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Representative Kane supports bill to promote equity in the state’s cannabis industry

BOSTON – State Representative Kane (R-Shrewsbury) recently voted to support legislation promoting equity in the state’s cannabis industry and clarifying the parameters of host community agreements.

Senate Bill 3096, *An Act relative to equity in the cannabis industry*, was enacted in the House and Senate on August 1 and is now on Governor Charlie Baker’s desk for his review and signature. The bill contains compromise language negotiated by a six-member conference committee that worked to reconcile the differences between earlier versions of the bill previously approved by both legislative branches.

Senate Bill 3096 establishes a Social Equity Trust Fund to help cover licensing and start-up costs for minority applicants by providing them with grants and loans. According to Representative Kane, the fund is designed to help encourage more participation in the state’s regulated marijuana industry by residents of communities that have been disproportionately harmed by marijuana prohibition and enforcement.

The Social Equity Trust Fund will be administered by the Executive Office of Housing and Economic Development, in consultation with a newly created Cannabis Social Equity Advisory Board. The fund will be supported by a dedicated stream of 15% of the tax revenues collected from the sale of marijuana and marijuana products.

Two of Representative Kane’s sponsored bills were included in S. 3096. House Bill 4440 *An Act relative to a social equity training and technical assistance fund* and House Bill 164 *An Act relative to research data collection* were both within the final draft of S.3096 passed by legislature.

Representative Kane said the cannabis equity bill also authorizes the Cannabis Control Commission to review and approve all host community agreements negotiated between a municipality and a retail marijuana establishment or medical marijuana treatment facility as part of the initial license application and renewal process. The bill also stipulates that host community agreements “must be reasonably related to the actual costs required to operate a cannabis business in a community,” and cannot require the payment of a community impact fee beyond the business’s eighth year of operation. The bill also caps the community impact fee at 3% of the business’s gross sales.

Under existing law, cities and towns can authorize the sale of marijuana and marijuana products for on-site consumption at so-called “cannabis cafes” through a local initiative petition. Representative Kane said Senate Bill 3096 allows communities to pursue alternative means of approving social consumption sites by passing a by-law or ordinance.

Senate Bill 3096 also contains a provision that would provide cities and towns that host at least one social equity business with a share of the state excise tax paid by these businesses. The bill calls for 1% of tax revenues paid by social equity businesses to be distributed on a proportional basis to qualifying communities on a quarterly basis.

Representative Kane noted that the cannabis equity bill also provides for an expedited expungement process for individuals seeking to remove prior marijuana-related offenses that are now decriminalized from their records. Senate Bill 3096 requires the courts to order the expungement within 30 days of receiving the request.

Governor Baker has until August 11 to sign Senate Bill 3096 into law.

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