

TASK FORCE WOULD TARGET ILLEGAL MARIJUANA SELLERS

State House News Service
December 17, 2019

To truly hamper the illicit marijuana market in Massachusetts, the state has to address both supply and demand -- the demand side will be addressed as the Cannabis Control Commission opens new stores, but a bill that would target unlicensed marijuana sellers is needed to deal with the supply end of things, a state regulator said Tuesday.

CCC member Britte McBride testified Tuesday morning in support of legislation (H 4168) that would create a task force to handle complaints and conduct investigations into illegal marijuana sales by creating an alternative to prosecution that would allow for illegal sellers to be taxed instead of charged with a crime.

The bill "is necessary to buttress the efforts of the Cannabis Control Commission to implement a legal, regulated and taxed cannabis industry in Massachusetts," McBride told the Cannabis Policy Committee. "We know that an illicit market for cannabis continues to thrive. The existence of that market diverts tax money from the commonwealth, it undermines public health regulations including testing requirements and obstructs the will of the voters who asked for a legal, taxed and regulated system, as well as the will of the Legislature that enacted this law."

The legislation, which was filed by Rep. Hannah Kane and Sen. Michael Moore in April, is intended to target sellers operating like a legal business, but without a license. That could include smoke shops selling marijuana on the side, or pot dealers with websites and a network of delivery drivers.

BDS Analytics, a cannabis market research firm based in Colorado, estimated that 76 percent of marijuana sales in Massachusetts in 2019 will be through the illegal market.

Because they do not comply with the law or the CCC's regulations, illegal sellers are able to undercut legal retailers on price and offer customers conveniences like home delivery. The

products available through unlicensed sellers may not have been tested for chemicals and are not subject to the same dosage and labeling requirements that licensed retailers must follow.

McBride said there are "any number" of illegal delivery services available on Yelp -- "I have screenshots if anyone is interested," she told the committee -- and that those sellers that do not comply with the state's product testing rules could be selling dangerous products, "like vape cartridges that make people really sick."

Nothing in the bill would stop law enforcement from bringing criminal charges in addition to the tax penalty.

The task force would be co-chaired by the head of the Massachusetts State Police and the commissioner of the Department of Revenue, and would include representation from the Cannabis Control Commission, Department of Public Health, attorney general's office, treasurer's office and the commissioner of the Department of Agriculture. The governor would also be allowed to appoint two municipal police chiefs.

After McBride spoke Tuesday morning, a medical marijuana patient who said he "relies on these gray market services" told the committee that it should not advance any legislation that seeks to protect the profits of licensed dispensaries.

"Make no mistake [this bill] is cosponsored by the Commonwealth Dispensary Association because the caregivers who bring medicine to my home are challenging their profits. This is absolutely a prohibitionist bill, it is designed to get law enforcement more involved to protect dispensary profits," Grant Ellis said. "That bill, while on its face may appear to be about civil penalties, is absolutely designed to go back to where we were before Question 4 and introduce more police action to protect the profits of regulated businesses."

McBride, in response to a question from committee chairman Rep. Dave Rogers, said she does not think the bill is an attempt to revive the War on Drugs. David Torrissi, a former legislator and current executive director of the Commonwealth Dispensary Association, joined Moore and Kane in April as they rolled out their bill.

"This is a big piece of the puzzle," he said at the time.