



CANNABIS LAW UPDATE

Prepared for the Massachusetts Municipal Lawyers Association

by Attorney Nicole J. Costanzo, KP Law, P.C.

The evolving nature of the legalization and regulation of medical and recreational marijuana in Massachusetts raises significant legal issues for municipalities navigating the permitting and licensing of this new industry. Below find a brief overview of recent changes applicable to social consumption establishments, delivery establishments and mandatory social equity requirements for host communities. Because this is a highly regulated industry, municipalities must consult with their own legal counsel regarding cannabis licensing and enforcement issues.

I. Adult Use Social Consumption Marijuana Establishments

On January 2, 2026, the Cannabis Control Commission (“CCC”) published its revised regulations for Adult Use of Marijuana (935 CMR 500.000). The revised regulations include a limited and phased roll out of three new license categories for adult use social consumption establishments. The new licenses will be exclusively available, for an initial period of 36 months, to Social Equity Businesses, Social Equity Program Participants, Certified Economic Empowerment Priority Applicants, Microbusinesses, and Craft Marijuana Cooperative. Licensees may allow indoor non-smoking, indoor smoking, outdoor non-smoking or outdoor smoking in designated areas approved by the CCC.

New License Categories:

- A. Supplemental On-site Consumption License – separately licensed to existing Marijuana Establishments to incorporate on-site consumption within or attached to their existing Marijuana Establishment.
- B. Hospitality On-site Consumption License – for new or existing non-cannabis businesses to host on-site consumption events in partnership with qualifying Marijuana Establishments.
- C. Marijuana Event Organizer – for “Temporary Consumption Events” on specified dates and times, requiring: (1) applicant submittal to the CCC of an event plan; municipal approval for all required local permits; and (3) “pre-event public safety briefing(s)” conducted with local law enforcement, fire services, and emergency medical services.

II. Adult Use Marijuana Delivery Exclusivity Extension Proposed by CCC

On January 14, 2026, the CCC voted in favor of proposing a three-year extension, from April of 2026 to April of 2029, of the so-called exclusivity period for Adult Use Marijuana Delivery licenses. During the time of the extension, such licenses will continue to be exclusively available to certified Economic Empowerment Priority Applicants, Social Equity Program Participants, and Microbusinesses with a Delivery Endorsement through April 1, 2026. The regulations must be updated for this purpose, and the CCC has indicated that amendments will be in place prior to the expiration of the one-year extension approved in March of 2025.

III. Social Equity Mandates

Chapter 180 of the Acts of 2022, known as “An Act Relative to Equity in the Cannabis Industry”, mandated that municipalities entering into host community agreements after July 1, 2023 adopt minimum social equity standards. The CCC’s regulations, 935 CMR 500.181 (Adult Use) and 935 CMR 501.181 (Medical Use), promulgated on October 27, 2023, required adoption of local rules or bylaws compliant with the CCC “Equity Standards for Host Communities to Promote and Encourage Full Participation in the Regulated Marijuana Industry. Municipalities must create an account on the Massachusetts Cannabis Industry Portal ([MassCIP](#)) to submit required compliance documentation, and failure to do so may expose a municipality to the imposition of fines and other sanctions, including forfeiture of impact fees.

As of May 1, 2025, following notice of non-compliance and an opportunity to take corrective action, the CCC may take administrative or enforcement action against any noncompliant municipality, including one or more of the following: (1) imposing fines equal to the total community impact fees collected from all marijuana businesses in the municipality during the prior calendar year; (2) issuing sanctions, including an administrative fine of up to \$50,000 per violation; (3) revocation of a municipality’s good compliance standing; (4) abstention from considering new license applications in municipality until compliance is met; and/or (5) including notice on the CCC’s website that the municipality has been assessed a fine for noncompliance.

For further information on all cannabis related matters, please contact your municipal attorney. We thank KP Law Attorney Nicole Costanzo, ncostanzo@kplaw.com for preparing this White Paper. As with all legal matters, you should consult your municipal attorney. This White Paper is provided as a courtesy and is not the provision of legal advice.