
2. The names, addresses, and contact information of the business owners, controlling persons, close associates, and investors.
3. The address of the proposed business, and proof of permission from the owner of the property to operate on the premises or lease information.
4. The name, mailing address, and contact information of the property owner.
5. The party responsible for managing the application and their contact information.
6. Whether the applicant has been designated as an Economic Empowerment applicant by the Massachusetts Cannabis Control Commission.
7. Whether the applicant has been designated as a Social Equity Program participant, or whether they are eligible for the program, by the Massachusetts Cannabis Control Commission.
8. Any other information or documents required by the Board.

8-13.7 Community Outreach, Host Community Agreements

The City shall hold at least one community meeting on the application near the proposed location of the establishment. The meeting must be held within 6 months of the initial application being filed.

A notice shall be issued which shall include the date, time, place, and subject matter of the meeting, including the proposed address of the marijuana establishment. It shall be published in a newspaper of general circulation at least seven calendar days prior to the meeting. A copy of the notice shall be filed with the City Clerk. Copies shall be mailed or delivered to all residents within 300 feet of the proposed location. The meeting shall include a discussion of the following topics: the type(s) of Marijuana Establishment to be located at the proposed address; information adequate to demonstrate that the location will be maintained securely and steps to be taken by the Marijuana Establishment to prevent diversion to minors; a plan by the Marijuana Establishment to positively impact the community; and information adequate to demonstrate that the location will not constitute a nuisance to the community.

All approved applicants shall be required to negotiate a host community agreement with the City of Boston, which must be kept current at all times. The City shall negotiate host community agreements and work in collaboration with the district city councilor. The district city councilor shall be responsible for providing a letter of support, non-opposition, or non-support.

8-13.8 Criteria

The City shall grant licenses with the goal of ensuring that licenses are granted with respect to equity, quality, and community safety. Licensees shall be expected to comply with the laws and regulations of

the Commonwealth of Massachusetts and the City of Boston. Applications shall be evaluated based on the Applicant's score as follows:

Applications shall be evaluated based on the Applicant's:

1. Diversity and Inclusion Plan - 25%
2. Employment Plan - 20%
 - a. Plan for employment of Boston residents.
 - b. Plan for employment of minorities and women.
 - c. Plan for offering competitive wages and benefits for local residents.
 - d. Plan for employment of individuals with criminal records.
3. Community Feedback/Public Support - 20%
 - a. Letters of support from local elected officials.
 - b. Letters of support from local community organizations.
4. Location, Safety and Security - 20%
 - a. Plan for on-site security personnel.
 - b. Plan for building and product security.
 - c. Plan for protecting youth from accessing the product.
5. Parking/Transportation Plan - 15%
 - a. Access to public transportation.
 - b. Accessibility and amount of on-site parking.
 - c. Plan for the transportation and delivery of product.
 - d. Plan for the transportation of monies to and from the site.

8-13.9 Fees

The Board may establish reasonable fees for licenses. The fee for a marijuana retail license shall not exceed the fee levied on an All Alcohol Retail Store. The Board may also establish a reasonable annual fee in conjunction with the annual renewal of a license.

8-13.10 Inspections and Enforcement

An applicant must secure the appropriate permits issued by the Cannabis Board, Inspectional Services Department and, if necessary, any other department or agency of the City of Boston. All licensed premises shall be subject to inspection by the Police Department of the City of Boston and other duly authorized agents of the Board. All licensees are subject to the General Rules of the Board as they may be amended at the Board's discretion. Upon citation from any City of Boston department or agency, that department or agency must notify the Cannabis Board.

8-13.11 Boston Equity Fund

The Office of Emerging Industries shall administer and support the Equity Program as described in Section 8-13.3 through funding appropriated to it as the Boston Equity Fund. The Office of Emerging Industries shall make the funds in the Boston Equity Fund available to support Equity Applicants and Licensees, as defined by the Equity Program, and to establish and operate a cannabis business in the City of Boston. It is anticipated that the initial appropriation should be an amount equal to One

Hundred Percent (100%) of revenue collected by the City under the Three percent (3%) gross sales revenue fee established in the Marijuana Host Community Agreements (HCA), up to \$1,000,000 (one million dollars). Subject to appropriation, once an aggregate initial amount of \$1,000,000 (one million dollars) has been deposited into the Boston Equity Fund, it is anticipated that the Boston Equity Fund shall be credited with an amount equal to one half of one percent (0.5%) of gross annual HCA revenue until 2024 or upon the Boston Equity Fund reaching \$5,000,000 (five million dollars), whichever occurs first.

8-13.12 Conditions

Licenses for Marijuana Establishments shall only be valid so long as each entity signs a Host Community Agreement with the City of Boston, receives a Final License from the Cannabis Control Commission and receives a license from the Cannabis Board within twelve months and their licensure with the CCC remains valid and current. The Board may impose additional reasonable restrictions and conditions as to the operation under the license, and may suspend the license if it deems that such restrictions or conditions have been violated.

8-13.13 Transferability of License

Any license granted under this ordinance shall be a personal privilege and shall not be assignable or transferable, without the approval of the Cannabis Board and the execution of a new Host Community Agreement with the City of Boston.

8-13.14 Revocation and Expiration

The Cannabis Board may modify, suspend, or revoke any license or fine any license owner for just cause, after reasonable notice and a hearing. The Board shall, within six months of initial appointment, publish and post electronically a written policy clarifying activities or business practices and any other such causes that may subject a license holder to scrutiny, changes to their license or license suspension, and may update such policy at the Board's discretion. Unless otherwise specified, each license shall expire annually after the issuance of such license. Licenses must be renewed annually by the Board.

8-13.15 Registry

The Office of Economic Development shall publish and maintain an online registry of applicants and licensees under this section, the applicant or licensees current status in the approval process, any close associates, any controlling persons, and any investors in the business, any management agreements entered into, the type(s) of license(s) held or applied for by each establishment, the owner(s) name(s), the physical address(es) of operation, and whether the applicant or licensee is a participant in the City's equity program. The registry shall include currently licensed applicants as well as all pending applicants. The registry shall be accompanied by a map, showing the locations of licensed establishments.

8-13.16 City Council Updates

The Office of Economic Development shall, each year, submit to the City Council an update on the City's equity program, the total number of licenses issued, and any recommended policy changes.

8-13.17 Severability

If any provision of this section is held to be invalid by a court of competent jurisdiction, then such provision shall be considered separately and apart from the remaining provisions, which shall remain in full force and effect.

Section 2.

Effective Date.

The provisions of this ordinance shall be effective immediately upon passage.

Filed in Council: November 20, 2019