

# RHODE ISLAND CANNABIS ACT



# POSSESSION AND PERSONAL USE

ON OR AFTER OCTOBER 1, 2022

## POSSESSION/PERSONAL USE:

- 21 years of age and older – can buy, possess and use 1oz or less
- Within primary residence – 21 years and older can possess up to 10oz
- Can transfer up to 1oz, for no money – "give away/gift"
- Expungement upon written request – those convicted of felony or misdemeanor marijuana possession entitled to expungement of offenses that are decriminalized – Chief Justice to develop procedure

## HOME GROW

- No more than 3 mature plants and 3 immature plants within a primary residence
- 21 years of age and older: may possess cannabis-related accessories

# GENERAL REGULATORY STRUCTURE

## CANNABIS CONTROL COMMISSION

- Independent commission responsible for regulation of cannabis industry, awarding licenses, implementation of law, and development of rules & regulations
- 3 members appointed by the Governor with advice/consent. Speaker & Senate President to provide list which Governor shall give due consideration
  - 1: Gov (Chair)
  - 1: Speaker
  - 1: Senate President

## CANNABIS ADVISORY BOARD

- Advise and issue recommendations to Commission on cannabis policy, administration of Social Equity Fund, best practices for regulation of cannabis market for adult use

## CANNABIS OFFICE

- Handles administrative functions of cannabis regulation for adult use and medical marijuana

# CANNABIS ADVISORY BOARD

## Membership

### NON-VOTING (8)

Directors (or designee) of:

- Commerce
- DLT
- DOH
- RIDE
- Public Safety
- DBR
- EOHHS
- URI Pharmacy representative

### VOTING (11)

(3-year terms)

Governor's (5)



- Chair: Social Equity Officer (Gov)
- Cannabis testing industry
- Cannabis cultivation industry
- Cannabis retail industry
- Governor's choosing\*

Speaker (3)\*

Senate President (3)\*

\*Appointees should be individuals impacted by past drug policies and those in fields of cannabis policy, criminal justice, substance use treatment, housing, public health

# CANNABIS ADVISORY BOARD

## Board Roles & Responsibilities

- Advise and make recommendations to Commission
  - Rules and regs
  - Social Equity Assistance Fund
  - All matters submitted to the Board by the Commission
  - Market analysis

## Subcommittees

- Public Health
- Public Safety & Community Mitigation
- Cannabis Industry
- Market Participation
- Social Equity

Subcommittees to develop best practices and other recommendations for the Commission

# CANNABIS OFFICE

- Established within DBR (will be staffed by current Office of Cannabis Regulation)
- Governor appoints a deputy director to serve as administrator of the office
- Administrative arm of the Cannabis Control Commission
- Responsibilities include:
  - Advise and assist the Commission in carrying out any of its functions, powers, and duties
  - Create forms for applicants and licensing (as approved by the Commission)
  - Prepare any necessary reports required by the Commission
  - Maintain records of regulations, licenses, and permits issued and revoked
- Any other responsibilities as directed by Commission



# REVENUE/TAXES

## TAXES

## FEES

State collects \$ from licensing fees, penalties, etc.



Social Equity Assistance Fund

State collects \$ from regular state sales taxes and excise tax (total tax 20%)



State - 17%

- sales tax 7%
- excise tax 10%



Revenue goes to General Fund, used to fund Commission, Agency, Board; administration of adult use programs, public health and other programming pursuant to regulation of chapter and subject to appropriation



Local excise tax - 3%



Revenue goes to municipality where facility located; municipality determines use



# LICENSING STRUCTURE

- Hybrid Cannabis Retailer (medical and recreational)
- Retailer
- Cultivator
- Independent Testing Laboratory
- Cannabis Product Manufacturer (Wholesaler)
- Employee/Handler





# HYBRID CANNABIS RETAILERS

On or after October 1, 2022:

- An existing compassion center that:

- is in good standing with DBR
- has paid fee of \$125,000 to Social Equity Assistance Fund

Upon adoption of temporary regulations by the Commission, may sell cannabis for adult use, provided no significant adverse effect on medical marijuana program

- Regulation will be pursuant to temporary regulations developed by Office of Cannabis Regulation and adopted by the Commission during a transitional period until the development of final rules and regulations for adult use

# RETAILERS

- In addition to 9 potential hybrid cannabis retailers, after adoption of final rules and regs, CCC may grant 24 Retail licenses in RI's 6 existing geographic medical zones
  - 4 licenses in each zone
  - New licenses to be distributed based on "1:1:2" formula:
    - Each zone must have 1 co-op, 1 social equity, 2 other applications
- Qualifications determined by Commission; all licenses awarded by Commission
- License fee \$30,000
- Must comply with municipal zoning and regulations
- Fair Employment Practices Act
- Testing requirement compliance prior to sale

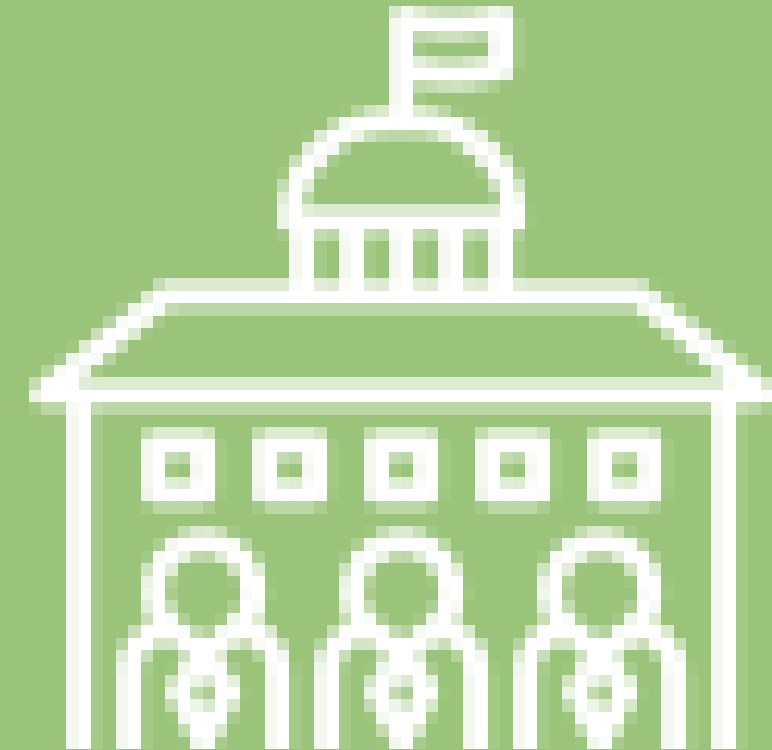


# CULTIVATORS

- Moratorium on new cultivator licenses until issuance of final rules and regulations plus 2 years
- Upon adoption of temporary regulations by the Commission, existing cultivators licensed under Medical Marijuana Act permitted to cultivate for adult use if:
  - Has paid license fee to be determined by Commission
  - Must be in good standing
  - No adverse effects on medical program
- CCC to issue a report before the expiration of moratorium analyzing market conditions relating to cultivation
- Additional licenses may issue upon expiration of moratorium

# LOCAL CONTROL

- City/town councils must decide by resolution whether to put opt-out before voters on November 2022 ballot
- If a city/town opts out by referendum, it will be ineligible for cannabis revenue
- To be eligible for revenue, municipalities cannot allow selective uses
- Ex: cannot ban retail but allow cultivation
- Municipalities barred from creating unreasonable zoning restrictions





# SOCIAL EQUITY

## GOAL

To reduce barriers to participation in the cannabis industry for people adversely impacted by (prior) marijuana laws

## SOCIAL EQUITY ASSISTANCE FUND

- Commission administers the Fund in consultation with the Cannabis Advisory Board
- Fund is supported by application/licensing fees and penalties from adult use market
- Provides grants and fee waivers
- Promote job training, workforce development and technical assistance
- Support programming for restorative justice, prison diversion, drug rehab and education



# DISPROPORTIONALLY IMPACTED AREA

A CENSUS TRACT OR COMPARABLE AREA THAT MEETS AT LEAST ONE OF THE FOLLOWING CRITERIA:

- Poverty rate of at least 20% per latest census data
- 75% or more children qualify for/participate in federal free lunch program
- 20% or more households receive SNAP assistance
- Average unemployment rate, as determined by the RI DLT, is more than 120% of national rate for at least 2 consecutive years
- Area has disproportionately high rates of arrest and conviction related to cannabis
- Commission, with recommendation from CAB and Chief Equity Officer, shall issue guidelines to assess which areas have been disproportionately impacted



# SOCIAL EQUITY: APPLICANT



MUST MEET AT LEAST ONE OF THE FOLLOWING CRITERIA:

- 51% of ownership resided 5 out of past 10 years in disproportionately impacted area
- 51% of ownership has been arrested, convicted or adjudicated for any offense eligible for expungement under this law, or a member of impacted family
- Have at least 10 employees, and at least 51% of employees reside in disproportionately impacted area OR have been arrested/convicted/adjudicated for an expungable offense under this law
- Demonstrate significant experience in types of businesses that promote economic development
- Income that does not exceed 400% of disproportionately impacted area's median income for at least 5 of the past 10 years

# PENALTIES

- Pursuant to Uniform Controlled Substances Act:
  - Possession of more than 2 oz - misdemeanor
  - Possession of more than 1 oz, but not more than 2 oz - civil penalty
  - More than 10 oz within personal residence - misdemeanor (does not include plants)
  - More than allowable home grow (3 mature and 3 immature plants) - misdemeanor

