

CANNABIS LAW ALERT

Delivery-Only Cannabis License Applications Are Open in Massachusetts

August 5, 2020

The Cannabis Control Commission (CCC) is moving forward on the new delivery-only licenses and microbusiness delivery endorsements, which were added into the November 2019 revisions of the 935 CMR 500 adult-use regulations. Applications became available on the CCC website in May 2020 and, as of early July 2020, close to 30 delivery pre-certification applications and one delivery endorsement application had been submitted. Delivery endorsements, which are available only to microbusinesses, permit a microbusiness to sell and deliver its own marijuana and marijuana products, as applicable, directly to consumers.

A set of frequently asked questions (FAQ), released by the CCC in early May 2020, note that delivery-only licenses and delivery endorsements are exclusively reserved for economic empowerment and social equity applicants for the first two years of the program beginning on the date the first delivery-only licensee receives a notice to commence operations.

The regulations (at section 500.145(1)(h)) require that a marijuana establishment with a delivery-only license or a delivery endorsement may only deliver within:

- (i) the municipality where it is licensed;
- (ii) any municipality which allows for retail within its borders (whether or not any marijuana establishment is yet operational); or
- (iii) any other municipality which, after receiving notice from the CCC, has notified the CCC that delivery may operate within its borders.

The CCC has stated that a microbusiness cannot obtain a delivery endorsement if it is located in a municipality that does not permit retail sales and has not “opted in” to allow delivery operations.

Importantly, applicants for a delivery-only license should be aware they will be considered a marijuana retailer for purpose of counting towards the three license limit for marijuana retailers in CCC regulations. Thus, a retailer with three Massachusetts stores would be precluded from obtaining its own delivery-only license and will need to contract with unaffiliated delivery-only licensees to delivery marijuana or marijuana products to Massachusetts consumers.

Time will tell if these new delivery-only license categories will succeed in the CCC’s goal of bolstering businesses owned by minority or disadvantaged principals, who have been struggling to break into the adult-use cannabis industry.

CONTACT

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

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