Testimony Regarding Equitable Regulation of the Cannabis Industry in the City of Boston Thursday, August 20, 2020, 3:30pm

Submitted to: Lydia Edwards, Chair, Committee on Government Operations

Submitted by: Shaleen Title, Commissioner, Cannabis Control Commission

Dear Chair Edwards and Members of the Committee:

Thank you for inviting me to submit comments regarding amendments to the ordinance ensuring equity in Boston's cannabis industry. I appreciate the opportunity, and I deeply appreciate the clear commitment of this committee, the City Council, the Boston Cannabis Board, and the Office of Emerging Industries to work together to ensure that the intent of the ordinance is fulfilled in practice.

I submit these comments in my individual capacity as a commissioner appointed for my expertise in legal, policy, and social justice issues, and based on three years of experience striving for equitable cannabis regulations and licensing. My feedback focuses on three areas: (1) support for an equitable ratio within holders of each license type, (2) support for establishing a predictable process and timeline for host community agreements, and (3) recommendations regarding delivery licenses.

Equitable Ratio Within License Types

In previous comments to this committee, I suggested that refining the ratio of equity to non-equity applicants to maintain equal numbers of similarly situated businesses would maximize the impact of this policy. The proposal to maintain the ratio for each license type issued by the CCC is a simple way to do that. I support the proposed revision to 8-13.3 to maintain that ratio for each cannabis business license type.

Predictable Process and Timeline for Host Community Agreements

Without commenting on the process to draft and execute host community agreements, I want to support adding as much predictability and transparency to that process, particularly as it relates to a set timeline. That part of the process tends to be the sticking point for applicants across the state. It is more difficult for smaller applicants and equity applicants to absorb the costs of uncertainty around the timeline. For these reasons, I support the changes to 8-13.7 providing a more specific timeline for the drafting and execution of the host community agreement.

<u>Delivery</u>

The Cannabis Control Commission is considering public comment regarding changes to its delivery license and will provide clarity about any changes to the public as soon as they are made. I welcome this committee's feedback on the license type as we consider making changes.

Under current regulations, I would describe the licenses as a courier business that obtains products from a retailer and delivers it to a consumer, similar to UberEats, GrubHub, and similar delivery services. Given that delivery licenses are reserved for social equity and economic empowerment businesses, it's important context to consider how similar businesses in other industries are regulated.

With that understanding, as noted in the Commission's <u>Delivery FAQ</u>, a Delivery-Only licensee does not have a limit on the number of Marijuana Retailers or MTCs that it contracts with to perform deliveries. Therefore, my suggestion would be to reconsider the notion in 8-13.7 that all delivery-only businesses will have only one "Partner Dispensary" and to reconsider tying any requirements to that entity.

I also wanted to highlight for your consideration that our intent was for that Pre-Certification to provide an advantage for social equity and economic empowerment businesses in various processes, including the municipal process. There are numerous applicants for delivery who have received Pre-Certification from the Commission, which means that the Commission has found that the applicant demonstrates a propensity to successfully operate a marijuana establishment. (more details on the application materials reviewed are available in the Commission's <u>Delivery FAQ</u> and <u>Guidance on Licensure</u>). You may wish to consider allowing pre-certified delivery businesses to bypass part of the local process or to receive priority in review.

As always, thank you for your consideration and for the leadership you have shown. I am available to discuss this in more detail and to answer any questions this committee may have.

Sincerely,

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