

## ATTORNEYS

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## PRACTICES

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## Cannabis Trends

By Adam Barnosky on August 5, 2019



*Massachusetts adult-use cannabis industry is nearing full swing, with over twenty Marijuana Retailers opened in the state or licensed to sell and dozens of other companies in the queue. Here is a rundown of the latest developments in industry.*

### State Regulators Create (Eventual) Pathway for Cannabis Cafes

While voters in Massachusetts approved “cannabis cafes” as part of the successful 2016 adult-use ballot initiative, social consumption regulations were put on hold while the Cannabis Control Commission (CCC) focused on other facets of the industry (namely, cultivators, retailers, and testing facilities). Now the CCC has created a pathway for the eventual regulation and licensure of social consumption establishments. Last month, the CCC approved a pilot program that will allow companies, through event licensing, to serve cannabis infused food and beverages onsite to consumers. That said, lawmakers are likely months away from finalizing regulations and the City of Boston will not be participating in the program.

### Walsh Administration Warns Boston Restaurants Against Unregulated Cannabis-Infused Meals.

The City of Boston issued a recent statement which put rest any confusion regarding the administration’s position on cannabis infused meals. Samantha Ormsby, a spokeswoman for Boston Mayor Martin J. Walsh, said in a statement, “At this time, marijuana-derived food additives have not been approved by the FDA and as such cannot be legally infused into food being sold to the public.” The city’s advisory further notes that, while it is legal to give marijuana as a gift, doing so in conjunction with sales of another item (such as a pre-fix dining menu), is also illegal. The advisory states, “All holders of a Common Victualler or Alcoholic Beverages License issued by the [City of Boston Licensing Board] are formally on notice by the board of the illegality of such an event,” the advisory reads. “Any business which hosts such an event at its Licensed Premise does so at the peril of any license issued by the board.” Restaurants and bars should note that any cannabis-infused food event at any establishment licensed by the City of Boston “will be subject to disciplinary action,” which could include a modification, suspension, or revocation of license.

### Cannabis Home Deliveries Coming to Massachusetts

Like pizza, groceries, and meal prep kits, Massachusetts may soon add cannabis to its array of lawful on-demand home delivery services. The CCC voted last month to give preliminary approval to cannabis home deliveries, which could begin as soon as early 2020, pending drafting and approval of final regulations. Voters approved home deliveries as part of the 2016 adult-use ballot initiative, but regulations were delayed while the CCC opted to focus on more pressing regulatory controls. Draft regulations were released by the CCC in July 2019.

### Strict Oversight on Cannabis Mergers & Acquisitions.

The CCC is taking a closer look at the background of cannabis companies, particularly those merging or acquiring currently licensed businesses. Recent investigations by the Boston Globe and Boston Business Journal revealed several companies in potential violation of state law regulating licensing

caps. If the trend towards corporate consolidation continues in the cannabis industry (as has been the trend in recent years), the CCC may hire an outside party to conduct due diligence on company backgrounds and ownership.

*Disclaimer: The content contained herein may include information regarding cannabis and its legality under Massachusetts law. While certain activities related to cannabis are lawful pursuant to Massachusetts laws, such activities remain unlawful under federal law. It is strongly advised to seek independent legal counsel regarding the differences between state and federal cannabis laws.*

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