



Summary of governor's legalization bill

In Article 20 of her annual budget proposal introduced in January 2019, Gov. Gina Raimondo of Rhode Island put forth a plan to legalize and regulate marijuana for adults' use, as well as implement changes to the existing medical marijuana and hemp laws. In March, the governor's office submitted an amended version of Article 20. An updated version of the amended full legislation can be found [here](#). Below is a detailed summary.

Adult-use legalization

- **Possession limits for adults 21 and older (effective January 1, 2020)**

- One ounce of dried marijuana or its equivalent.
- Up to five ounces of dried marijuana or its equivalent at home, provided it is locked and stored.
- If two or more adults live in the same residence, there may be no more than 10 ounces in total.
- Home cultivation is not permitted.

- **Fines and punishments for violations**

- For cultivation, processing, or manufacturing:
 - If the violation involves one to five plants, \$2,000 per plant.
 - If the violation involves six to 10 plants, \$3,000 per plant.
 - If the violation involves 11 to 20 plants, \$4,000 per plant.
 - If the violation involves more than 20 plants, \$5,000 per plant and a felony crime.
- For possession of dried marijuana or its equivalent, the fine is \$2,000 per ounce over the limit.

- For public consumption, \$150.
 - Smoking or vaporizing in public housing, \$150.
 - Smoking or vaporizing in multi-unit housing complexes without written permission from landlord or owner, \$150.
 - False age representation:
 - First offense - \$100 - \$500 fine, 30 hours of community service, and 30-day suspension of driver's license.
 - Second offense - \$500 - \$750 fine, 40 hours of community service, and three-month suspension of driver's license.
 - Third offense - \$750 - \$1,000 fine, 50 hours of community service, and one-year suspension of driver's license.
 - Distribution to minors under 21: \$10,000 fine and felony. The new version of Article 20 clarifies that distribution to someone under 21 by someone who is less than three years their senior is not a felony offense.
 - Extraction of marijuana using solvents other than water, glycerin, propylene glycol, vegetable oil, or food- grade ethanol (ethyl alcohol), \$5,000 and a felony.
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- **Places of employment**

- Employers do not have to accommodate use or impairment on the job.
 - Employers may adopt and implement their own drug and substance use policies, which could include refusing to hire someone who tests positive for marijuana in a drug screen. (The original version of Article 20 included protections for employees who consumed marijuana outside the workplace.)
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- **Office of Cannabis Regulation (OCR)**

- Charged with implementing and overseeing adult-use market.
- Must report to legislature each year starting January 1, 2021.

- **Marijuana Advisory Board**

- 14 members, seven selected by house speaker, seven by senate president.
- Must include:
 - two members of the general assembly
 - two experts in law enforcement
 - two experts in public health
 - two experts in the legal marijuana business community
 - two attorneys with experience in marijuana law and policy
 - two experts in social welfare or social justice
 - two individuals who represents marijuana consumers
- Duties include making recommendations and holding public hearings.

- **Licensing**

- Applicants must be majority-owned by Rhode Island residents.
- Department of Health licenses testing facilities, OCR licenses everything else.
- In addition to cultivators, processors, and retail stores, OCR may issue other types of licenses for “marijuana destruction, delivery, disposal, research and development, transportation, social use licenses, or any other commercial activity.”
- If a person has a drug felony conviction, they cannot hold an ownership, equity, controlling, or managing stake in the marijuana establishment license.
- OCR may deny, with explanation, any applicant it deems “unsuitable.”

- DBR (Department of Business Regulation) has authority to adopt regulations governing the allowable size of licensees.
 - OCR may limit the number of licenses that an applicant may be issued.
 - No entity may possess a testing facility license and another kind of marijuana establishment license simultaneously.
 - Medical marijuana compassion centers and cultivators may be issued adult-use marijuana licenses (and will be prioritized), provided they are in good standing, but OCR may limit operation if patient's' access to medical marijuana is threatened.
 - Marijuana establishments may not operate within 500 feet of a school.
 - Any medical marijuana establishment may apply for and be issued adult-use licenses for the corresponding medical marijuana licenses held prior to July 1, 2019.
 - Until January 1, 2023, only entities that held compassion center licenses before July 1, 2019 may be "vertically integrated," i.e., hold a cultivator, retail, and processor license at the same time.
 - Compassion centers that hold an adult-use license will not be required to register as a not-for-profit entity.
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• Advertising

- A marijuana establishment licensee may not advertise through any means unless at least 85% of the audience is reasonably expected to be 21 or older.
- Pop-up digital advertisements are prohibited.
- Pricing may not be displayed except on the business's website or through opt-in communications (e.g. emails, text messages).
- Billboard advertising is prohibited.
- Signage outside an establishment may not feature a marijuana leaf or neon lights.

- Marijuana businesses may be listed in phone books.
 - Marijuana businesses may sponsor charitable events so long as there is no logo use that displays cannabis imagery.
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- **Marijuana products**

- No product may be in the shape of an animal, human, vehicle, or other shape or form that may be attractive to children.
 - No “additives,” i.e., products that could be mixed with existing food products.
 - Individual edible products may not contain more than five mg of THC per serving.
 - No package of edible products may contain more than 100 mg of THC.
 - Unless authorized by OCR, no product may contain THC potency greater than 50%.
 - Packaging must be opaque and difficult for children to open.
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- **Municipal authority**

- Municipalities may adopt zoning and use ordinances to regulate time, place, and manner of operation of marijuana establishments within their jurisdiction.
 - These must be adopted before January 1, 2020.
- Community host agreements and other forms of payment (besides reasonable permitting and zoning fees) are prohibited.
- Cities may ban or limit adult-use marijuana establishments through a referendum on November 5, 2019. A single question to ban all establishments is not permitted; different questions are required for each class of license.
- Future referenda may be held to repeal previously adopted bans.
- No municipality may prohibit the transport of marijuana through their jurisdiction.
- Municipalities may impose civil and criminal penalties for violations of adopted ordinances, provided they do not conflict with state law or regulations.

- **Taxation**

- Cultivator excise tax (imposed on all cannabis cultivated, not necessarily sold):
 - \$3/per ounce of trim
 - \$10/per ounce of dried marijuana
- Adult use marijuana retail excise tax:
 - 10% of sales
- Standard sales tax of 7% applies.
- A restricted receipt account, the “marijuana trust fund,” will be created to collect taxes and fees related to the adult-use market.
 - Purposes of the trust include funding programs and activities related to program administration; revenue collection and enforcement; substance use disorder prevention for adults and youth; education and public awareness campaigns; treatment and recovery support services; public health monitoring, research, data collection, and surveillance; law enforcement training; and technology improvements, including grants to local law enforcement.
- 25% of the funds collected will go to the departments of business regulation, health, revenue, and public safety, and the executive office of health and human services.
- 15% will go to cities and towns.
 - One quarter will be distributed equally to all cities and towns.
 - One quarter will be distributed based on the share of total licensed marijuana cultivators, licensed marijuana processors, and licensed marijuana retailers found in each city or town at the end of the quarter that corresponds to the distribution, with licensed marijuana retailers assigned a weight twice that of the other license types.
 - One half based on the volume of sales of adult- use marijuana products that occurred in each city or town in the quarter of the distribution.

- The remaining 60% will go to the state's general fund.
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- **Miscellaneous**

- Landlords may prohibit smoking or vaporizing, but not lawful consumption through other means.
 - Rank-and-file employees of marijuana establishments are not required to submit to background checks.
 - A marijuana establishment licensee cannot use any coupons, discounts, samples, giveaways, or any other mechanism to sell marijuana at prices below market value that may or may not circumvent the payment and collection of marijuana taxes.
 - The proposal allows for the possibility of online sales and delivery.
 - Saliva is added to the kinds of chemical tests that can be admissible in a case involving driving under the influence.
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Medical marijuana

- **Home cultivation and possession limits**

- Starting July 1, 2019:
 - In order to grow their own medicine, patients will have to apply for a caregiver registration card, which requires “a demonstration of need in accordance with regulations promulgated by the department of business regulation.”
 - Plant limit reduced to six mature and six immature plants.
 - Increases possession limit of dried marijuana to three ounces or its equivalent.
 - Maximum plant limit by any cardholder (e.g. caregiver for self and another individual) cannot exceed 12 mature and 12 immature plants.
 - Maximum possession limit by any cardholder cannot exceed six ounces of dried marijuana or its equivalent.

- Clarifies that “unusable marijuana” does not apply to weight-based possession limits.
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- **Compassion centers**

- Allows compassion centers to serve out-of-state patients.
 - Increases limit on compassion centers to nine.
 - Before September 1, 2019, existing compassion centers may apply for one additional compassion center license.
 - After September 1, 2019, additional applicants may apply.
 - Application fee is increased to \$10,000.
 - Annual license fee is reduced to \$50,000.
 - Increases authority of DBR to regulate compassion centers.
 - Compassion centers may be “vertically integrated” (i.e., hold licenses to sell, cultivate, and process marijuana), provided that the size of the operation corresponds to what has previously been approved.
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- **Miscellaneous**

- Clarifies that caregivers may only receive reimbursement for actual expenses incurred and may not charge patients for “time, knowledge, or expertise.”
 - DBR may promulgate regulations for documenting and tracking transactions between caregivers and patients.
- Extends protections to school nurses and allows for administration of non-smoked, non-vaporized medical marijuana products to registered patients in school settings.
- Allows DBR to set income-based sliding scale for patient and caregiver renewal fees.
- A caregiver may only assist one patient, except if any additional patient is an immediate family member or if a demonstration of necessity is met in accordance with DBR

regulations.

- Medical marijuana “emporiums” (i.e., gatherings that involve use, sale, or distribution of medical marijuana) are banned.
 - Grants DBR wide authority to stop any activities that violate the law or regulations issued thereunder.
 - Removes ban on rank-and-file employees with prior drug felonies from working at medical marijuana establishments.
 - Cooperative cultivations no longer permitted after July 1, 2019.
 - Creates medical marijuana processor license.
 - Allows DBR to additional licenses for “destruction, delivery, disposal, research and development, transportation or any other commercial activity.”
 - Allows Department of Health to require medical records with doctor’s certification for patient registration.
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Hemp and CBD products

- **Licensing and regulatory authority**

- Office of Cannabis Regulation authorized to oversee licensing and regulation of CBD distributors and CBD retailers.
 - OCR shall adopt rules and regulations for all operational requirements for licensed growers, handlers, CBD distributors, and retailers.
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- **Taxation**

- A 40% wholesale tax is imposed on consumable CBD products when a licensed retailer purchases from a distributor.