It is enacted by the General Assembly as follows:

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

21-28.6-18. Rhode Island marijuana social equity program -- Findings and purpose.

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

(2) During the era of marijuana prohibition in Rhode Island, the burdens of arrests, convictions, and long-term collateral consequences arising from a conviction related to marijuana fell disproportionately on Black and Latinx people, even though people of all races used and sold marijuana at nearly identical rates. A policy report issued by Open Doors in 2010 reported that in 2008, people of color were arrested for possession of marijuana and sentenced to prison at a rate eight (8) times higher than white persons. A report released by the American Civil Liberties Union in 2013 found that in Rhode Island in the years 2001 through 2010, black persons were
arrested for marijuana possession at a rate nearly three (3) times the rate of white persons.

Furthermore, a 2015 American Civil Liberties Union of Rhode Island report entitled "The School to Prison Pipeline in Black and White", identified racial disparities in certain areas of public interaction with the government specifically in areas of school discipline, racial profiling in traffic stops, arrest rates, marijuana possession arrests rates and prison representation. The collateral consequences associated with marijuana law violations, coupled with generational poverty and a lack of access to resources, made it extraordinarily difficult for persons of color, especially those with prior convictions, to enter the newly regulated marijuana industries.

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

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

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

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

(1) Black (a person having origins in any of the black racial groups of Africa); or
(2) Hispanic (a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race); or
(3) Asian American (a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands); or
(4) American Indian and Alaskan Native (a person having origins in any of the original peoples of North America).


(a) Notwithstanding any provisions of this chapter to the contrary, effective July 1, 2019, and thereafter, the department of business regulation (the "department") shall implement policies
to increase participation in the marijuana industry by people of color. Policies implemented pursuant to this chapter shall pursue a goal of ensuring that half (1/2) of all new compassion center registration certificates issued, including, but not limited to, certificates issued pursuant to the provisions of § 21-28.6-12, are issued to persons of color. In promulgating these policies, the department shall consider factors and goals identified in § 21-28.6-18(a), the summary and conclusions reached in the 2015 American Civil Liberties Union of Rhode Island report entitled “The School to Prison Pipeline in Black and White” and other factors designed to promote the entry of persons of color into the marijuana industries.

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

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


(a) Fund established.

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

(b) Funding.

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

(c) Distribution of fund.

(1) Eighty percent (80%) of the fund shall be used to provide interest free loans to
persons of color who are seeking entry into the marijuana industries. Applicants for these loans shall set forth in detail the proposed use of the funds and, if a loan is approved, the applicant shall be required to use the funds in accordance with the applicant’s application. The approval process for these loans shall be established by rules and regulations promulgated by the department. The department shall provide assistance to persons of color in the completion of these loan applications.

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


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

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

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

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

SECTION 2. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
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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This act would seek to remove barriers to persons of color or persons found to be disproportionately impacted by marijuana prohibition from entering into the marijuana industries. The act would ensure that a policy is implemented to promote an equitable distribution of licenses and certificates related to these industries. The act would also establish a loan program, to be administered by the department of business regulation, to assist persons of color or persons found to be disproportionately impacted by marijuana prohibition to gain access into the marijuana industries.

This act would take effect upon passage.