

CANNABIS LAW ALERT

Cannabis Control Commission Publishes Proposed Regulations to Establish Wholesale Delivery License

October 2020

On September 28, 2020, the Massachusetts Cannabis Control Commission (CCC) published revised draft regulations clarifying and modifying the requirements applicable to cannabis enterprises and agents, including establishing a new Wholesale Delivery License. This new license category would enable licensees to warehouse cannabis products purchased from cultivators, craft cooperatives, microbusinesses, and product manufacturers for resale by delivery to end users. The existing delivery license, which entitles licensees to deliver products from a licensed retailer, would be renamed a Limited Delivery License and have lower application and maintenance fees than the new Wholesale Delivery License. Like the Limited Delivery License, the Wholesale Delivery License would be limited to economic empowerment and social equity program participants for a proposed three-year period (up from two years in the original draft regulations).

The Wholesale Delivery License addresses a perceived gap in the CCC regulations to allow a class of licensees to warehouse products as part of a functioning cannabis industry. This new Wholesale Delivery License is limited to warehousing products for delivery to end users. It does not permit warehousing and delivery between licensees, such as between cultivators and product manufacturers and product manufacturers and retailers, which the existing stand-alone Transporter License contemplates. Specifically, regulations for the Transporter License permit warehousing in “a form and manner permitted by the CCC.” We anticipate the draft regulations regarding warehousing for Wholesale Delivery will, in one form or another, provide additional guidance for transport licensees and expand the number of those licenses as the industry develops.

The proposed regulations require a physical location to warehouse products with attendant requirements for security, ventilation, equipment, lighting and other safeguards. The proposed regulations also allow Wholesale-Delivery licensees to white label products for other licensees, other than vape products.

The revised draft regulations are open for final comments. The comment period for the revised draft regulations ends on October 15, 2020. For more information, read the [CCC's September 25 news item](#).

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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