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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO FOOD AND DRUGS - COMPASSION CENTERS

Introduced By: Representatives Tomasso, Slater, Carnevale, O'Brien, and Phillips

Date Introduced: February 26, 2014

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 21-28.6-12 of the General Laws in Chapter 21-28.6 entitled "The
2 Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act" is hereby amended to read as
3 follows:

4 **21-28.6-12. Compassion centers.** -- (a) A compassion center registered under this
5 section may acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or
6 dispense marijuana, or related supplies and educational materials, to registered qualifying patients
7 and their registered primary caregivers who have designated it as one of their primary caregivers.
8 A compassion center is a primary caregiver. Except as specifically provided to the contrary, all
9 provisions of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, sections 21-
10 28.6-1 -- 21-28.6-11, apply to a compassion center unless they conflict with a provision contained
11 in section 21-28.6-12.

12 (b) Registration of compassion centers--department authority:

13 (1) Not later than ninety (90) days after the effective date of this chapter, the department
14 shall promulgate regulations governing the manner in which it shall consider applications for
15 registration certificates for compassion centers, including regulations governing:

16 (i) The form and content of registration and renewal applications;

17 (ii) Minimum oversight requirements for compassion centers;

18 (iii) Minimum record-keeping requirements for compassion centers;

19 (iv) Minimum security requirements for compassion centers; and

1 (v) Procedures for suspending, revoking or terminating the registration of compassion
2 centers that violate the provisions of this section or the regulations promulgated pursuant to this
3 subsection.

4 (2) Within ninety (90) days of the effective date of this chapter, the department shall
5 begin accepting applications for the operation of a single compassion center.

6 (3) Within one hundred fifty (150) days of the effective date of this chapter, the
7 department shall provide for at least one public hearing on the granting of an application to a
8 single compassion center.

9 (4) Within one hundred ninety (190) days of the effective date of this chapter, the
10 department shall grant a single registration certificate to a single compassion center, providing at
11 least one applicant has applied who meets the requirements of this chapter.

12 (5) If at any time after fifteen (15) months after the effective date of this chapter, there is
13 no operational compassion center in Rhode Island, the department shall accept applications,
14 provide for input from the public, and issue a registration certificate for a compassion center if a
15 qualified applicant exists.

16 (6) Within two (2) years of the effective date of this chapter, the department shall begin
17 accepting applications to provide registration certificates for two (2) additional compassion
18 centers. The department shall solicit input from the public, and issue registration certificates if
19 qualified applicants exist.

20 (7) Any time a compassion center registration certificate is revoked, is relinquished, or
21 expires, the department shall accept applications for a new compassion center.

22 (8) If at any time after three (3) years after the effective date of this chapter, fewer than
23 three (3) compassion centers are holding valid registration certificates in Rhode Island, the
24 department shall accept applications for a new compassion center. No more than three (3)
25 compassion centers may hold valid registration certificates at one time.

26 (9) Any compassion center application selected for approval by the department prior to
27 January 1, 2012, shall remain in full force and effect, notwithstanding any provisions of this
28 chapter to the contrary, and shall be subject to state law adopted herein and rules and regulations
29 adopted by the department subsequent to passage of this legislation.

30 (c) Compassion center and agent applications and registration:

31 (1) Each application for a compassion center shall include:

32 (i) A non-refundable application fee paid to the department in the amount of two
33 hundred fifty dollars (\$250);

34 (ii) The proposed legal name and proposed articles of incorporation of the compassion

1 center;

2 (iii) The proposed physical address of the compassion center, if a precise address has
3 been determined, or, if not, the general location where it would be located. This may include a
4 second location for the cultivation of medical marijuana;

5 (iv) A description of the enclosed, locked facility that would be used in the cultivation of
6 marijuana;

7 (v) The name, address, and date of birth of each principal officer and board member of
8 the compassion center;

9 (vi) Proposed security and safety measures which shall include at least one security
10 alarm system for each location, planned measures to deter and prevent the unauthorized entrance
11 into areas containing marijuana and the theft of marijuana, as well as a draft employee instruction
12 manual including security policies, safety and security procedures, personal safety and crime
13 prevention techniques; and

14 (vii) Proposed procedures to ensure accurate record keeping;

15 (2) Any time one or more compassion center registration applications are being
16 considered, the department shall also allow for comment by the public and shall solicit input from
17 registered qualifying patients, registered primary caregivers; and the towns or cities where the
18 applicants would be located;

19 (3) Each time a compassion center certificate is granted, the decision shall be based upon
20 the overall health needs of qualified patients and the safety of the public, including, but not
21 limited to, the following factors:

22 (i) Convenience to patients from throughout the state of Rhode Island to the compassion
23 centers if the applicant were approved;

24 (ii) The applicants' ability to provide a steady supply to the registered qualifying patients
25 in the state;

26 (iii) The applicants' experience running a non-profit or business;

27 (iv) The interests of qualifying patients regarding which applicant be granted a
28 registration certificate;

29 (v) The interests of the city or town where the dispensary would be located;

30 (vi) The sufficiency of the applicant's plans for record keeping and security, which
31 records shall be considered confidential health care information under Rhode Island law and are
32 intended to be deemed protected health care information for purposes of the Federal Health
33 Insurance Portability and Accountability Act of 1996, as amended; and

34 (vii) The sufficiency of the applicant's plans for safety and security, including proposed

1 location, security devices employed, and staffing;

2 (4) After a compassion center is approved, but before it begins operations, it shall submit
3 the following to the department:

4 (i) A fee paid to the department in the amount of five thousand dollars (\$5,000);

5 (ii) The legal name and articles of incorporation of the compassion center;

6 (iii) The physical address of the compassion center; this may include a second address
7 for the secure cultivation of marijuana;

8 (iv) The name, address, and date of birth of each principal officer and board member of
9 the compassion center;

10 (v) The name, address, and date of birth of any person who will be an agent of, employee
11 or volunteer of the compassion center at its inception;

12 (5) The department shall track the number of registered qualifying patients who
13 designate each compassion center as a primary caregiver, and issue a written statement to the
14 compassion center of the number of qualifying patients who have designated the compassion
15 center to serve as a primary caregiver for them. This statement shall be updated each time a new
16 registered qualifying patient designates the compassion center or ceases to designate the
17 compassion center and may be transmitted electronically if the department's regulations so
18 provide. The department may provide by regulation that the updated written statements will not
19 be issued more frequently than twice each week;

20 (6) Except as provided in subdivision (7), the department shall issue each principal
21 officer, board member, agent, volunteer and employee of a compassion center a registry
22 identification card or renewal card within ten (10) days of receipt of the person's name, address,
23 date of birth; a fee in an amount established by the department; and notification to the department
24 by the state police that the registry identification card applicant has not been convicted of a felony
25 drug offense or has not entered a plea of nolo contendere for a felony drug offense and received a
26 sentence of probation. Each card shall specify that the cardholder is a principal officer, board
27 member, agent, volunteer, or employee of a compassion center and shall contain the following:

28 (i) The name, address, and date of birth of the principal officer, board member, agent,
29 volunteer or employee;

30 (ii) The legal name of the compassion center to which the principal officer, board
31 member, agent, volunteer or employee is affiliated;

32 (iii) A random identification number that is unique to the cardholder;

33 (iv) The date of issuance and expiration date of the registry identification card; and

34 (v) A photograph, if the department decides to require one;

1 (7) Except as provided in this subsection, the department shall not issue a registry
2 identification card to any principal officer, board member, agent, volunteer, or employee of a
3 compassion center who has been convicted of a felony drug offense or has entered a plea of nolo
4 contendere for a felony drug offense and received a sentence of probation. The department shall
5 notify the compassion center in writing of the purpose for denying the registry identification card.
6 The department may grant such person a registry identification card if the department determines
7 that the offense was for conduct that occurred prior to the enactment of the Edward O. Hawkins
8 and Thomas C. Slater Medical Marijuana Act or that was prosecuted by an authority other than
9 the state of Rhode Island and for which the Edward O. Hawkins and Thomas C. Slater Medical
10 Marijuana Act would otherwise have prevented a conviction;

11 (i) All registry identification card applicants shall apply to the state police for a national
12 criminal identification records check that shall include fingerprints submitted to the federal
13 bureau of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
14 contendere for a felony drug offense with a sentence of probation, and in accordance with the
15 rules promulgated by the director, the state police shall inform the applicant, in writing, of the
16 nature of the felony and the state police shall notify the department, in writing, without disclosing
17 the nature of the felony, that a felony drug offense conviction or a plea of nolo contendere for a
18 felony drug offense with probation has been found.

19 (ii) In those situations in which no felony drug offense conviction or plea of nolo
20 contendere for a felony drug offense with probation has been found, the state police shall inform
21 the applicant and the department, in writing, of this fact.

22 (iii) All registry identification card applicants shall be responsible for any expense
23 associated with the criminal background check with fingerprints.

24 (8) A registry identification card of a principal officer, board member, agent, volunteer,
25 or employee shall expire one year after its issuance, or upon the expiration of the registered
26 organization's registration certificate, or upon the termination of the principal officer, board
27 member, agent, volunteer or employee's relationship with the compassion center, whichever
28 occurs first.

29 (d) Expiration or termination of compassion center:

30 (1) A compassion center's registration shall expire two (2) years after its registration
31 certificate is issued. The compassion center may submit a renewal application beginning sixty
32 (60) days prior to the expiration of its registration certificate;

33 (2) The department shall grant a compassion center's renewal application within thirty
34 (30) days of its submission if the following conditions are all satisfied:

1 (i) The compassion center submits the materials required under subdivision (c)(4),
2 including a five thousand dollar (\$5,000) fee;

3 (ii) The compassion center's registration has never been suspended for violations of this
4 chapter or regulations issued pursuant to this chapter;

5 (iii) The legislative oversight committee's report, if issued pursuant to subsection (4)(j),
6 indicates that the compassion center is adequately providing patients with access to medical
7 marijuana at reasonable rates; and

8 (iv) The legislative oversight committee's report, if issued pursuant to subsection (4)(j),
9 does not raise serious concerns about the continued operation of the compassion center applying
10 for renewal.

11 (3) If the department determines that any of the conditions listed in paragraphs (d)(2)(i) -
12 - (iv) have not been met, the department shall begin an open application process for the operation
13 of a compassion center. In granting a new registration certificate, the department shall consider
14 factors listed in subdivision (c)(3) of this section;

15 (4) The department shall issue a compassion center one or more thirty (30) day
16 temporary registration certificates after that compassion center's registration would otherwise
17 expire if the following conditions are all satisfied:

18 (i) The compassion center previously applied for a renewal, but the department had not
19 yet come to a decision;

20 (ii) The compassion center requested a temporary registration certificate; and

21 (iii) The compassion center has not had its registration certificate revoked due to
22 violations of this chapter or regulations issued pursuant to this chapter.

23 (5) A compassion center's registry identification card shall be subject to revocation if the
24 compassion center:

25 (i) Possesses an amount of marijuana exceeding the limits established by this chapter;

26 (ii) Is in violation of the laws of this state;

27 (iii) Is in violation of other departmental regulations; or

28 (iv) Employs or enters into a business relationship with a medical practitioner who
29 provides written certification of a qualifying patient's medical condition.

30 (e) Inspection. - Compassion centers are subject to reasonable inspection by the
31 department of health, division of facilities regulation. During an inspection, the department may
32 review the compassion center's confidential records, including its dispensing records, which shall
33 track transactions according to qualifying patients' registry identification numbers to protect their
34 confidentiality.

1 (f) Compassion center requirements:

2 (1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
3 of its patients. A compassion center need not be recognized as a tax-exempt organization by the
4 Internal Revenue Services;

5 (2) A compassion center may not be located within one thousand feet (1000') of the
6 property line of a preexisting public or private school;

7 (3) A compassion center shall notify the department within ten (10) days of when a
8 principal officer, board member, agent, volunteer or employee ceases to work at the compassion
9 center. His or her card shall be deemed null and void and the person shall be liable for any
10 penalties that may apply to any nonmedical possession or use of marijuana by the person;

11 (4) A compassion center shall notify the department in writing of the name, address, and
12 date of birth of any new principal officer, board member, agent, volunteer or employee and shall
13 submit a fee in an amount established by the department for a new registry identification card
14 before that person begins his or her relationship with the compassion center;

15 (5) A compassion center shall implement appropriate security measures to deter and
16 prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and
17 shall insure that each location has an operational security alarm system. Each compassion center
18 shall request that the Rhode Island state police visit the compassion center to inspect the security
19 of the facility and make any recommendations regarding the security of the facility and its
20 personnel within ten (10) days prior to the initial opening of each compassion center. Said
21 recommendations shall not be binding upon any compassion center, nor shall the lack of
22 implementation of said recommendations delay or prevent the opening or operation of any center.
23 If the Rhode Island state police do not inspect the compassion center within the ten (10) day
24 period there shall be no delay in the compassion center's opening.

25 (6) The operating documents of a compassion center shall include procedures for the
26 oversight of the compassion center and procedures to ensure accurate record keeping;

27 (7) A compassion center is prohibited from acquiring, possessing, cultivating,
28 manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any
29 purpose except to assist registered qualifying patients with the medical use of marijuana directly
30 or through the qualifying patient's other primary caregiver;

31 (8) All principal officers and board members of a compassion center must be residents of
32 the state of Rhode Island;

33 (9) Each time a new registered qualifying patient visits a compassion center, it shall
34 provide the patient with frequently asked questions sheet designed by the department, which

1 explains the limitations on the right to use medical marijuana under state law;

2 (10) Each compassion center shall develop, implement, and maintain on the premises
3 employee, volunteer and agent policies and procedures to address the following requirements:

4 (i) A job description or employment contract developed for all employees and agents and
5 a volunteer agreement for all volunteers, which includes duties, authority, responsibilities,
6 qualifications, and supervision; and

7 (ii) Training in and adherence to state confidentiality laws.

8 (11) Each compassion center shall maintain a personnel record for each employee, agent
9 and volunteer that includes an application and a record of any disciplinary action taken;

10 (12) Each compassion center shall develop, implement, and maintain on the premises an
11 on-site training curriculum, or enter into contractual relationships with outside resources capable
12 of meeting employee training needs, which includes, but is not limited to, the following topics:

13 (i) Professional conduct, ethics, and patient confidentiality; and

14 (ii) Informational developments in the field of medical use of marijuana.

15 (13) Each compassion center entity shall provide each employee, agent and volunteer, at
16 the time of his or her initial appointment, training in the following:

17 (i) The proper use of security measures and controls that have been adopted; and

18 (ii) Specific procedural instructions on how to respond to an emergency, including
19 robbery or violent accident;

20 (14) All compassion centers shall prepare training documentation for each employee and
21 volunteer and have employees and volunteers sign a statement indicating the date, time, and place
22 the employee and volunteer received said training and topics discussed, to include name and title
23 of presenters. The compassion center shall maintain documentation of an employee's and a
24 volunteer's training for a period of at least six (6) months after termination of an employee's
25 employment or the volunteer's volunteering.

26 (g) Maximum amount of usable marijuana to be dispensed:

27 (1) A compassion center or principal officer, board member, agent, volunteer or
28 employee of a compassion center may not dispense more than two and one half ounces (2.5 oz) of
29 usable marijuana to a qualifying patient directly or through a qualifying patient's other primary
30 caregiver during a fifteen (15) day period;

31 (2) A compassion center or principal officer, board member, agent, volunteer or
32 employee of a compassion center may not dispense an amount of usable marijuana or marijuana
33 plants to a qualifying patient or a qualifying patient's other primary caregiver that the compassion
34 center, principal officer, board member, agent, volunteer, or employee knows would cause the

1 recipient to possess more marijuana than is permitted under the Edward O. Hawkins and Thomas
2 C. Slater Medical Marijuana Act.

3 (h) Immunity:

4 (1) No registered compassion center shall be subject to prosecution; search, except by
5 the department pursuant to subsection (e); seizure; or penalty in any manner or denied any right
6 or privilege, including, but not limited to, civil penalty or disciplinary action by a business,
7 occupational, or professional licensing board or entity, solely for acting in accordance with this
8 section to assist registered qualifying patients to whom it is connected through the department's
9 registration process with the medical use of marijuana;

10 (2) No registered compassion center shall be subject to prosecution; seizure or penalty in
11 any manner or denied any right or privilege, including, but not limited to, civil penalty or
12 disciplinary action by a business, occupational, or professional licensing board or entity, for
13 selling, giving or distributing marijuana in whatever form and within the limits established by the
14 department to another registered compassion center;

15 (3) No principal officers, board members, agents, volunteers, or employees of a
16 registered compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in
17 any manner or denied any right or privilege, including, but not limited to, civil penalty or
18 disciplinary action by a business, occupational, or professional licensing board or entity, solely
19 for working for or with a compassion center to engage in acts permitted by this section.

20 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
21 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
22 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
23 the scope of his or her employment regarding the administration, execution and/or enforcement of
24 this act, and the provisions of Rhode Island general laws, sections 9-31-8 and 9-31-9 shall be
25 applicable to this section.

26 (i) Prohibitions:

27 (1) A compassion center shall not possess an amount of marijuana at any given time that
28 exceeds the following limitations:

29 (i) One hundred fifty (150) marijuana plants of which no more than ninety-nine (99)
30 shall be mature; and

31 (ii) One thousand five hundred ounces (1500 oz.) of usable marijuana.

32 (2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a
33 person other than a qualifying patient who has designated the compassion center as a primary
34 caregiver or to such patient's other primary caregiver;

1 (3) A person found to have violated paragraph (2) of this subsection may not be an
2 employee, agent, volunteer, principal officer, or board member of any compassion center;

3 (4) An employee, agent, volunteer, principal officer or board member of any compassion
4 center found in violation of paragraph (2) above shall have his or her registry identification
5 revoked immediately; and

6 (5) No person who has been convicted of a felony drug offense or has entered a plea of
7 nolo contendere for a felony drug offense with a sentence or probation may be the principal
8 officer, board member, agent, volunteer, or employee of a compassion center unless the
9 department has determined that the person's conviction was for the medical use of marijuana or
10 assisting with the medical use of marijuana in accordance with the terms and conditions of this
11 chapter. A person who is employed by or is an agent, volunteer, principal officer, or board
12 member of a compassion center in violation of this section is guilty of a civil violation punishable
13 by a fine of up to one thousand dollars (\$1,000). A subsequent violation of this section is a
14 misdemeanor.

15 (6) A compassion center may not advertise medical marijuana sales in print, broadcast, or
16 by paid in-person solicitation of customers. This shall not prevent appropriate signs on the
17 property of the registered compassion center, listings in business directories including phone
18 books, listings in trade or medical publications, or the sponsorship of health or not-for-profit
19 charity or advocacy events; provided, that compassion centers may advertise on the internet only
20 by allowing patients and caregivers to log on to the website with their identification number on
21 their registry identification card. This advertising shall be limited to referencing diagnosed
22 conditions, and shall not allow for discount coupons, nor be directed at minors.

23 (j) Legislative oversight committee:

24 (1) The general assembly shall appoint a nine (9) member oversight committee
25 comprised of: one member of the house of representatives; one member of the senate; one
26 physician to be selected from a list provided by the Rhode Island medical society; one nurse to be
27 selected from a list provided by the Rhode Island state nurses association; two (2) registered
28 qualifying patients; one registered primary caregiver; one patient advocate to be selected from a
29 list provided by the Rhode Island patient advocacy coalition; and the superintendent of the Rhode
30 Island state police or his/her designee.

31 (2) The oversight committee shall meet at least six (6) times per year for the purpose of
32 evaluating and making recommendations to the general assembly regarding:

33 (i) Patients' access to medical marijuana;

34 (ii) Efficacy of compassion center;

- 1 (iii) Physician participation in the Medical Marijuana Program;
- 2 (iv) The definition of qualifying medical condition;
- 3 (v) Research studies regarding health effects of medical marijuana for patients.
- 4 (3) On or before January 1 of every even numbered year, the oversight committee shall
- 5 report to the general assembly on its findings.
- 6 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO FOOD AND DRUGS - COMPASSION CENTERS

1 This act would prohibit compassion centers from advertising medical marijuana sales in
2 print, broadcast or in-person solicitation of customers. Internet advertising is allowed but patients
3 and caregivers are allowed to log on only by use of their registry identification number.

4 This act would take effect upon passage.

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