

Summary & Description

An Act to Regulate and Tax the Cannabis Industry (H1561)

The war on drugs has failed to stop the production, distribution, and use of marijuana. Funding the futile enforcement of prohibition is shortsighted and an unwise investment of tax revenue. The time has come to take a more realistic approach to eliminating the black market.

Cannabis is the botanically-correct name for the plant which the CRTA divides into psychoactive *marijuana* and non-psychoactive *hemp*. The CRTA subjects commerce in cannabis to regulation and taxation, treating marijuana and hemp differently.

The CRTA's primary objectives are:

- To eliminate the black market in marijuana.
- To protect the public health and safety.
- To protect teens and minors.
- To raise new revenue for the Commonwealth.

Its secondary objectives are:

- To remove barriers to medical marijuana for those who suffer debilitating conditions.
- To promote new jobs and industries.
- To correct the cultural and racial injustices arising from the enforcement of prohibition.

It accomplishes these objectives by:

- Repealing criminal penalties for marijuana possession by adults, but maintaining civil penalties for use by minors, and criminal penalties for adults who distribute it to minors.
- Subjecting the business of cultivation, processing and wholesaling of marijuana to market forces and removing incentives for underground operations, while providing a sufficient number of retail outlets for lawful access by adults calculated to starve the illegal market and curb the proliferation of the legal market.
- Requiring that consumers show an ID before they can purchase marijuana.
- Regulating commerce in marijuana, like Chapter 138 regulates commerce in alcoholic beverages, thus eliminating the "prohibition tariff" (the inflated, untaxed gain in value from producer to consumer due to marijuana's illegality), and capturing new revenue from lawful cannabis commerce.

- Subjecting consumables to public health controls that exist for all other foods, drugs and cosmetics, including protection from adulteration and misbranding, and additional restrictions on packaging, labeling and sales to protect against use by children and misuse by inexperienced adults.
- Taxing incrementally, to drive out the black market and encourage small enterprises.
- Imposing tight security controls on the cannabis industry, with business licenses and commercial reputations at stake if unlawful diversion occurs.
- Reviving the Commonwealth's hemp trade to achieve its full potential for applications in medicine, food, and industry, and encouraging new agricultural enterprises in new locations.

The main features of CRTA are:

- The making/growing/having/sharing of marijuana by adults for personal use is exempt from punishment. Like Chapter 138, the CRTA allows such activities on a personal, non-commercial scale, but, also like Chapter 138, imposes a limit on how much of the intoxicant one may *transport* without being deemed engaged in business. (For alcohol, the limit is 20 gallons of beer, three gallons of "other alcoholic beverage," or one gallon of alcohol. In this case, the limit is 10 ounces of marijuana or 10 pounds of marijuana products.)
- The *pre-retail* aspects of the cannabis industry—growing, making, processing, distributing—are licensed, regulated and supervised primarily by the appropriate state agency.
- *The retail* marijuana business is licensed, regulated, and supervised primarily by the local licensing authorities. Retail can take two forms:
 - Shops, like package stores, where adults may purchase packages of marijuana for consumption elsewhere.
 - Cafes, where adults may convene and consume marijuana with food and (non-alcoholic) beverages. The Smoke-Free Workplace Law would apply, however, requiring the owner to qualify for an exception thereunder.
- Cities and towns are authorized to impose further restrictions on the public smoking of marijuana beyond the restrictions that the smoke-free workplace law imposes on tobacco smoking.
- Municipalities also have the right to prohibit all licensed cannabis operations, or limit them by reasonable regulation as to time, place, manner and number, and to seek an expansion in the number of retail licenses available.
- As with retail alcohol outlets, retail marijuana licenses are limited by population-based quotas, unless the municipality votes to expand them. The quota is 20% of the retail alcoholic beverage licenses authorized in that municipality.

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