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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

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A N A C T

RELATING TO FOOD AND DRUGS -- THE RHODE ISLAND CANNABIS ACT

Introduced By: Representatives Felix, Slater, Morales, Sanchez, Henries, Batista, J.
Lombardi, Kislak, Potter, and Cruz

Date Introduced: March 01, 2024

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 21-28.11-3, 21-28.11-5, 21-28.11-12.1 and 21-28.11-31 of the
2 General Laws in Chapter 21-28.11 entitled "The Rhode Island Cannabis Act" are hereby amended
3 to read as follows:

4 **21-28.11-3. Definitions.**

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

7 (1) "Administrator" means the administrator of the cannabis office appointed by the
8 governor pursuant to the provisions of § 21-28.11-18.1.

9 (2) "Adult use cannabis" or "recreational cannabis" means cannabis which may be legally
10 possessed and consumed for non-medical purposes by a person who is at least twenty-one (21)
11 years of age.

12 (3) "Applicant" means a Rhode Island resident or a business entity with a principal place
13 of business located in Rhode Island to include, but not limited to, a corporation, limited liability
14 company, limited liability partnership or partnership, and in which fifty-one percent (51%) of the
15 equity in the business entity is owned by residents of Rhode Island, and the Rhode Island resident
16 or business entity has made application for issuance of a license or certificate to own or engage in
17 a cannabis business subject to the provisions of this chapter.

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

1 (5) “Cannabinoid profile” means amounts, expressed as the dry-weight percentages, of
2 delta-9-tetrahydrocannabinol, cannabidiol, tetrahydrocannabinolic acid and cannabidiolic acid in a
3 cannabis product. Amounts of other cannabinoids may be regulated by the commission.

4 (6) “Cannabis” or “marijuana” or “marihuana” means all parts of any plant of the genus
5 cannabis not excepted herein, and whether growing or not; the seeds thereof; and resin extracted
6 from any part of the plant; and every compound, manufacture, salt, derivative, mixture or
7 preparation of the plant, its seeds or resin including tetrahydrocannabinol; provided, however, that
8 “cannabis” shall not include:

9 (i) The mature stalks of the plant, fiber produced from the stalks, oil, or cake made from
10 the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of
11 the mature stalks, fiber, oil or cake made from the seeds of the plant or the sterilized seed of the
12 plant that is incapable of germination;

13 (ii) Hemp; or

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

16 (7) “Cannabis accessories” or “marijuana accessories” means equipment, products, devices
17 or materials of any kind that are intended or designed for use in planting, propagating, cultivating,
18 growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing,
19 testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling or otherwise
20 introducing cannabis into the human body.

21 (8) “Cannabis advisory board” or “advisory board” means the cannabis advisory board
22 established pursuant to the provisions of § 21-28.11-6.

23 (9) “Cannabis concentrate” means the resin extracted from any part of the plant of the
24 genus cannabis and every compound, manufacture, salt, derivative, mixture or preparation of that
25 resin but shall not include the weight of any other ingredient combined with cannabis to prepare
26 cannabis products.

27 (10) “Cannabis control commission” or “commission” means the Rhode Island cannabis
28 control commission established by § 21-28.11-4.

29 (11) “Cannabis cultivator” or “marijuana cultivator” means an entity licensed to cultivate,
30 process and package cannabis, to deliver cannabis to cannabis establishments and to transfer
31 cannabis to other cannabis establishments, but not to consumers.

32 (12) “Cannabis establishment” or “marijuana establishment” means a cannabis cultivator,
33 cannabis testing laboratory, cannabis product manufacturer, cannabis retailer, hybrid cannabis
34 retailer or any other type of licensed cannabis-related business.

1 (13) “Cannabis office” means the office established pursuant to § 21-28.11-18.1.

2 (14) “Cannabis product manufacturer” or “marijuana product manufacturer” means an
3 entity licensed to obtain, manufacture, process and package cannabis and cannabis products, to
4 deliver cannabis and cannabis products to cannabis establishments and to transfer cannabis and
5 cannabis products to other cannabis establishments, but not to consumers.

6 (15) “Cannabis products” or “marijuana products” means products that have been
7 manufactured and contain cannabis or an extract from cannabis, including concentrated forms of
8 cannabis and products composed of cannabis and other ingredients that are intended for use or
9 consumption, including edible products, beverages, topical products, ointments, oils and tinctures.

10 (16) “Cannabis retailer” or “marijuana retailer” means an entity licensed pursuant to § 21-
11 28.11-10.2 to purchase and deliver cannabis and cannabis products from cannabis establishments
12 and to deliver, sell or otherwise transfer cannabis and cannabis products to cannabis establishments
13 and to consumers.

14 (17) “Cannabis testing laboratory” means a third-party analytical testing laboratory that is
15 licensed annually by the commission, in consultation with the department of health, to collect and
16 test samples of cannabis and cannabis products pursuant to regulations issued by the commission
17 and is:

18 (i) Independent financially from any medical cannabis treatment center or any licensee or
19 cannabis establishment for which it conducts a test; and

20 (ii) Qualified to test cannabis in compliance with regulations promulgated by the
21 commission pursuant to this chapter. The term includes, but is not limited to, a cannabis testing
22 laboratory as provided in § 21-28.11-11.

23 (18) “Chairperson” means the chairperson of the cannabis control commission established
24 pursuant to § 21-28.11-4.

25 (19) “Close associate” means a person who holds a legally recognized financial interest in,
26 or is entitled to exercise power in, the business of an applicant or licensee and, by virtue of that
27 interest or power, is able to exercise a significant influence over the management or operation of a
28 cannabis establishment licensed under this chapter.

29 (20) “Consumer” means a person who is at least twenty-one (21) years of age, and who is
30 authorized by law to consume or use cannabis.

31 (21) “Controlling person” means an officer, board member or other individual who has a
32 financial or voting interest of ten percent (10%) or greater in a cannabis establishment.

33 (22) “Cultivation batch” means a collection of cannabis plants from the same seed or plant
34 stock that are cultivated and harvested together, and receive an identical propagation and cultivation

1 treatment, including, but not limited to: growing media, ambient conditions, watering and light
2 regimes and agricultural or hydroponic inputs. Every cannabis cultivator licensee shall assign and
3 record a unique, sequential alphanumeric identifier to each cultivation batch for the purposes of
4 production tracking, product labeling and product recalls.

5 (23) “Disproportionately impacted area” means a census tract or comparable geographic
6 area that satisfies at least one of the following criteria as determined by the commission, that:

7 (i) The area has a poverty rate of at least twenty percent (20%) according to the latest
8 federal decennial census;

9 (ii) Seventy-five percent (75%) or more of the children in the area participate in the federal
10 free lunch program according to reported statistics from the Rhode Island board of education;

11 (iii) At least twenty percent (20%) of the households in the area receive assistance under
12 the Supplemental Nutrition Assistance Program (SNAP);

13 (iv) The area has an average unemployment rate, as determined by the Rhode Island
14 department of labor and training, that is more than one hundred twenty percent (120%) of the
15 national unemployment average, as determined by the United States Department of Labor, for a
16 period of at least two (2) consecutive calendar years preceding the date of the application; or

17 (v)(A) The area has disproportionately high rates of arrest, conviction, and incarceration
18 related to the sale, possession, use, cultivation, manufacture, or transportation of cannabis in
19 comparison to other communities and localities in the state; or

20 (B) The area has a history of arrests, convictions, and other law enforcement practices in a
21 certain geographic area, such as, but not limited to, precincts, zip codes, neighborhoods, and
22 political subdivisions, reflecting a disparate enforcement of cannabis prohibition during a certain
23 time period, when compared to the remainder of the state.

24 (vi) The commission shall, with recommendations from the cannabis advisory board and
25 the chief equity officer, issue guidelines to determine how to assess which communities have been
26 disproportionately impacted and how to assess if someone is a member of a community
27 disproportionately impacted.

28 (24) “Final issuance of the commission’s rules and regulations” means the rules and
29 regulations adopted by the commission after compliance with requirements of chapter 35 of title
30 42 (the “administrative procedures act”) and chapter 46 of title 42 (the “open meetings act”) and
31 shall not include any emergency, provisional or interim rules, regulations, requirements, orders,
32 instructions or procedures.

33 (25) “Finished cannabis” means a usable cannabis, cannabis resin or cannabis concentrate.

34 (26) “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 (27) “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 (28) “Hybrid cannabis retailer” or “hybrid compassion center” means a compassion center
10 licensed pursuant to chapter 28.6 of this title that is in good standing with the department of business
11 regulation and that has paid the fee pursuant to § 21-28.11-10 and has been authorized to sell non-
12 medical or adult use cannabis to consumers.

13 (29) “Laboratory agent” means a registered employee of a cannabis testing laboratory who
14 transports, possesses or tests cannabis.

15 (30) “Licensee” means a person or entity licensed by the commission pursuant to the
16 provisions of this chapter. Any business structure recognized under title 7, including, but not limited
17 to, corporations, partnerships, limited partnerships, limited-liability companies, and workers’
18 cooperatives, which is otherwise qualified, is eligible to be considered by the commission as an
19 entity licensee.

20 (31) “Manufacture” means to compound, blend, extract, infuse or otherwise make or
21 prepare a cannabis product.

22 (32) “Medical cannabis” means cannabis and cannabis products that satisfy the
23 requirements of chapter 28.6 of this title and have been given the designation of “medical cannabis”
24 or “medical marijuana” due to dose, potency and form. Medical cannabis products are only
25 available for use by patient cardholders, and may only be sold to or possessed by patient
26 cardholders, or their registered caregiver, or authorized purchaser in accordance with chapter 28.6
27 of this title. Medical cannabis may not be sold to, possessed by, manufactured by, or used by any
28 person except as permitted pursuant to chapter 28.6 of this title.

29 (33) “Medical cannabis treatment center” or “Medical marijuana treatment center” includes
30 a compassion center, a medical marijuana emporium, or marijuana establishment licensee who
31 operates a treatment center, as defined in § 21-28.6-3.

32 (34) “Member of an impacted family” means an individual who has a parent, legal
33 guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the
34 effective date of this chapter, was arrested for, charged with, convicted of, or adjudicated delinquent

1 for any offense that is eligible for expungement under this chapter.

2 (35) “Ownership and control” means ownership of at least fifty-one percent (51%) of the
3 cannabis establishment, and control over the management and day-to-day operations of the
4 cannabis establishment, and an interest in the capital, assets, and profits and losses of the cannabis
5 establishment proportionate to percentage of ownership.

6 (36) “Process” or “processing” means to harvest, dry, cure, trim and separate parts of the
7 cannabis plant by manual or mechanical means, except it shall not include manufacture as defined
8 in this section.

9 (37) “Production batch” means a batch of finished plant material, cannabis resin, cannabis
10 concentrate or cannabis-infused product made at the same time, using the same methods, equipment
11 and ingredients. The commission shall require licensees to assign and record a unique, sequential
12 alphanumeric identifier to each production batch for the purposes of production tracking, product
13 labeling and product recalls. All production batches shall be traceable to one or more cannabis
14 cultivation batches.

15 (38) “Residual solvent” means a volatile organic chemical used in the manufacture of a
16 cannabis product and that is not completely removed by practical manufacturing techniques.

17 (39) “Social equity applicant” means an applicant that has been disproportionately
18 impacted by criminal enforcement of marijuana laws, including individuals convicted of nonviolent
19 marijuana offenses, immediate family members of individuals convicted of nonviolent marijuana
20 offenses and individuals who have resided in disproportionately impacted areas for at least five (5)
21 of the last ten (10) years, as determined by the commission after consultation with the cannabis
22 advisory board, and further specified in the rules and regulations that shall identify factors and other
23 considerations to be evaluated in certifying applicants as social equity applicants, provided that
24 such applicants shall at a minimum meet one of the following criteria:

25 (i) An applicant with at least fifty-one percent (51%) ownership and control by one or more
26 individuals who have resided for at least five (5) ~~of the preceding ten (10)~~ years in a
27 disproportionately impacted area.

28 (ii) An applicant with at least fifty-one percent (51%) ownership and control by one or
29 more individuals who:

30 (A) Have been arrested for, convicted of, or adjudicated delinquent for any offense that is
31 eligible for expungement under this chapter; or

32 (B) Is a member of an impacted family.

33 (iii) For applicants with a minimum of ten (10) full-time employees, an applicant with at
34 least fifty-one percent (51%) of current employees who:

1 (A) Currently reside in a disproportionately impacted area; or

2 (B) Have been arrested for, convicted of, or adjudicated delinquent for any offense that is
3 eligible for expungement under this chapter or is a member of an impacted family.

4 (C) The approved licensee under this subsection shall pay an annual social equity status
5 fee of five hundred thousand dollars (\$500,000) to the commission.

6 (iv) Can demonstrate significant past experience in or business practices that promote
7 economic empowerment in disproportionately impacted areas. Any approved licensee under this
8 subsection must pay an annual fee of five hundred thousand dollars (\$500,000) to the commission
9 in order to maintain the social equity applicant status and the funds collected shall be deposited into
10 the social equity assistance fund to be used exclusively for public education and affordable housing
11 in the community closest to the licensee's location that qualifies as a disproportionately affected
12 area.

13 (v) Had income which does not exceed four hundred percent (400%) of the median income,
14 as defined by the commission, in a disproportionately impacted area for at least five (5) of the past
15 ten (10) years.

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

19 (41) "Unreasonable and impracticable" means that the measures necessary to comply with
20 the rules and regulations adopted pursuant to this chapter subject licensees to unreasonable risk or
21 require such a high investment of money, time or any other resource or asset that a reasonably
22 prudent businessperson would not operate a cannabis establishment.

23 (42) "Workers' cooperative" means an applicant organized and operated pursuant to the
24 provisions of chapter 6.2 of title 7.

25 **21-28.11-5. Powers and duties of the commission.**

26 (a) Subject to the state code of ethics and any internal ethics code adopted by the
27 commission, the commission shall have all the powers necessary and reasonable to carry out and
28 effectuate its purposes, including, but not limited to, the power to:

29 (1) Adopt, amend or repeal rules and regulations for the implementation, administration
30 and enforcement of this chapter;

31 (2) Determine which applicants shall be awarded licenses;

32 (3) Deny an application or limit, condition, restrict, revoke or suspend any license;

33 (4) Determine and establish the process and methodology by which licenses shall be
34 awarded by the commission;

- 1 (5) Require an applicant for licensure under this chapter to apply for such licensure and
2 approve or disapprove any such application or other transactions, events and processes as provided
3 in this chapter;
- 4 (6) Establish a registration process;
- 5 (7) Execute all instruments necessary and appropriate, in the commission’s discretion, to
6 fulfill the purposes of this chapter;
- 7 (8) Enter into agreements or other transactions with a person, including, but not limited to,
8 a public entity or other governmental instrumentality or authority in connection with its powers and
9 duties under this chapter;
- 10 (9) Appear on its own behalf before boards, commissions, departments or other agencies
11 of municipal, state or federal government;
- 12 (10) Apply for and accept subventions, grants, loans, advances and contributions of money,
13 property, labor or other things of value from any source, to be held, used and applied for its purposes
14 subject to appropriation by the general assembly;
- 15 (11) Subject to appropriation by the general assembly, provide and pay for advisory
16 services and technical and other assistance including the hiring of appropriate support staff
17 personnel as may be necessary in its judgment to carry out the purpose and intent of this chapter,
18 and subject to applicable law, fix the compensation of persons providing such services or
19 assistance;
- 20 (12) Prepare, publish and distribute, with or without charge as the commission may
21 determine, such studies, reports, bulletins and other materials as required by the provisions of this
22 chapter or other applicable law or as the commission considers appropriate;
- 23 (13) Review data and market conditions on an annual basis to determine and recommend
24 the maximum number of licenses that shall be issued to meet the production demands to implement
25 the provisions of this chapter subject to enactment by the general assembly;
- 26 (14) Conduct and administer procedures and hearings in compliance with chapter 35 of
27 title 42 (the “administrative procedures act”) for adoption of rules or regulations, issuance, denial
28 or revocation of licenses or permits; or for violation of the provisions of this chapter or the rules
29 and regulations adopted pursuant to the provisions of this chapter;
- 30 (15) Gather facts and information and take action applicable to the commission’s
31 obligations pursuant to this chapter relating to:
- 32 (i) Any violation of this chapter or any rule or regulation adopted by the commission; and
33 (ii) Any willful violation of an order of the commission directed to a licensee or a person
34 required to be registered;

1 (iii) The conviction of a criminal offense, for the purpose of determining whether said
2 conviction substantially relates to the occupation or activity to which the license or registration
3 applies;

4 (iv) Any other action or conduct which would disqualify a licensee from holding a license
5 pursuant to the provisions of this chapter;

6 (16) In connection with matters having to do with the discharge of the duties of the
7 commission pursuant to this chapter, the chairperson of the commission, in cases pending before
8 the commission, is hereby authorized and empowered to summon witnesses to attend and testify in
9 a like manner as in either the supreme or superior courts. The commission is authorized to compel
10 the production of all papers, books, documents, records, certificates, or other legal evidence that
11 may be necessary for the determination and the decision of any question or the discharge of any
12 duty required by law of the commission, by issuing a subpoena duces tecum signed by the
13 chairperson. Any person who shall willfully swear falsely in any proceedings, matter, or hearing
14 before the commission shall be subject to the law pertaining to the crime of perjury. Any person
15 who disobeys may be referred by the chairperson of the commission to the presiding justice of the
16 superior court for assignment of a hearing on civil contempt citation and/or to the attorney general
17 for criminal contempt prosecution;

18 (17) Conduct investigations into the qualifications of all applicants for employment by the
19 commission, the cannabis office and all applicants for licensure pursuant to the provisions of this
20 chapter;

21 (18) Receive from the state police, the department of attorney general or other criminal
22 justice agencies, including, but not limited to, the Federal Bureau of Investigation and the Internal
23 Revenue Service, such criminal record information relating to criminal and background
24 investigations as necessary for the purpose of evaluating licensees, applicants for licenses,
25 laboratory agents, and any other employee or agent of a cannabis establishment, as determined by
26 the commission or otherwise required by law;

27 (19) Be present, through its designated inspectors and agents, at any reasonable time, in
28 cannabis establishments for the purposes of exercising its powers and duties;

29 (20) Inspect cannabis establishments and have access to all equipment and supplies in a
30 cannabis establishment for the purpose of ensuring and enforcing compliance with this chapter,
31 chapter 28.6 of this title, and all rules and regulations promulgated pursuant to this chapter and
32 chapter 28.6 of this title;

33 (21) In accordance with all applicable law, coordinate with the state police to seize,
34 impound and remove from the premises of a cannabis establishment any cannabis, equipment,

1 supplies, documents and records obtained or possessed in violation of this chapter, chapter 28.6 of
2 this title, or the rules and regulations of the commission;

3 (22) Require that the books and financial or other records or statements of a licensee be
4 kept in a manner that the commission deems proper;

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

10 (24) Impose and collect fees, sanctions and administrative penalties, as authorized by this
11 chapter and established by regulation, and for a violation of any rule or regulation promulgated by
12 the commission except as of December 1, 2022, no fee shall be authorized or imposed for registry
13 identification cards or for plant tags;

14 (25) Establish adjudicatory procedures and conduct adjudicatory proceedings pursuant to
15 the provisions of chapter 35 of title 42 (the "administrative procedures act");

16 (26) Refer cases for criminal prosecution to the appropriate federal, state or local
17 authorities;

18 (27) Maintain an official Internet website for the commission that, in the discretion of the
19 commission, may be in coordination with the cannabis office;

20 (28) Submit any matter to the advisory board for study, review or recommendation;

21 (29) Request and/or approve or disapprove recommendations by the cannabis advisory
22 board made pursuant to § 21-28.11-6 to include, but not be limited to, distribution of funds from
23 the social equity assistance fund established pursuant to § 21-28.11-31; provided, however, such
24 recommendations shall be disclosed to the public, and justifications issued whenever
25 recommendations are rejected.

26 (30) Monitor any federal activity regarding cannabis;

27 (31) Delegate any administrative, procedural or operational matter to the cannabis office;

28 (32) Issue temporary emergency orders, directives or instructions, with or without prior
29 notice or hearing, in an instance in which the public health or safety is in substantial or imminent
30 danger as it relates to the activities, conduct or practices of a licensee or as a result of a defective
31 or dangerous product offered for sale by a licensee. If a temporary emergency order, directive or
32 instruction without notice or a hearing is issued by the commission then the order, directive or
33 instruction shall expire after ten (10) days unless a hearing is noticed by the commission within the
34 ten (10) day period, and the hearing is scheduled to be conducted within twenty (20) days of the

1 issuance of the order, directive or instruction;

2 (33) Amend forms, procedures and requirements adopted by the office of cannabis
3 regulation pursuant to § 21-28.11-10.1 related to the temporary regulation of cultivation,
4 manufacture and sale of cannabis for adult use by hybrid cannabis retailers during the transitional
5 period established by § 21-28.11-10.1; and

6 (34) Provide recommendations to the general assembly regarding any advisable or
7 proposed amendments to chapter 26 of title 2 relative to the regulation of industrial hemp and the
8 use of hemp as a commercial product.

9 (b) The commission shall, pursuant to subsection (a) of this section, adopt rules and
10 regulations consistent with this chapter for the administration, clarification and enforcement of
11 provisions regulating and licensing cannabis establishments and the sale, possession and use of
12 cannabis. The rules and regulations shall include, but not be limited to:

13 (1) Methods and forms of application which an applicant for a license shall follow and
14 complete before consideration by the commission;

15 (2) Requirements for the information to be furnished by an applicant or licensee;

16 (3) Criteria for evaluation of the application for a license;

17 (4) Qualifications for licensure and minimum standards for employment that are directly
18 and demonstrably related to the operation of a cannabis establishment and similar to qualifications
19 for licensure and employment standards in connection with the manufacture, distribution or sale of
20 alcoholic beverages as regulated under title 3 of the general laws; provided, that a criminal
21 conviction relating solely to the possession of marijuana or cannabis shall not automatically
22 disqualify an individual from eligibility for employment or licensure in connection with a cannabis
23 establishment pursuant to § 21-28.11-12.1;

24 (5) In consultation with the cannabis advisory board, identification of factors to be
25 evaluated in the approval and certification of social equity applicants and establishment of
26 procedures and policies to promote and encourage full participation in the regulated cannabis
27 industry by people from communities that have previously been disproportionately harmed by
28 cannabis prohibition and enforcement;

29 (6) In accordance with all applicable law, standards for the payment or reporting of
30 licensure fees and taxes;

31 (7) Requirements for the information to be furnished by a licensee to the licensee's
32 employees;

33 (8) Requirements for fingerprinting or other method of identification of an applicant for a
34 license or a licensee and the employees of licensees;

- 1 (9) Procedures and grounds for the revocation or suspension of a license or registration;
- 2 (10) Minimum uniform standards of accounting procedures;
- 3 (11) Requirements for record keeping by cannabis establishments and procedures to track
4 cannabis cultivated, processed, manufactured, delivered or sold by cannabis establishments;
- 5 (12) Minimum standards for the requirement that all licensees possess and operate an
6 interoperable publicly available application programming interface seed-to-sale tracking system
7 sufficient to ensure the appropriate track and trace of all cannabis cultivated, processed or
8 manufactured pursuant to this chapter;
- 9 (13) Standards and procedures to leverage seed-to-sale tracking technology which may
10 allow for the appropriate transfer or acquisition of cannabis seeds, clones, cuttings, plants or plant
11 tissue between medical and nonmedical establishments;
- 12 (14) Registration requirements for employees of cannabis establishments including
13 ensuring that employees be properly trained in the performance of their duties as necessary;
- 14 (15) Minimum security requirements for licensees sufficient to deter and prevent theft and
15 unauthorized entrance into areas containing cannabis, which may include, but not be limited to, the
16 use of security personnel, security cameras, or alarms;
- 17 (16) Minimum standards for liability insurance coverage;
- 18 (17) Requirements and procedures, utilizing best practices, to prevent the sale, delivery or
19 transfer of cannabis to persons under twenty-one (21) years of age, or the purchase of cannabis on
20 behalf of a person under twenty-one (21) years of age to include, but not limited to, the
21 establishment of age verification procedures;
- 22 (18) Health and safety standards, established in consultation with the department of health,
23 for the cultivation, processing, manufacturing and distribution of cannabis, including standards
24 regarding sanitation for the preparation, storage, handling and sale of food products, including
25 compliance with state sanitation requirements, and health inspections; provided, however, that the
26 authority to promulgate regulations pertaining to the use of pesticides shall remain with the
27 department of environmental management pursuant to the provisions of chapter 25 of title 23;
- 28 (19) Requirements for the packaging and labeling of cannabis and cannabis products that
29 shall, at a minimum:
- 30 (i) Require the most current consumer product safety commission standards, set forth in 16
31 C.F.R. 1700 et seq.; and
- 32 (ii) Protect children from accidentally ingesting cannabis or cannabis products, including by
33 making packaging certified child-resistant and resealable;
- 34 (20) Requirements and restrictions for advertising, marketing and branding of cannabis and

1 cannabis products;

2 (21) Requirements for the safe disposal of excess, contaminated, adulterated or deteriorated
3 cannabis, which shall consider policies which promote the reasonable remediation and/or recycling
4 of such waste, including, but not limited to, recycled industrial products;

5 (22) Procedures and requirements to enable the transfer of a license for a cannabis
6 establishment to another qualified person or to another suitable location in compliance with the
7 provisions of § 21-28.11-10.2 following notification and approval by the commission; provided
8 however, that a license issued to a social equity applicant shall only be transferred to another
9 qualified social equity applicant, and a license issued to a workers' cooperative applicant shall only
10 be transferred to another qualified workers' cooperative applicant;

11 (23) Requirements to establish a process allowing the commission to order a prohibition
12 on the sale of a cannabis product found especially appealing to persons under twenty-one (21) years
13 of age including a means for allowing a cannabis product manufacturer to voluntarily submit a
14 product, its packaging and intended marketing to the commission for preliminary determination
15 whether the product is especially appealing to persons under twenty-one (21) years of age;

16 (24) Requirements that may prohibit cannabis product manufacturers from altering or
17 utilizing commercially-manufactured food products when manufacturing cannabis products unless
18 the food product was commercially manufactured specifically for use by the cannabis product
19 manufacturer to infuse with cannabis;

20 (25) Energy and environmental standards for licensure and licensure renewal of cannabis
21 establishments licensed as a cannabis cultivator or cannabis product manufacturer;

22 (26) If determined necessary to protect or promote public health and safety, the commission
23 may establish reasonable limits for cannabis product potency and/or dosing; provided that, in the
24 interest of maintaining a stable cannabis market, before imposing such limits, the commission shall
25 give due consideration to the limits on potency and/or dosing imposed by neighboring states;

26 (27) The testing and safety of cannabis and cannabis products, including but not limited to,
27 regulations promulgated by the commission in consultation with the department of health, as
28 applicable which:

29 (i) License and regulate the operation of cannabis laboratory testing facilities, including
30 requirements for equipment, training, and qualifications for personnel;

31 (ii) Set forth procedures that require random sample testing to ensure quality control,
32 including, but not limited to, ensuring that cannabis and cannabis products are accurately labeled
33 for tetrahydrocannabinol (THC) content and any other product profile;

34 (iii) Establish testing for residual solvents or toxins; harmful chemicals; dangerous molds

1 or mildew; filth; and harmful microbials such as E. coli or salmonella and pesticides, and any other
2 compounds, elements, or contaminants;

3 (iv) Require that all cannabis and cannabis products must undergo random sample testing
4 at a licensed cannabis testing facility or other laboratory equipped to test cannabis and cannabis
5 products that have been approved by the commission;

6 (v) Require any products which fail testing be quarantined and/or recalled and destroyed
7 in accordance with regulations;

8 (vi) Allow for the establishment of other quality assurance mechanisms which may include
9 but not be limited to, the designation or creation of a reference laboratory, creation of a secret
10 shopper program, round robin testing, or any other mechanism to ensure the accuracy of product
11 testing and labeling;

12 (vii) Require cannabis establishment licensees and cannabis products to comply with any
13 applicable food safety requirements determined by the commission and/or the department of health;

14 (viii) Include any additional requirements deemed necessary by the commission as
15 determined in consultation with the department of health; and

16 (ix) Allow the commission, in coordination with the department of health, at their
17 discretion, to temporarily remove, or phase in, any requirement for laboratory testing if it finds that
18 there is not sufficient laboratory capacity for the market;

19 (28) Standards and restrictions for cannabis manufacturing and processing which shall
20 include, but not be limited to, requirements that cannabis processors:

21 (i) Comply with all applicable building and fire codes;

22 (ii) Receive approval from the state fire marshal's office for all forms of manufacturing
23 that use a heat source or flammable solvent;

24 (iii) Require any cannabis processor that manufactures edibles of cannabis infused food
25 products to comply with all applicable requirements and regulations and obtain a food business
26 license as defined by § 21-27-1 issued by the department of health's office of food safety; and

27 (iv) Comply with any other requirements deemed suitable by the commission;

28 (29) Standards for manufacturing or extracting cannabinoid oils or butane hash oil;

29 (30) General operating requirements, minimum oversight, and any other activities,
30 functions, or aspects of a cannabis establishment licensee in furtherance of creating a stable,
31 regulated cannabis industry and mitigating its impact on public health and safety;

32 (31) Rules and regulations based on federal law, provided such rules and regulations are
33 designed to comply with federal guidance and mitigate federal enforcement against the cannabis
34 establishments and adult use establishments authorized, licensed and operated pursuant to this

1 chapter;

2 (32) Coordinate and implement the transition and transfer of regulatory authority of
3 medical marijuana from the department of business regulation to the commission; and

4 (33) Requirements that, after March 1, 2023, according to a timeline determined by the
5 commission, patients with out-of-state medical marijuana cards must also possess and produce a
6 valid government issued identification demonstrating residency in the same state jurisdiction that
7 issued the medical marijuana card.

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

9 (1) Except to protect public health and safety, prohibit the operation of a cannabis
10 establishment either expressly or through regulations that make operation of a cannabis
11 establishment unreasonable and impracticable;

12 (2) Require an adult retail purchaser to provide a cannabis retailer with identifying
13 information other than proper identification to determine the customer's age, and shall not require
14 the cannabis retailer to acquire or record personal information about customers other than
15 information typically required in a retail transaction;

16 (3) Except as provided pursuant to chapter 28.6 of this title, authorize a cannabis retailer,
17 medical marijuana treatment center or a hybrid cannabis retailer to operate at a shared location with
18 a cultivator;

19 (4) Authorize a cannabis establishment to transfer or acquire cannabis seeds, clones,
20 cuttings, plants or plant tissue to or from another cannabis establishment unless notice of the
21 transfer or acquisition is provided to the commission; or

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

23 (d) **Reports.** In furtherance of the intent of this chapter:

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

29 (2) The commission shall annually review the tax rates established by this chapter and may
30 make recommendations to the general assembly, as appropriate, regarding any changes to the tax
31 rates that further the intent of this chapter.

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

34 (4) The commission may study cannabis commerce and make recommendations to the

1 general assembly regarding changes to existing law that further the intent of this chapter by
2 reporting those recommendations to the governor, the speaker of the house, and the president of
3 the senate.

4 (5) The commission may conduct an analysis and report to the general assembly if it finds
5 that conditions are appropriate for the issuance of additional types or classes of licenses to operate
6 cannabis-related businesses, including, but not limited to:

7 (i) Licenses that authorize limited or restricted cultivation, processing, manufacture,
8 possession or storage of cannabis or cannabis products, limited delivery of cannabis or cannabis
9 products to consumers;

10 (ii) Licenses that authorize the consumption of cannabis or cannabis products on the
11 premises where sold;

12 (iii) Licenses that authorize the consumption of cannabis at special events in limited areas
13 and for a limited time; and

14 (iv) Licenses intended to facilitate scientific research or education.

15 (e) The commission shall administer and enforce the provisions of this chapter and the rules
16 and regulations relating to licensing in this chapter and in its discretion and where appropriate may
17 delegate and authorize various administration and enforcement powers and duties to the cannabis
18 office.

19 (f) The commission may investigate, in conjunction with the department of health, the
20 effects of cannabis and cannabis products with a high potency of tetrahydrocannabinol on human
21 health and consider restrictions on the potency of tetrahydrocannabinol in cannabis and cannabis
22 products that are necessary for protection of public health or safety in accordance with the
23 provisions of subsection (b)(26) of this section.

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

25 (h) The commission shall cause to be deposited all fees and monetary penalties collected
26 pursuant to this chapter in the social equity assistance fund established pursuant to § 21-28.11-31,
27 excluding medical compassion center license fees pursuant to § 21-28.6-12, tax penalties and any
28 funds designated to be deposited in the marijuana trust fund pursuant to § 21-28.11-13(d).

29 (i) The commission shall work collaboratively with other state agencies and departments
30 to ensure that the production and distribution of cannabis is effectively regulated in the state in
31 furtherance of this chapter.

32 **21-28.11-12.1. Criminal record information — Permitted use.**

33 (a) The commission shall require all applicants for license and registration under this
34 chapter to undergo a national criminal background check prior to issuing any license or registration.

1 The applicant shall apply to the bureau of criminal identification of the department of attorney
2 general, department of public safety division of state police, or local police department for a
3 national background check that shall include fingerprints submitted to the Federal Bureau of
4 Investigation. Upon the discovery of any criminal record information, the bureau of criminal
5 identification of the department of attorney general, department of public safety division of state
6 police, or the local police department shall inform the applicant, in writing, of the nature of the
7 criminal record information. The bureau of criminal identification of the department of attorney
8 general, department of public safety division of state police, or the local police department shall
9 also inform the commission, in writing, of the nature of the criminal record information. In those
10 situations in which no criminal record information has been found, the bureau of criminal
11 identification of the department of attorney general, department of public safety division of state
12 police, or the local police department shall inform the applicant and the commission, in writing, of
13 this fact. The applicant shall be responsible for any expense associated with the national
14 background check.

15 (b) All applicants for license or registration have a duty to truthfully and fully disclose prior
16 criminal convictions to the commission and any information the commission requests related to
17 said convictions. If issued a license or registration by the commission, licensees have a continuing
18 duty to truthfully and fully disclose any subsequent criminal convictions to the commission, along
19 with any information the commission requests related to said convictions. Failure to do so may
20 result in the denial, suspension, or revocation of a license or registration, and criminal prosecution
21 pursuant to § 21-28.11-27 and/or other applicable law.

22 (c) “Conviction” as used throughout this chapter shall have the same meaning as set forth
23 in § 21-28.6-6(g).

24 (d) No person shall be ~~automatically~~ disqualified to practice, pursue, or engage in any
25 business or activity licensed or registered by the commission pursuant to the provisions of this
26 chapter, solely relating to a prior conviction of a cannabis or marijuana possession crime or crimes
27 unless:

28 (1) The underlying crime or crimes involved the distribution of a controlled substance,
29 including cannabis or marijuana, to a minor; or

30 (2) The underlying crime or crimes substantially relates to the occupation to which the
31 license or registration applies. Any other state law to the contrary will be superseded by this
32 provision.

33 (e) No occupational license or registration issued by the commission shall be suspended or
34 revoked, solely or in part, because of a prior or subsequent possession of cannabis or marijuana

1 offense conviction of a crime or crimes unless the underlying crime or crimes substantially relate
2 to the occupation to which the license or registration applies. Any other state law to the contrary
3 will be superseded by this provision.

4 (f) A person who has been convicted of a crime may be disqualified to practice, pursue or
5 engage in any business activity licensed by the commission pursuant to this chapter or chapter 28.6
6 of this title if the commission determines that the circumstances of the conviction are substantially
7 related to the occupation for which the license or registration is sought. In determining if a
8 conviction substantially relates to the occupation for which the license or registration is sought, the
9 commission shall consider:

10 (1) The state's legitimate interest in protecting the property and the safety and welfare of
11 specific individuals or the general public;

12 (2) The relationship of the crime or crimes to the ability, capacity, and fitness required to
13 perform the duties and discharge the responsibilities of the position of employment or occupation;
14 and

15 (3) The state's legitimate interest in equal access to employment for individuals who have
16 had past contact with the criminal justice system.

17 (g) A person who has been convicted of a crime or crimes that substantially relates to the
18 occupation for which a license is sought may not be automatically disqualified from the occupation
19 if the person can establish by competent evidence, satisfactory in the discretion of the commission,
20 of sufficient rehabilitation and present fitness to perform the duties of the occupation for which the
21 license is sought. The commission shall consider the time elapsed since the conviction when
22 determining sufficient rehabilitation. Specifically, convictions issued prior to five (5) years before
23 the date of the application shall be deemed evidence of sufficient rehabilitation, as well as any
24 evidence presented by the applicant regarding:

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

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

29 (3) All circumstances relative to the crime or crimes, including mitigating circumstances
30 surrounding the commission of the crime or crimes;

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

32 (5) Claims that the criminal record information is in error or inadmissible; and

33 (6) All other competent evidence of rehabilitation and present fitness presented, including,
34 but not limited to, letters of reference by persons who have been in contact with the applicant since

1 the applicant's release from any state or federal correctional institution.

2 (h) The following criminal records ~~may~~ shall not be used in connection with any
3 application for a license or registration submitted pursuant to the provisions of this chapter:

4 (1) Juvenile adjudications;

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

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

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

8 (5) A conviction that does not substantially relate to the occupation for which the license
9 or registration is sought, as determined by subsection (f) of this section.

10 (i) If the commission intends to deny, suspend, or revoke an occupational license, permit,
11 or registration solely or in part because of the individual's prior conviction of a crime that is
12 determined to be substantially related to the occupation for which the license or registration applies,
13 the commission shall notify the individual in writing of the following prior to the final decision:

14 (1) The specific conviction(s) that forms the basis for the potential denial, suspension, or
15 revocation and the rationale for deeming the conviction substantially related to the occupation or
16 activity;

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

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

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

21 (j) After receiving the notice of potential denial, suspension, or revocation, the individual
22 shall have thirty (30) business days to respond.

23 (k) If the commission denies, suspends, or revokes a license or registration solely or in part
24 because of the applicant's substantially related conviction, the commission shall issue a final
25 written decision that addresses the following:

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

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

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

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

32 (l) Notwithstanding any general or special law to the contrary, except as otherwise provided
33 in this chapter, any prior conviction for a crime that has been decriminalized, or is eligible for
34 expungement pursuant to the provisions of this chapter cannot serve as grounds, either solely or in

1 part, for denial, suspension or revocation of a license or registration pursuant to this chapter.

2 (m) The commission shall adopt rules and regulations establishing standards and
3 procedures consistent with the provisions of this section.

4 **21-28.11-31. Social equity assistance program and fund.**

5 (a)(1) **Findings.** The general assembly finds that additional efforts are needed to reduce
6 barriers to ownership and/or participation in the cannabis industry for individuals and communities
7 most adversely impacted by the enforcement of cannabis-related laws.

8 (2) In the interest of establishing a legal cannabis industry that is equitable and accessible
9 to those most adversely impacted by the enforcement of cannabis-related laws, the general
10 assembly finds and declares that a social equity program should be established.

11 (3) The general assembly also finds and declares that individuals who have been arrested
12 or incarcerated due to cannabis related laws suffer long-lasting negative consequences, including
13 impacts to employment, business ownership, housing, health, and long-term financial well-being.

14 (4) The general assembly also finds and declares that family members, especially children,
15 and communities of those who have been arrested or incarcerated due to cannabis related laws,
16 suffer from emotional, psychological, and financial harms as a result of such arrests or
17 incarcerations.

18 (5) Furthermore, the general assembly finds and declares that certain communities have
19 disproportionately suffered the harms of enforcement of cannabis-related laws. Those communities
20 face greater difficulties accessing capital to finance the start-up costs for cannabis establishments.

21 (6) The general assembly also finds that individuals who have resided in areas of high
22 poverty suffer negative consequences, including barriers to entry in employment, business
23 ownership, housing, health, and long-term financial well-being.

24 (7) The general assembly also finds and declares that promotion of business ownership by
25 individuals who have resided in areas of high poverty and high enforcement of cannabis-related
26 laws furthers a more equitable cannabis industry.

27 (8) Therefore, in the interest of mitigating the harms resulting from the enforcement of
28 cannabis-related laws, the general assembly finds and declares that a social equity program should
29 offer, among other things, business assistance and license application benefits to individuals most
30 directly and adversely impacted by the enforcement of cannabis-related laws who are interested in
31 establishing or participating in a cannabis business entity.

32 (b) ~~There is created in the state treasury within the general fund, a fund which shall be held~~
33 ~~separate and apart from all other state monies, to be known as the social equity assistance fund.~~
34 ~~The social equity assistance fund, subject to appropriation, shall be exclusively used for the~~

1 ~~following purposes~~ A dedicated social equity assistance fund shall be established within the general
2 fund, separate and apart from other state monies subject to appropriation. This fund shall be used
3 for the following purposes:

4 (1) To provide grants to approved social equity applicants to pay for ordinary and necessary
5 expenses to establish and/or operate a cannabis establishment, and to also further promote the goals
6 of this chapter, including without limitation, job training and workforce development, mentoring
7 services and technical assistance;

8 (2) To support the waiver or reduction of application and licensing fees pursuant to this
9 section for social equity applicants; and

10 (3) To implement and administer programming for restorative justice, jail diversion, drug
11 rehabilitation and education workforce development for jobs related to cannabis cultivation,
12 transportation, distribution and sales.

13 (c) The social equity assistance fund shall be subject to appropriation. The fund shall
14 consist of all monies received on account of the state as a result of application for, and licensing of,
15 individuals and entities pursuant to the provisions of this chapter, ~~exclusive of licensing fees paid~~
16 ~~pursuant to the provisions of chapter 28.6 of this title~~. Additionally, ~~except as otherwise provided,~~
17 the fund shall consist of all ~~administrative~~ civil penalties received for violations of this chapter,
18 except tax violations and interest earned on balances in the fund. Therefore, in the interest of
19 mitigating the harms resulting from the enforcement of cannabis-related laws, the general assembly
20 finds and declares that some revenue from the cannabis industry should be returned to
21 disproportionately impacted areas. A dedicated disproportionately impacted areas invested fund
22 shall be established within the general fund, separate and apart from other state monies subject to
23 appropriation. This fund shall be used for the following purposes:

24 (1) To provide funding for the development of public housing in disproportionately
25 impacted areas;

26 (2) To provide funding for early and public education in disproportionately impacted areas;

27 (3) To provide funding for health subsidies in disproportionately impacted areas; and

28 (4) To provide grants and whatever else is deemed necessary to repair the emotional,
29 psychological, and financial harms the general assembly concluded were perpetuated in.

30 (d) The commission shall administer the social equity assistance fund and the authorized
31 disbursement of funds, as appropriated by the general assembly. In consultation with the cannabis
32 advisory board, the commission shall promulgate rules and regulations establishing the criteria,
33 eligibility, qualifications and process for administering the disbursement of funds from the social
34 equity assistance fund.

1 (e) **Reporting.** Beginning September 1, 2023, and each year thereafter, the commission
2 shall annually report to the governor and the general assembly on the outcomes and effectiveness
3 of this section that shall include, but not be limited to, the following:

4 (1) The number of persons or businesses receiving assistance under this section;

5 (2) The amount in financial assistance awarded in the aggregate, in addition to the amount
6 of grants awarded; and

7 (3) If applicable, the number of new jobs and other forms of economic impact created as a
8 result of assistance from the social equity assistance fund.

9 (f) **Fee waivers.**

10 (1) For social equity applicants as defined in § 21-28.11-3, the commission may waive up
11 to one hundred percent (100%) of any nonrefundable license application fees or any nonrefundable
12 fees associated with acquiring a license to operate a cannabis establishment, pursuant to rules and
13 regulations promulgated by the commission in consultation with the cannabis advisory board.

14 (2) If the commission determines that an applicant who applied as a social equity applicant
15 is not eligible for social equity status, the applicant shall be provided an additional ten (10) days to
16 provide alternative evidence that the applicant qualifies as a social equity applicant. Alternatively,
17 the applicant may pay all required fees and be considered as a non-social equity applicant. If the
18 applicant cannot do either, then any application fee shall be returned and the application process
19 shall be terminated.

20 (g) Transfers of cannabis establishment licenses awarded to a social equity applicant are
21 subject to all other provisions of this chapter, and applicable law; provided however, that a license
22 issued to a social equity applicant shall only be transferred to another qualified social equity
23 applicant as determined and approved by the commission.

24 (h) **Reporting.**

25 (1) By September 1, 2023, and on the first day of September of every year thereafter, or
26 upon request by the commission, each cannabis establishment licensed under this chapter and § 21-
27 28.6-12 (“The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act”) shall report to
28 the commission, on a form to be provided by the commission, information that will allow it to
29 assess the extent of diversity in the medical and adult use cannabis industry and methods for further
30 reducing or eliminating any identified barriers to entry, including without limitation, access to
31 capital.

32 (2) Failure of a cannabis establishment to respond to the request of the commission to
33 complete the form, report, and any other request for information may be grounds for disciplinary
34 action by the commission pursuant to this chapter. The information to be collected shall identify,

1 without limitation, the following:

2 (i) The number and percentage of licenses provided to social equity applicants;

3 (ii) The total number and percentage of employees in the cannabis industry who meet the
4 criteria in the definition of social equity applicant; and

5 (iii) Recommendations on reducing or eliminating any identified barriers to entry,
6 including access to capital, in the cannabis industry.

7 SECTION 2. Section 44-70-5 of the General Laws in Chapter 44-70 entitled "Cannabis
8 Tax" is hereby amended to read as follows:

9 **44-70-5. Application of tax revenue.**

10 The administrator shall deposit fifty percent (50%) of the revenue collected pursuant to this
11 chapter from the state cannabis excise tax ~~or associated amounts as penalties, forfeitures, interest,~~
12 ~~costs of suit, and fines for failure to timely report or pay the state cannabis excise tax into the~~
13 ~~marijuana trust fund pursuant to § 21-28.11-13(d) and revenue from the sales tax into the general~~
14 ~~fund~~ and one hundred percent (100%) of the sales tax into the general fund; twenty-five percent
15 (25%) of cannabis excise tax revenue into the cannabis social equity assistance fund and twenty-
16 five percent (25%) of the cannabis excise tax revenue into the disproportionately impacted areas
17 investment fund.

18 SECTION 3. This act shall take effect upon passage.

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LC005430
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO FOOD AND DRUGS -- THE RHODE ISLAND CANNABIS ACT

1 This act would provide amendments to the cannabis act relating to the definition of a social
2 equity applicant and the required fee to maintain such status as a social equity applicant and would
3 allocate certain cannabis revenue to the social equity assistance fund and to aid disproportionately
4 impacted areas.

5 This act would take effect upon passage.

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