



# MASSACHUSETTS GENERAL COURT

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## JOINT MEDIA RELEASE

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### **Lawmakers Unveil Bill Targeting Illicit Marijuana Market**

BOSTON – Two Worcester-area lawmakers have introduced a bill aimed at tackling the illicit market for marijuana in Massachusetts—recently estimated as nearly 75 percent of all marijuana sales across the Commonwealth—while creating new revenues to reinvest in meaningful social equity, youth consumption prevention, law enforcement training and drugged driving detection.

Senator Michael O. Moore (D-Millbury) and Representative Hannah E. Kane (R-Shrewsbury) will unveil the bill at a State House press briefing on Wednesday, calling the legislation a significant step forward in combatting an underground market that continues to prey on underage youth with untaxed and untested products.

“As the marijuana industry in Massachusetts continues to expand, so will the benefits of local economic development and additional revenues,” **said Senator Moore**. “However, it still remains far too easy to buy marijuana on the illicit market. Licensed operators sell products that meet the highest industry standards, and return much-needed revenue to our communities. We need a coordinated effort to address this problem, and this bill creates a task force to pool resources and knowledge among stakeholders from local and state law enforcement to promote a comprehensive and effective approach to the illicit market.”

“The voters in the Commonwealth approved the creation of a legal marketplace for adult-use of marijuana. This bill seeks to ensure that the illicit market does not continue to exist outside the regulatory process nor intensify its focus on selling to youth users,” **said Representative Kane**. “This bill adds more resources—both in shared resources, as well as in targeted investments in public safety training, youth prevention, and social equity.”

Moore and Kane will be joined by Cannabis Control Commissioner Britte McBride and officials from the Office of the Attorney General, as well as representatives of several prominent law enforcement organizations, including the Massachusetts Chiefs of Police Association, and the Massachusetts State Police Commissioned Officers Association. Also in attendance will be representatives from the Commonwealth Dispensary Association, Retailers Association of Massachusetts, and Massachusetts Association of Early Education and Care.

“Speaking as one Commissioner, I deeply appreciate Senator Moore's and Representative Kane's leadership in filing this legislation,” **said Commissioner McBride**. “An active illicit cannabis market diverts tax money from the Commonwealth, subverts the public health regulations that the Commission put into place to protect consumers, and undermines public safety. As we strive to establish a safe, responsible industry, the illicit market perpetuates negative stereotypes which can be a barrier to individuals getting a foothold in the legal market. Anyone who values a legal market – whether it be to advance public health, to reduce stigma, encourage participation or public safety – should support this commonsense piece of legislation.”

The bill establishes a Multi-Agency Illicit Marijuana Task Force that mirrors the state’s Multi-Agency Illegal Tobacco Task Force, focusing on maximizing legal market participation to increase tax revenues and improve public health and safety, including a reduction in youth consumption rates. The task force would be co-chaired by the Colonel of the State Police and the Commissioner of the Department of Revenue. It would also include representatives from the Cannabis Control Commission, Department of Public Health, Attorney General’s Office, the State Treasurer’s Office and the Commissioner of Agriculture, as well two municipal police chiefs appointed by the Governor.

The bill does not create any new barriers for entry into the legal market by current illicit market participants. In fact, the bill expressly prohibits the Cannabis Control Commission from using a Forgone Tax Revenue Assessment as a presumptive negative when conducting suitability reviews on prospective marijuana establishment owners or employees.

Other features of the bill:

- The Task Force can receive complaints and referrals from state agencies, law enforcement, and the general public, while maintaining critical investigatory confidentiality.
- When the task force’s investigations lead to an affirmative finding of an illegal marijuana operator, a report is issued by the task force to DOR who will prepare and notify the illegal operator of their becoming subject to a special “forgone tax revenue assessment.”

- Such tax assessment shall assess the illegal operator for the total estimated forgone tax revenue numerically expressed as the total aggregated percentage of all state and municipal sales and marijuana taxes multiplied by the total value of the identified marijuana or marijuana products illegally cultivated, processed, manufactured or distributed. The total value of the identified marijuana or marijuana products will be determined by using the median sales price of all of equivalent marijuana or marijuana products sold by legal, CCC-licensed marijuana retail establishments.
- Penalties and interest shall be accrued for non-payment by the illegal operator consistent with DOR standards (.05% monthly).
- All collected tax assessments shall be deposited in the CCC's Marijuana Regulation Fund and shall be dedicated to 1) municipal and state police training, 2) youth prevention programming and early intervention, and 3) the CCC's social equity fund.
- Receipt of such illegal operator assessment:
  - Does not, alone, prevent an individual from being deemed suitable for ownership or employment in the legal cannabis market.
  - Does not prevent from law enforcement from taking additional civil and criminal actions against the illegal marijuana operator, as appropriate and currently allowed under state law.

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