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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 MARIJUANA SOCIAL EQUITY PROGRAM

Introduced By: Representatives Williams, Craven, Slater, Vella-Wilkinson, and Blazejewski

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 marijuana social equity program -- Findings and purpose.**

5 (a)(1) Marijuana prohibition has had a devastating impact on communities across Rhode  
6 Island and across the United States. Persons convicted of a marijuana-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 marijuana 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 marijuana prohibition in Rhode Island, the burdens of arrests,  
13 convictions, and long-term collateral consequences arising from a conviction related to marijuana  
14 fell disproportionately on Black and Latinx people, even though people of all races used and sold  
15 marijuana 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.  
2 Furthermore, a 2015 American Civil Liberties Union of Rhode Island report entitled "The School  
3 to Prison Pipeline in Black and White", identified racial disparities in certain areas of public  
4 interaction with the government specifically in areas of school discipline, racial profiling in traffic  
5 stops, arrest rates, marijuana possession arrests rates and prison representation. The collateral  
6 consequences associated with marijuana law violations, coupled with generational poverty and a  
7 lack of access to resources, made it extraordinarily difficult for persons of color, especially those  
8 with prior convictions, to enter the newly regulated marijuana industries.

9 (3) Offering technical support, regulatory compliance assistance, and assistance with  
10 securing the capital necessary to begin a business in the emerging new marijuana industries will  
11 help to reduce barriers to licensure and employment of persons of color who have been  
12 disproportionately harmed by marijuana prohibition.

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

15 (5) It is the intent of this act to ensure that persons most harmed by marijuana  
16 criminalization be offered assistance to enter the marijuana industries as entrepreneurs or as  
17 employees with high quality and well-paying jobs. It is also the intent of this act to ensure that  
18 barriers to persons of color who have been disproportionately harmed by marijuana prohibition  
19 entering the marijuana industries are reduced or eliminated.

20 (b) As used in this chapter, the term "persons of color" means people who are: Citizens or  
21 permanent residents of the United States and current residents of Rhode Island who are members  
22 of any ethnic group included in the 2015 report conducted by the American Civil Liberties Union  
23 of Rhode Island entitled "The School to Prison Pipeline in Black and White" as being negatively  
24 affected by racial disparities in Rhode Island including persons who are:

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

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

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

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

32 **21-28.6-19. Distribution of certificates and licenses.**

33 (a) Notwithstanding any provisions of this chapter to the contrary, effective July 1, 2019,  
34 and thereafter, the department of business regulation (the "department") shall implement policies

1 to increase participation in the marijuana industry by people of color. Policies implemented  
2 pursuant to this chapter shall pursue a goal of ensuring that half (1/2) of all new compassion  
3 center registration certificates issued, including, but not limited to, certificates issued pursuant to  
4 the provisions of § 21-28.6-12, are issued to persons of color. In promulgating these policies, the  
5 department shall consider factors and goals identified in § 21-28.6-18(a), the summary and  
6 conclusions reached in the 2015 American Civil Liberties Union of Rhode Island report entitled  
7 "The School to Prison Pipeline in Black and White" and other factors designed to promote the  
8 entry of persons of color into the marijuana industries.

9 (b) Notwithstanding any provisions of this chapter to the contrary, effective July 1, 2019,  
10 and thereafter, the department shall implement policies to increase participation by people of  
11 color in the marijuana cultivation industry. Policies implemented pursuant to this section shall  
12 pursue a goal of ensuring that half (1/2) of all new cultivator licenses issued, including, but not  
13 limited to, licenses issued pursuant to the provisions of § 21-28.6-16, are issued to persons of  
14 color. In issuing these licenses, the department shall consider factors and goals identified in § 21-  
15 28.6-18(a), the conclusions reached in the 2015 American Civil Liberties Union of Rhode Island  
16 report entitled "The School to Prison Pipeline in Black and White" and other factors designed to  
17 promote the entry of persons of color into the marijuana industries.

18 (c) In issuing any certificate or license pertaining to the marijuana industries, the  
19 department shall also consider the number of the persons of color who the applicant for the  
20 certificate or license will employ under or pursuant to the certificate or license. The department  
21 shall encourage applicants who commit to ensuring that at least a quarter (1/4) of their staff are  
22 persons of color.

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

24 (a) Fund established.

25 (1) Effective July 1, 2019, there is hereby established a restricted receipt account entitled  
26 the "marijuana 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 marijuana  
30 industries, and thirty percent (30%) of all monies collected as a fine for a violation of a law or  
31 rule pertaining to marijuana, shall be deposited into the fund. The fund shall be administered by  
32 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 who are seeking entry into the marijuana industries. Applicants for these loans  
2 shall set forth in detail the proposed use of the funds and, if a loan is approved, the applicant shall  
3 be required to use the funds in accordance with the applicant's application. The approval process  
4 for these loans shall be established by rules and regulations promulgated by the department. The  
5 department shall provide assistance to persons of color in the completion of these loan  
6 applications.

7 (2) Twenty percent (20%) of the fund shall be used to provide job training to assist  
8 persons of color in gaining entrance into the marijuana industries.

9 **21-28.6-21. Social equity analysis – Finding and conclusions.**

10 To facilitate greater equity in business ownership and employment in the marijuana  
11 market, the department of business regulation (the "department") shall do all of the following:

12 (1) Serve as a point of contact for and to assist persons of color interested in gaining  
13 access to the marijuana industries.

14 (2) To the extent feasible, assist and provide guidance to persons of color seeking to enter  
15 the marijuana industries in regard to appearances before and dealings with local municipal  
16 agencies, including, but not limited to, planning and zoning boards, and municipal governing  
17 councils.

18 (3) On or before July 1, 2020, publish a social equity analysis of marijuana regulations  
19 aimed at promoting equitable ownership and employment opportunities for persons of color in the  
20 marijuana industries, in order to decrease disparities in life outcomes for marginalized  
21 communities and to address the disproportionate impact of the war on drugs in those  
22 communities, and especially upon persons of color. In preparing this analysis, the department  
23 shall reach out to advocacy groups and experts who may include, but are not limited to, business  
24 owners of color and entrepreneurs of color, organizations with expertise in addressing barriers to  
25 employment and licensure for low-income communities or persons of color with prior arrests or  
26 convictions, and unions representing marijuana workers.

27 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 MARIJUANA SOCIAL  
EQUITY PROGRAM

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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 marijuana 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 marijuana  
7 industries.

8           This act would take effect upon passage.

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