

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO FOOD AND DRUGS -- CANNABIS AUTHORIZATION, REGULATION
AND TAXATION

Introduced By: Senators Miller, McCaffrey, Goodwin, Ruggerio, Coyne, Felag, Euer,
Sosnowski, Pearson, and Acosta

Date Introduced: March 09, 2021

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 21 of the General Laws entitled "FOOD AND DRUGS" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 28.11

4 THE CANNABIS AUTHORIZATION, REGULATION AND TAXATION ACT

5 **21-28.11-1. Short title.**

6 This chapter shall be known and may be cited as the "Cannabis Authorization, Regulation
7 and Taxation Act" or "CART Act"

8 **21-28.11-2. Legislative intent.**

9 It is the intent of the general assembly in enacting this chapter to do the following:

10 (1) To regulate cannabis in order to more effectively limit minors' access to cannabis.

11 (2) To reduce criminal activity and violence associated with illegal cannabis cultivation,
12 smuggling and sale.

13 (3) To provide for public health and safety.

14 (4) To raise funds to address and discourage substance abuse, to encourage social justice
15 and support drug education and awareness.

16 **21-28.11-3. Definitions.**

17 For purposes of this chapter, the following words, terms and phrases shall have the
18 following meanings:

1 (1) "Cannabinoid" means any of several compounds produced by cannabis plants that have
2 medical and psychotropic effects.

3 (2) "Cannabinoid profile" means amounts, expressed as the dry-weight percentages, of
4 delta-nine-tetrahydrocannabinol, cannabidiol, tetrahydrocannabinolic acid and cannabidiolic acid
5 in a cannabis product. Amounts of other cannabinoids may be required by the commission.

6 (3) "Cannabis" or "Marijuana" has the same meaning as "Cannabis" as set forth in § 21-
7 28.6-3.

8 (4) "Close associate" means a person who holds a legally recognized financial interest in,
9 or is entitled to exercise power in, the business of an applicant or licensee and, by virtue of that
10 interest or power, is able to exercise a significant influence over the management or operation of a
11 cannabis establishment licensed under this chapter.

12 (5) "Consumer" means a person who is at least twenty-one (21) years of age.

13 (6) "Controlling person" means an officer, board member or other individual who has a
14 financial or voting interest of ten percent (10%) or greater in a cannabis establishment.

15 (7) "Commission" means the Rhode Island cannabis control commission established by §
16 21-28.11-4.

17 (8) "Craft cannabis cultivation" means a resident of the state licensed pursuant to the
18 provisions of § 21-28.11-5 to cultivate a limited quantity of cannabis as established by the
19 commission for sale to a licensed establishment or entity, but not to consumers.

20 (9) "Craft cannabis cultivator cooperative" means a cannabis cultivator comprised of more
21 than one resident of the state organized as a limited liability company or limited liability partnership
22 under the laws of the state, or an appropriate business structure as determined by the commission,
23 and that is licensed to cultivate, obtain, manufacture, process, package and brand cannabis and
24 cannabis products in limited quantities as established by the commission pursuant to § 21-28.11-5
25 and authorized to sell and deliver cannabis to a licensed cannabis establishments or entity but not
26 to consumers.

27 (10) "Cultivation batch" means a collection of cannabis plants from the same seed or plant
28 stock that are cultivated and harvested together, and receive an identical propagation and cultivation
29 treatment, including, but not limited to: growing media, ambient conditions, watering and light
30 regimes and agricultural or hydroponic inputs. The cannabis cultivator licensee shall assign and
31 record a unique, sequential alphanumeric identifier to each cultivation batch for the purposes of
32 production tracking, product labeling and product recalls.

33 (11) "Finished cannabis" means a usable cannabis, cannabis resin or cannabis concentrate.

34 (12) "Hemp" means the plant of the genus cannabis or any part of the plant, whether

1 growing or not, with a delta-9-tetrahydrocannabinol concentration that does not exceed three tenths
2 of one percent (0.3%) on a dry weight basis of any part of the plant of the genus cannabis, or per
3 volume or weight of cannabis product, or the combined per cent of delta-9-tetrahydrocannabinol
4 and tetrahydrocannabinolic acid in any part of the plant of the genus cannabis regardless of moisture
5 content.

6 (13) "Host community" means a municipality in which a cannabis establishment or a
7 medical cannabis treatment center is located or in which an applicant has proposed locating a
8 cannabis establishment or a medical cannabis treatment center.

9 (14) "Independent testing laboratory" means a laboratory that is licensed by the commission
10 and is:

11 (i) Accredited to the most current International Organization for Standardization 17025 by
12 a third-party accrediting body that is a signatory to the International Laboratory Accreditation
13 Cooperation mutual recognition arrangement or that is otherwise approved by the commission;

14 (ii) Independent financially from any medical cannabis treatment center or any licensee or
15 cannabis establishment for which it conducts a test; and

16 (iii) Qualified to test cannabis in compliance with regulations promulgated by the
17 commission pursuant to this chapter. The term includes, but is not limited to, an independent testing
18 laboratory as provided in § 21-28.11-11.

19 (15) "Laboratory agent" means an employee of an independent testing laboratory who
20 transports, possesses or tests cannabis.

21 (16) "Licensee" means a person or entity licensed by the commission pursuant to the
22 provisions of this chapter. Any business structure recognized under title 7 of the general laws,
23 including but not limited to corporations, partnerships, limited partnerships, limited-liability
24 companies, and workers' cooperatives, which is otherwise qualified, is eligible to be considered by
25 the commission as an entity licensee.

26 (17) "Manufacture" means to compound, blend, extract, infuse or otherwise make or
27 prepare a cannabis product.

28 (18) "Marijuana" or "Marihuana" or "Cannabis" means all parts of any plant of the genus
29 cannabis, not excepted below and whether growing or not; the seeds thereof; and resin extracted
30 from any part of the plant; and every compound, manufacture, salt, derivative, mixture or
31 preparation of the plant, its seeds or resin including tetrahydrocannabinol; provided, however, that
32 "cannabis" shall not include:

33 (i) The mature stalks of the plant, fiber produced from the stalks, oil, or cake made from
34 the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of

1 the mature stalks, fiber, oil or cake made from the seeds of the plant or the sterilized seed of the
2 plant that is incapable of germination;

3 (ii) Hemp; or

4 (iii) The weight of any other ingredient combined with cannabis to prepare topical or oral
5 administrations, food, drink or other products.

6 (19) "Marijuana accessories" or "cannabis accessories" means equipment, products,
7 devices or materials of any kind that are intended or designed for use in planting, propagating,
8 cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing,
9 preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling or
10 otherwise introducing cannabis into the human body.

11 (20) "Marijuana cultivator" or "cannabis cultivator" means an entity licensed to cultivate,
12 process and package cannabis, to deliver cannabis to cannabis establishments and to transfer
13 cannabis to other cannabis establishments, but not to consumers.

14 (21) "Marijuana establishment" or "cannabis establishment" means a cannabis cultivator,
15 independent testing laboratory, cannabis product manufacturer, cannabis retailer or any other type
16 of licensed cannabis-related business.

17 (22) "Marijuana product manufacturer" or "cannabis product manufacturer" means an
18 entity licensed to obtain, manufacture, process and package cannabis and cannabis products, to
19 deliver cannabis and cannabis products to cannabis establishments and to transfer cannabis and
20 cannabis products to other cannabis establishments, but not to consumers.

21 (23) "Marijuana products" or "cannabis products" means products that have been
22 manufactured and contain cannabis or an extract from cannabis, including concentrated forms of
23 cannabis and products composed of cannabis and other ingredients that are intended for use or
24 consumption, including edible products, beverages, topical products, ointments, oils and tinctures.

25 (24) "Marijuana retailer" or "cannabis retailer" means an entity licensed to purchase and
26 deliver cannabis and cannabis products from cannabis establishments and to deliver, sell or
27 otherwise transfer cannabis and cannabis products to cannabis establishments and to consumers.

28 (25) "Medical marijuana treatment center" or "Medical cannabis treatment center" includes
29 a compassion center, a medical marijuana emporium, or marijuana establishment licensee who
30 operates a treatment center, all as defined in § 21-28.6-3.

31 (26) "Mycotoxin" means a secondary metabolite of a microfungus that is capable of causing
32 death or illness in humans and other animals. For the purposes of this chapter, mycotoxin shall
33 include alfatoxin B1, alfatoxin B2, alfatoxin G1, alfatoxin G2 and ochratoxin A.

34 (27) "Process" or "processing" means to harvest, dry, cure, trim and separate parts of the

1 cannabis plant by manual or mechanical means, except it shall not include manufacture as defined
2 in this section.

3 (28) "Production batch" means a batch of finished plant material, cannabis resin, cannabis
4 concentrate or cannabis-infused product made at the same time, using the same methods, equipment
5 and ingredients. The licensee shall assign and record a unique, sequential alphanumeric identifier
6 to each production batch for the purposes of production tracking, product labeling and product
7 recalls. All production batches shall be traceable to one or more cannabis cultivation batches.

8 (29) "Residual solvent" means a volatile organic chemical used in the manufacture of a
9 cannabis product and that is not completely removed by practical manufacturing techniques.

10 (30) "Terpenoid" means an isoprene that are the aromatic compounds found in cannabis,
11 including, but not limited to: limonene, myrcene, pinene, linalool, eucalyptol, Δ-terpinene, β-
12 caryophyllene, caryophyllene oxide, nerolidol and phytol.

13 (31) "Unreasonable and impracticable" means that the measures necessary to comply with
14 the regulations, ordinances or by-laws adopted pursuant to this chapter subject licensees to
15 unreasonable risk or require such a high investment of risk, money, time or any other resource or
16 asset that a reasonably prudent businessperson would not operate a cannabis establishment.

17 **21-28.11-4. Establishment of commission.**

18 (a) There is hereby established a cannabis control commission which shall consist of five
19 (5) commissioners appointed by the governor with the advice and consent of the senate as follows:
20 one of whom shall be nominated by the governor in consultation with the director of the department
21 of health and shall have a background in public health, mental health, substance use or toxicology;
22 one of whom shall be nominated by the governor in consultation with the attorney general and shall
23 have a background in public safety; one of whom shall be nominated by the governor in
24 consultation with the general treasurer and shall have experience in corporate management, finance
25 or securities; and two (2) of whom shall be nominated by the governor, of whom one shall have
26 professional experience in oversight or industry management, including commodities, production
27 or distribution in a regulated industry, and the other of whom one shall have a background in legal,
28 policy or social justice issues related to a regulated industry. The members of the commission shall
29 select and designate the chair of the commission. The chair shall serve in that capacity throughout
30 the term of his or her initial appointment and until a successor shall be appointed. Prior to
31 appointment to the commission, a background investigation shall be conducted into the financial
32 stability, integrity and responsibility of a candidate, including the candidate's reputation for good
33 character, and honesty.

34 (b) Each commissioner shall be a resident of the state within ninety (90) days of

1 appointment, and while serving on the commission, shall not:

2 (1) Hold, or be a candidate for, federal, state or local elected office;

3 (2) Hold an appointed office in a federal, state or local government; or

4 (3) Serve as an official in a political party. Not more than three (3) commissioners shall be
5 from the same political party.

6 (c) Each commissioner shall serve for a term of five (5) years or until a successor is
7 appointed, and shall be eligible for reappointment; provided, however, that no commissioner shall
8 serve more than ten (10) years, and selection and designation of a chairperson shall occur at least
9 every five (5) years. A person appointed to fill a vacancy in the office of a commissioner shall be
10 appointed in a like manner and shall serve for only the unexpired term of that commissioner.

11 (d) A commissioner may be removed with or without cause pursuant to the provisions of §
12 36-1-7. The governor shall remove a commissioner with advice and consent of the senate if the
13 commissioner:

14 (1) Is guilty of malfeasance in office;

15 (2) Substantially neglects the duties of a commissioner;

16 (3) Is unable to discharge the powers and duties of the office;

17 (4) Commits gross misconduct; or

18 (5) Is convicted of a felony.

19 (e) Commissioners shall receive salaries as determined by the governor in consultation with
20 the speaker of the house and the president of the senate. Commissioners shall devote their full time
21 and attention to the duties of their office.

22 (f) The commission shall annually elect one of its members to serve as secretary and one
23 of its members to serve as treasurer. The secretary shall keep a record of the proceedings of the
24 commission and shall be the custodian and keeper of the records of all books, documents and papers
25 filed by the commission and of its minute book. The secretary shall cause copies to be made of all
26 minutes and other records and documents of the commission and shall certify that such copies are
27 true copies and all persons dealing with the commission may rely upon such certification. These
28 records shall also be subject to the provisions of title 38, "public records." The chair shall have and
29 exercise supervision and control over all the affairs of the commission. The chair shall preside at
30 all hearings at which the chair is present and shall designate a commissioner to act as chair in the
31 chair's absence. To promote efficiency in administration, the chair shall make such division or re-
32 division of the work of the commission among the commissioners as the chair deems expedient.

33 (g) The commissioners shall, if so directed by the chair, participate in the hearing and
34 decision of any matter before the commission; provided, however, that at least two (2)

1 commissioners shall participate in the hearing and decision of matters other than those of formal or
2 administrative character coming before the commission; and provided further, that any such matter
3 may be heard, examined and investigated by an employee of the commission designated and
4 assigned by the chair, with the concurrence of one other commissioner. Such employee shall make
5 a report in writing relative to the hearing, examination and investigation of every such matter to the
6 commission for its decision. For the purposes of hearing, examining and investigating any such
7 matter, such employee shall have all of the powers conferred upon a commissioner by this section.
8 For each hearing, the concurrence of a majority of the commissioners participating in the decision
9 shall be necessary.

10 (h) The commission shall appoint an executive director. The executive director shall serve
11 at the pleasure of the commission, shall receive such salary as may be determined by the
12 commission, and shall devote full time and attention to the duties of the office. The executive
13 director shall be a person with skill and experience in management, shall be the executive and
14 administrative head of the commission, and shall be responsible for administering and enforcing
15 the law relative to the commission and to each administrative unit thereof. The executive director
16 shall appoint and employ a chief financial and accounting officer and may, subject to the approval
17 of the commission, employ other employees, consultants, agents and advisors, including legal
18 counsel, and shall attend meetings of the commission. The chief financial and accounting officer
19 of the commission shall be in charge of its funds, books of account and accounting records. No
20 funds shall be transferred by the commission without the approval of the commission and the
21 signatures of the chief financial and accounting officer and the treasurer of the commission. In the
22 case of an absence or vacancy in the office of the executive director or in the case of disability as
23 determined by the commission, the commission may designate an acting executive director to serve
24 as executive director until the vacancy is filled or the absence or disability ceases. The acting
25 executive director shall have all of the powers and duties of the executive director and shall have
26 similar qualifications as the executive director.

27 (i) The provisions of chapter 14 of title 36, the state code of ethics, shall apply to the
28 commissioners and to employees of the commission; provided, however, that the commission may
29 promulgate an internal code of ethics for all members and employees that may be more restrictive
30 than the provisions of chapter 14 of title 36. A copy of any internal code of ethics adopted or as
31 amended shall be filed with the state ethics commission. The internal code may include provisions
32 reasonably necessary to carry out the purposes of this section and any other laws subject to the
33 jurisdiction of the commission and may address ethical issues which are unique to the cannabis and
34 cannabis industries and existing and established ethics prohibitions, to include but not limited to:

1 (1) Prohibiting the receipt of gifts by commissioners and employees from any cannabis
2 licensee, applicant, close associate, affiliate or other person or entity subject to the jurisdiction of
3 the commission, or from a person who would or will appear in a representative capacity before the
4 commission;

5 (2) Prohibiting the participation by commissioners and employees in a particular matter
6 that affects the financial interest of a relative within the third degree of consanguinity or a person
7 with whom such commissioner or employee has a significant relationship as defined in the code;
8 and

9 (3) Providing for recusal of a commissioner in a licensing decision due to a potential
10 conflict of interest.

11 (j) The cannabis control commission shall be a public body for the purposes of the open
12 meetings act, chapter 46 of title 42.

13 (k) The commission shall, for the purposes of compliance with state finance law, operate
14 as a state agency and shall be subject to the laws applicable to agencies under the control of the
15 governor; provided, however, that the executive director may identify any additional instructions
16 or actions necessary for the department to manage fiscal operations in the state accounting system
17 and meet statewide and other governmental accounting and audit standards. The commission shall
18 properly classify the commission's operating and capital expenditures, and shall not include any
19 salaries of employees in the commission's capital expenditures. Unless otherwise exempted by law,
20 the commission shall participate in any other available state administrative services including, but
21 not limited to, the state payroll system, the state retirement system, and state purchases.

22 (l) The commission shall not discriminate by considering race, color, religion, sex, sexual
23 orientation, gender identity or expression, age, national origin, or disability in granting, denying,
24 or revoking a license, nor shall any person, corporation, or business firm which is licensed pursuant
25 to the provisions of this chapter unlawfully discriminate against or segregate any person on these
26 grounds. All businesses licensed by the commission shall operate on a nondiscriminatory basis,
27 according to equal employment treatment and access to their services to all persons, except unless
28 otherwise exempted by the laws of the state. Any licensee, or retail sales permit holder who fails to
29 comply with this policy is subject to any disciplinary action that is consistent with the legal
30 authority and rules and regulations of the commission. The commission shall cooperate with the
31 state equal opportunity office to prevent any person, corporation, or business firm from
32 discriminating because of race, color, religion, sex, sexual orientation, gender identity or
33 expression, age, national origin, or disability or from participating in any practice which may have
34 a disparate effect on any protected class within the population. The state equal opportunity office

1 shall monitor the equal employment opportunity activities and affirmative action plans of the
2 commission.

3 **21-28.11-5. Powers and duties of the commission.**

4 (a) The commission shall have all the powers necessary or convenient to carry out and
5 effectuate its purposes including, but not limited to, the power to:

6 (1) Appoint officers and hire employees;

7 (2) Establish and amend a plan of organization that it considers expedient;

8 (3) Execute all instruments necessary or convenient for accomplishing the purposes of this
9 chapter;

10 (4) Enter into agreements or other transactions with a person, including, but not limited to,
11 a public entity or other governmental instrumentality or authority in connection with its powers and
12 duties under this chapter;

13 (5) Appear on its own behalf before boards, commissions, departments or other agencies
14 of municipal, state or federal government;

15 (6) Apply for and accept subventions, grants, loans, advances and contributions of money,
16 property, labor or other things of value from any source, to be held, used and applied for its
17 purposes;

18 (7) Provide and pay for advisory services and technical assistance as may be necessary in
19 its judgment to carry out the purpose and intent this chapter and fix the compensation of persons
20 providing such services or assistance;

21 (8) Prepare, publish and distribute, with or without charge as the commission may
22 determine, such studies, reports, bulletins and other materials as the commission considers
23 appropriate;

24 (9) Require an applicant for licensure under this chapter to apply for such licensure and
25 approve or disapprove any such application or other transactions, events and processes as provided
26 in this chapter;

27 (10) Determine which applicants shall be awarded licenses;

28 (11) Deny an application or limit, condition, restrict, revoke or suspend a license;

29 (12) Establish a registration process, based on finding of suitability or approval of
30 licensure;

31 (13) Conduct and administer procedures and hearings in compliance with the
32 Administrative Procedures Act, chapter 35 of title 42, for adoption of rules or regulations, issuance,
33 denial or revocation of licenses or permits; or for violation of the provisions of this chapter or the
34 rules and regulations adopted pursuant to the provisions of this chapter. The commissioner may

1 impose a civil penalty of not more than five thousand dollars (\$5,000) and a suspension or
2 revocation of any license for a violation of the provisions of this chapter or the rules and/or
3 regulations promulgated pursuant to the provisions of this chapter;

4 (14) Gather facts and information applicable to the commission's obligation to issue,
5 suspend or revoke licenses, registrations, or finding of suitability or approval of licensure for:

6 (i) A violation of this chapter or any rule or regulation adopted by the commission;
7 (ii) Willfully violating an order of the commission directed to a licensee or a person
8 required to be registered;

9 (iii) The conviction of a criminal offense; or
10 (iv) Any other offense which would disqualify such a licensee from holding a license;

11 (15) Conduct investigations into the qualifications of all applicants for employment by the
12 commission and all applicants for licensure;

13 (16) Receive from the state police, the department of attorney general or other criminal
14 justice agencies including, but not limited to, the Federal Bureau of Investigation and the Internal
15 Revenue Service, such criminal offender record information relating to criminal and background
16 investigations as necessary for the purpose of evaluating licensees, applicants for license, and lab
17 agents;

18 (17) Be present, through its inspectors and agents, at any time, in cannabis establishments
19 for the purposes of exercising its oversight responsibilities;

20 (18) Inspect and have access to all equipment and supplies in a cannabis establishment;

21 (19) Seize and remove from the premises of a cannabis establishment and impound any
22 cannabis, equipment, supplies, documents and records obtained or possessed in violation of this
23 chapter for the purpose of examination and inspection;

24 (20) For cause, demand access to and inspect all papers, books and records of close
25 associates of a licensee whom the commission suspects is involved in the financing, operation or
26 management of the licensee; provided, however, that the inspection, examination, photocopying
27 and audit may take place on the affiliate's premises or elsewhere as practicable and in the presence
28 of the affiliate or its agent;

29 (21) Require that the books and financials or other records or statements of a licensee be
30 kept in a manner that the commission considers proper;

31 (22) Impose fees and civil penalties, as authorized by this chapter, and impose civil
32 penalties and sanctions for a violation of any rule or regulation promulgated by the commission;

33 (23) Collect fees and civil penalties pursuant to the provisions of this chapter;

34 (24) Conduct adjudicatory proceedings and promulgate regulations;

- 1 (25) Refer cases for criminal prosecution to the appropriate federal, state or local
2 authorities;
- 3 (26) Maintain an official internet website for the commission;
- 4 (27) Monitor any federal activity regarding cannabis; and
- 5 (28) Adopt, amend or repeal rules and regulations for the implementation, administration
6 and enforcement of this chapter.
- 7 (b) The commission shall, adopt rules and regulations consistent with this chapter for the
8 administration, clarification and enforcement of provisions regulating and licensing cannabis
9 establishments. The rules and regulations shall include but not be limited to:
- 10 (1) Methods and forms of application which an applicant for a license shall follow and
11 complete before consideration by the commission;
- 12 (2) A schedule of application, license and renewal fees in an amount necessary to pay for
13 all regulation and enforcement costs of the commission; provided, however, that fees may be
14 relative to the volume of business conducted or to be conducted by the cannabis establishment;
- 15 (3) Qualifications for licensure and minimum standards for employment that are directly
16 and demonstrably related to the operation of a cannabis establishment and similar to qualifications
17 for licensure and employment standards in connection with the manufacture, distribution or sale of
18 alcoholic beverages as regulated under title 3 of the general law; provided, that a prior conviction
19 solely for a cannabis-related offense shall not automatically disqualify an individual or otherwise
20 affect eligibility for employment or licensure in connection with a cannabis establishment, unless
21 the offense involved the distribution of a controlled substance, including cannabis, to a minor;
- 22 (4) Procedures and policies to promote and encourage full participation in the regulated
23 cannabis industry by people from communities that have previously been disproportionately
24 harmed by cannabis prohibition and enforcement and to positively impact those communities;
- 25 (5) Standards for the licensure of cannabis establishments, to include but not be limited to
26 utilization of the social equity assistance fund established pursuant to the provisions of § 21-28.11-
27 31;
- 28 (6) Standards for the reporting or payment of licensure fees and taxes;
- 29 (7) Requirements for the information to be furnished by an applicant or licensee;
- 30 (8) Criteria for evaluation of the application for a license;
- 31 (9) Requirements for the information to be furnished by a licensee to the licensee's
32 employees;
- 33 (10) Requirements for fingerprinting or other method of identification of an applicant for
34 a license or a licensee;

- 1 (11) Procedures and grounds for the revocation or suspension of a license or registration;
- 2 (12) Minimum uniform standards of accounting procedures;
- 3 (13) Requirements for record keeping by cannabis establishments and procedures to track
4 cannabis cultivated, processed, manufactured, delivered or sold by cannabis establishments;
- 5 (14) Any necessary registration requirements for employees working at the cannabis
6 establishment;
- 7 (15) Requirements that all cannabis establishment employees be properly trained in their
8 respective professions as necessary;
- 9 (16) Procedures for the interim authorization of a cannabis establishment under this
10 chapter;
- 11 (17) Minimum standards for the requirement that all licensees possess and operate an
12 interoperable publicly available application programming interface seed-to-sale tracking system
13 sufficient to ensure the appropriate track and trace of all cannabis cultivated, processed or
14 manufactured pursuant to this chapter;
- 15 (18) Minimum security requirements for licensees sufficient to deter and prevent theft and
16 unauthorized entrance into areas containing cannabis, which may include but not be limited to the
17 use of security personnel, security cameras, or alarms provided that the requirements shall not
18 prohibit the cultivation of cannabis outdoors or in greenhouses;
- 19 (19) Minimum standards for liability insurance coverage or requirements that a certain
20 monetary sum be placed in escrow to be expended for potential liabilities;
- 21 (20) Requirements and standards sufficient to ensure for the virtual separation of cannabis
22 cultivated, processed, manufactured, delivered or sold by a licensee that is also licensed as a
23 medical marijuana treatment center pursuant to the provisions of chapter 28.6 of title 21.
24 Requirements shall leverage seed-to-sale tracking technology and may allow for the appropriate
25 transfer or acquisition of cannabis seeds, clones, cuttings, plants or plant tissue between such
26 entities;
- 27 (21) Requirements and procedures to prevent the sale, delivery or transfer of cannabis to
28 persons under twenty-one (21) years of age, or the purchase of cannabis on behalf of a person under
29 twenty-one (21) years of age, including a prohibition on persons under twenty-one (21) entering
30 cannabis establishments;
- 31 (22) Standards for manufacturing or extracting cannabinoid oils or butane hash oil;
- 32 (23) Health and safety standards, established in consultation with the department of health
33 and the department of environmental management, for the cultivation, processing, manufacturing
34 and distribution of cannabis, including standards regarding sanitation for the preparation, storage,

1 handling and sale of food products, including compliance with state sanitation requirements, and
2 health inspections; provided, however, that the authority to promulgate regulations pertaining to
3 the use of pesticides shall remain with the department of environmental management pursuant to
4 the provisions of chapter 25 of title 23;

5 (24) Requirements for the packaging of cannabis and cannabis products that shall, at a
6 minimum:

7 (i) Require the most current consumer product safety commission standards, set forth in 16
8 C.F.R. 1700 et seq.;

9 (ii) Protect children from accidentally ingesting cannabis or cannabis products, including by
10 making packaging certified child-resistant and resealable;

11 (iii) Require the separation of each serving within a package containing multiple servings
12 shall be furnished in a manner that allows consumers and card holders to easily identify a single
13 serving;

14 (iv) Prohibit the use of bright colors, cartoon characters and other features designed to
15 appeal to minors;

16 (v) Ensure that packaging is opaque or plain in design;

17 (vi) Limit each serving size to no greater than ten milligrams (10 mg.) of delta-nine-
18 tetrahydrocannabinol (Δ 9-THC); and

19 (vii) Prohibit any packaging that imitates or has a semblance to any existing branded
20 consumer products, including foods and beverages that do not contain cannabis;

21 (25) Requirements for the potency or dosing limitations of edible cannabis products sold
22 by licensees;

23 (26) Requirements for the labeling of a package containing cannabis or cannabis products
24 that shall, at a minimum, include:

25 (i) A symbol or easily recognizable mark issued by the commission that indicates the
26 package contains cannabis or a cannabis product;

27 (ii) A symbol or other easily recognizable mark issued by the commission on the package
28 indicating to children that the product is harmful to children;

29 (iii) The name and contact information of the cannabis cultivator or the cannabis product
30 manufacturer who produced the cannabis or cannabis product;

31 (iv) The results of sampling, testing and analysis conducted by a licensed independent
32 testing laboratory;

33 (v) A seal certifying the cannabis meets such testing standards;

34 (vi) A unique batch number identifying the production batch associated with

1 manufacturing, processing, and cultivating;

2 (vii) A list of ingredients and possible allergens;

3 (viii) The amount of delta-nine-tetrahydrocannabinol (Δ 9-THC) in the package and in each

4 serving of a cannabis product as expressed in absolute terms and as a percentage of volume;

5 (ix) The number of servings in a package if there are multiple servings;

6 (x) A use-by date, if applicable; and

7 (xi) The following statement, including capitalization: "This product has not been analyzed

8 or approved by the FDA. There is limited information on the side effects of using this product, and

9 there may be associated health risks. Cannabis use during pregnancy and breast-feeding may pose

10 potential harm. It is against the law to drive or operate machinery when under the influence of this

11 product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";

12 (27) Procedures and policies, in cooperation with the department of environmental

13 management, to promote and encourage full participation in the regulated cannabis industry by

14 farmers and businesses of all sizes, which shall include creating a schedule of cultivator license

15 fees commensurate with cultivation size and regulations to create a craft cannabis cultivator

16 cooperative system including, but not limited to, the following:

17 (i) A limitation on ownership interests in a cannabis cultivator cooperative;

18 (ii) A limit on the total cannabis produced by a craft cannabis cultivator by the number of

19 plants, surface area used for cultivation or output by weight; and

20 (iii) A reasonable fee for licensure as a craft cannabis cultivator cooperative;

21 (28) Requirements for the safe disposal of excess, contaminated, adulterated or deteriorated

22 cannabis, which shall consider policies which promote the recycling of such waste, including, but

23 not limited to, recycled industrial products;

24 (29) Requirements for advertising, marketing and branding of cannabis and cannabis

25 products that shall, at a minimum, include but shall not be limited to:

26 (i) A prohibition on advertising, marketing and branding in such a manner that is deemed

27 to be deceptive, false or misleading;

28 (ii) A prohibition on advertising, marketing and branding by means of television, radio,

29 internet, billboard or print publication unless at least eight-five percent (85%) of the audience is

30 reasonably expected to be twenty-one (21) years of age or older, as determined by reliable, up-to-

31 date audience composition data;

32 (iii) A prohibition on advertising, marketing and branding that utilizes statements, designs,

33 representations, pictures or illustrations that portray anyone less than twenty-one (21) years of age;

34 (iv) A prohibition on advertising, marketing and branding including, but not limited to,

1 mascots, cartoons, brand sponsorships and celebrity endorsements, that is deemed to appeal to a
2 person less than twenty-one (21) years of age;

3 (v) A prohibition on advertising, marketing and branding, including statements by a
4 licensee, that makes any false or misleading statements concerning other licensees and the conduct
5 and products of such other licensees;

6 (vi) A prohibition on advertising, marketing and branding through certain identified
7 promotional items as determined by the commission, including giveaways, coupons or "free" or
8 "donated" cannabis;

9 (vii) A prohibition on advertising, marketing and branding by a licensee that asserts its
10 products are safe, other than labeling required pursuant to this chapter;

11 (viii) A reasonable prohibition on timing and use of illuminated external signage, which
12 shall comply with all local ordinances and requirements, and a prohibition on neon signage;

13 (ix) A prohibition of the use of vehicles equipped with radio or loud speakers for the
14 advertising of cannabis;

15 (x) A prohibition on the use of radio or loud speaker equipment in any cannabis
16 establishment for the purpose of attracting attention to the sale of cannabis;

17 (xi) An allowance that a licensee may sponsor a charitable, sporting or similar event, but a
18 prohibition of advertising, marketing and branding at, or in connection with, such an event unless
19 at least eight-five percent (85%) of the audience is reasonably expected to be twenty-one (21) years
20 of age or older, as determined by reliable, up-to-date audience composition data;

21 (xii) A requirement that the website of a cannabis establishment shall verify that the entrant
22 is at least twenty-one (21) years of age;

23 (xiii) A prohibition on the use of unsolicited pop-up advertisements on the internet; and
24 (xiv) A requirement that all advertising, marketing or branding materials for cannabis and
25 cannabis products contain a standard health warning developed by the department of health;

26 (30) Procedures and requirements to enable the transfer of a license for a cannabis
27 establishment to another qualified person or to another suitable location with notification and
28 approval by the commission;

29 (31) Requirements to establish a process allowing the commission to order a prohibition
30 on the sale of a cannabis product found especially appealing to persons under twenty-one (21) years
31 of age;

32 (32) Requirements to establish a process allowing a cannabis product manufacturer to
33 voluntarily submit a product, its packaging and intended marketing to the commission for
34 preliminary determination whether the product is especially appealing to persons under twenty-one

1 (21) years of age;

2 (33) Requirements that prohibit cannabis product manufacturers from altering or utilizing
3 commercially-manufactured food products when manufacturing cannabis products unless the food
4 product was commercially manufactured specifically for use by the cannabis product manufacturer
5 to infuse with cannabis; provided, however, that a commercially-manufactured food product may
6 be used as an ingredient in a cannabis product if: (i) It is used in a way that renders it unrecognizable
7 as the commercial food product in the cannabis product; and (ii) There is no statement or
8 advertisement indicating that the cannabis product contains the commercially-manufactured food
9 product; and

10 (34) Energy and environmental standards for licensure and licensure renewal of cannabis
11 establishments licensed as a cannabis cultivator or cannabis product manufacturer.

12 (b) In furtherance of the intent of this act, the commission may also adopt regulations in
13 accordance with this chapter which establish and provide for issuance of additional types or classes
14 of licenses to operate cannabis-related businesses, including: licenses that authorize only limited
15 cultivation by a craft cannabis cultivation or a craft cannabis cultivation operative; processing,
16 manufacture, possession or storage of cannabis or cannabis products, limited delivery of cannabis
17 or cannabis products to consumers, licenses that authorize the consumption of cannabis or cannabis
18 products on the premises where sold, licenses that authorize the consumption of cannabis at special
19 events in limited areas and for a limited time and licenses intended to facilitate scientific research
20 or education;

21 (c) Regulations made pursuant to this section shall not:

22 (1) Prohibit the operation of a cannabis establishment either expressly or through
23 regulations that make operation of a cannabis establishment unreasonable and impracticable;

24 (2) Require a customer to provide a cannabis retailer with identifying information other
25 than identification to determine the customer's age, and shall not require the cannabis retailer to
26 acquire or record personal information about customers other than information typically required
27 in a retail transaction;

28 (3) Prohibit a medical marijuana treatment center and a cannabis establishment from
29 operating at a shared location;

30 (4) Prohibit cannabis establishments from transferring or acquiring cannabis seeds, clones,
31 cuttings, plants or plant tissue from other cannabis establishments or from medical cannabis
32 treatment centers or prohibit a cannabis establishment from transferring or otherwise selling
33 cannabis to a cannabis retailer, a cannabis product manufacturer or a cannabis cultivator; or

34 (5) Prohibit cannabis establishments from using inorganic cultivation methods.

1 (d) The commission shall administer and enforce the provisions of this chapter and the
2 rules and regulations relating to licensing in this chapter.

3 (e) Each fiscal year the commission shall submit an annual finance plan to the governor,
4 the speaker of the house and the president of the senate, and updates to such plan.

5 (f) The commission shall investigate, in conjunction with the department of public health,
6 the effects of cannabis and cannabis products with a high potency of tetrahydrocannabinol on the
7 human body and recommend whether there should be restrictions on the potency of
8 tetrahydrocannabinol in cannabis and cannabis products.

9 (g) The commission shall be subject to all the provisions of chapter 35 of title 42.

10 (h) The commission shall annually submit a complete and detailed report of the
11 commission's activities, including a review of the implementation and enforcement of this chapter
12 and the governance structure established in this chapter, not more than ninety (90) days after the
13 end of the fiscal year to the governor, the attorney general, the treasurer, the speaker of the house,
14 and the president of the senate.

15 (i) The commission shall annually review the tax rates established by this act and may
16 make recommendations to the general assembly, as appropriate, regarding any changes to the tax
17 rates that further the intent of this chapter. The commission may study cannabis commerce and
18 make recommendations to the general assembly regarding changes in the laws that further the intent
19 of this chapter by filing those recommendations with the governor, the speaker of the house, and
20 the president of the senate.

21 (j) The commission shall deposit all license, registration and monetary penalties collected
22 pursuant to this chapter in the social equity assistance fund established pursuant to § 21-28.11-31.

23 (k) The commission, shall work collaboratively with other state agencies and departments
24 to ensure that the production and distribution of cannabis is effectively regulated in the state in
25 furtherance of the intent of this act.

26 (l) The commission may promulgate advisory guidelines and best practices on the
27 cultivating of cannabis.

28 **21-28.11-6. Cannabis advisory board.**

29 (a)(1) There is hereby established a cannabis advisory board to study and make
30 recommendations to the Rhode Island cannabis control commission on the regulation and taxation
31 of cannabis. The board shall consist of the following: the executive director of the cannabis control
32 commission who shall serve as chair; the secretary of commerce or a designee; the state tax
33 administrator or a designee; the director of the department of health or designee; the director of the
34 department of environmental management or designee; the director of the department of public

1 safety or a designee; the director of the department of business regulation or designee; two (2)
2 registered cardholders as defined in § 21-28.6-3, one to be appointed by the speaker of the house
3 and one to be appointed by the president of the senate; the executive director of the American Civil
4 Liberties Union of Rhode Island, Inc. or a designee; five (5) persons to be appointed by the
5 treasurer, one of whom shall be an expert in cannabis cultivation, one of whom shall be an expert
6 in cannabis retailing, one of whom shall be an expert in cannabis product manufacturing, one of
7 whom shall be an expert in laboratory sciences and toxicology and one of whom shall be an expert
8 in providing legal services to cannabis businesses; five (5) persons to be appointed by the governor,
9 one of whom shall be an expert in minority business development, one of whom shall be an expert
10 in economic development strategies for under-resourced communities, one of whom shall be an
11 expert in farming or representing the interests of farmers, one of whom shall be an expert
12 representing the interests of employers and one of whom shall be an expert in municipal law
13 enforcement with advanced training in impairment detection and evaluation; and five (5) persons
14 to be appointed by the attorney general, one of whom shall be an expert in social welfare or social
15 justice, one of whom shall be an expert in criminal justice reform to mitigate the disproportionate
16 impact of drug prosecutions on communities of color, one of whom shall be an expert in minority
17 business ownership, one of whom shall be an expert in women-owned business ownership and one
18 of whom shall be an expert in the prevention and treatment of substance use disorders. Members
19 of the board shall serve for terms of two (2) years. Members of the board shall serve without
20 compensation but may be reimbursed for their expenses actually and necessarily incurred in the
21 discharge of their official duties. Members of the board shall not be state employees by virtue of
22 their service on the board. To take action at a meeting, a majority of the members of the board must
23 be present and voting to constitute a quorum.

24 (2) The cannabis advisory board shall:

25 (i) Consider all matters submitted to it by the commission;

26 (ii) On its own initiative, recommend to the commission guidelines, rules and regulations
27 and any changes to guidelines, rules and regulations that the advisory board considers important or
28 necessary for the commission's review and consideration; and

29 (iii) Advise on the preparation of regulations pursuant to this title.

30 (3) The chair may appoint subcommittees in order to expedite the work of the board;
31 provided, however, that the chair shall appoint:

32 (i) A subcommittee on public health to develop recommendations on products, labelling,
33 marketing, advertising, related public health issues, potency, which may include a recommended
34 maximum limit for individual servings of cannabis products, and packaging, which may include

1 the development and implementation of a public health warning to appear on cannabis products;

2 (ii) A subcommittee on public safety and community mitigation to develop
3 recommendations on law enforcement, property, business and consumer issues;

4 (iii) A subcommittee on the cannabis industry to develop recommendations on cultivation,
5 processing, manufacturing, transportation, distribution, seed-to-sale tracking and market stability;

6 and

7 (iv) A subcommittee on market participation to develop recommendations on minority and
8 veteran-owned businesses, local agriculture and growing cooperatives.

9 **21-28.11-7. Licensed cannabis cultivators.**

10 a) A cannabis cultivator licensed pursuant to the provisions of § 21-28.11-8 engaged in
11 cultivation in compliance with the provisions of a license that authorizes only limited cultivation
12 pursuant to § 21-28.11-5(b), may acquire, possess, manufacture, cultivate, deliver, or transfer
13 cannabis to entities licensed pursuant to the provisions of this chapter and chapter 28.6 of title 21.

14 (b) Licensing of cannabis cultivators -- Cannabis control commission. The cannabis control
15 commission shall pursuant to the provisions of § 21-28.11-8 promulgate regulations governing the
16 manner in which it shall consider applications for the licensing of all cannabis cultivators, including
17 regulations governing:

18 (1) The form and content of licensing and renewal applications;

19 (2) Minimum oversight requirements for licensed cannabis cultivators;

20 (3) Minimum record-keeping requirements for cultivators;

21 (4) Minimum security requirements for cultivators; and

22 (5) Procedures for suspending, revoking, or terminating the license of cultivators who or
23 that violate the provisions of this section or the regulations promulgated pursuant to this subsection.

24 (c) A licensed cannabis cultivator license issued by the cannabis control commission shall
25 expire one year after it was issued and the licensed cannabis cultivator may apply for renewal with
26 the commission in accordance with its regulations pertaining to licensed cannabis cultivators.

27 (d) The commission shall promulgate regulations that govern how many cannabis plants,
28 mature and immature; how much wet cannabis; and how much usable cannabis a licensed cannabis
29 cultivator may possess. Every cannabis plant possessed by a licensed cannabis cultivator shall be
30 catalogued in a seed-to-sale inventory tracking system in accordance with regulations promulgated
31 by the commission.

32 (e) Cannabis cultivators shall sell cannabis only to an entity licensed pursuant to the
33 provisions of this chapter or chapter 28.6 of title 21.

34 (f) Cannabis cultivators shall be subject to any regulations promulgated by the commission

1 that specify how cannabis shall be tested, including, but not limited to, potency, cannabinoid
2 profile, and contaminants.

3 (g) Cannabis cultivators shall be subject to any product labeling requirements promulgated
4 by the commission.

5 (h) Notwithstanding any other provisions of the general laws, the manufacture of cannabis
6 using a solvent extraction process that includes the use of a compressed, flammable gas as a solvent
7 by a licensed cannabis cultivator shall not be subject to the protections of this chapter.

8 (i) Cannabis cultivators shall be licensed to grow cannabis only at a location or locations
9 registered with the cannabis commission. The commission may promulgate regulations governing
10 where cultivators are allowed to grow. Cannabis cultivators shall abide by all local ordinances,
11 including zoning ordinances.

12 (j) As a condition of licensing, cannabis cultivators shall consent and be subject to
13 reasonable inspection by the commission for the purposes of enforcing regulations promulgated
14 pursuant to this chapter and all applicable laws, to include but not limited to the provisions of § 28-
15 5.1-14.

16 (k) The cultivator applicant, unless he or she is an employee with no equity, ownership,
17 financial interest, or managing control, shall apply to the bureau of criminal identification of the
18 department of attorney general, department of public safety division of state police, or local police
19 department for a national criminal records check that shall include fingerprints submitted to the
20 Federal Bureau of Investigation. Upon the discovery of any criminal record information, the bureau
21 of criminal identification of the department of attorney general, department of public safety division
22 of state police, or the local police department shall inform the applicant, in writing, of the nature of
23 the criminal record information. In those situations in which no criminal record information has
24 been found, the bureau of criminal identification of the department of attorney general, department
25 of public safety division of state police, or the local police department shall inform the applicant
26 and the commission, in writing, of this fact.

27 (1) Except for employees with no ownership, equity, financial interest, or managing control
28 of a cannabis establishment license, the cultivator applicant shall be responsible for any expense
29 associated with the national criminal records check.

30 (l) Persons issued cannabis cultivator licenses shall be subject to the following:

31 (1) A licensed cannabis cultivator cardholder shall notify and request approval from the
32 commission of any change in his or her name or address within ten (10) days of the change. A
33 cultivator cardholder who fails to notify the commission of any of these changes is responsible for
34 a civil infraction, punishable by a fine of no more than one hundred fifty dollars (\$150).

1 (2) When a licensed cannabis cultivator cardholder notifies the commission of any changes
2 listed in this subsection (l), the commission shall issue the cultivator cardholder a new registry
3 identification card after the department approves the changes and receives from the licensee
4 payment of a fee specified in regulation.

5 (3) If a licensed cannabis cultivator cardholder loses his or her card, he or she shall notify
6 the commission and submit a fee specified in regulation within ten (10) days of losing the card. The
7 commission shall issue a new card with a new random identification number.

8 (4) A licensed cannabis cultivator cardholder shall notify the commission of any
9 disqualifying criminal convictions as defined in subsection (k)(2) of this section. The commission
10 shall to suspend and/or revoke his or her card and license after the notification.

11 (5) If a licensed cannabis cultivator or cultivator cardholder violates any provision of this
12 chapter or regulations promulgated hereunder as determined by the commission, his or her card and
13 the issued license may be suspended and/or revoked.

14 (m) Immunity.

15 (1) No licensed cannabis cultivator shall be subject to: prosecution; search, except by the
16 commission pursuant to subsection (j) of this section; seizure; or penalty in any manner, or denied
17 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business,
18 occupational, or professional licensing board or entity, solely for acting in accordance with this
19 section.

20 (2) No licensed cannabis cultivator shall be subject to prosecution, seizure, or penalty in
21 any manner, or denied any right or privilege, including, but not limited to, civil penalty or
22 disciplinary action by a business, occupational, or professional licensing board or entity, for selling,
23 giving, or distributing cannabis in whatever form and within the limits established by the
24 commission to an entity licensed pursuant to this chapter or chapter 28.6 of title 21.

25 (3) No principal officers, board members, agents, volunteers, or employees of a licensed
26 medical cannabis cultivator shall be subject to arrest, prosecution, search, seizure, or penalty in any
27 manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary
28 action by a business, occupational, or professional licensing board or entity, solely for working for
29 or with a licensed cannabis cultivator to engage in acts permitted by this section.

30 (4) No state employee shall be subject to arrest, prosecution, or penalty in any manner, or
31 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
32 termination, or loss of employee or pension benefits, for any and all conduct that occurs within the
33 scope of his or her employment regarding the administration, execution, and/or enforcement of this
34 chapter, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

1 (n) License required. No person or entity shall engage in activities described in this section
2 without a cannabis cultivator license issued by the commission.

3 (o) Nothing in this section shall be construed as authorizing a cannabis cultivator to transfer
4 or sell cannabis to a consumer. A direct sale or transfer from a cannabis cultivator to a consumer is
5 prohibited.

6 **21-28.11-8. Cultivation tiers.**

7 A cannabis cultivator shall be responsible for submitting an application for issuance of a
8 proper tier license pursuant to the provisions of this section. Cultivation tiers shall be based on
9 square footage of canopy. Fees shall vary for indoor and outdoor cultivation. The license types,
10 application fees and annual license fee shall be as follows until amended by the commission
11 pursuant to the provisions of this chapter.

<u>License Types</u>	<u>Application Fees</u>	<u>Annual License Fee</u>
	<u>(Indoor/Outdoor)</u>	<u>(Indoor/Outdoor)</u>
<u>Limited quantity</u>		
<u>(Craft and Craft Cooperative):</u>		
<u>Up to 1,000 sq. ft.</u>	<u>\$80(I)/\$40(O)</u>	<u>\$250(I)/\$100(O)</u>
<u>Tier 1: 1,000 to 5, 000 sq. ft.</u>	<u>\$160 (I)/\$80 (O)</u>	<u>\$1,000 (I)/\$450 (O)</u>
<u>Tier 2: 5,001 to 10,000 sq. ft.</u>	<u>\$160 (I)/\$80 (O)</u>	<u>\$2,000 (I)/\$1,000 (O)</u>
<u>Tier 3: 10,001 to 20,000 sq. ft.</u>	<u>\$320 (I)/\$160 (O)</u>	<u>\$4,000 (I)/\$2,000 (O)</u>
<u>Tier 4: 20,001 to 30,000 sq. ft.</u>	<u>\$480 (I)/\$240 (O)</u>	<u>\$6,000 (I)/\$3,000 (O)</u>
<u>Tier 5: 30,001 to 40,000 sq. ft.</u>	<u>\$640 (I)/\$320 (O)</u>	<u>\$8,000 (I)/\$4,000 (O)</u>
<u>Tier 6: 40,001 to 50,000 sq. ft.</u>	<u>\$820 (I)/\$400 (O)</u>	<u>\$10,000 (I)/\$5,000 (O)</u>
<u>Tier 7: 50,001 to 60,000 sq. ft.</u>	<u>\$980 (I)/\$480 (O)</u>	<u>\$12,000 (I)/\$6,000 (O)</u>
<u>Tier 8: 60,001 to 70,000 sq. ft.</u>	<u>\$1,140 (I)/\$560 (O)</u>	<u>\$14,000 (I)/\$7,000 (O)</u>
<u>Tier 9: 70,001 to 80,000 sq. ft.</u>	<u>\$1,300 (I)/\$640 (O)</u>	<u>\$16,000 (I)/\$8,000 (O)</u>
<u>Tier 10: 80,001 to 90,000 sq. ft.</u>	<u>\$1,460 (I)/\$720 (O)</u>	<u>\$18,000 (I)/\$10,000 (O)</u>
<u>Tier 11: 90,001 to 100,000 sq. ft.</u>	<u>\$1,620 (I)/\$800 (O)</u>	<u>\$20,000 (I)/\$12,000 (O)</u>

28 (b) A cannabis cultivator may submit an application, in a time and manner determined by
29 the commission, to change the tier in which it is classified. A cannabis cultivator may change tiers
30 to either expand or reduce production.

31 (c) In connection with the license renewal process for cannabis cultivators, the commission
32 will review the records of the cannabis cultivator during the six (6) months prior to the application
33 for renewal for an indoor cultivator. Except for limited quantity and tier 1 licenses, the commission
34 may reduce the cultivator licensee's maximum canopy to a lower tier if the cultivator licensee sold

1 less than seventy percent (70%) of what it produced during the six (6) months prior to the
2 application for renewal for an indoor cultivator or during the harvest season prior to the application
3 for renewal for an outdoor cultivator.

4 (d) When determining whether to allow expansion or reduction of a cultivator licensee to
5 a different tier, the commission may consider factors including, but not limited to:

6 (1) Cultivation and production history, including whether the plants/inventory suffered a
7 catastrophic event during the licensing period;

8 (2) Tax payment history;

9 (3) Existing inventory and inventory history;

10 (4) Sales contracts; and

11 (5) Any other factors relevant to ensuring responsible cultivation, production, and
12 inventory management.

13 (e) The commission may adjust the tier designations and/or fees pursuant to the
14 commissions rule making authority and in accordance with the provisions of chapter 35 of title 42.

15 **21-28.11-9. Cannabis product manufacturer or wholesaler.**

16 (a) A cannabis product manufacturer or processor or wholesaler that does not hold a
17 cannabis cultivator's license shall have a cannabis product manufacturer's license issued by the
18 commission. A cannabis product manufacturer licensee may purchase cannabis from cultivators for
19 processing and shall only transfer or sell cannabis to other entities licensed pursuant to this chapter
20 or chapter 28.6 of title 21.

21 (b) The commission shall determine the maximum number of licenses, but shall issue a
22 sufficient number to meet the production demands to implement the provisions of this chapter.

23 (c) To qualify and hold a cannabis product manufacturer's license under this section the
24 applicant shall satisfy all qualifications established by the commission to include but not limited
25 to:

26 (1) Apply for a license in a manner prescribed by the commission;

27 (2) Provide proof that the applicant is twenty-one (21) years of age or older and has been a
28 resident of the state for two (2) or more years;

29 (3) Has undergone a criminal record background check on terms established by the
30 commission;

31 (4) Has provided an application fee of three hundred dollars (\$300); and

32 (5) Prior to issuance of any license and for any period of renewal, the applicant shall submit
33 an annual fee of five thousand dollars (\$5,000).

34 (d) A cannabis product manufacturer or processor or wholesaler and all agents and

1 employees shall comply with all rules adopted by the commission and all applicable laws.

2 (e) The commission may adjust the application fee or annual license fee pursuant to the
3 commission rule making authority and in accordance with the provisions of chapter 35 of title 42.

4 (f) Nothing in this section shall be construed as authorizing a cannabis product
5 manufacturer to transfer or sell cannabis to a consumer. A direct sale or transfer from a cannabis
6 product manufacturer licensee to a consumer is prohibited.

7 **21-28.11-10. Cannabis retail sales license.**

8 (a) A cannabis retailer shall have a cannabis retail sales license issued by the commission.

9 (b) The commission shall determine the maximum number of licenses, however a
10 minimum of three (3) licenses for retail sales of cannabis shall be granted for issuance in each
11 municipality except for any municipality which has elected against the granting of any licenses
12 pursuant to the provisions of § 21-28.11-15.

13 (c) The commission may grant one additional licenses for every ten thousand (10,000)
14 inhabitants in excess of thirty thousand (30,000) inhabitants, except for any municipality which has
15 elected against the granting of any licenses pursuant to the provisions of § 21-28.11-15.

16 (d) To qualify for issuance of a license, an applicant shall provide proof:

17 (1) That the applicant is twenty-one (21) years of age or older;

18 (2) That the applicant has complied with all rules adopted by the commission and all
19 applicable laws to include but not limited to the provisions of § 28-5.1-14;

20 (3) That the applicant has successfully undergone a criminal history background check;

21 (4) That the applicant is current and in compliance with all obligations for filings and
22 payments for taxes with the division of taxation;

23 (5) That the proposed location for the retail sale of cannabis complies with provisions of
24 municipal zoning and regulations or has been approved by the municipality;

25 (f) An applicant for issuance of a license pursuant to the provisions of this section shall
26 submit a nonrefundable application fee of five hundred dollars (\$500) with the application, and
27 upon approval, prior to the issuance of any license and for any period of renewal, the applicant shall
28 submit an annual license fee of twenty thousand dollars (\$20,000).

29 (g) The commission may adjust the application fee or annual license fee pursuant to the
30 commission's rule making authority and in accordance with the provisions of chapter 35 of title 42.

31 **21-28.11-11. Independent testing laboratories -- Licensure and oversight.**

32 (a)(1) The commission shall promulgate regulations for the licensure and oversight of
33 independent testing laboratories, and shall establish testing protocols for the sampling, testing and
34 analysis of cannabis, finished cannabis and cannabis products in consultation with the department

1 of health. Such regulations shall be based on the most recent standards as issued by the United
2 States Pharmacopeial Convention and shall address sampling and analysis to characterize the
3 cannabinoid profile and biological and chemical contaminants, including, but not limited to,
4 terpenoids, pesticides, plant growth regulators, metals, microbiological contaminants, mycotoxins,
5 and residual solvents introduced through cultivation of cannabis plants and post-harvest processing
6 and handling of cannabis, cannabis products and ingredients.

7 (2) No cannabis or cannabis product shall be sold or otherwise marketed pursuant to this
8 chapter that has not first been tested by an independent testing laboratory and determined to meet
9 the commission's testing protocols issued pursuant to subsection (a)(1) of this section.

10 (3) An independent testing laboratory shall report any results indicating contamination to
11 the commission within seventy-two (72) hours of identification.

12 (4) No laboratory agent or employee of an independent testing laboratory shall receive
13 direct or indirect financial compensation, other than such reasonable contractual fees to conduct
14 such testing, from any entity for which it is conducting testing pursuant to this chapter.

15 (5) No individual who possesses an interest in or is a laboratory agent employed by an
16 independent testing laboratory, and no immediate family member of that individual, shall possess
17 an interest in or be employed by a cannabis establishment.

18 (b)(1) An independent testing laboratory shall submit a nonrefundable application fee of
19 three hundred dollars (\$300) and apply for a testing license from the commission prior to testing,
20 processing or transporting cannabis. Prior to the issuance of any license and for any period of
21 renewal, the applicant shall submit an annual fee of five thousand dollars (\$5,000).

22 (2) A laboratory agent shall be registered with the commission prior to volunteering or
23 working at an independent testing laboratory.

24 (3) An independent testing laboratory shall apply to the commission for a registration card
25 for each affiliated laboratory agent by submitting, at a minimum, the name, address, and date of
26 birth of the laboratory agent.

27 (4) An independent testing laboratory shall notify the commission within one business day
28 if a laboratory agent ceases to be associated with the laboratory, and the laboratory agent's
29 registration card shall be immediately revoked.

30 (5) No one shall be a laboratory agent who has been convicted of a felony drug offense.
31 The commission may conduct criminal record checks on prospective agents, and may set standards
32 and procedures to enforce this provision. Such standards and procedures may include requiring
33 applicants seeking registration to submit a full set of fingerprints for the purposes of conducting a
34 state and national criminal history records check.

1 (c) An independent testing laboratory and all agents and employees shall comply with all
2 rules adopted by the commission and all applicable laws.

3 (d) A registered laboratory agent shall not be subject to arrest, prosecution, civil penalty,
4 sanctions or disqualifications, and shall not be subject to seizure or forfeiture of assets under Rhode
5 Island law for actions taken under the authority of an independent testing laboratory, including
6 possessing, processing, storing, transferring or testing cannabis provided the agent:

7 (1) Presents his or her registration card to any law enforcement official who questions the
8 laboratory agent concerning their cannabis related activities; and

9 (2) Is acting in accordance with all the requirements of this chapter.

10 **21-28.11-11.1. Cannabis testing laboratories -- Immunity.**

11 (a) No cannabis testing laboratory shall be subject to prosecution; search (except by the
12 commission pursuant to regulations); seizure; or penalty in any manner, or denied any right or
13 privilege, including, but not limited to, civil penalty or disciplinary action by a business,
14 occupational, or professional licensing board or entity, solely for acting in accordance with the
15 provisions of this chapter and regulations promulgated hereunder.

16 (b) No cannabis testing laboratory shall be subject to prosecution, search (except by the
17 commission pursuant to regulations), seizure, or penalty in any manner, or denied any right or
18 privilege, including, but not limited to, civil penalty or disciplinary action, by a business,
19 occupational, or professional licensing board or entity, for selling, giving, or distributing cannabis
20 in whatever form, and within the limits established by, commission to another cannabis testing
21 laboratory.

22 (c) No principal officers, board members, agents, volunteers, or employees of a cannabis
23 testing laboratory shall be subject to arrest, prosecution, search, seizure, or penalty in any manner,
24 or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by
25 a business, occupational, or professional licensing board or entity, solely for working for or with a
26 cannabis testing laboratory to engage in acts permitted by the act and the regulations promulgated
27 hereunder.

28 (d) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
29 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
30 termination, or loss of employee or pension benefits, for any and all conduct that occurs within the
31 scope of his or her employment regarding the administration, execution and/or enforcement of this
32 chapter, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

33 **21-28.11-12. Licenses for handlers and employees.**

34 The commission may promulgate rules and regulations to establish the registration or

1 licensing of an individual who performs work for or on behalf of a person or entity licensed
2 pursuant to the provisions of this chapter to include but not limited to employees, independent
3 contractors, transporters, security personnel, quality control or testing personnel, packagers and
4 sales personnel. Individuals registered or licensed pursuant to this section shall be required to
5 comply with all rules adopted by the commission and all applicable laws.

6 **21-28.11-12.1. Criminal record information- Limited disqualifications.**

7 (a) No person shall be disqualified to practice, pursue, or engage in any business or activity
8 licensed or registered by the commission pursuant to the provisions of this chapter, solely or in
9 part, because of a prior conviction of a crime or crimes unless the underlying crime or crimes
10 substantially relate to the occupation to which the license or registration applies. Any other state
11 law to the contrary will be superseded by this provision.

12 (b) No occupational license or registration issued by commission shall be suspended or
13 revoked, solely or in part, because of a prior conviction of a crime or crimes unless the underlying
14 crime or crimes substantially relate to the occupation to which the license or registration applies.
15 Any other state law to the contrary will be superseded by this provision.

16 (c) In determining if a conviction substantially relates to the occupation for which the
17 license or registration is sought, the commission shall consider:

18 (1) The state's legitimate interest in equal access to employment for individuals who have
19 had past contact with the criminal justice system;

20 (2) The state's legitimate interest in protecting the property and the safety and welfare of
21 specific individuals or the general public; and

22 (3) The relationship of the crime or crimes to the ability, capacity, and fitness required to
23 perform the duties and discharge the responsibilities of the position of employment or occupation.

24 (d) A person who has been convicted of a crime or crimes that substantially relate to the
25 occupation for which a license is sought shall not be disqualified from the occupation if the person
26 can show competent evidence of sufficient rehabilitation and present fitness to perform the duties
27 of the occupation for which the license is sought. The commission shall consider the time elapsed
28 since the conviction when determining sufficient rehabilitation, as well as any evidence presented
29 by the applicant regarding:

30 (1) Completion of a period of at least two (2) years after release from imprisonment, or at
31 least two (2) years after the sentencing date for a probation sentence not accompanied by
32 incarceration, without subsequent conviction or pending criminal charge;

33 (2) The nature, seriousness, and relevance of the crime or crimes for which convicted;

34 (3) All circumstances relative to the crime or crimes, including mitigating circumstances

1 surrounding the commission of the crime or crimes;

2 (4) The age of the person at the time the crime or crimes were committed;

3 (5) Claims that the criminal record information is in error or inadmissible under subsection
4 (e) of this section; and

5 (6) All other competent evidence of rehabilitation and present fitness presented, including,
6 but not limited to, letters of reference by persons who have been in contact with the applicant since
7 the applicant's release from any state or federal correctional institution.

8 (e) The following criminal records may not be used in connection with any application for
9 a license or registration submitted pursuant to the provisions of this chapter:

10 (1) Juvenile adjudications;

11 (2) Records of arrest not followed by a valid conviction;

12 (3) Convictions that have been, pursuant to law, annulled or expunged;

13 (4) Misdemeanor convictions for which no jail sentence can be imposed;

14 (5) A conviction that is not related to the occupation or activity for which a license is being
15 sought, as determined by subsection (c) of this section.

16 (f) If a commission intends to deny, suspend, or revoke an occupational license, permit, or
17 certificate solely or in part because of the individual's prior conviction of a crime, the commission
18 shall notify the individual in writing of the following prior to the final decision:

19 (1) The specific conviction(s) that form the basis for the potential denial, suspension, or
20 revocation and the rationale for deeming the conviction substantially related to the occupation or
21 activity;

22 (2) A copy of the conviction history report, if any, on which the commission relies;

23 (3) A statement that the applicant may provide evidence of mitigation or rehabilitation, as
24 described in subsection (d) of this section; and

25 (4) Instructions on how to respond to the potential denial, suspension, or revocation.

26 (g) After receiving the notice of potential denial, suspension, or revocation, the individual
27 shall have thirty (30) business days to respond.

28 (h) If a commission denies, suspends, or revokes a license or registration solely or in part
29 because of the applicant's substantially related conviction, the commission shall issue a final written
30 decision that addresses each of the factors enumerated in subsection (f) of this section and that also
31 includes, but is not limited to, the following:

32 (1) The final decision, including the substantially related conviction(s) that form the basis
33 for denial, suspension, or revocation and the rationale for occupation relatedness;

34 (2) The process for appealing the decision in accordance with chapter 35 of title 42; and

1 (3) The earliest date the person may reapply for license or registration which shall not be
2 longer than two (2) years from the date of the final decision.

3 **21-28.11-13. Taxes.**

4 (a) The following taxes are imposed on the retail sale of cannabis pursuant to the provisions
5 of this chapter by individuals licensed pursuant to § 21-28.11-10.

6 (1) Sales tax pursuant to the provisions of § 44-18-18;

7 (2) A cannabis excise tax equal to ten percent (10%) of each retail sale; and

8 (3) A local sales tax equal to three percent (3%) of each retail sale.

9 (b) The assessment, collection and enforcement of the sales tax pursuant to § 44-18-18 and
10 the cannabis excise tax shall be pursuant to the provisions of chapter 18 of title 44.

11 (c) The assessment, collection and enforcement of the local sales tax shall be pursuant to
12 ordinance of the municipality in which the sales transaction was conducted. Payment of the local
13 sales tax shall be directly to the municipality.

14 **21-28.11-14. Municipal fees.**

15 No fee, tax, charge or expense shall be assessed or collected from an individual licensed
16 pursuant to the provisions of § 21-28.11-10 except for local sales tax pursuant to § 21-28.11-13 and
17 any other fee, tax, charge or expense generally assessed or collected from residents or businesses
18 located in the municipality.

19 **21-28.11-15. Local option.**

20 (a) Every city or town, prior to the election to be conducted on November 8, 2022 may by
21 resolution of the city or town council, cause to be printed on the ballot in an election the following
22 question: "Shall retail cannabis licenses be issued for the sale of recreational cannabis in this town
23 (or city)?".

24 (b) Upon the adoption of a resolution by the city or town council pursuant to the provisions
25 of subsection (a) of this section, the commission shall not issue any license for the retail sale of
26 cannabis pursuant to the provisions of § 21-28.11-10 unless and until the electors of the city or
27 town vote to approve the retail sale of cannabis for recreational use.

28 (c) If a majority of ballots cast on which the electors indicated their choice is against
29 granting the license then no license pursuant to § 21-28.11-10 shall be issued by the commission
30 for retail sales in the city or town.

31 **21-28.11-16. Local control.**

32 (a) A city or town may adopt ordinances and by-laws that impose reasonable safeguards
33 on the operation of cannabis establishments, provided they are not unreasonable and impracticable
34 and are not in conflict with this chapter or with regulations made pursuant to this chapter and that:

1 (1) Govern the time, place and manner of cannabis establishment operations and of any
2 business dealing in cannabis accessories, except that zoning ordinances or by-laws shall not operate
3 to:

4 (i) Prevent the conversion of a medical marijuana treatment center licensed or registered
5 not later than July 1, 2021, engaged in the cultivation, manufacture or sale of cannabis or cannabis
6 products to a cannabis establishment engaged in the same type of activity under this chapter; or

7 (ii) Limit the number of cannabis establishments below the limits established pursuant to
8 this chapter;

9 (2) Restrict the licensed cultivation, processing and manufacturing of cannabis that is a
10 public nuisance;

11 (3) Establish reasonable restrictions on public signs related to cannabis establishments;
12 provided, however, that if a city or town enacts an ordinance or by-law more restrictive than the
13 commission's standard, than the local ordinance or by-law shall not impose a standard for signage
14 more restrictive than those applicable to retail establishments that sell alcoholic beverages within
15 that city or town;

16 (4) Establish a civil penalty for violation of an ordinance or by-law enacted pursuant to this
17 subsection, similar to a penalty imposed for violation of an ordinance or by-law relating to alcoholic
18 beverages; provided, a municipality may adopt an ordinance which does not comply with this
19 subsection pursuant to the provisions of subsection (e) of this section.

20 (b) Notwithstanding the provisions of § 21-28.11-15, the council or highest governing
21 elected body of a city or town shall, upon the filing with the city or town clerk of a petition signed
22 by not fewer than ten percent (10%) of the number of voters of such city or town voting at the state
23 election preceding the filing of the petition and conforming to the provisions of the general laws
24 relating to initiative petitions at the municipal level, request that the question of whether to allow,
25 in such city or town, the sale of cannabis and cannabis products for consumption on the premises
26 where sold be submitted to the voters of such city or town at the next biennial state election. If a
27 majority of the votes cast in the city or town are not in favor of allowing the consumption of
28 cannabis or cannabis products on the premises where sold, such city or town shall be taken to have
29 not authorized the consumption of cannabis and cannabis products on the premises where sold.

30 (c) No city or town shall prohibit the transportation of cannabis or cannabis products or
31 adopt an ordinance or by-law that makes the transportation of cannabis or cannabis products
32 unreasonable and impracticable.

33 (d) If an ordinance or by-law shall be submitted for approval pursuant to subsection (a),
34 the following procedures shall be followed:

1 (1) The city solicitor or town counsel shall prepare a fair and concise summary of the
2 proposed ordinance or by-law which shall make clear the number and types of cannabis
3 establishments which shall be permitted to operate under the proposed ordinance and by-law and
4 shall be included on the ballot.

5 (2) A ballot shall be prepared asking "Shall this [city or town] adopt the following [by-law
6 or ordinance]? [solicitor/counsel summary] [full text of by-law or ordinance]."

7 (3) If the majority of the votes cast in answer to the question are in the affirmative, the city
8 or town may adopt the by-law or ordinance, but if the majority of votes cast is in the negative, the
9 city or town shall not adopt the by-law or ordinance.

10 (4) A ballot question under this subsection may be placed on the ballot at a regular or
11 special election held by the city or town by a vote of the board of selectmen or by the city or town
12 council, with the approval of the mayor or chief executive officer of a city that does not have a
13 mayor, and subject to a municipal charter, if applicable.

14 **21-28.11-17. General conditions for licenses.**

15 (a) Upon receipt of a complete cannabis establishment license application and the
16 application fee, the commission shall forward a copy of the application to the city or town in which
17 the cannabis establishment is to be located, determine whether the applicant and the premises
18 qualify for the license and has complied with this chapter and shall, within ninety (90) days:

19 (1) Issue the appropriate license; or

20 (2) Send to the applicant a notice of rejection setting forth specific reasons why the
21 commission did not approve the license application.

22 (b) The commission shall approve a cannabis establishment license application and issue a
23 license if:

24 (1) The prospective cannabis establishment has submitted an application in compliance
25 with regulations made by the commission, the applicant satisfies the requirements established by
26 the commission, the applicant is in compliance with this chapter and the regulations made by the
27 commission and the applicant has paid the required fee;

28 (2) The commission is not notified by the city or town in which the proposed cannabis
29 establishment will be located that the proposed cannabis establishment is not in compliance with
30 an ordinance in effect at the time of application;

31 (3) The property where the proposed cannabis establishment is to be located, at the time
32 the license application is received by the commission, is not located within five hundred (500) feet
33 of a pre-existing public or private school providing education in kindergarten or any of grades one
34 through twelve (12), unless a city or town adopts an ordinance or by-law that reduces the distance

1 requirement; and

2 (4) Every individual who will be a controlling person of the proposed cannabis
3 establishment has not been convicted of a felony or convicted of an offense in another state that
4 would be a felony in the state, except a prior conviction solely for a cannabis offense subject to
5 expungement, unless the offense involved distribution of a controlled substance, including
6 cannabis, to a minor.

7 (c) In addition to requirements established by regulation or by a city or town pursuant to
8 this chapter, a cannabis establishment shall:

9 (1) Secure every entrance to the establishment so that access to areas containing cannabis
10 is restricted to employees and others permitted by the cannabis establishment to access the area and
11 to agents of the commission or state and local law enforcement officers and emergency personnel;
12 and

13 (2) Secure its inventory and equipment during and after operating hours to deter and
14 prevent theft of cannabis, cannabis products and cannabis accessories.

15 (d) No cannabis establishment may cultivate, process, test, store or manufacture cannabis
16 or cannabis products at any location other than at a physical address approved by the commission
17 and within an area that is enclosed and secured in a manner that prevents access by persons not
18 permitted by the cannabis establishment to access the area. A greenhouse or outdoor cannabis
19 cultivation area shall have sufficient security measures to demonstrate that outdoor areas are not
20 readily accessible by unauthorized individuals, including perimeter security fencing designed to
21 prevent unauthorized entry.

22 (e) No cannabis establishment shall allow cultivation, processing, manufacture, sale or
23 display of cannabis or cannabis products to be visible from a public place without the use of
24 binoculars, aircraft or other optical aids.

25 (f) No cannabis establishment shall refuse representatives of the commission the right at
26 any time of operation to inspect the entire licensed premises or to audit the books and records of
27 the cannabis establishment.

28 (g) No cannabis establishment shall allow any person under twenty-one (21) years of age
29 to volunteer or work for the cannabis establishment.

30 (h) No cannabis establishment shall cultivate, manufacture, sell or otherwise transact
31 business with any products containing cannabinoids other than those that were produced,
32 distributed and taxed in compliance with this chapter.

33 (i) No licensee shall operate a cannabis establishment without an operations certificate
34 issued by the commission.

1 (j) Each licensee shall file an emergency response plan with the fire department and police
2 department of the host community.

3 **21-28.11-18. Administration and enforcement -- transfer of powers.**

4 (a) The commission shall be responsible for the enforcement and administration of the
5 provisions of this chapter and for the provisions of chapter 28.6 of title 21.

6 (b) The commission shall promulgate rules and regulations to carry out the purpose and
7 intent of this chapter and chapter 28.6 of title 21.

8 (c) Upon the effective date of the rules and regulations adopted by the commission pursuant
9 to subsection (b) of this section, all powers, duties and responsibilities of the department of
10 environmental management, the department of health and the department of business regulation
11 with respect to administration and enforcement of chapter 28.6 of title 21 shall be transferred to the
12 commission.

13 **21-28.11-19. Multiple licenses restricted.**

14 (a) No person or entity licensed pursuant to the provisions of this chapter shall be granted
15 more than one license.

16 (b) No licensee shall own, control, manage or operate any other entity licensed pursuant to
17 the provisions of this chapter.

18 (c) Nothing in this section shall be construed to prohibit a licensee pursuant to the
19 provisions of chapter 28.6 of title 21 from possessing one license issued pursuant to the provisions
20 of this chapter.

21 **21-28.11-20. Audits and reports.**

22 (a)(1) The commission shall audit as often as the commission determines necessary the
23 accounts, programs, activities, and functions of all licensees. To conduct the audit, authorized
24 officers and employees of the commission shall have access to such accounts at reasonable times
25 and the commission may require the production of books, documents, vouchers and other records
26 relating to any matter within the scope of the audit, except tax returns. The superior court shall have
27 jurisdiction to enforce the production of records that the commission requires to be produced under
28 this section and the court shall order the production of all such records within the scope of any such
29 audit. All audits shall be conducted in accordance with generally accepted auditing standards
30 established by the American Institute of Certified Public Accountants. In any audit report of the
31 accounts, funds, programs, activities and functions of a licensee issued by the commission
32 containing adverse or critical audit results, the commission may require a response, in writing, to
33 the audit results. The response shall be forwarded to the commission within fifteen (15) days of
34 notification by the commission.

1 (2) On or before April 1 of each year, the commission shall submit a report to the governor,
2 the speaker of the house of representatives and the president of the senate, which shall include, but
3 not be limited to:

4 (i) The number of audits performed under this section;

5 (ii) A summary of findings under the audits; and

6 (iii) The cost of each audit.

7 **21-28.11-21. Expiration and renewal.**

8 (a) All licenses under this chapter shall be effective for one year from the date of issuance.

9 (b) The commission shall issue a renewal license within thirty (30) days of receipt of a
10 renewal application and renewal license fee from licensees in good standing and who have filed all
11 required tax returns and paid all required taxes.

12 **21-28.11-22. Personal use of cannabis.**

13 (a) Notwithstanding any other general or special law to the contrary, except as otherwise
14 provided in this chapter, a person twenty-one (21) years of age or older shall not be arrested,
15 prosecuted, penalized, sanctioned or disqualified under the laws of the state in any manner, or
16 denied any right or privilege and shall not be subject to seizure or forfeiture of assets for:

17 (1) Possessing, using, purchasing, processing or manufacturing one ounce (1 oz.) or less of
18 cannabis, except that not more than five grams (5 gr.) of cannabis may be in the form of cannabis
19 concentrate;

20 (2) Within the person's primary residence, possessing up to ten ounces (10 oz.) of cannabis
21 and any cannabis produced by cannabis plants cultivated on the premises and possessing,
22 cultivating or processing not more than six (6) cannabis plants for personal use so long as not more
23 than twelve (12) plants are cultivated on the premises at once;

24 (3) Assisting another person who is twenty-one (21) years of age or older in any of the acts
25 described in this section; or

26 (4) Giving away or otherwise transferring without remuneration up to one ounce (1 oz.) of
27 cannabis, except that not more than five grams (5 gr.) of cannabis may be in the form of cannabis
28 concentrate, to a person twenty-one (21) years of age or older, as long as the transfer is not
29 advertised or promoted to the public.

30 (b) Notwithstanding any other general or special law to the contrary, except as otherwise
31 provided in this chapter, if the import or export of cannabis to or from the state is not prohibited by
32 federal law, a person twenty-one (21) years of age or older shall not be arrested, prosecuted,
33 penalized, sanctioned or disqualified under the laws of the state in any manner, or denied any right
34 or privilege and shall not be subject to seizure or forfeiture of assets for possessing, using,

1 purchasing, cultivating, processing or manufacturing any amount of cannabis or cannabis products
2 for personal use.

3 (c) Notwithstanding any other general or special law to the contrary, except as otherwise
4 provided in this chapter, a person shall not be arrested, prosecuted, penalized, sanctioned or
5 otherwise denied any benefit and shall not be subject to seizure or forfeiture of assets for allowing
6 property the person owns, occupies or manages to be used for any of the activities conducted
7 lawfully under this chapter or for enrolling or employing a person who engages in cannabis-related
8 activities lawfully under this chapter.

9 (d) Absent clear and convincing evidence that the person's actions related to cannabis have
10 created an unreasonable danger to the safety of a minor child, neither the presence of cannabinoid
11 components or metabolites in a person's bodily fluids nor conduct permitted under this chapter
12 related to the possession, consumption, transfer, cultivation, manufacture or sale of cannabis,
13 cannabis products or cannabis accessories by a person charged with the well-being of a child shall
14 form the sole or primary basis for substantiation, service plans, removal or termination or for denial
15 of custody, visitation or any other parental right or responsibility.

16 (e) The use of cannabis shall not disqualify a person from any needed medical procedure
17 or treatment, including organ and tissue transplants.

18 (f) Notwithstanding any general or special law to the contrary, except as otherwise
19 provided in this chapter, a person twenty-one (21) years of age or older shall not be arrested,
20 prosecuted, penalized, sanctioned or disqualified and is not subject to seizure or forfeiture of assets
21 for possessing, producing, processing, manufacturing, purchasing, obtaining, selling or otherwise
22 transferring or delivering hemp.

23 (g) For the purposes of this section, "cannabis concentrate" shall mean the resin extracted
24 from any part of the plant of the genus cannabis and every compound, manufacture, salt, derivative,
25 mixture or preparation of that resin but shall not include the weight of any other ingredient
26 combined with cannabis to prepare cannabis products.

27 **21-28.11-23. Cannabis accessories authorized.**

28 Notwithstanding any general or special law to the contrary, except as otherwise provided
29 in this chapter, a person twenty-one (21) years of age or older shall not be arrested, prosecuted,
30 penalized, sanctioned or disqualified and shall not be subject to seizure or forfeiture of assets for
31 possessing, purchasing or otherwise obtaining or manufacturing cannabis accessories or for selling
32 or otherwise transferring cannabis accessories to a person who is twenty-one (21) years of age or
33 older.

34 **21-28.11-24. Lawful operation of cannabis establishments.**

1 (a) Notwithstanding any general or special law to the contrary, except as otherwise
2 provided in this chapter, the following persons involved in the distribution of cannabis as authorized
3 by this chapter shall not be arrested, prosecuted, penalized, sanctioned or disqualified and shall not
4 be subject to seizure or forfeiture of assets for activities specified for:

5 (1) A cannabis retailer or an owner, operator, employee or other agent acting on behalf of
6 a cannabis retailer possessing or testing cannabis or cannabis products; purchasing, selling or
7 otherwise transferring or delivering cannabis or cannabis products to or from a cannabis
8 establishment; or selling or otherwise transferring or delivering cannabis or cannabis products to a
9 consumer;

10 (2) A cannabis cultivator or an owner, operator, employee or other agent acting on behalf
11 of a cannabis cultivator cultivating, propagating, breeding, harvesting, processing, packaging,
12 testing, storing or possessing cannabis or cannabis products, or selling or otherwise transferring,
13 purchasing or delivering cannabis and cannabis products to or from a cannabis establishment;

14 (3) A cannabis product manufacturer or an owner, operator, employee or other agent acting
15 on behalf of a cannabis product manufacturer packaging, processing, manufacturing, storing,
16 testing or possessing cannabis or cannabis products, or delivering, selling or otherwise transferring
17 and purchasing cannabis or cannabis products to or from a cannabis establishment; or

18 (4) A cannabis testing facility or an owner, operator, employee or other agent acting on
19 behalf of a cannabis testing facility possessing, processing, storing, transferring or testing cannabis
20 or cannabis products.

21 (b) Any licensee, or agent or employee thereof, under this chapter who reasonably relies
22 on a state issued identification card, or on a motor vehicle license, or on or on a valid passport
23 issued by the United States government, or by the government of a foreign country recognized by
24 the United States government, or a valid United States issued military identification card, for proof
25 of a person's identity and age shall not suffer any modification, suspension, revocation or
26 cancellation of such license, nor shall the licensee, agent or employee suffer any criminal liability,
27 for delivering or selling cannabis or cannabis products to a person under twenty-one (21) years of
28 age. Any licensee, or agent or employee thereof, under this chapter, who reasonably relies on the
29 forms of identification listed in this subsection, for proof of a person's identity and age shall be
30 presumed to have exercised due care in making such delivery or sale of cannabis or cannabis
31 products to a person under twenty-one (21) years of age. Such presumption shall be rebuttable.

32 **21-28.11-25. Contracts pertaining to cannabis enforceable.**

33 It is the public policy of the state that contracts related to the operation of cannabis
34 establishments under this chapter shall be enforceable. A contract entered into by a licensee or its

1 agents as permitted pursuant to a valid license issued by the commission, or by those who allow
2 property to be used by a licensee or its agents as permitted pursuant to a valid license issued by the
3 commission, shall not be unenforceable or void exclusively because the actions or conduct
4 permitted pursuant to the license is prohibited by federal law.

5 **21-28.11-26. Provision of profession services.**

6 A person engaged in a profession or occupation subject to licensure shall not be subject to
7 disciplinary action by a professional licensing board solely for providing professional services to
8 prospective or licensed cannabis establishments related to activity under this chapter that is not
9 subject to criminal penalty under the laws of the state.

10 **21-28.11-27. Penalties.**

11 (a) No person shall cultivate or process cannabis plants pursuant to this chapter if the plants
12 are visible from a public place without the use of binoculars, aircraft or other optical aids or
13 cultivate or process cannabis plants outside of an area that is equipped with a lock or other security
14 device. A person who violates this subsection shall be punished by a civil penalty of not more than
15 three hundred dollars (\$300) and forfeiture of the cannabis, but shall not be subject to any other
16 form of criminal or civil punishment or disqualification solely for this conduct.

17 (b) No person shall possess more than one ounce (1oz.) of cannabis or cannabis products
18 within the person's place of residence pursuant to § 21-28.11-22 unless the cannabis and cannabis
19 products are secured by a lock. A person who violates this subsection shall be punished by a civil
20 penalty of not more than one hundred dollars (\$100) and forfeiture of the cannabis.

21 (c) No person shall consume cannabis in a public place or smoke cannabis where smoking
22 tobacco is prohibited. A person who violates this subsection shall be punished by a civil penalty of
23 not more than one hundred dollars (\$100). This subsection shall not apply to a person who
24 consumes cannabis or cannabis products in a designated area of a cannabis establishment located
25 in a city or town that has voted to allow consumption on the premises where sold and shall not be
26 construed to limit the medical use of marijuana.

27 (d) No person shall, upon any way or in any place to which the public has a right of access,
28 or upon any way or in any place to which members of the public have access as invitees or licensees
29 or upon any public highway, possess an open container of cannabis or cannabis products in the
30 passenger area of any motor vehicle. A person who violates this subsection shall be punished by a
31 civil penalty of not more than five hundred dollars (\$500). For purposes of this section, "open
32 container" shall mean that the package containing cannabis or cannabis products has its seal broken
33 or from which the contents have been partially removed or consumed and "passenger area" shall
34 mean the area designed to seat the driver and passengers while the motor vehicle is in operation

1 and any area that is readily accessible to the driver or passenger while in a seated position; provided
2 however that the passenger area shall not include a motor vehicle's trunk, locked glove
3 compartment or the living quarters of a house coach or house trailer, or if a motor vehicle is not
4 equipped with a trunk, the area behind the last upright seat or an area not normally occupied by the
5 driver or passenger.

6 (e) Notwithstanding the provisions of this chapter and until the import or export of cannabis
7 to or from the state is not prohibited by federal law, a person who is at least twenty-one (21) years
8 of age and who cultivates more than six (6) but not more than twelve (12) cannabis plants or who
9 possesses an amount of cannabis outside of his or her place of residence having a weight of more
10 than one ounce (1 oz.) but not more than two ounces (2 oz.) shall be subject only to a civil penalty
11 of not more than one hundred dollars (\$100) and forfeiture of the cannabis not allowed by this
12 chapter, but shall not be subject to any other form of criminal or civil punishment or disqualification
13 solely for this conduct.

14 (f) A person under twenty-one (21) years of age, except a qualifying patient holding a valid
15 registration card for the medical use of cannabis, who purchases or attempts to purchase cannabis,
16 cannabis products or cannabis accessories, or makes arrangements with any person to purchase or
17 in any way procure cannabis, cannabis products or cannabis accessories, or who willfully
18 misrepresents such person's age, or in any way alters, defaces or otherwise falsifies identification
19 offered as proof of age, with the intent of purchasing cannabis, cannabis products or cannabis
20 accessories, shall be punished by a civil penalty of not more than one hundred dollars (\$100) and
21 shall complete a drug awareness program. The parents or legal guardian of any offender under the
22 age of eighteen (18) shall be notified, and the failure within one year of the offense of such an
23 offender to complete a drug awareness program may be a basis for delinquency proceedings for
24 persons under the age of seventeen (17) years of age at the time of the person's offense.

25 (g) Civil penalties imposed pursuant to this section shall be enforced by utilizing the non-
26 criminal disposition procedures provided in this chapter, as well as any other applicable provision
27 of the general laws.

28 (h)(1) A person less than twenty-one (21) years of age, except a qualifying patient holding
29 a valid registration card or prescription for the medical use of cannabis, who cultivates not more
30 than twelve (12) cannabis plants shall be punished by a civil penalty of not more than one hundred
31 dollars (\$100) and shall complete a drug awareness program established pursuant to the provisions
32 of this chapter. If a person is less than eighteen (18) years of age at the time of the offense and fails
33 to complete a drug awareness program not later than one year after the offense, that person may be
34 subject to delinquency proceedings and/or assessed a civil penalty of no more than one thousand

1 dollars (\$1,000).

2 (2) If an offender under the age of eighteen (18) years of age, a parent or legal guardian
3 fails to file with the clerk of the appropriate court a certificate that the offender has completed a
4 drug awareness program in accordance this chapter within one year of the relevant offense, the
5 clerk shall notify the offender, parent or guardian and the enforcing person who issued the original
6 notice to the offender of a hearing to show cause why the civil penalty should not be increased to
7 one thousand dollars (\$1,000). Factors to be considered in weighing cause shall be limited to
8 financial capacity to pay any increase, the offender's ability to participate in a compliant drug
9 awareness program and the availability of a suitable drug awareness program. Any civil penalties
10 imposed under the provisions of this section shall inure to the city or town where the offense
11 occurred.

12 (i) Whoever furnishes cannabis, cannabis products or cannabis accessories to a person less
13 than twenty-one (21) years of age, either for the person's own use or for the use of the person's
14 parent or another person shall be punished by a fine of not more than two thousand dollars (\$2,000)
15 or by imprisonment for not more than one year, or both.

16 (j) For the purposes of this subsection, "furnish" shall mean to knowingly or intentionally
17 supply, give or provide to or allow a person less than twenty-one (21) years of age, except for the
18 children and grandchildren of the person being charged.

19 (k) This subsection shall not apply to the sale, delivery or furnishing of medical cannabis,
20 which is otherwise compliance with the provisions of chapter 28.6 of title 21.

21 **21-28.11-28. Liability to state under this chapter as debt.**

22 Any liability to the state under this chapter shall constitute a debt to the state. Once a
23 statement naming a licensee is recorded, registered or filed, any such debt shall constitute a lien on
24 all commercial property owned by a licensee in the state and shall have priority over an
25 encumbrance recorded, registered or filed with respect to any site.

26 **21-28.11-29. Scope of chapter.**

27 (a) This chapter shall not permit:

28 (1) Any person to undertake any task under the influence of cannabis when doing so would
29 constitute negligence or professional malpractice;

30 (2) The smoking of cannabis:

31 (i) In a school bus or other form of public transportation;

32 (ii) On any school grounds;

33 (iii) In any correctional facility;

34 (iv) In any public place;

1 (v) In any licensed drug treatment facility in this state; or

2 (vi) Where exposure to the cannabis smoke significantly adversely affects the health,
3 safety, or welfare of children; or

4 (3) Any person to operate, navigate, or be in actual physical control of any motor vehicle,
5 aircraft, or motorboat while under the influence of cannabis. However, a registered qualifying
6 patient shall not be considered to be under the influence solely for having cannabis metabolites in
7 his or her system.

8 (b) Nothing in this chapter shall be construed to require:

9 (1) A government medical assistance program or private health insurer or workers'
10 compensation insurer, workers' compensation group self-insurer, or employer self-insured for
11 workers' compensation under § 28-36-1 to reimburse a person for costs associated with the medical
12 use of cannabis; or

13 (2) An employer to accommodate the medical use of marijuana in any workplace.

14 (c) Fraudulent representation to a law enforcement official of any fact or circumstance
15 relating to the medical use of marijuana to avoid arrest or prosecution shall be punishable by a fine
16 of five hundred dollars (\$500) which shall be in addition to any other penalties that may apply for
17 making a false statement for the nonmedical use of cannabis.

18 (d) Nothing contained in this chapter shall be construed to require employers to
19 accommodate the use or possession of marijuana, or being under the influence of marijuana, in any
20 workplace. Employers may implement drug use policies which prohibit the use or possession of
21 marijuana in the workplace or working under the influence of marijuana, provided that unless such
22 use is prohibited pursuant to the terms of a collective bargaining agreement, an employer shall not
23 fire or take disciplinary action against an employee solely for an employee's private, lawful use of
24 marijuana outside the workplace and so long as the employee has not and is not working under the
25 influence of marijuana except to the extent that the employer is a federal contractor or otherwise
26 subject to federal law or regulations such that failure to take such action would cause the employer
27 to lose a monetary or licensing related benefit thereunder.

28 **21-28.11-30. Activities not exempt.**

29 The provisions of this chapter do not exempt any person from arrest, civil or criminal
30 penalty, seizure or forfeiture of assets, discipline by any state or local licensing board or authority,
31 and state prosecution for, nor may they establish an affirmative defense based on this chapter to
32 charges arising from, any of the following acts:

33 (1) Driving, operating, or being in actual physical control of a vehicle or a vessel under
34 power or sail while impaired by cannabis or cannabis products;

1 (2) Possessing or using cannabis or cannabis products if the person is a prisoner;

2 (3) Possessing or using cannabis or cannabis products in any local detention facility, jail,
3 state prison, reformatory, or other correctional facility, including, without limitation, any facility
4 for the detention of juvenile offenders; or

5 (4) Manufacturing or processing of cannabis products with the use of prohibited solvents,
6 in violation of this chapter and chapter 28.6 of title 21; or

7 (5) Possessing, using, distributing, cultivating, processing or manufacturing cannabis or
8 cannabis products which do not satisfy the requirements of this chapter and chapter 28.6 of title 21.

9 **21-28.11-31. Social equity assistance fund.**

10 (a) There shall be established and set up on the books of the state within the general fund,
11 a separate fund to be known as the "social equity assistance fund".

12 (b) It shall subject to appropriation, consist of all monies received on account of the state
13 as a result of application for and licensing of individuals and entities pursuant to the provisions of
14 this chapter, all civil penalties received for violations of this chapter and interest earned on balances
15 in the fund.

16 (c) Subject to appropriation, money in the fund shall be expended for the implementation
17 and administration of programming for restorative justice, jail diversion, drug rehabilitation and
18 education workforce development for jobs related to cannabis cultivation, transportation,
19 distribution and sales, mentoring services for economically-disadvantaged persons in communities
20 disproportionately impacted by high rates of arrest and incarceration for cannabis and direct
21 financial assistance to economically disadvantaged persons to gain entry into lawful cannabis
22 business.

23 (d) Disbursement from the fund may include provisions for interest free loans to pay the
24 application and annual licensing fee for individuals who have previously been disproportionately
25 impacted by criminal enforcement of marijuana laws to include individuals convicted of nonviolent
26 marijuana offenses, and immediate family members of individuals convicted of non-violent
27 marijuana offenses and for those individuals who have resided in disproportionately impacted areas
28 for at least five (5) of the last ten (10) years.

29 (e) The commission in consultation with the office of diversity, equity and opportunity
30 shall promulgate rules establishing the criteria, eligibility, qualifications and process for
31 administering disbursement of the funds.

32 (f) The commission shall administer the program and the authorized disbursement of funds
33 as appropriated.

34 **21-28.11-32. Tax receipts.**

1 Revenue collected as sales tax or cannabis excise tax pursuant to the provisions of § 21-
2 28.11-13 shall be paid into the state's general fund.

3 SECTION 2. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
4 adding thereto the following chapter:

5 CHAPTER 70

6 CANNABIS TAX

7 **44-70-1. Definitions.**

8 (a) As used in this chapter, the following words shall, unless the context clearly requires
9 otherwise, have the following meanings:

10 (1) "Administrator" means the state tax administrator in the department of revenue as set
11 forth in chapter 1 of title 44.

12 (2) "Cannabis control commission" means the entity established as set forth in chapter
13 28.11 of title 21.

14 (3) "Cannabis," "Marijuana establishment," "Marijuana paraphernalia," "Marijuana
15 products" and "Marijuana retailer", shall have the same meaning as defined in chapter 28.11 of title
16 21.

17 **44-70-2. State exercise of imposition -- Rate -- Payment.**

18 Except for a sale in compliance with the provisions of chapter 28.6 of the title 21, an excise
19 tax is hereby imposed upon the sale of cannabis or cannabis products by a cannabis retailer to
20 anyone other than a cannabis establishment at a rate of ten percent (10%) of the total sales price
21 received by the cannabis retailer as a consideration for the sale of cannabis or cannabis products.
22 The excise tax shall be levied in addition to any sales and use state tax imposed upon the sale of
23 property or services as provided in chapter 18 of title 44 and shall be paid by a cannabis retailer to
24 the administrator at the time provided for filing the return required by chapter 18 of title 44.

25 **44-70-3. Local tax.**

26 Except for a sale in compliance with the provisions of chapter 28.6 of title 21, a city or
27 town shall impose and collect a local sales tax upon sale or transfer of cannabis or cannabis products
28 by a cannabis retailer operating within the city or town to anyone other than a cannabis
29 establishment at a rate of three percent (3%) of the total sales price received by the cannabis retailer
30 as a consideration for the sale of cannabis or cannabis products. The cannabis retailer shall pay the
31 local sales tax imposed under this section to the local tax authority at the same time as the sales tax
32 due to the state.

33 **44-70-4. Exemptions.**

34 The state excise tax and the local tax provided by this chapter shall not apply to the sale of

1 [cannabis or cannabis products by a medical marijuana treatment center or a registered personal](#)
2 [caregiver to a qualifying patient, cardholder, compassion center cardholder, or authorized purchaser](#)
3 [pursuant to chapter 28.6 of title 21.](#)

4 **44-70-5. Application of tax revenue.**

5 [The administrator shall deposit revenue collected pursuant to this chapter from the excise](#)
6 [tax and the sales tax into the general fund.](#)

7 **44-70-6. Rates of taxation.**

8 [The general assembly may adjust the rate of taxation provided for in this chapter from time](#)
9 [to time. The cannabis control commission may make such recommendations to the general](#)
10 [assembly as the commission deems appropriate in regard to the rate of taxation set forth in this](#)
11 [chapter.](#)

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

15 **21-28.6-12. Compassion centers.**

16 (a) A compassion center licensed under this section may acquire, possess, cultivate,
17 manufacture, deliver, transfer, transport, supply, or dispense medical marijuana, or related supplies
18 and educational materials, to registered qualifying patients and their registered primary caregivers
19 or authorized purchasers, or out-of-state patient cardholders or other marijuana establishment
20 licensees. Except as specifically provided to the contrary, all provisions of this chapter (the Edward
21 O. Hawkins and Thomas C. Slater medical marijuana act), apply to a compassion center unless the
22 provision(s) conflict with a provision contained in this section.

23 (b) License of compassion centers -- authority of the departments of health and business
24 regulation:

25 (1) Not later than ninety (90) days after the effective date of this chapter, the department
26 of health shall promulgate regulations governing the manner in which it shall consider applications
27 for licenses for compassion centers, including regulations governing:

28 (i) The form and content of license and renewal applications;

29 (ii) Minimum oversight requirements for compassion centers;

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

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

32 (v) Procedures for suspending, revoking, or terminating the license of compassion centers
33 that violate the provisions of this section or the regulations promulgated pursuant to this subsection.

34 (2) Within ninety (90) days of the effective date of this chapter, the department of health

1 shall begin accepting applications for the operation of a single compassion center.

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

5 (4) Within one hundred ninety (190) days of the effective date of this chapter, the
6 department of health shall grant a single license to a single compassion center, providing at least
7 one applicant has applied who meets the requirements of this chapter.

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

12 (6) Within two (2) years of the effective date of this chapter, the department of health shall
13 begin accepting applications to provide licenses for two (2) additional compassion centers. The
14 department shall solicit input from the public, and issue licenses if qualified applicants exist.

15 (7)(i) Any time a compassion center license is revoked, is relinquished, or expires on or
16 before December 31, 2016, the department of health shall accept applications for a new compassion
17 center.

18 (ii) Any time a compassion center license is revoked, is relinquished, or expires on or after
19 January 1, 2017, the department of business regulation shall accept applications for a new
20 compassion center.

21 (8)(i) If at any time after three (3) years after the effective date of this chapter and on or
22 before December 31, 2016, fewer than three (3) compassion centers are holding valid licenses in
23 Rhode Island, the department of health shall accept applications for a new compassion center. If at
24 any time on or after January 1, 2017, fewer than three (3) compassion centers are holding valid
25 licenses in Rhode Island, the department of business regulation shall accept applications for a new
26 compassion center. There shall be nine (9) compassion centers that may hold valid licenses at one
27 time. If at any time on or after July 1, 2019, fewer than nine (9) compassion centers are holding
28 valid licenses in Rhode Island, the department of business regulation shall accept applications for
29 new compassion centers and shall continue the process until nine (9) licenses have been issued by
30 the department of business regulation.

31 (9) Any compassion center application selected for approval by the department of health
32 on or before December 31, 2016, or selected for approval by the department of business regulation
33 on or after January 1, 2017, shall remain in full force and effect, notwithstanding any provisions of
34 this chapter to the contrary, and shall be subject to state law adopted herein and rules and regulations

1 adopted by the departments of health and business regulation subsequent to passage of this
2 legislation.

3 (10) A licensed cultivator may apply for, and be issued, an available compassion center
4 license, provided that the licensed cultivation premises is disclosed on the compassion center
5 application as the permitted second location for growing medical marijuana in accordance with
6 subsection (c)(i) of this section. If a licensed cultivator is issued an available compassion center
7 license, their cultivation facility license will merge with and into their compassion center license in
8 accordance with regulations promulgated by the department of business regulation. Once merged,
9 the cultivation of medical marijuana may then be conducted under the compassion center license
10 in accordance with this section and the cultivation license will be considered null and void and of
11 no further force or effect.

12 (c) Compassion center and agent applications and license:

13 (1) Each application for a compassion center shall be submitted in accordance with
14 regulations promulgated by the department of business regulation and shall include, but not be
15 limited to:

16 (i) A non-refundable application fee paid to the department in the amount of ten thousand
17 dollars (\$10,000);

18 (ii) The proposed legal name and proposed articles of incorporation of the compassion
19 center;

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

23 (iv) A description of the enclosed, locked facility that would be used in the cultivation of
24 medical marijuana;

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

27 (vi) Proposed security and safety measures that shall include at least one security alarm
28 system for each location, planned measures to deter and prevent the unauthorized entrance into
29 areas containing marijuana and the theft of marijuana, as well as a draft, employee-instruction
30 manual including security policies, safety and security procedures, personal safety, and crime-
31 prevention techniques; and

32 (vii) Proposed procedures to ensure accurate record keeping.

33 (2)(i) For applications submitted on or before December 31, 2016, any time one or more
34 compassion center license applications are being considered, the department of health shall also

1 allow for comment by the public and shall solicit input from registered qualifying patients,
2 registered primary caregivers, and the towns or cities where the applicants would be located;

3 (ii) For applications submitted on or after January 1, 2017, any time one or more
4 compassion center license applications are being considered, the department of business regulation
5 shall also allow for comment by the public and shall solicit input from registered qualifying
6 patients, registered primary caregivers, and the towns or cities where the applicants would be
7 located.

8 (3) Each time a new compassion center license is issued, the decision shall be based upon
9 the overall health needs of qualified patients and the safety of the public, including, but not limited
10 to, the following factors:

11 (i) Convenience to patients from areas throughout the state of Rhode Island;

12 (ii) The applicant's ability to provide a steady supply to the registered qualifying patients
13 in the state;

14 (iii) The applicant's experience running a non-profit or business;

15 (iv) The interests of qualifying patients regarding which applicant be granted a license;

16 (v) The interests of the city or town where the dispensary would be located taking into
17 consideration need and population;

18 (vi) Nothing herein shall prohibit more than one compassion center being geographically
19 located in any city or town;

20 (vii) The sufficiency of the applicant's plans for record keeping and security, which records
21 shall be considered confidential healthcare information under Rhode Island law and are intended
22 to be deemed protected healthcare information for purposes of the Federal Health Insurance
23 Portability and Accountability Act of 1996, as amended; and

24 (viii) The sufficiency of the applicant's plans for safety and security, including proposed
25 location, security devices employed, and staffing.

26 (4) A compassion center approved by the department of health on or before December 31,
27 2016, shall submit the following to the department before it may begin operations:

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

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

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

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

34 (v) The name, address, and date of birth of any person who will be an agent of, employee,

1 or volunteer of the compassion center at its inception.

2 (5)(i) A compassion center approved or renewed by the department of business regulation
3 on or after January 1, 2017, but before July 1, 2019, shall submit materials pursuant to regulations
4 promulgated by the department of business regulation before it may begin operations:

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

6 (B) The legal name and articles of incorporation of the compassion center;

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

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

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

13 (ii) A compassion center approved or renewed by the department of business regulation on
14 or after July 1, 2019, shall submit materials pursuant to regulations promulgated by the department
15 of business regulation before it may begin operations, which shall include but not be limited to:

16 (A) A fee paid to the department in the amount of five hundred thousand dollars
17 (\$500,000);

18 (B) The legal name and articles of incorporation of the compassion center;

19 (C) The physical address of the compassion center; this may include a second address for
20 the secure cultivation of medical marijuana;

21 (D) The name, address, and date of birth of each principal officer and board member of the
22 compassion center, and any person who has a direct or indirect ownership interest in any marijuana
23 establishment licensee, which ownership interest shall include, but not be limited to, any interests
24 arising pursuant to the use of shared management companies, management agreements or other
25 agreements that afford third-party management or operational control, or other familial or business
26 relationships between compassion center or cultivator owners, members, officers, directors,
27 managers, investors, agents, or key persons that effect dual license interests as determined by the
28 department of business regulation;

29 (E) The name, address, and date of birth of any person who will be an agent, employee, or
30 volunteer of the compassion center at its inception.

31 (6) Except as provided in subsection (c)(7) of this section, the department of health or the
32 department of business regulation shall issue each principal officer, board member, agent,
33 volunteer, and employee of a compassion center a registry identification card or renewal card after
34 receipt of the person's name, address, date of birth; a fee in an amount established by the department

1 of health or the department of business regulation; and, except in the case of an employee,
2 notification to the department of health or the department of business regulation by the department
3 of public safety division of state police, attorney general's office, or local law enforcement that the
4 registry identification card applicant has not been convicted of a felony drug offense or has not
5 entered a plea of nolo contendere for a felony drug offense and received a sentence of probation.
6 Each card shall specify that the cardholder is a principal officer, board member, agent, volunteer,
7 or employee of a compassion center and shall contain the following:

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

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

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

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

14 (v) A photograph, if the department of health or the department of business regulation
15 decides to require one.

16 (7) Except as provided in this subsection, neither the department of health nor the
17 department of business regulation shall issue a registry identification card to any principal officer,
18 board member, or agent, of a compassion center who has been convicted of a felony drug offense
19 or has entered a plea of nolo contendere for a felony drug offense and received a sentence of
20 probation. If a registry identification card is denied, the compassion center will be notified in
21 writing of the purpose for denying the registry identification card. A registry identification card
22 may be granted if the offense was for conduct that occurred prior to the enactment of the Edward
23 O. Hawkins and Thomas C. Slater medical marijuana act or that was prosecuted by an authority
24 other than the state of Rhode Island and for which the Edward O. Hawkins and Thomas C. Slater
25 medical marijuana act would otherwise have prevented a conviction.

26 (i) All registry identification card applicants shall apply to the department of public safety
27 division of state police, the attorney general's office, or local law enforcement for a national
28 criminal identification records check that shall include fingerprints submitted to the federal bureau
29 of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
30 contendere for a felony drug offense with a sentence of probation, and in accordance with the rules
31 promulgated by the department of health and the department of business regulation, the department
32 of public safety division of state police, the attorney general's office, or local law enforcement shall
33 inform the applicant, in writing, of the nature of the felony and the department of public safety
34 division of state police shall notify the department of health or the department of business

1 regulation, in writing, without disclosing the nature of the felony, that a felony drug offense
2 conviction or a plea of nolo contendere for a felony drug offense with probation has been found.

3 (ii) In those situations in which no felony drug offense conviction or plea of nolo
4 contendere for a felony drug offense with probation has been found, the department of public safety
5 division of state police, the attorney general's office, or local law enforcement shall inform the
6 applicant and the department of health or the department of business regulation, in writing, of this
7 fact.

8 (iii) All registry identification card applicants, except for employees with no ownership,
9 equity, financial interest, or managing control of a marijuana establishment license, shall be
10 responsible for any expense associated with the criminal background check with fingerprints.

11 (8) A registry identification card of a principal officer, board member, agent, volunteer,
12 employee, or any other designation required by the department of business regulation shall expire
13 one year after its issuance, or upon the expiration of the licensed organization's license, or upon the
14 termination of the principal officer, board member, agent, volunteer, or employee's relationship
15 with the compassion center, whichever occurs first.

16 (9) A compassion center cardholder shall notify and request approval from the department
17 of business regulation of any change in his or her name or address within ten (10) days of the
18 change. A compassion center cardholder who fails to notify the department of business regulation
19 of any of these changes is responsible for a civil infraction, punishable by a fine of no more than
20 one hundred fifty dollars (\$150).

21 (10) When a compassion center cardholder notifies the department of health or the
22 department of business regulation of any changes listed in this subsection, the department shall
23 issue the cardholder a new registry identification card within ten (10) days of receiving the updated
24 information and a ten-dollar (\$10.00) fee.

25 (11) If a compassion center cardholder loses his or her registry identification card, he or
26 she shall notify the department of health or the department of business regulation and submit a ten-
27 dollar (\$10.00) fee within ten (10) days of losing the card. Within five (5) days, the department
28 shall issue a new registry identification card with new random identification number.

29 (12) On or before December 31, 2016, a compassion center cardholder shall notify the
30 department of health of any disqualifying criminal convictions as defined in subsection (c)(7) of
31 this section. The department of health may choose to suspend and/or revoke his or her registry
32 identification card after the notification.

33 (13) On or after January 1, 2017, a compassion center cardholder shall notify the
34 department of business regulation of any disqualifying criminal convictions as defined in

1 subsection (c)(7) of this section. The department of business regulation may choose to suspend
2 and/or revoke his or her registry identification card after the notification.

3 (14) If a compassion center cardholder violates any provision of this chapter or regulations
4 promulgated hereunder as determined by the departments of health and business regulation, his or
5 her registry identification card may be suspended and/or revoked.

6 (d) Expiration or termination of compassion center:

7 (1) On or before December 31, 2016, a compassion center's license shall expire two (2)
8 years after its license is issued. On or after January 1, 2017, a compassion center's license shall
9 expire one year after its license is issued. The compassion center may submit a renewal application
10 beginning sixty (60) days prior to the expiration of its license.

11 (2) The department of health or the department of business regulation shall grant a
12 compassion center's renewal application within thirty (30) days of its submission if the following
13 conditions are all satisfied:

14 (i) The compassion center submits the materials required under subsections (c)(4) and
15 (c)(5) of this section, including a five-hundred-thousand-dollar (\$500,000) fee except on the
16 effective date of chapter 28.11 of title 21 the fee shall be reduced to two hundred fifty thousand
17 dollars (\$250,000);

18 (ii) The compassion center's license has never been suspended for violations of this chapter
19 or regulations issued pursuant to this chapter; and

20 (iii) The department of business regulation finds that the compassion center is adequately
21 providing patients with access to medical marijuana at reasonable rates.

22 (3) If the department of health or the department of business regulation determines that any
23 of the conditions listed in subsections (d)(2)(i) -- (iii) of this section have not been met, the
24 department may begin an open application process for the operation of a compassion center. In
25 granting a new license, the department of health or the department of business regulation shall
26 consider factors listed in subsection (c)(3) of this section.

27 (4) The department of business regulation shall issue a compassion center one or more
28 thirty-day (30) temporary licenses after that compassion center's license would otherwise expire if
29 the following conditions are all satisfied:

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

32 (ii) The compassion center requested a temporary license; and

33 (iii) The compassion center has not had its license suspended or revoked due to violations
34 of this chapter or regulations issued pursuant to this chapter.

1 (5) A compassion center's license shall be denied, suspended, or subject to revocation if
2 the compassion center:

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

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

5 (iii) Is in violation of other departmental regulations;

6 (iv) Employs or enters into a business relationship with a medical practitioner who provides
7 written certification of a qualifying patient's medical condition; or

8 (v) If any compassion center owner, member, officer, director, manager, investor, agent,
9 or key person as defined in regulations promulgated by the department of business regulation, has
10 any interest, direct or indirect, in another compassion center or another licensed cultivator, except
11 as permitted in subsection (b)(10) of this section. Prohibited interests shall also include interests
12 arising pursuant to the use of shared management companies, management agreements, or other
13 agreements that afford third-party management or operational control, or other familial or business
14 relationships between compassion center or cultivator owners, members, officers, directors,
15 managers, investors, agents, or key persons that effect dual license interests as determined by the
16 department of business regulation.

17 (e) Inspection. Compassion centers are subject to reasonable inspection by the department
18 of health, division of facilities regulation, and the department of business regulation. During an
19 inspection, the departments may review the compassion center's confidential records, including its
20 dispensing records, which shall track transactions according to qualifying patients' registry
21 identification numbers to protect their confidentiality.

22 (f) Compassion center requirements:

23 (1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
24 of its patients. A compassion center need not be recognized as a tax-exempt organization by the
25 Internal Revenue Service. A compassion center shall be subject to regulations promulgated by the
26 department of business regulation for general operations and record keeping, which shall include,
27 but not be limited to:

28 (i) Minimum security and surveillance requirements;

29 (ii) Minimum requirements for workplace safety and sanitation;

30 (iii) Minimum requirements for product safety and testing;

31 (iv) Minimum requirements for inventory tracking and monitoring;

32 (v) Minimum requirements for the secure transport and transfer of medical marijuana;

33 (vi) Minimum requirements to address odor mitigation;

34 (vii) Minimum requirements for product packaging and labeling;

1 (viii) Minimum requirements and prohibitions for advertising;

2 (ix) Minimum requirements for the testing and destruction of marijuana. Wherever
3 destruction of medical marijuana and medical marijuana product is required to bring a person or
4 entity into compliance with any provision of this chapter, any rule or regulation promulgated
5 thereunder, or any administrative order issued in accordance therewith, the director of the
6 department of business regulation may designate his or her employees or agents to facilitate the
7 destruction;

8 (x) A requirement that if a compassion center violates this chapter, or any regulation
9 thereunder, and the department of business regulation determines that violation does not pose an
10 immediate threat to public health or public safety, the compassion center shall pay to the department
11 of business regulation a fine of no less than five-hundred dollars (\$500); and

12 (xi) A requirement that if a compassion center violates this chapter, or any regulation
13 promulgated hereunder, and the department of business regulation determines that the violation
14 poses an immediate threat to public health or public safety, the compassion center shall pay to the
15 department of business regulation a fine of no less than two thousand dollars (\$2,000) and the
16 department shall be entitled to pursue any other enforcement action provided for under this chapter
17 and the regulations.

18 (2) A compassion center may not be located within one thousand feet (1,000') of the
19 property line of a preexisting public or private school.

20 (3) On or before December 31, 2016, a compassion center shall notify the department of
21 health within ten (10) days of when a principal officer, board member, agent, volunteer, or
22 employee ceases to work at the compassion center. On or after January 1, 2017, a compassion
23 center shall notify the department of business regulation within ten (10) days of when a principal
24 officer, board member, agent, volunteer, or employee ceases to work at the compassion center. His
25 or her card shall be deemed null and void and the person shall be liable for any penalties that may
26 apply to any nonmedical possession or use of marijuana by the person.

27 (4)(i) On or before December 31, 2016, a compassion center shall notify the department of
28 health in writing of the name, address, and date of birth of any new principal officer, board member,
29 agent, volunteer, or employee and shall submit a fee in an amount established by the department
30 for a new registry identification card before that person begins his or her relationship with the
31 compassion center;

32 (ii) On or after January 1, 2017, a compassion center shall notify the department of business
33 regulation, in writing, of the name, address, and date of birth of any new principal officer, board
34 member, agent, volunteer, or employee and shall submit a fee in an amount established by the

1 department of business regulation for a new registry identification card before that person begins
2 his or her relationship with the compassion center;

3 (5) A compassion center shall implement appropriate security measures to deter and
4 prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and
5 shall ensure that each location has an operational security alarm system. Each compassion center
6 shall request that the department of public safety division of state police visit the compassion center
7 to inspect the security of the facility and make any recommendations regarding the security of the
8 facility and its personnel within ten (10) days prior to the initial opening of each compassion center.
9 The recommendations shall not be binding upon any compassion center, nor shall the lack of
10 implementation of the recommendations delay or prevent the opening or operation of any center.
11 If the department of public safety division of state police does not inspect the compassion center
12 within the ten-day (10) period, there shall be no delay in the compassion center's opening.

13 (6) The operating documents of a compassion center shall include procedures for the
14 oversight of the compassion center and procedures to ensure accurate record keeping.

15 (7) A compassion center is prohibited from acquiring, possessing, cultivating,
16 manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any
17 purpose except to assist patient cardholders with the medical use of marijuana directly or through
18 the qualifying patient's primary caregiver or authorized purchaser.

19 (8) All principal officers and board members of a compassion center must be residents of
20 the state of Rhode Island.

21 (9) Each time a new, registered, qualifying patient visits a compassion center, it shall
22 provide the patient with a frequently-asked-questions sheet, designed by the department, that
23 explains the limitations on the right to use medical marijuana under state law.

24 (10) Effective July 1, 2017, each compassion center shall be subject to any regulations
25 promulgated by the departments of health and business regulation that specify how marijuana must
26 be tested for items, included but not limited to, cannabinoid profile and contaminants.

27 (11) Effective January 1, 2017, each compassion center shall be subject to any product
28 labeling requirements promulgated by the department of business regulation.

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

31 (i) A job description or employment contract developed for all employees and agents, and
32 a volunteer agreement for all volunteers, that includes duties, authority, responsibilities,
33 qualifications, and supervision; and

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

1 (13) Each compassion center shall maintain a personnel record for each employee, agent,
2 and volunteer that includes an application and a record of any disciplinary action taken.

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

- 6 (i) Professional conduct, ethics, and patient confidentiality; and
- 7 (ii) Informational developments in the field of medical use of marijuana.

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

- 10 (i) The proper use of security measures and controls that have been adopted; and
- 11 (ii) Specific procedural instructions on how to respond to an emergency, including robbery
12 or violent accident.

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

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

20 (1) A compassion center or principal officer, board member, agent, volunteer, or employee
21 of a compassion center may not dispense more than two and one-half ounces (2.5 oz.) of usable
22 marijuana, or its equivalent, to a qualifying patient directly or through a qualifying patient's primary
23 caregiver or authorized purchaser during a fifteen-day (15) period.

24 (2) A compassion center or principal officer, board member, agent, volunteer, or employee
25 of a compassion center may not dispense an amount of usable marijuana, or its equivalent, to a
26 patient cardholder, qualifying patient, a qualifying patient's primary caregiver, or a qualifying
27 patient's authorized purchaser that the compassion center, principal officer, board member, agent,
28 volunteer, or employee knows would cause the recipient to possess more marijuana than is
29 permitted under the Edward O. Hawkins and Thomas C. Slater medical marijuana act.

30 (3) Compassion centers shall utilize a database administered by the departments of health
31 and business regulation. The database shall contain all compassion centers' transactions according
32 to qualifying patients', authorized purchasers', and primary caregivers' registry identification
33 numbers to protect the confidentiality of patient personal and medical information. Compassion
34 centers will not have access to any applications or supporting information submitted by qualifying

1 patients, authorized purchasers or primary caregivers. Before dispensing marijuana to any patient
2 or authorized purchaser, the compassion center must utilize the database to ensure that a qualifying
3 patient is not dispensed more than two and one-half ounces (2.5 oz.) of usable marijuana or its
4 equivalent directly or through the qualifying patient's primary caregiver or authorized purchaser
5 during a fifteen-day (15) period.

6 (4) A compassion center may sell and disburse up to fifty percent (50%) of the total
7 marijuana/cannabis sold to adult non-medical customers. Non-medical sales shall be in compliance
8 with all the provisions of chapter 28.11 of title 21. All taxes and fees shall be collected on non-
9 medical sales. Notwithstanding the authorization that fifty percent (50%) of the marijuana/cannabis
10 sold may be to non-medical users, a compassion center shall sell no marijuana/cannabis purchased
11 or produced for sale as medical marijuana at retail to a non-medical marijuana/cannabis purchaser.
12 Authorized sales to any non-medical marijuana/cannabis purchaser by a compassion center shall
13 be solely limited to cannabis cultivated by a licensee cultivating cannabis pursuant to a license
14 issued in compliance with the provisions of § 21-28.11-7, or to cannabis purchased from an entity
15 licensed pursuant to the provisions of chapter 28.11 of title 21. A compassion center may acquire
16 a cultivator's license pursuant to the provisions of § 21-28.11-7 to cultivate cannabis for retail sale
17 to non-medical customers.

18 (h) Immunity:

19 (1) No licensed compassion center shall be subject to prosecution; search, except by the
20 departments pursuant to subsection (e) of this section; seizure; or penalty in any manner, or denied
21 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business,
22 occupational, or professional licensing board or entity, solely for acting in accordance with this
23 section to assist registered qualifying patients.

24 (2) No licensed compassion center shall be subject to prosecution, seizure, or penalty in
25 any manner, or denied any right or privilege, including, but not limited to, civil penalty or
26 disciplinary action, by a business, occupational, or professional licensing board or entity, for
27 selling, giving, or distributing marijuana in whatever form, and within the limits established by, the
28 department of health or the department of business regulation to another registered compassion
29 center.

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

1 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
2 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
3 termination, or loss of employee or pension benefits, for any and all conduct that occurs within the
4 scope of his or her employment regarding the administration, execution and/or enforcement of this
5 act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

6 (i) Prohibitions:

7 (1) A compassion center must limit its inventory of seedlings, plants, and marijuana to
8 reflect the projected needs of qualifying patients;

9 (2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a
10 person other than a patient cardholder or to a qualified patient's primary caregiver or authorized
11 purchaser;

12 (3) A compassion center may not procure, purchase, transfer, or sell marijuana to or from
13 any entity other than a marijuana establishment licensee in accordance with the provisions of this
14 chapter;

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

17 (5) An employee, agent, volunteer, principal officer or board member of any compassion
18 center found in violation of subsection (h)(2) or (h)(3) of this section shall have his or her registry
19 identification revoked immediately; and

20 (6) No person who has been convicted of a felony drug offense or has entered a plea of
21 nolo contendere for a felony drug offense with a sentence of probation may be the principal officer,
22 board member, or agent of a compassion center unless the department has determined that the
23 person's conviction was for the medical use of marijuana or assisting with the medical use of
24 marijuana in accordance with the terms and conditions of this chapter. A person who is employed
25 by or is an agent, volunteer, principal officer, or board member of a compassion center in violation
26 of this section is guilty of a civil violation punishable by a fine of up to one thousand dollars
27 (\$1,000). A subsequent violation of this section is a misdemeanor.

28 (j) Legislative oversight committee:

29 (1) The general assembly shall appoint a nine-member (9) oversight committee comprised
30 of: one member of the house of representatives; one member of the senate; one physician to be
31 selected from a list provided by the Rhode Island medical society; one nurse to be selected from a
32 list provided by the Rhode Island state nurses association; two (2) registered qualifying patients;
33 one registered primary caregiver; one patient advocate to be selected from a list provided by the
34 Rhode Island patient advocacy coalition; and the superintendent of the department of public safety,

1 or his/her designee.

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

4 (i) Patients' access to medical marijuana;

5 (ii) Efficacy of compassion centers;

6 (iii) Physician participation in the Medical Marijuana Program;

7 (iv) The definition of qualifying medical condition; and

8 (v) Research studies regarding health effects of medical marijuana for patients.

9 (3) On or before January 1 of every even numbered year, the oversight committee shall
10 report to the general assembly on its findings.

11 (k) License required. No person or entity shall engage in activities described in this section
12 without a compassion center license issued by the department of business regulation.

13 SECTION 4. Chapter 21-28.6 of the General Laws entitled "The Edward O. Hawkins and
14 Thomas C. Slater Medical Marijuana Act" is hereby amended by adding thereto the following
15 section:

16 **21-28.6-19. Transfer of powers.**

17 Upon promulgation of rules and regulations by the cannabis control commission pursuant
18 to the provisions of chapter 28.11 of title 21, including but not limited to § 21-28.11-18, all rule
19 making authority, hearings, enforcement actions and administrative responsibilities and duties of
20 the department of health, department of business regulation and department of environmental
21 management with respect to this chapter are transferred to the cannabis control commission.

22 SECTION 5. Section 21-28.5-2 of the General Laws in Chapter 21-28.5 entitled "Sale of
23 Drug Paraphernalia" is hereby amended to read as follows:

24 **21-28.5-2. Manufacture or delivery of drug paraphernalia -- Penalty.**

25 It is unlawful for any person to deliver, sell, possess with intent to deliver, or sell, or
26 manufacture with intent to deliver, or sell drug paraphernalia, knowing that it will be used to plant,
27 propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare,
28 test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or introduce into the human
29 body a controlled substance in violation of chapter 28 of this title. A violation of this section shall
30 be punishable by a fine not exceeding five thousand dollars (\$5,000) or imprisonment not exceeding
31 two (2) years, or both.

32 Notwithstanding any other provision of the general laws, the sale, manufacture, or delivery
33 of drug paraphernalia to a person acting in accordance with ~~chapter~~ [chapters](#) 28.6 [and 28.11](#) of this
34 title shall not be considered a violation of this chapter.

1 SECTION 6. Section 21-28.6-6 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 **21-28.6-6. Administration of departments of health and business regulation**
5 **regulations.**

6 (a) The department of health shall issue registry identification cards to qualifying patients
7 who submit the following, in accordance with the department's regulations. Applications shall
8 include but not be limited to:

9 (1) Written certification as defined in § 21-28.6-3;

10 (2) Application fee, as applicable;

11 (3) Name, address, and date of birth of the qualifying patient; provided, however, that if
12 the patient is homeless, no address is required;

13 (4) Name, address, and telephone number of the qualifying patient's practitioner;

14 (5) Whether the patient elects to grow medical marijuana plants for himself or herself; and

15 (6) Name, address, and date of birth of one primary caregiver of the qualifying patient and
16 any authorized purchasers for the qualifying patient, if any primary caregiver or authorized
17 purchaser is chosen by the patient or allowed in accordance with regulations promulgated by the
18 departments of health or business regulation.

19 (b) The department of health shall not issue a registry identification card to a qualifying
20 patient under the age of eighteen (18) unless:

21 (1) The qualifying patient's practitioner has explained the potential risks and benefits of the
22 medical use of marijuana to the qualifying patient and to a parent, guardian, or person having legal
23 custody of the qualifying patient; and

24 (2) A parent, guardian, or person having legal custody consents in writing to:

25 (i) Allow the qualifying patient's medical use of marijuana;

26 (ii) Serve as the qualifying patient's primary caregiver or authorized purchaser; and

27 (iii) Control the acquisition of the marijuana, the dosage, and the frequency of the medical
28 use of marijuana by the qualifying patient.

29 (c) The department of health shall renew registry identification cards to qualifying patients
30 in accordance with regulations promulgated by the department of health and subject to payment of
31 any applicable renewal fee.

32 (d) The department of health shall not issue a registry identification card to a qualifying
33 patient seeking treatment for post-traumatic stress disorder (PTSD) under the age of eighteen (18).

34 (e) The department of health shall verify the information contained in an application or

1 renewal submitted pursuant to this section, and shall approve or deny an application or renewal
2 within thirty-five (35) days of receiving it. The department may deny an application or renewal
3 only if the applicant did not provide the information required pursuant to this section, or if the
4 department determines that the information provided was falsified, or that the renewing applicant
5 has violated this chapter under their previous registration. Rejection of an application or renewal is
6 considered a final department action, subject to judicial review. Jurisdiction and venue for judicial
7 review are vested in the superior court.

8 (f) If the qualifying patient's practitioner notifies the department of health in a written
9 statement that the qualifying patient is eligible for hospice care or chemotherapy, the department
10 of health and department of business regulation, as applicable, shall give priority to these
11 applications when verifying the information in accordance with subsection (e) and issue a registry
12 identification card to these qualifying patients, primary caregivers and authorized purchasers within
13 seventy-two (72) hours of receipt of the completed application. The departments shall not charge a
14 registration fee to the patient, caregivers or authorized purchasers named in the application. The
15 department of health may identify through regulation a list of other conditions qualifying a patient
16 for expedited application processing.

17 (g) Following the promulgation of regulations pursuant to § 21-28.6-5(c), the department
18 of business regulation may issue or renew a registry identification card to the qualifying patient
19 cardholder's primary caregiver, if any, who is named in the qualifying patient's approved
20 application. The department of business regulation shall verify the information contained in
21 applications and renewal forms submitted pursuant to this chapter prior to issuing any registry
22 identification card. The department of business regulation may deny an application or renewal if
23 the applicant or appointing patient did not provide the information required pursuant to this section,
24 or if the department determines that the information provided was falsified, or if the applicant or
25 appointing patient has violated this chapter under his or her previous registration or has otherwise
26 failed to satisfy the application or renewal requirements.

27 (1) A primary caregiver applicant or an authorized purchaser applicant shall apply to the
28 bureau of criminal identification of the department of attorney general, department of public safety
29 division of state police, or local police department for a national criminal records check that shall
30 include fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
31 disqualifying information as defined in subsection (g)(5) of this section, and in accordance with the
32 rules promulgated by the director, the bureau of criminal identification of the department of
33 attorney general, department of public safety division of state police, or the local police department
34 shall inform the applicant, in writing, of the nature of the disqualifying information; and, without

1 disclosing the nature of the disqualifying information, shall notify the department of business
2 regulation or department of health, as applicable, in writing, that disqualifying information has been
3 discovered.

4 (2) In those situations in which no disqualifying information has been found, the bureau of
5 criminal identification of the department of attorney general, department of public safety division
6 of state police, or the local police shall inform the applicant and the department of business
7 regulation or department of health, as applicable, in writing, of this fact.

8 (3) The department of health or department of business regulation, as applicable, shall
9 maintain on file evidence that a criminal records check has been initiated on all applicants seeking
10 a primary caregiver registry identification card or an authorized purchaser registry identification
11 card and the results of the checks. The primary caregiver cardholder shall not be required to apply
12 for a national criminal records check for each patient he or she is connected to through the
13 department's registration process, provided that he or she has applied for a national criminal records
14 check within the previous two (2) years in accordance with this chapter. The department of health
15 and department of business regulation, as applicable, shall not require a primary caregiver
16 cardholder or an authorized purchaser cardholder to apply for a national criminal records check
17 more than once every two (2) years.

18 (4) Notwithstanding any other provision of this chapter, the department of business
19 regulation or department of health may revoke or refuse to issue any class or type of registry
20 identification card or license if it determines that failing to do so would conflict with any federal
21 law or guidance pertaining to regulatory, enforcement, and other systems that states, businesses, or
22 other institutions may implement to mitigate the potential for federal intervention or enforcement.
23 This provision shall not be construed to prohibit the overall implementation and administration of
24 this chapter on account of the federal classification of marijuana as a schedule I substance or any
25 other federal prohibitions or restrictions.

26 (5) Information produced by a national criminal records check pertaining to a conviction
27 for any felony offense under chapter 28 of this title ("Rhode Island controlled substances act");
28 murder; manslaughter; rape; first-degree sexual assault; second-degree sexual assault; first-degree
29 child molestation; second-degree child molestation; kidnapping; first-degree arson; second-degree
30 arson; mayhem; robbery; burglary; breaking and entering; assault with a dangerous weapon; assault
31 or battery involving grave bodily injury; and/or assault with intent to commit any offense
32 punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the
33 applicant and the department of health or department of business regulation, as applicable,
34 disqualifying the applicant. If disqualifying information has been found, the department of health

1 or department of business regulation, as applicable, may use its discretion to issue a primary
2 caregiver registry identification card or an authorized purchaser registry identification card if the
3 applicant's connected patient is an immediate family member and the card is restricted to that
4 patient only.

5 (6) The primary caregiver or authorized purchaser applicant shall be responsible for any
6 expense associated with the national criminal records check.

7 (7) For purposes of this section, "conviction" means, in addition to judgments of conviction
8 entered by a court subsequent to a finding of guilty or a plea of guilty, those instances where the
9 defendant has entered a plea of nolo contendere and has received a sentence of probation and those
10 instances where a defendant has entered into a deferred sentence agreement with the attorney
11 general.

12 (8) The office of cannabis regulation may adopt rules and regulations based on federal
13 guidance provided those rules and regulations are designed to comply with federal guidance and
14 mitigate federal enforcement against the registrations and licenses issued under this chapter.

15 (h)(1) On or before December 31, 2016, the department of health shall issue registry
16 identification cards within five (5) business days of approving an application or renewal that shall
17 expire two (2) years after the date of issuance.

18 (2) Effective January 1, 2017, and thereafter, the department of health or the department of
19 business regulation, as applicable, shall issue registry identification cards within five (5) business
20 days of approving an application or renewal that shall expire one year after the date of issuance.

21 (3) Registry identification cards shall contain:

22 (i) The date of issuance and expiration date of the registry identification card;

23 (ii) A random registry identification number;

24 (iii) A photograph; and

25 (iv) Any additional information as required by regulation of the department of health or
26 business regulation as applicable.

27 (i) Persons issued registry identification cards by the department of health or department
28 of business regulation shall be subject to the following:

29 (1) A qualifying patient cardholder shall notify the department of health of any change in
30 his or her name, address, primary caregiver, or authorized purchaser; or if he or she ceases to have
31 his or her debilitating medical condition, within ten (10) days of the change.

32 (2) A qualifying patient cardholder who fails to notify the department of health of any of
33 these changes is responsible for a civil infraction, punishable by a fine of no more than one hundred
34 fifty dollars (\$150). If the patient cardholder has ceased to suffer from a debilitating medical

1 condition, the card shall be deemed null and void and the person shall be liable for any other
2 penalties that may apply to the person's nonmedical use of marijuana.

3 (3) A primary caregiver cardholder or authorized purchaser shall notify the issuing
4 department of any change in his or her name or address within ten (10) days of the change. A
5 primary caregiver cardholder or authorized purchaser who fails to notify the department of any of
6 these changes is responsible for a civil infraction, punishable by a fine of no more than one hundred
7 fifty dollars (\$150).

8 (4) When a qualifying patient cardholder or primary caregiver cardholder notifies the
9 department of health or department of business regulation, as applicable, of any changes listed in
10 this subsection, the department of health or department of business regulation, as applicable, shall
11 issue the qualifying patient cardholder and each primary caregiver cardholder a new registry
12 identification card within ten (10) days of receiving the updated information and a ten-dollar
13 (\$10.00) fee.

14 (5) When a qualifying patient cardholder changes his or her primary caregiver or authorized
15 purchaser, the department of health or department of business regulation, as applicable, shall notify
16 the primary caregiver cardholder or authorized purchaser within ten (10) days. The primary
17 caregiver cardholder's protections as provided in this chapter as to that patient shall expire ten (10)
18 days after notification by the issuing department. If the primary caregiver cardholder or authorized
19 purchaser is connected to no other qualifying patient cardholders in the program, he or she must
20 return his or her registry identification card to the issuing department.

21 (6) If a cardholder or authorized purchaser loses his or her registry identification card, he
22 or she shall notify the department that issued the card and submit a ten-dollar (\$10.00) fee within
23 ten (10) days of losing the card. Within five (5) days, the department of health or department of
24 business regulation shall issue a new registry identification card with a new random identification
25 number.

26 (7) Effective January 1, 2019, if a patient cardholder chooses to alter his or her registration
27 with regard to the growing of medical marijuana for himself or herself, he or she shall notify the
28 department prior to the purchase of medical marijuana tags or the growing of medical marijuana
29 plants.

30 (8) If a cardholder or authorized purchaser willfully violates any provision of this chapter
31 as determined by the department of health or the department of business regulation, his or her
32 registry identification card may be revoked.

33 (j) Possession of, or application for, a registry identification card shall not constitute
34 probable cause or reasonable suspicion, nor shall it be used to support the search of the person or

1 property of the person possessing or applying for the registry identification card, or otherwise
2 subject the person or property of the person to inspection by any governmental agency.

3 (k)(1) Applications and supporting information submitted by qualifying patients, including
4 information regarding their primary caregivers, authorized purchaser, and practitioners, are
5 confidential and protected in accordance with the federal Health Insurance Portability and
6 Accountability Act of 1996, as amended, and shall be exempt from the provisions of chapter 2 of
7 title 38 et seq. (Rhode Island access to public records act) and not subject to disclosure, except to
8 authorized employees of the departments of health and business regulation as necessary to perform
9 official duties of the departments, and pursuant to subsections (l) and (m).

10 (2) The application for a qualifying patient's registry identification card shall include a
11 question asking whether the patient would like the department of health to notify him or her of any
12 clinical studies about marijuana's risk or efficacy. The department of health shall inform those
13 patients who answer in the affirmative of any such studies it is notified of, that will be conducted
14 in Rhode Island. The department of health may also notify those patients of medical studies
15 conducted outside of Rhode Island.

16 (3) The department of health and the department of business regulation, as applicable, shall
17 maintain a confidential list of the persons to whom the department of health or department of
18 business regulation has issued authorized patient, primary caregiver, and authorized purchaser
19 registry identification cards. Individual names and other identifying information on the list shall be
20 confidential, exempt from the provisions of Rhode Island access to public records, chapter 2 of title
21 38, and not subject to disclosure, except to authorized employees of the departments of health and
22 business regulation as necessary to perform official duties of the departments and pursuant to
23 subsections (l) and (m) of this section.

24 (l) Notwithstanding subsections (k) and (m) of this section, the departments of health and
25 business regulation, as applicable, shall verify to law enforcement personnel whether a registry
26 identification card is valid and may provide additional information to confirm whether a cardholder
27 is compliant with the provisions of this chapter and the regulations promulgated hereunder. The
28 department of business regulation shall verify to law enforcement personnel whether a registry
29 identification card is valid and may confirm whether the cardholder is compliant with the provisions
30 of this chapter, [or the cannabis control commission may verify if a sale is within the provisions of](#)
31 [chapter 28.11 of title 21](#) and the regulations promulgated hereunder. This verification may occur
32 through the use of a shared database, provided that any medical records or confidential information
33 in this database related to a cardholder's specific medical condition is protected in accordance with
34 subsection (k)(1).

1 (m) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a one
2 thousand dollar (\$1,000) fine, for any person, including an employee or official of the departments
3 of health, business regulation, public safety, or another state agency or local government, to breach
4 the confidentiality of information obtained pursuant to this chapter. Notwithstanding this provision,
5 the department of health and department of business regulation employees may notify law
6 enforcement about falsified or fraudulent information submitted to the department or violations of
7 this chapter. Nothing in this act shall be construed as to prohibit law enforcement, public safety,
8 fire, or building officials from investigating violations of, or enforcing state law.

9 (n) On or before the fifteenth day of the month following the end of each quarter of the
10 fiscal year, the department of health and the department of business regulation shall report to the
11 governor, the speaker of the house of representatives, and the president of the senate on applications
12 for the use of marijuana for symptom relief. The report shall provide:

13 (1) The number of applications for registration as a qualifying patient, primary caregiver,
14 or authorized purchaser that have been made to the department of health and the department of
15 business regulation during the preceding quarter, the number of qualifying patients, primary
16 caregivers, and authorized purchasers approved, the nature of the debilitating medical conditions
17 of the qualifying patients, the number of registrations revoked, and the number and specializations,
18 if any, of practitioners providing written certification for qualifying patients.

19 (o) On or before September 30 of each year, the department of health and the department
20 of business regulation, as applicable, shall report to the governor, the speaker of the house of
21 representatives, and the president of the senate on the use of marijuana for symptom relief. The
22 report shall provide:

23 (1) The total number of applications for registration as a qualifying patient, primary
24 caregiver, or authorized purchaser that have been made to the department of health and the
25 department of business regulation, the number of qualifying patients, primary caregivers, and
26 authorized purchasers approved, the nature of the debilitating medical conditions of the qualifying
27 patients, the number of registrations revoked, and the number and specializations, if any, of
28 practitioners providing written certification for qualifying patients;

29 (2) The number of active qualifying patient, primary caregiver, and authorized purchaser
30 registrations as of June 30 of the preceding fiscal year;

31 (3) An evaluation of the costs permitting the use of marijuana for symptom relief, including
32 any costs to law enforcement agencies and costs of any litigation;

33 (4) Statistics regarding the number of marijuana-related prosecutions against registered
34 patients and caregivers, and an analysis of the facts underlying those prosecutions;

1 (5) Statistics regarding the number of prosecutions against physicians for violations of this
2 chapter; and

3 (6) Whether the United States Food and Drug Administration has altered its position
4 regarding the use of marijuana for medical purposes or has approved alternative delivery systems
5 for marijuana.

6 (p) After June 30, 2018, the department of business regulation shall report to the speaker
7 of the house, senate president, the respective fiscal committee chairpersons, and fiscal advisors
8 within 60 days of the close of the prior fiscal year. The report shall provide:

9 (1) The number of applications for registry identification cards to compassion center staff,
10 the number approved, denied and the number of registry identification cards revoked, and the
11 number of replacement cards issued;

12 (2) The number of applications for compassion centers and licensed cultivators;

13 (3) The number of marijuana plant tag sets ordered, delivered, and currently held within
14 the state;

15 (4) The total revenue collections of any monies related to its regulator activities for the
16 prior fiscal year, by the relevant category of collection, including enumerating specifically the total
17 amount of revenues foregone or fees paid at reduced rates pursuant to this chapter.

18 SECTION 7. Chapter 14-1 of the General Laws entitled "Proceedings in Family Court" is
19 hereby amended by adding thereto the following section:

20 **14-1-4.1. Cannabis possession.**

21 Any child for the first offense of possession of two ounces (2 oz.) or less of cannabis shall
22 be ordered to complete a drug awareness program within one year of the offense. In addition to any
23 civil penalties authorized by this chapter 28.11 of title 21, the failure of such an offender to
24 complete such a program may be a basis for delinquency proceedings for persons under the age of
25 eighteen (18) years of age at the time of their offense. The drug awareness program shall provide
26 at least four (4) hours of classroom instruction or group discussion and ten (10) hours of community
27 service. The department of children, youth, and families, in consultation with the department of
28 health and the department of elementary and secondary education, shall develop the drug awareness
29 programs. The subject matter of such drug awareness programs shall be specific to the use of
30 cannabis and other controlled substances with particular emphasis on early detection and
31 prevention of abuse of substances.

32 SECTION 8. Chapter 12-1.3 of the General Laws entitled "Expungement of Criminal
33 Records" is hereby amended by adding thereto the following section:

34 **12-1.3-5. Expedited expungement of marijuana records.**

1 (a) Notwithstanding any law to the contrary, any person who has been arrested or convicted
2 of any offense of possession, sale or distribution of one ounce (1 oz.) or less of marijuana may file
3 a petition for an expedited expungement of the marijuana arrest or conviction record with the
4 district court.

5 (b) The district court shall have jurisdiction to order expungement of records subject to the
6 provisions of this section in accordance with provisions of this section.

7 (c) The district court shall prepare and provide without charge, a petition form, which upon
8 completion, reasonably identifies the individual petitioner, the petitioner's current address, and the
9 arrest or conviction records subject to the petition.

10 (d) No filing, service or other fee shall be charged to the petitioner for the filing of the
11 petition. No notice shall be required to the department of attorney general. No hearing shall be
12 required for the court to order the record expunged.

13 (e) Within sixty (60) days of the receipt and filing of the completed petition, the court shall
14 review the records of all arrests and convictions for possession, sale or distribution of one ounce (1
15 oz.) of marijuana or less and order records subject to the provisions of this section to be expunged.
16 The court shall send notice of the court's decision to the petitioner at the address provided on the
17 petition.

18 SECTION 9. Section 28-7-3 of the General Laws in Chapter 28-7 entitled "Labor Relations
19 Act" is hereby amended to read as follows:

20 **28-7-3. Definitions.**

21 When used in this chapter:

22 (1) "Board" means the labor relations board created by § 28-7-4.

23 (2) "Company union" means any committee employee representation plan or association
24 of employees which exists for the purpose, in whole or in part, of dealing with employers
25 concerning grievances or terms and conditions of employment, which the employer has initiated or
26 created or whose initiation or creation he or she has suggested, participated in or in the formulation
27 of whose governing rules or policies or the conducting of whose management, operations, or
28 elections the employer participates in or supervises, or which the employer maintains, finances,
29 controls, dominates, or assists in maintaining or financing, whether by compensating any one for
30 services performed in its behalf or by donating free services, equipment, materials, office or
31 meeting space or any thing else of value, or by any other means.

32 (3)(i) "Employees" includes, but is not restricted to, any individual employed by a labor
33 organization; any individual whose employment has ceased as a consequence of, or in connection
34 with, any current labor dispute or because of any unfair labor practice, and who has not obtained

1 any other regular and substantially equivalent employment; and shall not be limited to the
2 employees of a particular employer, unless the chapter explicitly states otherwise;

3 (ii) "Employees" does not include any individual employed by his or her parent or spouse
4 or in the domestic service of any person in his or her home, or any individuals employed only for
5 the duration of a labor dispute, or any individuals employed as farm laborers, provided that any
6 individual employed by an employer in an industry established or regulated pursuant to chapters
7 28.6 or 28.11 of title 21 shall be an employee within the meaning of this act and shall not be
8 considered a farm laborer.

9 (4) "Employer" includes any person acting on behalf of or in the interest of an employer,
10 directly or indirectly, with or without his or her knowledge, but a labor organization or any officer
11 or its agent shall only be considered an employer with respect to individuals employed by the
12 organization.

13 (5) "Labor dispute" includes, but is not restricted to, any controversy between employers
14 and employees or their representatives as defined in this section concerning terms, tenure, or
15 conditions of employment or concerning the association or representation of persons in negotiating,
16 fixing, maintaining, changing, or seeking to negotiate, fix, maintain, or change terms or conditions
17 of employment, or concerning the violation of any of the rights granted or affirmed by this chapter,
18 regardless of whether the disputants stand in the proximate relation of employer and employee.

19 (6) "Labor organization" means any organization which exists and is constituted for the
20 purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning
21 grievances, terms or conditions of employment, or of other mutual aid or protection and which is
22 not a company union as defined in this section.

23 (7) "Person" includes one or more individuals, partnerships, associations, corporations,
24 legal representatives, trustees, trustees in bankruptcy, or receivers.

25 (8) "Policies of this chapter" means the policies set forth in § 28-7-2.

26 (9) "Representatives" includes a labor organization or an individual whether or not
27 employed by the employer of those whom he or she represents.

28 (10) "Unfair labor practice" means only those unfair labor practices listed in §§ 28-7-13
29 and 28-7-13.1.

30 SECTION 10. 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 -- CANNABIS AUTHORIZATION, REGULATION
AND TAXATION

1 This act would establish the cannabis control commission. The commission would license
2 the cultivation and sale of cannabis or adult use. In addition to sales tax a municipal three percent
3 (3%) local sales tax and a ten percent (10%) excise tax would be added to the sales price. The act
4 further provides for the creation of social equity assistance fund and program to be funded by
5 licensing and renewal fees, as appropriated. The act also provides for an expedited expungement
6 procedure for prior cannabis arrest and convictions involving one ounce or less of cannabis.

7 This act would take effect upon passage.

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