

2019 -- H 6070

LC002322

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO FOOD AND DRUGS - THE EDWARD O. HAWKINS AND THOMAS C. SLATER MEDICAL MARIJUANA ACT - THE RHODE ISLAND CANNABIS EQUITY ACT OF 2019

Introduced By: Representatives Williams, Almeida, Cassar, Vella-Wilkinson, and Slater

Date Introduced: May 03, 2019

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 21-28.6 of the General Laws entitled "The Edward O. Hawkins and
2 Thomas C. Slater Medical Marijuana Act" is hereby amended by adding thereto the following
3 sections:

4 **21-28.6-18. Rhode Island cannabis equity.**

5 (a)(1) Cannabis prohibition has had a devastating impact on communities across Rhode
6 Island and across the United States. Persons convicted of a cannabis-related offense and their
7 families suffer the long-term consequences of prohibition. These individuals have a more difficult
8 time entering the newly created adult-use cannabis industries due, in part, to a lack of access to
9 capital, business space, technical support, and regulatory compliance assistance. In partial
10 recognition of this, the general assembly decriminalized possession of small amounts of
11 marijuana in 2013. Since 2006, medicinal use of marijuana has been permitted in Rhode Island.

12 (2) During the era of cannabis prohibition in Rhode Island, the burdens of arrests,
13 convictions, and long-term collateral consequences arising from a conviction related to cannabis
14 fell disproportionately on Black and Latinx people, even though people of all races used and sold
15 cannabis at nearly identical rates. A policy report issued by Open Doors in 2010 reported that in
16 2008, people of color were arrested for possession of marijuana and sentenced to prison at a rate
17 eight (8) times higher than white persons. A report released by the American Civil Liberties
18 Union in 2013 found that in Rhode Island in the years 2001 through 2010, black persons were

1 arrested for marijuana possession at a rate nearly three (3) times the rate of white persons. The
2 collateral consequences associated with cannabis law violations, coupled with generational
3 poverty and a lack of access to resources, made it extraordinarily difficult for persons of color,
4 especially those with prior convictions, to enter the newly regulated cannabis industries.

5 (3) Offering technical support, regulatory compliance assistance, and assistance with
6 securing the capital necessary to begin a business in the emerging new cannabis industries will
7 help to reduce barriers to licensure and employment of persons of color.

8 (4) Offering these supports will also aid the state in eliminating or reducing the illicit
9 cannabis market by bringing more people into the legal marketplace.

10 (5) It is the intent of this act to ensure that persons most harmed by cannabis
11 criminalization be offered assistance to enter the cannabis industries as entrepreneurs or as
12 employees with high quality and well-paying jobs. It is also the intent of this act to ensure that
13 barriers to persons of color entering the cannabis industries are reduced or eliminated.

14 (b) As used in this chapter, the term "persons of color" means people who are citizens or
15 permanent residents of the United States and who are:

16 (1) Black (a person having origins in any of the black racial groups of Africa); or

17 (2) Hispanic (a person of Mexican, Puerto Rican, Cuban, Central or South American, or
18 other Spanish culture or origin, regardless of race); or

19 (3) Asian American (a person having origins in any of the original peoples of the Far
20 East, Southeast Asia, the Indian subcontinent, or the Pacific Islands); or

21 (4) American Indian and Alaskan Native (a person having origins in any of the original
22 peoples of North America).

23 **21-28.6-19. Distribution of certificates and licenses.**

24 (a) Notwithstanding any provisions of this chapter to the contrary, effective July 1, 2019,
25 and thereafter, the department of business regulation (the "department") shall implement policies
26 to increase participation in the marijuana industry of people of color or persons found to be
27 disproportionately impacted by marijuana prohibition based on the 2019 legislative analysis
28 entitled "the Rhode Island cannabis equity act" hereinafter referred to as the "2019 legislative
29 analysis" conducted to determine whether a disparity exists in the arrest or conviction rate for
30 marijuana arrests. Policies implemented pursuant to this section shall pursue a goal of ensuring
31 that half (1/2) of all new compassion center registration certificates issued, including, but not
32 limited to, certificates issued pursuant to the provisions of § 21-28.6-12, are issued to persons of
33 color or those persons found by the 2019 legislative analysis to be disproportionately impacted by
34 marijuana prohibition. In promulgating these policies, the department shall consider factors and

1 goals identified in § 21-28.6-18(a), the conclusions reached in the 2019 legislative analysis, and
2 other factors designed to promote the entry of persons of color and persons found by the 2019
3 legislative analysis to be disproportionately impacted by marijuana prohibition into the cannabis
4 industries.

5 (b) Notwithstanding any provisions of this chapter to the contrary, effective July 1, 2019,
6 and thereafter, the department shall implement policies to increase participation of people of color
7 or persons found to be disproportionately impacted by marijuana prohibition based on the 2019
8 legislative analysis. Policies implemented pursuant to this section shall pursue a goal of ensuring
9 that half (1/2) of all new cultivator licenses issued, including, but not limited to, licenses issued
10 pursuant to the provisions of § 21-28.6-16, are issued to persons of color or persons found by the
11 2019 legislative analysis to be disproportionately impacted by marijuana prohibition who are also
12 residents of Rhode Island. In issuing these licenses, the department shall consider factors and
13 goals identified in § 21-28.6-18(a), the conclusions reached in the 2019 legislative analysis and
14 other factors designed to promote the entry of persons of color or persons found by the 2019
15 legislative analysis to be disproportionately impacted into the cannabis industries.

16 (c) In issuing any certificate or license pertaining to the cannabis industries, the
17 department shall also consider the number of the persons of color or those persons found by the
18 2019 legislative analysis to be disproportionately impacted by marijuana prohibition who the
19 applicant for the certificate or license will employ under or pursuant to the certificate or license.
20 The department shall encourage applicants who commit to ensuring that at least a quarter (1/4) of
21 their staff are persons of color or among those persons found by the 2019 legislative analysis to
22 be disproportionately impacted by marijuana prohibition.

23 **21-28.6-20. Cannabis economic opportunity fund.**

24 (a) Fund established.

25 (1) Effective July 1, 2019, there is hereby established a restricted receipt account entitled
26 the "cannabis economic opportunity fund" (the "fund").

27 (b) Funding.

28 (1) Thirty percent (30%) of all monies and revenues generated by sales, licensure, fines,
29 taxes and fees charged pursuant to this chapter and any other provisions related to the
30 marijuana/cannabis industries, and thirty percent (30%) of all monies collected as a fine for a
31 violation of a law or rule pertaining to marijuana/cannabis, shall be deposited into the fund. The
32 fund shall be administered by the department of business regulation (the "department").

33 (c) Distribution of fund.

34 (1) Eighty percent (80%) of the fund shall be used to provide interest free loans to

1 persons of color or persons found by the 2019 legislative analysis to be disproportionately
2 impacted by marijuana prohibition who are seeking entry into the cannabis industries. Applicants
3 for these loans shall set forth in detail the proposed use of the funds and, if a loan is approved, the
4 applicant shall be required to use the funds in accordance with the applicant's application. The
5 approval process for these loans shall be established by rules and regulations promulgated by the
6 department. The department shall provide assistance to persons of color or persons found by the
7 2019 legislative analysis to be disproportionately impacted by marijuana prohibition in the
8 completion of these loan applications.

9 (2) Twenty percent (20%) of the fund shall be used to provide job training to assist
10 persons of color or persons found by the 2019 legislative analysis to be disproportionately
11 impacted by marijuana prohibition in gaining entrance into the cannabis industries.

12 **21-28.6-21. Social equity analysis – Finding and conclusions.**

13 To facilitate greater equity in business ownership and employment in the cannabis
14 market, the department of business regulation (the "department") shall do all of the following:

15 (1) Serve as a point of contact for and to assist persons of color or persons found by the
16 2019 legislative analysis to be disproportionately impacted by marijuana prohibition interested in
17 gaining access to the cannabis industries.

18 (2) On or before July 1, 2020, publish the findings or conclusions reached by the
19 legislative analysis.

20 (3) To the extent feasible, assist and provide guidance to persons of color or persons
21 found by the 2019 legislative analysis to be disproportionately impacted by marijuana prohibition
22 seeking to enter the cannabis industries in regard to appearances before and dealings with local
23 municipal agencies, including, but not limited to, planning and zoning boards, and municipal
24 governing councils.

25 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 - THE EDWARD O. HAWKINS AND THOMAS C.
SLATER MEDICAL MARIJUANA ACT - THE RHODE ISLAND CANNABIS EQUITY ACT
OF 2019

1 This act would seek to remove barriers to persons of color or persons found to be
2 disproportionately impacted by marijuana prohibition from entering into the cannabis industries.
3 The act would ensure that a policy is implemented to promote an equitable distribution of licenses
4 and certificates related to these industries. The act would also establish a loan program, to be
5 administered by the department of business regulation, to assist persons of color or persons found
6 to be disproportionately impacted by marijuana prohibition to gain access into the cannabis
7 industries.

8 This act would take effect upon passage.

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