

**CITY OF SOMERVILLE
ORDINANCE NO. 2018-_____**
In Board of Aldermen _____

**AN ORDINANCE AMENDING CHAPTER 9, SECTION 9-3(b)
OF THE SOMERVILLE CODE OF ORDINANCES
AND ADDING SECTION 2-221 TO CHAPTER 2, DIVISION 4
REGARDING ADULT USE MARIJUANA ESTABLISHMENTS**

WHEREAS, By vote at the State election on November 8, 2016, the voters of the Commonwealth approved legislation regulating commerce in marijuana, marijuana accessories, and marijuana products and for the taxation of proceeds from sales of such products. It also authorized cities and towns to adopt reasonable restrictions on the time, place, and manner of operating marijuana businesses; and,

WHEREAS, Currently, the City of Somerville Code of Ordinance does not specify any license requirements for persons or entities seeking to operate adult use marijuana establishments in the City; and,

WHEREAS, The Legislature of the Commonwealth has determined that cities and towns in Massachusetts should not be permitted to outright prohibit adult-use marijuana facilities without a city-wide referendum vote;

WHEREAS, The Licensing Commission of the City of Somerville may grant local licenses for adult-use marijuana establishments regulated under section 34 of chapter 94C of the General Laws and 935 CMR 500.

THEREFORE, be it adopted by the Board of Aldermen, in session assembled, that the below listed sections of the Somerville Code of Ordinances are hereby amended and created as identified.

Chapter 9, Offenses and Miscellaneous Provisions, Sec. 9-3 (b) of the Code of Ordinances is hereby amended as follows:

(b) No person shall give, sell, deliver or consume marijuana or tetrahydrocannabinol ~~in any business or establishment licensed by the board of aldermen or any agency of the city, unless licensed by the Licensing Commission and the Commonwealth of Massachusetts Cannabis Control Commission and also permitted under Sections SZO 7.15 or 7.16. or within or on the premises or property of any employer, as that term is defined in Mass. General Laws chapter 270, section 22(a).~~ unless licensed by the Licensing Commission and the Commonwealth of Massachusetts Cannabis Control Commission and also permitted under Sections SZO 7.15 or 7.16.

Section 2-221 - Adult Use Marijuana Licenses is hereby added under DIVISION 4. LICENSING COMMISSION:

Sec. 2-221. ADULT USE MARIJUANA LICENSES

A. Definitions

An adult-use marijuana establishment shall be considered to be one of the following:

(The following definitions are as defined by 935 CMR 500: Adult Use of Marijuana, as amended.)

Marijuana Establishment means a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related business, except a medical marijuana treatment center.

Independent Testing Laboratory means a laboratory that is licensed by the Commission and is:

- (a) accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission;
- (b) independent financially from any Medical Marijuana Treatment Center (RMD), Marijuana Establishment or licensee for which it conducts a test; and
- (c) qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.

Marijuana Cultivator means an entity licensed to cultivate, process and package marijuana, and to transfer marijuana to other Marijuana Establishments, but not to consumers.

Craft Marijuana Cooperative means 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.

Marijuana Product Manufacturer means an entity licensed to obtain, manufacture, process and package cannabis or marijuana products and to transfer these products to other Marijuana Establishments, but not to consumers.

Marijuana Research Facility means an entity licensed to engage in research projects by the Commission.

- A Marijuana Research Facility may cultivate, purchase or otherwise acquire marijuana for the purpose of conducting research regarding marijuana products.
- (b) A research facility may be an academic institution, nonprofit corporation or domestic corporation or entity authorized to do business in the Commonwealth.
- (c) Any research involving humans must be authorized by an Institutional Review Board.
- (d) A research facility may not sell marijuana cultivated under its research license.
- (e) All research regarding marijuana must be conducted by individuals 21 years of age or older.

Marijuana Retailer means an entity licensed to purchase and transport cannabis or marijuana product from Marijuana Establishments and to sell or otherwise transfer this product to Marijuana Establishments and to consumers. Retailers are prohibited from delivering cannabis or marijuana products to consumers; and from offering cannabis or marijuana products for the purposes of on-site social consumption on the premises of a Marijuana Establishment.

Marijuana Transporter means an entity, not otherwise licensed by the Commission, that is licensed to purchase, obtain, and possess cannabis or marijuana product solely for the purpose of transporting, temporary storage, sale and distribution to Marijuana Establishments, but not to consumers. Marijuana

Transporters may be an Existing Licensee Transporter or Third Party Transporter.

Microbusiness means a co-located Marijuana Establishment that can be either a Tier 1 Marijuana Cultivator 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.

B. Applicability

(i) Any persons or entity seeking to operate any type of adult-use marijuana establishment, except for a marijuana transporter, shall require a local license from the Licensing Commission. The number of such available licenses for marijuana retailers shall be no less than 20% of the number of liquor licenses issued in the City, pursuant to G.L. c. 138, § 15 (commonly known as package stores). Applicants shall provide any other information required by the Licensing Commission.

(ii) *Priority Applications*

The Licensing Commission shall consider an application for licensure from only a priority applicant within ~~six months~~ two years from the date of passage of this Ordinance, ~~unless an applicant is seeking a non-retail license.~~ For Marijuana Retailer licenses, there are two groups of priority applicants that are known as Group A and Group B. During the two year priority period, the Licensing Commission shall only issue Marijuana Retailer licenses on an alternating basis between the two groups starting with Group A. A Marijuana Retailer license may only be granted to an applicant in Group B if there will be an equal ratio of licenses granted to applicants in Group A. ~~Six months~~Two years after the date of passage of this Ordinance the Licensing Commission shall continue to prioritize priority applicants, but may consider a Marijuana Retailer ~~an~~ application from a non-priority applicant. At no time shall the Licensing Commission issue more Marijuana Retailer licenses to non-priority applicants than are currently valid and issued to priority applicants.

In order to be considered a priority applicant in Group A, the persons(s) or entity applying must meet at least one of the following criteria:

- An Economic Empowerment Applicant certified by the Commonwealth of Massachusetts Cannabis Control Commission (CCC), or separately certified by the Somerville Licensing Commission to meet the criteria specified in 935 CMR 500.101(1)(e)2.a-f;
- Owned by a Somerville resident(s) or entities with a majority (at least 50%) of its ownership made up of Somerville residents; or,
- ~~Local~~eCCooperatively owned entities.

~~Additionally, a~~ Registered Marijuana Dispensary (RMD) currently operating within the City of Somerville that will ~~maintain~~ continue selling medicinal products shall ~~also~~ be considered a priority applicant in Group B.

C. Application Requirements

An applicant in any category of Marijuana Establishment shall file, in a form and manner specified by the Licensing Commission, an application for licensure as a Marijuana Establishment. The application shall consist of the same three packets as required by the CCC pursuant to 935 CMR 500.101: an

Application of Intent packet; a Background Check packet; and a Management and Operations Profile packet. The applicant may file individual packets separately or as a whole.

Particular types of Marijuana Establishments that require additional specific requirements to be submitted to the CCC pursuant to 935 CMR 500.101 shall also be submitted to the Licensing Commission.

The application will not be considered to be complete until the Licensing Commission determines that each individual packet is complete and notifies the applicant that each packet is complete.

D. Evaluation Criteria

The Licensing Commission shall grant licenses with the goal of ensuring that the needs of the Commonwealth are met with regard to access, quality, and community safety. Applications shall be evaluated based on the Applicant's:

- Demonstrated compliance with the laws and regulations of the Commonwealth and the City of Somerville;
- Consistency to community values outlined in SomerVision; and,
- Thoroughness of response to the application requirements.

The Licensing Commission shall consider all of the following factors in its evaluation of applicants:

- A commitment to help monitor health impacts to the neighborhood and on the local youth population;
- Inclusion of an inventory of or manufactures locally/regionally grown products;
- Employment of local residents and offers competitive wages and benefits to employees;
- Use of sustainable green/renewable energy practices;
- The criminal records of the persons or owners of entities (except for marijuana-related infractions); and
- Quality of relationship with the community.

The Licensing Commission shall also consider the recommendation of the Economic Development Division of OSPCD and the Health and Human Services Department on each application that is submitted.

E. FEES

The Licensing Commission may establish fees for such licenses.

F. INSPECTIONS

The City of Somerville Health and Human Services Department shall conduct inspections to ensure compliance with state and local regulations.

G. CONDITIONS

Licenses for Marijuana Establishments issued by the Licensing Commission shall only be valid so long as each entity signs a Community Host Agreement with the City of Somerville, receives a Final License from the CCC within six months after receiving the license from the Licensing Commission, and the

Final License from the CCC remains valid and current. The Licensing Commission may impose additional reasonable restrictions and conditions as to the operation under the license.

H. TRANSFERABILITY OF LICENSE

Any license granted under this ordinance shall be a personal privilege and shall not be assignable or transferable.

I. REVOICATION

The Licensing Commission may modify, suspend or revoke any license for just cause, after reasonable notice and a hearing.

J. ENFORCEMENT

The provisions of this ordinance may be enforced by the superintendent of inspectional services, by noncriminal disposition pursuant to G. L. c. 40, § 21D. Each day on which a violation exists shall be deemed a separate offense. Any person, firm, corporation, association or other entity violating any provision of this article may be punished in accordance with the provisions of Section 1-11.

K. EXPIRATION OF LICENSE

Unless otherwise specified by the Licensing Commission, each license shall expire five years after the granting of such license. A license issued under this ordinance may be renewed by the Licensing Commission.

APPROVED:

President
Board of Aldermen