



A summary of S 510/H 5777, legislation to regulate marijuana

Adult Cultivation and Possession Limits

- Adults 21 or older could possess marijuana paraphernalia and up to one ounce of marijuana.
- Adults could cultivate up to two marijuana plants, one of which could be mature, in a secure, locked location on property lawfully in possession of the cultivator.
- Adults 21 and older could give up to one ounce of marijuana to other adults 21 and older.
- Individuals previously convicted of the conduct listed above while they were 21 or older could file a motion to have those records expunged.

Regulated Businesses

- There would be three categories of state-licensed marijuana businesses: Marijuana retailers, cultivators, and laboratories.
- The Department of Business Regulation (DBR) would develop comprehensive rules, including governing security, laboratory testing, packaging, labeling, recordkeeping, audits, inspections, prohibiting dangerous pesticides and additives, mandating testing, and restricting advertising.
- Three months after the bill goes into effect, each compassion center operator could apply for a cultivator license. Twelve months after the effective date, and every six months thereafter, the DBR would determine whether existing cultivators were meeting demand. If they were not, it would issue more licenses to qualified applicants.
- Five months after the bill goes into effect, compassion centers could apply for a retailer license. About a year later, other applicants could also apply. The DBR would register at least 10 retailers by 18 months after the bill's effective date.
- Nonprofit compassion centers and adult-use marijuana cultivators or retailers would operate as separate business entities.
- The cultivator and retailer registrations would be issued to any compassion center operator that is complying with state laws and regulations and that submits a letter of intent. Additional registrations would be based on a merit-based application process.
- Localities could enact reasonable local restrictions on marijuana businesses within their borders, but could not prohibit their operations altogether.

Education and Labeling

- All adult-use marijuana and marijuana products would be sold with a safety insert developed by the DBR, explaining potential dangers and symptoms of problematic use.
- All marijuana products sold would include labels with potency, a produced-on date, and

- warnings, including ones about keeping marijuana away from children and its effect on driving.
- Edibles would have to be sold in opaque, child-resistant packaging containing a single serving. The labels would explain how long it takes for the product to go into effect, and would include allergen and nutritional information. When practicable, edibles would include a standard symbol indicating it contains marijuana.

Taxation and Fees

- Marijuana would be taxed at a rate of \$50 per ounce for flowers, \$15 per ounce for other parts of marijuana (leaves or trim), and \$10 per seedling. This tax would be imposed on sales from a cultivator to a retailer. Rates would be adjusted for inflation.
- An additional 10 percent tax would be imposed on retail sales of marijuana to adults.
- Non-refundable application fees of up to \$5,000 would be imposed on marijuana retailers, cultivators, and safety compliance centers.
- Marijuana cultivation facilities would pay an annual, tiered licensing fee of up to \$20,000, with the fee based on the grower's size.
- Retailers would pay a \$10,000 annual fee.
- Safety compliance centers' registration fees would be \$5,000 every two years.
- After paying for regulatory costs, the revenue from taxes and fees would be divided as follows:
 - 40 percent would go to the Department of Health to fund voluntary alcohol, tobacco, and drug abuse treatment and prevention programs.
 - 10 percent would be spent on drug recognition expert training for law enforcement.

Employers and Private Property

- Landlords could prohibit the growing or smoking of marijuana at their rentals.
- Property owners could prohibit the consumption and display of marijuana on their property.
- Employers would not have to accommodate employees under the influence, nor their possession of marijuana, at work.

Prohibited Conduct and Penalties

- Smoking marijuana in an outdoor public place would be punishable by a \$150 civil fine.
- Smoking marijuana in an indoor public place could include a fine and/or jail time, with the maximum penalty depending on if the person was previously convicted of the same offense.
- Using a fake ID or otherwise falsely misrepresenting one's age in order to obtain marijuana would be a misdemeanor.
- A retailer who provides marijuana to someone under 21 would be guilty of a misdemeanor and fined not more than \$1,000. Also, the retailer's registration could be revoked or suspended.
- The penalty for a non-retailer who provides marijuana to individuals under 21 or who sells marijuana would remain the same as it is today: Up to 10 years in prison and up to a \$100,000 fine.
- The department may suspend or revoke the registration of a marijuana establishment if it commits multiple or serious violations of the law or regulations.
- Growing marijuana in a location that is not secure or in an area open to the public would be punishable by a fine of up to \$1,000, up to 10 days in jail, or both.

Hemp

- Hemp could be cultivated under rules and regulations issued by the Department of Environmental Management. Hemp producers' fees would be \$100 per year.