Commonwealth

FOR 1-28-16 AGENDA AID. ROSSEHT

The two bills (H. 3868 and 3886) have been assigned to the Joint Committee on Telecommunications, Utilities and Energy. Ostroff and Halpin said they would share the language with other interested communities.

– Daniel De<u>Maina</u>

Shrewsbury

(Brock TON)
Taunton)

Town reaches benefit agreement with marijuana dispensary

Shrewsbury is the latest community to strike a deal with a medical marijuana dispensary that provides annual payments to the town, with the agreement building upon previous deals made in other communities, according to Town Manager Daniel Morgado.

Shrewsbury's "community benefit agreement" – a term associated with agreements between real estate developers and community organizations – in some ways resembles a payment-in-lieu-of-taxes agreement (since medical marijuana dispensaries operate as nonprofits).

The agreement, approved by the Shrewsbury Board of Selectmen in late November, would require John Glowik Jr., who is seeking state approval to open a medical marijuana dispensary on Route 20, to pay \$25,000 or 1.25 percent of gross sales, whichever is greater, to the town in 2016.

Minimum payments would increase by \$25,000 in the next three years. In 2019, the town's share of the gross sales would increase to 3 percent. From 2020 on, the town would receive at least 2.5 percent more than the minimum payment of the year before, or 3 percent of gross sales, whichever is greater. Under the agreement, Glowik also agreed to pay real estate taxes on his property in Shrewsbury.

Morgado said that cities and towns are all watching one another and sharing information as medical marijuana dispensaries, legalized by voters in the 2012 election, begin to open across the Commonwealth. Shrewsbury looked at six or seven other communities' agreements and "took a little bit from each one" before drafting its own.

"What we're all doing is, anytime we see an announcement, we're grabbing the latest deal," he said. "I already sent mine out to other towns."

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He cited Brockton and Taunton as examples of other communities that would receive a cut of gross sales from a medical marijuana dispensary in their community.

Brockton will net \$100,000 in the first year of a dispensary's operation, and then \$100,000 or 3 percent of gross profits, whichever is greater, in subsequent years. Local nonprofits will also receive 1 percent of gross profits annually starting in the second year, the Brockton Enterprise reported.

Taunton will receive \$65,000 before the dispensary in its community opens, the Enterprise reported, and then \$130,000 or 2.5 percent of the estimated \$4 million in gross profits in the first year. In the third year, the percentage of that \$4 million sent to the town increases to 3.75 percent.

Department of Public Health spokesman Scott Zoback said that while the DPH issued guidelines for municipalities to follow as medical marijuana facilities open, those guidelines focus on ensuring that dispensaries comply with local laws and DPH regulations, and are not the kind of host agreements that include payments to the municipality.

"That's really up to the individual community," he said.

Four licenses have been granted for selling medical marijuana in Massachusetts so far, Zoback said, plus 18 provisional certificates of registration, which still require a number of additional steps before an operation is approved to grow or sell. The DPH received 155 applications in the latest round, which launched at the end of June 2015.