

Cannabis Law Alert

MASSACHUSETTS HOUSE OF REPRESENTATIVES PASSES AN ACT RELATIVE TO HOST COMMUNITY AGREEMENTS

February 2020

On February 5, 2020 the Massachusetts House of Representatives approved legislation to give the Massachusetts Cannabis Control Commission (CCC) regulatory authority over Host Community Agreements (HCAs). The legislation is called An Act Relative to Host Community Agreements (the Act). The bill was introduced by Representative Dave Rogers, Chair of the Legislature's Cannabis Policy Committee, who also serves Of Counsel to Davis Malm.

Existing Massachusetts cannabis laws require that each cannabis licensee execute an HCA with its host municipality. The applicant must also certify compliance with holding a community outreach meeting to solicit community input about the proposed cannabis facility. HCAs may include a fee of up to 3% of a cannabis licensee's gross revenues to offset the anticipated costs of hosting a cannabis business in the municipality.

The extent of fees, and their legality, have been a source of controversy relative to excessive fee demands in many municipalities. To date, the CCC has demurred any review of HCAs on the grounds that existing Massachusetts cannabis laws do not give the CCC authority to oversee and regulate HCAs. According to the CCC, applicable laws appear to limit the Commission's authority to ensuring an HCA has been executed and do not include a substantive review of the HCA terms to ensure compliance with Massachusetts laws or regulations. If the Act becomes law, the CCC will have authority to review, regulate and enforce all HCAs and to create criteria for community impact fees.

The Act is subject to approval by the Massachusetts Senate and execution by the Governor before it becomes law. We will keep you informed on further developments.

CONTACT

If you have any questions regarding information contained in this alert or the cannabis laws in Massachusetts, please contact a member of our [Cannabis Law Practice](#).

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