

**OFFERED BY COUNCILORS LYDIA EDWARDS AND KIM JANEY , Mejia, Bok,
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**CITY OF BOSTON
IN CITY COUNCIL**

**AN AMENDMENT TO THE ORDINANCE ENSURING EQUITABLE
REGULATION OF THE CANNABIS INDUSTRY IN THE CITY
OF BOSTON**

WHEREAS: In November 2019 the Boston City Council passed An Ordinance Establishing Equitable Regulation of the Cannabis Industry in the City of Boston; and

WHEREAS: Marijuana entrepreneurs, City Councilors, and members of the public have raised the issue of the lack of transparency in the municipal approval process of marijuana businesses; and

WHEREAS: The Boston Cannabis Board was established in February 2020 and adopted its final rules and regulation in July 2020; and

WHEREAS: The Boston Cannabis Board's rules and regulations do not address the issues of transparency and other issues as raised by members of the public and elected officials during the comment period of the draft rules and regulations; and

WHEREAS: The intention of the Equity Ordinance was to give the Boston Cannabis Board final authority to review and execute host community agreements; and

WHEREAS: The Boston Cannabis Board's rules and regulations make no distinction between different types of marijuana businesses; and

WHEREAS: The Cannabis Control Commission has established a two year window during which licenses for delivery-only businesses will be exclusively available to Certified Economic Empowerment Applicants and Social Equity Program Participants; and

WHEREAS: The City of Boston still struggles with deep inequities as it relates to liquor licenses; and

WHEREAS: The first few years of the marijuana industry in Boston will be key to ensuring the City does not face the same inequities in this industry; *NOW THEREFORE BE IT ORDAINED:* By the Boston City Council, amended as follows:

SECTION 1.

The City of Boston Code, Ordinances, Chapter 8, Section 13, is hereby amended as follows:

8-13.2 Definitions. This section shall be stricken and replaced with the following:

“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 business 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 business.

"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.

“Delivery-only business,” a marijuana business that may deliver marijuana or marijuana products directly to consumers at a residential address from a licensed marijuana retailer with which the delivery-only business has a delivery agreement (see “partner dispensary” below).

"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 business.

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

“Marijuana cultivator,” any persons, business, organization, or group seeking or holding a license from the CCC to cultivate, process, and package marijuana.

“Marijuana product manufacturer,” any persons, business, organization, or group seeking or holding a license from the CCC to obtain, manufacture, process, and package marijuana and marijuana products, to transport marijuana and marijuana products to marijuana establishments, and to transfer marijuana and marijuana products to other marijuana establishments, but not to consumers.

“Marijuana retailer,” any persons, business, organization, or group seeking or holding a license from the CCC to purchase and transport marijuana and marijuana products from other marijuana establishments, and to sell or otherwise transfer marijuana and marijuana products to other marijuana establishments and to consumers.

“Partner dispensary,” a dispensary with which a delivery-only business is entering into an agreement as outlined by CCC regulations for delivery licenses.

“Social consumption establishment,” an entity licensed to sell marijuana or marijuana products and allow consumers to consume marijuana or marijuana products solely on its premises.

8-13.3 Boston Equity Program. This section shall be stricken and replaced with the following:

An applicant shall be designated by the Boston Cannabis Board as an equity applicant if at least 51% of its ownership group each 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. This ratio shall be maintained for each license type issued by the CCC.

8-13.4 Boston Cannabis Board. This section shall be amended by adding the following language to the end of the section as currently written:

No member of the Boston Cannabis Board may be a close associate, controlling person, or investor in a business that holds, is seeking, or intends to seek a license from the Board.

Board members shall receive annual ethics training and shall provide a financial disclosure statement on an annual basis to ensure compliance with the above conflict of interest provisions.

8-13.5 Applicability. This section shall be stricken and replaced with the following:

Any persons or entity seeking to operate any type of adult-use marijuana business shall require a local license issued by the City of Boston. This shall include but is not limited to retail dispensaries, delivery-only businesses, and any future business classes such as social consumption establishments.

8-13.7 Community Outreach, Host Community Agreements. This section shall be stricken and replaced with the following:

The City shall hold a community meeting on the application near the proposed location of the business. In the case of delivery-only businesses, the community outreach meeting shall be held near the location of the partner dispensary. 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 business. 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 Business 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 Business to prevent diversion to minors; a plan by the Marijuana Business to positively impact the community; and information adequate to demonstrate that the location will not constitute a nuisance to the community.

The City of Boston shall commence negotiating the host community agreement with the applicant within three days of the community outreach meeting. The city shall have a negotiated, unexecuted draft host community agreement within 10 business days of the community outreach meeting. Host community agreements must be kept current at all times. The City shall negotiate host community agreements and work in collaboration with the district city councilor. The Boston Cannabis Board shall hold a hearing to review a completed application within 45 days of the community outreach meeting. A completed application shall consist of all documents and information required by section 8-13.6 of this ordinance; the negotiated draft host community agreement; a letter of support, non-opposition, or non-support from the district councilor; the business's security and operations plan and any other information or documents requested by the Board in advance of the meeting. In the case of delivery-only businesses, the district councilor of the partner dispensary shall be required to provide the letter of support, non-opposition, or non-support.

The negotiated host community agreement shall be executed by the City of Boston upon issuance of a license by the Boston Cannabis Board.

Should an application be denied by the Boston Cannabis Board, applicants may appeal the decision within 30 days of their hearing. An appeal hearing shall be held within 45 days of an appeal having been filed. Should the appeal be denied, applicants must wait a period of one year before being able to re-apply for a license from the Board.

8-13.9 Fees. This section shall be stricken and replaced with the following:

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 fee for non-retail marijuana businesses shall be less than the fee for a retail business. The Board may also establish a reasonable annual fee in conjunction with the annual renewal of a license.

SECTION 2. Effective Date

This ordinance shall be effective upon passage.

Filed On: **July 27, 2020**