

Massachusetts Lawmakers Send Revised Marijuana Bill to Governor Baker

Description

Massachusetts lawmakers have approved compromise legislation to legalize recreational marijuana use and sales in the Commonwealth. The bill has been sent to Governor Baker, who is expected to sign it. The new law would make a number of changes to the recreational marijuana law that voters approved in a referendum last November, (see [“Opportunities and Risks – How Will the New Massachusetts Recreational Marijuana Law Affect You and Your Business?”](#)), as well as to the medical marijuana law approved in 2012. We are preparing a separate, more detailed analysis of the new law. But some of its more important features are:

- Although recreational marijuana use is legal now in one’s own home (but perhaps not in a rented apartment or federally subsidized housing), retail sales will be delayed until July 1, 2018, instead of the January 1, 2018 date approved by the voters.
- Retail sales will be taxed at a maximum 20%, which currently is the second-lowest tax rate in the country. The voters approved a maximum tax rate of 12% in November, but some legislators worried that the tax may not cover the cost of regulating the new market. The Massachusetts House of Representatives had proposed a tax rate of 28%, while the Senate had proposed no change. The 20% tax rate splits the difference. The tax breaks down as the state’s 6.25% sales tax, a 10.75% excise tax, and an optional 3% that cities and towns can charge if they wish to do so. Cities and towns may also tax retailers up to an additional 3% on gross sales.
- One controversial provision of the new law may result in court challenges. The original referendum passed in November required cities and towns to hold a local referendum if they desired to ban retail sales in their community. The House bill had proposed that cities and towns should “opt in” to retail sales instead. In the new law, the power to ban retail sales will depend on how the city or town voted in last November’s referendum. If a majority of the voters in the community voted to approve the referendum, then the community must hold a referendum to ban or limit retail sales. If a majority of voters in the community voted to reject the referendum, then local officials can limit or ban retail sales.
- A majority of voters in 260 Massachusetts communities approved the referendum last November, while 91 cities and towns voted against the referendum. *The Boston Globe* has a [map and chart](#) to show how each city and town voted.
- The November referendum approved a “Cannabis Control Commission” to regulate recreational marijuana use and sales, consisting of 3 members appointed by the state Treasurer. The new law creates a 5-member, full-time commission, with members appointed by the Governor, the Attorney General, and the Treasurer. The bill also moves oversight of the medical marijuana industry to the new board. The new Commissioners, who are to be appointed by September 1, 2017, will be operating under very tight deadlines. Under the new law, the Commission must write regulations by March 1, 2018, and start accepting applications for retail sales beginning April 1, 2018.

According to published reports, Governor Baker is expected to sign the bill into law in the next week.

If you are interested in being kept up-to-date on the issues impacting this industry, [please provide your contact information here.](#)

Date Created

July 28, 2017