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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO FOOD AND DRUGS -- ADULT USE MARIJUANA

Introduced By: Representatives Slater, O'Brien, Amore, Solomon, Kazarian, Alzate,
Hull, Potter, Morales, and Giraldo

Date Introduced: May 28, 2021

Referred To: House Finance

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 ADULT USE MARIJUANA ACT

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

6 This chapter shall be known and may be cited as the "Adult Use Marijuana Act".

7 **21-28.11-2. Legislative intent.**

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

9 (1) To regulate marijuana in order to more effectively limit minors' access to marijuana.

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

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

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

15 **21-28.11-3. Definitions.**

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

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

1 (2) "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 required by the commission.

4 (3) "Cannabis" or "Marijuana" has the same meaning as "Cannabis" as set forth in § 21-
5 28.6-3.

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

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

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

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

19 (8) "Department" means the department of business regulation.

20 (9) "Director" means the director of the department of business regulation.

21 (10) "Finished marijuana" means a usable marijuana or cannabis, marijuana or cannabis
22 resin or marijuana or cannabis concentrate.

23 (11) "Hemp" means the plant of the genus cannabis or any part of the plant, whether
24 growing or not, with a delta-9-tetrahydrocannabinol concentration that does not exceed three tenths
25 of one percent (0.3%) on a dry weight basis of any part of the plant of the genus cannabis, or per
26 volume or weight of cannabis product, or the combined percent of delta-9-tetrahydrocannabinol
27 and tetrahydrocannabinolic acid in any part of the plant of the genus cannabis regardless of moisture
28 content.

29 (12) "Host community" means a municipality in which a marijuana establishment or a
30 medical marijuana treatment center is located or in which an applicant has proposed locating a
31 marijuana establishment or a medical marijuana treatment center.

32 (13) "Hybrid marijuana cultivator" means an entity that holds a medical marijuana
33 cultivator license pursuant to chapter 28.6 of this title and that also holds a license to cultivate
34 marijuana pursuant to chapter 28.11 of this title and in accordance with regulations promulgated

1 by the department of business regulation.

2 (14) "Hybrid marijuana retailer" means an entity that holds a medical marijuana
3 compassion center license pursuant to chapter 28.6 of this title and that also holds a license to sell
4 marijuana at retail pursuant to chapter 28.11 of this title and in accordance with regulations
5 promulgated by the department of business regulation.

6 (15) "Independent testing laboratory" means a laboratory that is licensed by the department
7 and is:

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

11 (ii) Independent financially from any medical marijuana treatment center or any licensee
12 or marijuana establishment for which it conducts a test; and

13 (iii) Qualified to test marijuana in compliance with regulations promulgated by the
14 department pursuant to this chapter. The term includes, but is not limited to, an independent testing
15 laboratory as provided in § 21-28.11-11.

16 (16) "Laboratory agent" means an employee of an independent testing laboratory who
17 transports, possesses or tests marijuana.

18 (17) "Licensee" means a person or entity licensed by the department pursuant to the
19 provisions of this chapter. Any business structure recognized pursuant to the provisions of title 7,
20 including, but not limited to,, corporations, partnerships, limited partnerships, limited-liability
21 companies, and workers' cooperatives, which is otherwise qualified, is eligible to be considered by
22 the department as an entity licensee.

23 (18) "Manufacture" means to compound, blend, extract, infuse or otherwise make or
24 prepare a marijuana product.

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

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

34 (ii) Hemp; or

1 (iii) The weight of any other ingredient combined with marijuana to prepare topical or oral
2 administrations, food, drink or other products.

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

8 (21) "Marijuana cultivator" means an entity licensed to cultivate, process and package
9 marijuana, to deliver marijuana to marijuana establishments and to transfer marijuana to other
10 marijuana establishments, but not to consumers.

11 (22) "Marijuana establishment" means a marijuana cultivator, independent testing
12 laboratory, marijuana product manufacturer, marijuana retailer or any other type of licensed
13 marijuana related business.

14 (23) "Marijuana product manufacturer" means an entity licensed to obtain, manufacture,
15 process and package marijuana and marijuana products, to deliver marijuana and marijuana
16 products to marijuana establishments and to transfer marijuana and marijuana products to other
17 marijuana establishments, but not to consumers.

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

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

25 (26) "Medical marijuana treatment center" includes a compassion center as defined in §
26 21-28.6-3.

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

30 (28) "Process" or "processing" means to harvest, dry, cure, trim and separate parts of the
31 cannabis plant by manual or mechanical means, except it shall not include manufacture as defined
32 in this section.

33 (29) "Production batch" means a batch of finished plant material, marijuana resin,
34 marijuana concentrate or marijuana infused product made at the same time, using the same

1 methods, equipment and ingredients. The licensee shall assign and record a unique, sequential
2 alphanumeric identifier to each production batch for the purposes of production tracking, product
3 labeling and product recalls. All production batches shall be traceable to one or more marijuana
4 cultivation batches.

5 (30) "Residual solvent" means a volatile organic chemical used in the manufacture of a
6 marijuana product and that is not completely removed by practical manufacturing techniques.

7 (31) "Terpenoid" means an isoprene that are the aromatic compounds found in marijuana,
8 including, but not limited to: limonene, myrcene, pinene, linalool, eucalyptol, Δ-terpinene, β-
9 caryophyllene, caryophyllene oxide, nerolidol and phytol.

10 (32) "Unreasonable and impracticable" means that the measures necessary to comply with
11 the rules or regulations adopted pursuant to this chapter subject licensees to unreasonable risk or
12 require such a high investment of risk, money, time or any other resource or asset that a reasonably
13 prudent businessperson would not operate a marijuana establishment.

14 **21-28.11-4. Duties of the director.**

15 The director of the department of business regulation shall have the duty to supervise,
16 control, develop, and implement rules, regulations and procedures to effectuate, administer and
17 carry out the purpose of this chapter.

18 **21-28.11-5. Powers of the director.**

19 (a) The director shall have all the powers necessary to carry out and effectuate the purpose
20 of this chapter including, but not limited to, the power to:

21 (1) Appoint officers and employees to perform the duties necessary to carry out the purpose
22 of this chapter;

23 (2) Establish and amend a plan of organization that the director considers expedient;

24 (3) Execute all instruments necessary for accomplishing the purposes of this chapter;

25 (4) Enter into agreements or other transactions with a person, including, but not limited to,
26 a public entity or other governmental instrumentality or authority in connection with the director's
27 powers and duties under this chapter;

28 (5) Appear before boards, commissions, departments or other agencies of municipal, state
29 or federal government;

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

33 (7) Provide and pay for advisory services and technical assistance as may be necessary in
34 the judgment of the director to carry out the purpose and intent of this chapter and fix the

1 compensation of persons providing such services or assistance;
2 (8) Prepare, publish and distribute, with or without charge as the director may determine,
3 such studies, reports, bulletins and other materials as the director considers appropriate;
4 (9) Require an applicant for licensure under this chapter to apply for such licensure and
5 approve or disapprove any such application or other transactions, events and processes as provided
6 in this chapter;
7 (10) Determine which applicants shall be awarded licenses;
8 (11) Deny an application or limit, condition, restrict, revoke or suspend a license;
9 (12) Establish a registration process, based on finding of suitability or approval of
10 licensure;
11 (13) Conduct and administer procedures and hearings in compliance with chapter 35 of
12 title 42 ("administrative procedures"), for adoption of rules or regulations, issuance, denial or
13 revocation of licenses or permits; or for violation of the provisions of this chapter or the rules and
14 regulations adopted pursuant to the provisions of this chapter. The director may impose a civil
15 penalty of not more than five thousand dollars (\$5,000) and a suspension or revocation of any
16 license for a violation of the provisions of this chapter or the rules and/or regulations promulgated
17 pursuant to the provisions of this chapter;
18 (14) Conduct fact finding and investigate information applicable to the director's obligation
19 to issue, suspend or revoke licenses, registrations, or finding of suitability or approval of licensure
20 for:
21 (i) A violation of this chapter or any rule or regulation adopted by the director;
22 (ii) Willfully violating an order of the director directed to a licensee or a person required
23 to be registered;
24 (iii) The conviction of a disqualifying criminal offense pursuant to § 21-28.11-12.1; or
25 (iv) Any other offense which would disqualify such a licensee from holding a license;
26 (15) Conduct investigations into the qualifications of all applicants for employment by the
27 director and all applicants for licensure;
28 (16) Receive from the state police, the department of attorney general or other criminal
29 justice agencies including, but not limited to, the Federal Bureau of Investigation and the Internal
30 Revenue Service, such criminal offender record information relating to criminal and background
31 investigations as necessary for the purpose of evaluating licensees, applicants for license, and lab
32 agents;
33 (17) Be present, through its inspectors and agents, at any time, in marijuana establishments
34 for the purposes of exercising the director's oversight responsibilities;

1 (18) Inspect and have access to all equipment and supplies in a marijuana establishment;

2 (19) Seize and remove from the premises of a marijuana establishment and impound any
3 marijuana, equipment, supplies, documents and records obtained or possessed in violation of this
4 chapter for the purpose of examination and inspection;

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

10 (21) Require that the books and financials or other records or statements of a licensee be
11 kept in a manner that the director considers proper;

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

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

15 (24) Conduct adjudicatory proceedings and promulgate regulations;

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

18 (26) Maintain an official Internet website for the department;

19 (27) Monitor any federal activity regarding marijuana; and

20 (28) Adopt, amend or repeal rules and regulations for the implementation, administration
21 and enforcement of this chapter.

22 (b) The director shall, adopt rules and regulations consistent with this chapter for the
23 administration, clarification and enforcement of provisions regulating and licensing marijuana
24 establishments. The rules and regulations shall include, but not be limited to:

25 (1) Methods and forms of application which an applicant for a license shall follow and
26 complete before consideration by the director;

27 (2) For any fees not otherwise specified in this chapter, a schedule of application, license
28 and renewal fees in an amount necessary to pay for all regulation and enforcement costs of the
29 department; provided, however, that fees may be relative to the volume of business conducted or
30 to be conducted by the marijuana establishment;

31 (3) Qualifications for licensure and minimum standards for employment that are directly
32 and demonstrably related to the operation of a marijuana establishment and similar to qualifications
33 for licensure and employment standards in connection with the manufacture, distribution or sale of
34 alcoholic beverages as regulated under title 3; provided, that a prior conviction solely for a

1 marijuana-related offense shall not automatically disqualify an individual or otherwise affect
2 eligibility for employment or licensure in connection with a marijuana establishment, unless the
3 offense involved the distribution of a controlled substance, including marijuana, to a minor;

4 (4) Procedures and policies to promote and encourage participation in the regulated
5 marijuana industry by people from communities that have previously been disproportionately
6 harmed by marijuana prohibition and enforcement and to positively impact those communities;

7 (5) Standards for the licensure of marijuana establishments, to include, but not be limited
8 to, utilization of the social equity assistance fund established pursuant to the provisions of § 21-
9 28.11-31;

10 (6) Standards for the reporting or payment of licensure fees and taxes;

11 (7) Requirements for the information to be furnished by an applicant or licensee;

12 (8) Criteria for evaluation of the application for a license;

13 (9) Requirements for the information to be furnished by a licensee to the licensee's
14 employees;

15 (10) Requirements for fingerprinting or other method of identification of an applicant for
16 a license or a licensee;

17 (11) Procedures and grounds for the revocation or suspension of a license or registration;

18 (12) Minimum uniform standards of accounting procedures;

19 (13) Requirements for record keeping by marijuana establishments and procedures to track
20 marijuana cultivated, processed, manufactured, delivered or sold by marijuana establishments;

21 (14) Any necessary registration requirements for employees working at the marijuana
22 establishment;

23 (15) Requirements that all marijuana establishment employees be properly trained in their
24 respective professions as necessary;

25 (16) Procedures for the authorization of a marijuana establishment under this chapter;

26 (17) Minimum standards for the requirement that all licensees possess and operate an
27 interoperable publicly available application programming interface seed-to-sale tracking system
28 sufficient to ensure the appropriate track and trace of all marijuana cultivated, processed or
29 manufactured pursuant to this chapter;

30 (18) Minimum security requirements for licensees sufficient to deter and prevent theft and
31 unauthorized entrance into areas containing marijuana, which may include, but not be limited to,
32 the use of security personnel, security cameras, or alarms; provided, that the requirements shall not
33 prohibit the cultivation of marijuana outdoors or in greenhouses;

34 (19) Minimum standards for liability insurance coverage or requirements that a certain

1 monetary sum be placed in escrow to be expended for potential liabilities;

2 (20) Requirements and standards sufficient to ensure for the virtual separation of marijuana
3 cultivated, processed, manufactured, delivered or sold by a licensee that is also licensed as a
4 medical marijuana treatment center pursuant to the provisions of chapter 28.6 of title 21.
5 Requirements shall leverage seed-to-sale tracking technology;

6 (21) Requirements and procedures to prevent the sale, delivery or transfer of marijuana to
7 persons under twenty-one (21) years of age, or the purchase of marijuana on behalf of a person
8 under twenty-one (21) years of age, including a prohibition on persons under twenty-one (21)
9 entering marijuana establishments;

10 (22) Standards for manufacturing or extracting cannabinoid oils or butane hash oil;

11 (23) Health and safety standards, established in consultation with the department of health
12 and the department of environmental management, for the cultivation, processing, manufacturing
13 and distribution of marijuana, including standards regarding sanitation for the preparation, storage,
14 handling and sale of food products, including compliance with state sanitation requirements, and
15 health inspections; provided, however, that the authority to promulgate regulations pertaining to
16 the use of pesticides shall remain with the department of environmental management pursuant to
17 the provisions of chapter 25 of title 23;

18 (24) Requirements for the packaging of marijuana and marijuana products that shall, at a
19 minimum:

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

22 (ii) Protect children from accidentally ingesting marijuana or marijuana products, including
23 by making packaging certified child-resistant and resealable;

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

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

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

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

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

34 (25) Requirements for the potency or dosing limitations of edible marijuana products sold

1 by licensees:

2 (26) Requirements for the labeling of a package containing marijuana or marijuana
3 products that shall, at a minimum, include:

4 (i) A symbol or other easily recognizable mark issued by the department that indicates the
5 package contains marijuana or a marijuana product;

6 (ii) A symbol or other easily recognizable mark issued by the department on the package
7 indicating to children that the product is harmful to children;

8 (iii) The name and contact information of the marijuana cultivator or the marijuana product
9 manufacturer who produced the marijuana or marijuana product, and a symbol or other easily
10 recognizable mark identifying the marijuana cultivator or manufacturer;

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

13 (v) A seal certifying the marijuana meets such testing standards;

14 (vi) A unique batch number identifying the production batch associated with
15 manufacturing, processing, and cultivating;

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

17 (viii) The amount of delta-9-tetrahydrocannabinol (Δ 9-THC) in the package and in each
18 serving of a marijuana product as expressed in absolute terms and as a percentage of volume;

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

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

21 (xi) The following statement, including capitalization: "This product has not been analyzed
22 or approved by the FDA. There is limited information on the side effects of using this product, and
23 there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose
24 potential harm. It is against the law to drive or operate machinery when under the influence of this
25 product. KEEP THIS PRODUCT AWAY FROM CHILDREN.";

26 (27) Procedures and policies, in cooperation with the department of environmental
27 management, subject to the provisions of §§ 21-28.11-7 and 21-28.11-8, to regulate the manner of
28 cultivation by farmers and businesses to include limitations on ownership interests in a marijuana
29 cultivator cooperative.

30 (28) Requirements for the safe disposal of excess, contaminated, adulterated or deteriorated
31 marijuana, which shall consider policies which promote the recycling of such waste, including, but
32 not limited to, recycled industrial products;

33 (29) Requirements for advertising, marketing and branding of marijuana and marijuana
34 products that shall, at a minimum, include, but shall not be limited to:

- 1 (i) A prohibition on advertising, marketing and branding in such a manner that is deemed
2 to be deceptive, false or misleading;
- 3 (ii) A prohibition on advertising, marketing and branding by means of television, radio,
4 Internet, unless at least eight-five percent (85%) of the audience is reasonably expected to be
5 twenty-one (21) years of age or older, as determined by reliable, up-to-date audience composition
6 data;
- 7 (iii) A prohibition on advertising, marketing and branding that utilizes statements, designs,
8 representations, pictures or illustrations that portray anyone less than twenty-one (21) years of age;
- 9 (iv) A prohibition on advertising, marketing and branding including, but not limited to,
10 mascots, cartoons, brand sponsorships and celebrity endorsements, that is deemed to appeal to a
11 person less than twenty-one (21) years of age;
- 12 (v) A prohibition on advertising, marketing and branding, including statements by a
13 licensee, that makes any false or misleading statements concerning other licensees and the conduct
14 and products of such other licensees;
- 15 (vi) A prohibition on advertising, marketing and branding through certain identified
16 promotional items as determined by the director, including giveaways, coupons or "free" or
17 "donated" marijuana;
- 18 (vii) A prohibition on advertising, marketing and branding by a licensee that asserts its
19 products are safe, other than labeling required pursuant to this chapter;
- 20 (viii) A prohibition of the use of vehicles equipped with radio or loud speakers for the
21 advertising of marijuana;
- 22 (ix) An allowance that a licensee may sponsor a charitable, sporting or similar event, but a
23 prohibition of advertising, marketing and branding at, or in connection with, such an event unless
24 at least eight-five percent (85%) of the audience is reasonably expected to be twenty-one (21) years
25 of age or older, as determined by reliable, up-to-date audience composition data;
- 26 (x) A requirement that the website of a marijuana establishment shall verify that the entrant
27 is at least twenty-one (21) years of age;
- 28 (xi) A prohibition on the use of unsolicited pop-up advertisements on the Internet; and
- 29 (xii) A requirement that all advertising, marketing or branding materials for marijuana and
30 marijuana products contain a standard health warning developed by the department of health;
- 31 (30) Procedures and requirements to enable the transfer of a license for a marijuana
32 establishment to another qualified person or to another suitable location with notification and
33 approval by the director;
- 34 (31) Requirements to establish a process allowing the director to order a prohibition on the

1 sale of a marijuana product found especially appealing to persons under twenty-one (21) years of
2 age;

3 (32) Requirements to establish a process allowing a marijuana product manufacturer to
4 voluntarily submit a product, its packaging and intended marketing to the department for
5 preliminary determination whether the product is especially appealing to persons under twenty-one
6 (21) years of age; and

7 (33) Requirements that prohibit marijuana product manufacturers from altering or utilizing
8 commercially-manufactured food products when manufacturing marijuana products unless the
9 food product was commercially manufactured specifically for use by the marijuana product
10 manufacturer to infuse with marijuana; provided, however, that a commercially-manufactured food
11 product may be used as an ingredient in a marijuana product if:

12 (i) It is used in a way that renders it unrecognizable as the commercial food product in the
13 marijuana product; and

14 (ii) There is no statement or advertisement indicating that the marijuana product contains
15 the commercially-manufactured food product.

16 (b) Regulations made pursuant to this section shall not:

17 (1) Prohibit the operation of a marijuana establishment either expressly or through
18 regulations that make operation of a marijuana establishment unreasonable and impracticable;

19 (2) Require a customer to provide a marijuana retailer with identifying information other
20 than identification to determine the customer's age, and shall not require the marijuana retailer to
21 acquire or record personal information about customers other than information typically required
22 in a retail transaction;

23 (3) Prohibit a medical marijuana treatment center and a marijuana establishment from
24 operating at a shared location;

25 (4) Prohibit marijuana establishments from transferring or acquiring marijuana seeds,
26 clones, cuttings, plants or plant tissue from other marijuana establishments or prohibit a marijuana
27 establishment from transferring or otherwise selling marijuana to a marijuana retailer, a marijuana
28 product manufacturer or a marijuana cultivator; or

29 (5) Prohibit marijuana establishments from using inorganic cultivation methods.

30 (c) The department shall administer and enforce the provisions of this chapter and the rules
31 and regulations relating to licensing in this chapter.

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

34 (e) The department shall investigate, in conjunction with the department of public health,

1 the effects of marijuana and marijuana products with a high potency of tetrahydrocannabinol on
2 the human body and recommend whether there should be restrictions on the potency of
3 tetrahydrocannabinol in cannabis and cannabis products.

4 (f) The department shall be subject to all the provisions of chapter 35 of title 42.

5 (g) The department shall annually submit a complete and detailed report of the department's
6 activities, including a review of the implementation and enforcement of this chapter and the
7 governance structure established in this chapter, not more than ninety (90) days after the end of the
8 fiscal year to the governor, the attorney general, the treasurer, the speaker of the house, and the
9 president of the senate.

10 (h) The department in consultation with the department of revenue shall annually review
11 the tax rates established by this chapter and may make recommendations to the general assembly,
12 as appropriate, regarding any changes to the tax rates that further the intent of this chapter. The
13 department may study marijuana commerce and make recommendations to the general assembly
14 regarding changes in the laws that further the intent of this chapter by filing those recommendations
15 with the governor, the speaker of the house, and the president of the senate.

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

18 (j) The department, shall work collaboratively with other state agencies and departments
19 to ensure that the production and distribution of marijuana is effectively regulated in the state in
20 furtherance of the intent of this act.

21 **21-28.11-6. Research agenda; social and economic trends and public health impacts**
22 **of marijuana.**

23 (a) Beginning July 1, 2021 and annually thereafter until July 1, 2025, the department of
24 business regulation and the department of health shall conduct research to understand the social
25 and economic trends of adult use medical marijuana in the state in order to inform future legislative
26 and policy decisions. The research shall include, but not be limited to, researching and analyzing:

27 (1) Patterns of use, methods of consumption, and perceptions of marijuana among minors,
28 college and university students and adults;

29 (2) Incidents of impaired driving, hospitalizations and use of other health care services;

30 (3) Establishing a quantifiable level of marijuana-induced impairment with regard to motor
31 vehicle operation;

32 (4) Economic and fiscal impacts resulting from marijuana usage on state and local
33 governments, including with regard to state and local tax revenue;

34 (5) Ownership and employment trends in the marijuana industry;

1 (6) Participation by racial, ethnic and socioeconomic subgroups, including identification
2 of barriers to participation in the industry;

3 (7) A market analysis examining the expansion or contraction of the illicit marketplace and
4 the expansion or contraction of the legal marketplace, including estimates and comparisons of
5 pricing and product availability in both markets;

6 (8) Incidents of discipline in schools, including suspensions or expulsions, resulting from
7 marijuana use or possession of marijuana or marijuana products; and

8 (9) Civil penalties, arrests, prosecutions, incarcerations and sanctions imposed for
9 violations for possession, distribution or trafficking of marijuana or marijuana products, including
10 the age, race, gender, country of origin, state geographic region and average sanctions of the
11 persons charged.

12 (b) The department of business regulation shall work together with the department of
13 health, the commissioner of elementary and secondary education, the council on postsecondary
14 education, the department of public safety and the department of labor and training in conducting
15 the research and analysis identified in subsection (a) of this section. The department of business
16 regulation shall annually report on the results of its research and analysis, and make
17 recommendations, if appropriate, for further research or policy changes. The annual reports shall
18 be posted online in a machine-readable format.

19 **21-28.11-7. Licensed marijuana cultivators.**

20 (a) A marijuana cultivator licensed pursuant to the provisions of § 21-28.11-8 engaged in
21 cultivation in compliance with the provisions of a license may acquire, possess, manufacture,
22 cultivate, deliver, or transfer marijuana to entities licensed pursuant to the provisions of this chapter
23 and chapter 28.6 of title 21.

24 (b) Licensing of marijuana cultivators. The director shall pursuant to the provisions of §
25 21-28.11-8 promulgate regulations governing the manner in which it shall consider applications for
26 the licensing of all marijuana cultivators, including regulations governing:

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

28 (2) Minimum oversight requirements for licensed marijuana cultivators;

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

30 (4) Minimum security requirements for cultivators; and

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

33 (c) A licensed marijuana cultivator license issued by the director shall expire one year after
34 it was issued and the licensed marijuana cultivator may apply for renewal with the director in

1 accordance with its regulations pertaining to licensed marijuana cultivators.

2 (d) The director shall promulgate regulations that govern how many marijuana plants,
3 mature and immature; how much wet marijuana; and how much usable marijuana a licensed
4 marijuana cultivator may possess. Every marijuana plant possessed by a licensed marijuana
5 cultivator shall be catalogued in a seed-to-sale inventory tracking system in accordance with
6 regulations promulgated by the director.

7 (e) Marijuana cultivators shall sell marijuana only to an entity licensed pursuant to the
8 provisions of this chapter or chapter 28.6 of title 21.

9 (f) Marijuana cultivators shall be subject to any regulations promulgated by the director
10 that specify how marijuana shall be tested, including, but not limited to, potency, cannabinoid
11 profile, and contaminants.

12 (g) Marijuana cultivators shall be subject to any product labeling requirements promulgated
13 by the director.

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

17 (i) Marijuana cultivators shall be licensed to grow marijuana only at a location or locations
18 registered with the department. The director may promulgate regulations governing where
19 cultivators are allowed to grow. Marijuana cultivators shall abide by all local ordinances, including
20 zoning ordinances.

21 (j) As a condition of licensing, marijuana cultivators shall consent and be subject to
22 reasonable inspection by the director or designee for the purposes of enforcing regulations
23 promulgated pursuant to this chapter and all applicable laws.

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

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

4 (m) Persons issued marijuana cultivator licenses shall be subject to the following:

5 (1) A licensed marijuana cultivator shall notify and request approval from the director of
6 any change in his or her name or address within ten (10) days of the change. A licensed cultivator
7 who fails to notify the director of any of these changes is responsible for a civil infraction,
8 punishable by a fine of no more than five thousand dollars (\$5,000) and for forfeiture of the
9 cultivator's license.

10 (2) When a licensed marijuana cultivator notifies the director of any changes to the location
11 listed in subsection (m)(1) of this section, the director may issue the cultivator an updated license
12 after the director approves the changes and receives from the licensee payment of a fee specified
13 in regulation.

14 (3) If a licensed marijuana cultivator loses his or her license, he or she shall notify the
15 department and submit a fee specified in regulation within ten (10) days of losing the license. The
16 department shall issue a new license with a new random identification number.

17 (4) A licensed marijuana cultivator shall notify the director of any potential disqualifying
18 criminal convictions pursuant to the provisions of § 21-28.11-12.1. The director may suspend
19 and/or revoke his or her license after the notification, pending a final determination of
20 disqualification pursuant to § 21-28.11-12.1.

21 (5) If a licensed marijuana cultivator violates any provision of this chapter or regulations
22 promulgated hereunder as determined by the director, his or her license may be suspended and/or
23 revoked.

24 (n) Immunity.

25 (1) No licensed marijuana cultivator shall be subject to: prosecution; search, except by the
26 department pursuant to subsection (j) of this section; seizure; or penalty in any manner, or denied
27 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business,
28 occupational, or professional licensing board or entity, solely for acting in accordance with this
29 section.

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

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

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

11 (o) License required. No person or entity shall engage in activities described in this section
12 without a marijuana cultivator license issued by the department.

13 (p) Nothing in this section shall be construed as authorizing a marijuana cultivator to
14 transfer or sell marijuana to a consumer. A direct sale or transfer from a marijuana cultivator to a
15 consumer is prohibited.

16 **21-28.11-8. Cultivation licenses.**

17 (a) Except for cultivation licenses issued pursuant to the provisions of subsection (b) of
18 this section, no license to cultivate marijuana pursuant to the provisions of § 21-28.11-7 shall be
19 issued prior to July 1, 2024.

20 (b) Any medical marijuana cultivator licensed or approved pursuant to the provisions of §
21 21-28.6-16 may apply for a cultivators license pursuant to the provisions of § 21-28.11-7 and upon
22 payment of an application fee of five thousand dollars (\$5,000) shall be issued a hybrid marijuana
23 cultivators license for the cultivation and sale of marijuana pursuant to the provisions of this chapter
24 and chapter 28.6 of title 21, subject to the following conditions:

25 (1) The applicant must be in good standing with the department pursuant to the provisions
26 of chapter 28.6 of title 21;

27 (2) Issuance of the hybrid marijuana cultivator license to the applicant shall have no
28 significant adverse effect on the medical marijuana program and patient needs; and

29 (3) The applicant maintains the medical marijuana cultivator license in good standing as a
30 condition for issuance of the hybrid marijuana cultivation license.

31 (c) Beginning on July 1, 2024 and thereafter, the department may adopt cultivator license
32 classes that authorize various size cultivation facilities based on the capability and capacity of
33 marijuana cultivator licensees to supply marijuana and marijuana products to meet the market
34 demands as well as market factors including, but not limited to, the findings of research conducted

1 pursuant to § 21-28.11-6 and taking into consideration the impact of said licenses on public health
2 and safety.

3 **21-28.11-9. Report.**

4 On or before January 1, 2024, the department shall file with the speaker of the house, the
5 president of the senate and the governor a report concerning the findings of research conducted
6 pursuant to § 21-28.11-6 and the license classes to be authorized by the department pursuant to §
7 21-28.11-8.

8 **21-28.11-10. Marijuana retail sales license.**

9 (a) A marijuana retailer shall have a marijuana retail sales license issued by the department.

10 (b) The department, upon receipt of an application in compliance with the provisions of
11 this chapter and the payment of required fees, shall issue a retail sales license to any applicant entity
12 licensed pursuant to the provisions of chapter 28.6 of title 21, subject to the provisions of subsection
13 (c) of this section.

14 (c) Any medical marijuana treatment center licensed pursuant to the provisions of chapter
15 28.6 of title 21 may apply for a marijuana retail license pursuant to the provisions of this chapter,
16 and upon payment of a license fee of five hundred thousand dollars (\$500,000) shall be issued a
17 hybrid marijuana retailer license for the sale of marijuana pursuant to the provisions of this chapter
18 and chapter 28.6 of title 21, subject to the following conditions:

19 (1) The applicant must be in good standing with the department pursuant to the provisions
20 of chapter 28.6 of title 21;

21 (2) Issuance of the hybrid marijuana retail license to the applicant shall have no significant
22 adverse effect on the medical marijuana program and patient needs; and

23 (3) The applicant maintains the license authorizing operation as a medical marijuana
24 treatment center in good standing as a condition for issuance of the hybrid marijuana retail license.

25 (d) In addition to the issuance of hybrid marijuana retail licenses, the department of
26 business regulation shall establish and open an application period during which the department
27 shall accept applications for the issuance of six (6) non-medical marijuana retailer licenses. To the
28 extent that the total number of qualifying applications for non-medical adult use marijuana retailer
29 licenses received by the department during the application period exceeds the number of non-
30 medical adult use marijuana retailer licenses available, the department shall award the non-medical
31 adult use marijuana retailer licenses to qualifying applications selected by way of a randomized
32 lottery in accordance with rules and regulations promulgated by the department, provided in no
33 case shall the number of non-medical adult use marijuana retailer licenses awarded to qualifying
34 social equity applicants be fewer than five (5), and in no case shall the total number of non-medical

1 adult use marijuana retailer licenses awarded to qualifying applicants organized as workers'
2 cooperatives under chapter 6.2 of title 7 be fewer than one.

3 (e) The department of business regulation shall promulgate rules and regulations that
4 identify the factors and other considerations to be evaluated in certifying applicants as social equity
5 applicants, and in determining whether applicants are qualified to receive a non-medical adult use
6 marijuana retailer licenses.

7 (f) Beginning on July 1, 2021, the department is authorized to issue a combined total of
8 fifteen (15) licenses for retail sale of marijuana, and said total shall include licenses issued pursuant
9 to this chapter and chapter 28.6 of title 21. An entity licensed pursuant to chapter 28.6 of title 21
10 and possessing a hybrid license pursuant to the provisions of this chapter shall be considered to
11 possess one license for purposes of the provision of this section.

12 (g) Beginning on July 1, 2025 and thereafter, the department may open an application
13 period for issuance of additional marijuana retailer licenses based on market factors including, but
14 not limited to, the findings of research conducted pursuant to § 21-28.11-6 and taking into
15 consideration the impact of said additional licenses on public health and safety.

16 **21-28.11-11. Independent testing laboratories -- Licensure and oversight.**

17 (a)(1) The director shall promulgate regulations for the licensure and oversight of
18 independent testing laboratories, and shall establish testing protocols for the sampling, testing and
19 analysis of marijuana, finished marijuana and marijuana products in consultation with the
20 department of health. Such regulations shall be based on the most recent standards as issued by the
21 United States Pharmacopeial Convention and shall address sampling and analysis to characterize
22 the cannabinoid profile and biological and chemical contaminants, including, but not limited to,
23 terpenoids, pesticides, plant growth regulators, metals, microbiological contaminants, mycotoxins,
24 and residual solvents introduced through cultivation of cannabis plants and post-harvest processing
25 and handling of cannabis, cannabis products and ingredients.

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

29 (3) An independent testing laboratory shall report any results indicating contamination to
30 the department and to the department of environmental management within seventy-two (72) hours
31 of identification.

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

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

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

8 (2) A laboratory agent shall be registered with the department prior to volunteering or
9 working at an independent testing laboratory.

10 (3) An independent testing laboratory shall apply to the department for a registration card
11 for each affiliated laboratory agent by submitting, at a minimum, the name, address, and date of
12 birth of the laboratory agent.

13 (4) An independent testing laboratory shall notify the department within one business day
14 if a laboratory agent ceases to be associated with the laboratory, and the laboratory agent's
15 registration card shall be immediately revoked.

16 (5) A prospective laboratory agent who has been convicted of a felony drug offense, may
17 be disqualified from being registered and employed as a laboratory agent pursuant to § 21-28.11-
18 12.1. The department may conduct criminal record checks on prospective agents, and may set
19 standards and procedures to enforce this provision. Such standards and procedures may include
20 requiring applicants seeking registration to submit a full set of fingerprints for the purposes of
21 conducting a state and national criminal history records check.

22 (c) An independent testing laboratory and all agents and employees shall comply with all
23 rules adopted by the director and all applicable laws.

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

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

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

31 **21-28.11-11.1. Marijuana testing laboratories -- Immunity.**

32 (a) No marijuana testing laboratory shall be subject to prosecution; search (except by the
33 department pursuant to regulations); seizure; or penalty in any manner, or denied any right or
34 privilege, including, but not limited to, civil penalty or disciplinary action by a business,

1 occupational, or professional licensing board or entity, solely for acting in accordance with the
2 provisions of this chapter and regulations promulgated hereunder.

3 (b) No marijuana testing laboratory shall be subject to prosecution, search (except by the
4 department pursuant to regulations), seizure, or penalty in any manner, or denied any right or
5 privilege, including, but not limited to, civil penalty or disciplinary action, by a business,
6 occupational, or professional licensing board or entity, for selling, giving, or distributing marijuana
7 in whatever form, and within the limits established by, the director to another marijuana testing
8 laboratory.

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

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

20 **21-28.11-12. Licenses for handlers and employees.**

21 The director may promulgate rules and regulations to establish the registration or licensing
22 of an individual who performs work for or on behalf of a person or entity licensed pursuant to the
23 provisions of this chapter to include, but not be limited to, employees, independent contractors,
24 transporters, security personnel, quality control or testing personnel, packagers and sales personnel.
25 Individuals registered or licensed pursuant to this section shall be required to comply with all rules
26 adopted by the director and all applicable laws.

27 **21-28.11-13. Taxes.**

28 (a) The following taxes are imposed on the retail sale of marijuana pursuant to the
29 provisions of this chapter by individuals licensed pursuant to § 21-28.11-10:

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

31 (2) A state marijuana excise tax equal to eight percent (8%) of each retail sale; and

32 (3) A local excise tax equal to five percent (5%) of each retail sale.

33 (b) The assessment, collection and enforcement of the sales tax pursuant to § 44-18-18 and
34 the state marijuana excise tax shall be pursuant to the provisions of chapter 18 of title 44.

1 (c) The assessment, collection and enforcement of the local excise tax shall be pursuant to
2 chapter 70 of title 44.

3 **21-28.11-14. Municipal fees.**

4 Except as authorized pursuant to § 21-28.11-16 no municipal or local fee, tax, charge or
5 expense shall be assessed or collected from an individual licensed pursuant to the provisions of §
6 21-28.11-10 except for local excise tax pursuant to § 21-28.11-13 and any other fee, tax, charge or
7 expense generally assessed or collected from residents or businesses located in the municipality.

8 **21-28.11-15. Local option.**

9 (a) Every municipality may prohibit marijuana cultivation for retail sale and/or the retail
10 sale of marijuana within the jurisdiction of the municipality.

11 (b) Nothing in this section shall be construed to authorize a municipality to prohibit the
12 operation of any preexisting marijuana center, medical marijuana cultivation or medical marijuana
13 manufacturing.

14 **21-28.11-16. Local control.**

15 (a) A municipality may adopt ordinances that impose reasonable safeguards on the
16 operation of marijuana establishments, provided they are not unreasonable and impracticable and
17 are not in conflict with this chapter or with regulations made pursuant to this chapter and that:

18 (1) Govern the time, place and manner of marijuana establishment operations and of any
19 business dealing in marijuana accessories.

20 (2) Restrict the licensed cultivation, processing and manufacturing of marijuana that is a
21 public nuisance;

22 (3) Establish reasonable restrictions on public signs related to marijuana establishments;
23 provided, however, that if a municipality enacts an ordinance or by-law more restrictive than the
24 department's standard, than the local ordinance shall not impose a standard for signage more
25 restrictive than those applicable to retail establishments that sell alcoholic beverages within that
26 municipality;

27 (4) Establish a civil penalty for violation of an ordinance enacted pursuant to this
28 subsection, similar to a penalty imposed for violation of an ordinance relating to alcoholic
29 beverages.

30 (b) No municipality shall prohibit the transportation of lawful marijuana or marijuana
31 products or adopt an ordinance that makes the transportation of lawful marijuana or marijuana
32 products unreasonable and impracticable.

33 (c) Zoning or use ordinances enacted by municipalities shall not require marijuana
34 establishment licensees or marijuana establishment applicants to enter into community host

1 agreements or pay any consideration to municipalities other than reasonable zoning and permitting
2 fees. The department of business regulation is the sole licensing authority for marijuana
3 establishment licensees. Municipalities shall not enact any zoning or use ordinances or permitting
4 requirements that establish a de facto local license or licensing process, unless explicitly enabled
5 by this chapter or regulations promulgated by the department of business regulation.

6 (d) Notwithstanding subsection (c) of this section, municipalities may collect municipal
7 impact fees from licensed and operating marijuana establishments located within their jurisdiction
8 during the first six (6) months following the establishments' commencement of operations
9 provided:

10 (1) The municipal impact fees shall be reasonably related to the costs imposed upon the
11 municipality by the operation of the newly licensed marijuana establishment and shall offset or
12 reimburse reasonable and appropriate expenses incurred by the municipality, which are directly
13 attributed to, or are a direct result of, the operations of the marijuana establishment, which may
14 include, but not be limited to, increased traffic or police details needed to address new traffic
15 patterns, increased parking needs, or pedestrian foot traffic by consumers;

16 (2) The municipal impact fees shall not exceed two percent (2%) of the gross annual sales
17 of the marijuana establishment;

18 (3) Municipalities are responsible for demonstrating and calculating municipal impact fees
19 and shall follow the same methodology if providing fees for multiple marijuana establishments or
20 locations;

21 (4) Marijuana establishment licensees or applicants shall not pay or offer to pay municipal
22 impact fees that are more than the actual and reasonable costs and expenses incurred by
23 municipalities; and

24 (5) The department of business regulation may suspend, revoke, refuse to issue or refuse
25 to reissue applications or licenses for marijuana establishment applicants or licensees that violate
26 the provisions of this section.

27 **21-28.11-17. General conditions for licenses.**

28 (a) Upon receipt of a complete marijuana establishment license application and the
29 application fee, the department shall forward a copy of the application to the city or town in which
30 the marijuana establishment is to be located, determine whether the applicant and the premises
31 qualify for the license and has complied with this chapter and shall, within ninety (90) days:

32 (1) Issue the appropriate license; or

33 (2) Send to the applicant a notice of rejection setting forth specific reasons why the
34 department did not approve the license application.

1 (b) The department shall approve a marijuana establishment license application and issue
2 a license if:

3 (1) The prospective marijuana establishment has submitted an application in compliance
4 with regulations made by the department, the applicant satisfies the requirements established by
5 the department, the applicant is in compliance with this chapter and the regulations made by the
6 director and the applicant has paid the required fee;

7 (2) The department is not notified within forty-five (45) days of the department forwarding
8 the application in accordance with section (a) of this section by the city or town in which the
9 proposed marijuana establishment will be located that the proposed marijuana establishment is not
10 in compliance with an ordinance in effect at the time of application;

11 (3) The property where the proposed marijuana establishment is to be located, at the time
12 the license application is received by the department, is not located within five hundred feet (500')
13 of a pre-existing public or private school providing education in kindergarten or any of grades one
14 through twelve (12), unless a city or town adopts an ordinance that reduces the distance
15 requirement; and

16 (4) Every individual who will be a controlling person of the proposed marijuana
17 establishment has not been convicted of a felony or convicted of an offense in another state that
18 would be a felony in the state, or the prior conviction is solely for a marijuana offense subject to
19 expungement, or the individual is determined to be not disqualified pursuant to § 21-28.11-12.1.

20 (c) In addition to requirements established by regulation or by a city or town pursuant to
21 this chapter, a marijuana establishment shall:

22 (1) Secure every entrance to the establishment in order that access to areas containing
23 marijuana is restricted to employees and others permitted by the marijuana establishment to access
24 the area and to agents of the department or state and local law enforcement officers and emergency
25 personnel; and

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

28 (d) No marijuana establishment may cultivate, process, test, store or manufacture
29 marijuana or marijuana products at any location other than at a physical address approved by the
30 department and within an area that is enclosed and secured in a manner that prevents access by
31 persons not permitted by the marijuana establishment to access the area. A greenhouse or outdoor
32 marijuana cultivation area shall have sufficient security measures to demonstrate that outdoor areas
33 are not readily accessible by unauthorized individuals, including perimeter security fencing
34 designed to prevent unauthorized entry.

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

4 (f) No marijuana establishment shall refuse representatives of the department the right at
5 any time of operation to inspect the entire licensed premises or to audit the books and records of
6 the marijuana establishment.

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

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

12 (i) No licensee shall operate a marijuana establishment without an operations certificate
13 issued by the department.

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

16 **21-28.11-18. Administration and enforcement.**

17 (a) The department shall be responsible for the enforcement and administration of the
18 provisions of this chapter and for the provisions of chapter 28.6 of title 21.

19 (b) The director in consultation with the department of health and the department of
20 environmental management shall promulgate rules and regulations to carry out the purpose and
21 intent of this chapter and chapter 28.6 of title 21.

22 **21-28.11-19. Multiple licenses restricted.**

23 (a) Except as provided in § 21-28.6-12(g)(4) no person or entity licensed pursuant to the
24 provisions of this chapter shall be granted more than one license. For purposes of this section, any
25 hybrid license shall be considered as one license.

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

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

31 **21-28.11-20. Audits and reports.**

32 (a)(1) The department shall audit as often as the department determines necessary the
33 accounts, programs, activities, and functions of all licensees. To conduct the audit, authorized
34 officers and employees of the department shall have access to such accounts at reasonable times

1 and the department may require the production of books, documents, vouchers and other records
2 relating to any matter within the scope of the audit, except tax returns. The superior court shall have
3 jurisdiction to enforce the production of records that the department requires to be produced under
4 this section and the court shall order the production of all such records within the scope of any such
5 audit. All audits shall be conducted in accordance with generally accepted auditing standards
6 established by the American Institute of Certified Public Accountants. In any audit report of the
7 accounts, funds, programs, activities and functions of a licensee issued by the department
8 containing adverse or critical audit results, the department may require a response, in writing, to
9 the audit results. The response shall be forwarded to the department within fifteen (15) days of
10 notification by the department.

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

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

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

15 (iii) The cost of each audit.

16 **21-28.11-21. Expiration and renewal.**

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

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

21 **21-28.11-22. Personal use of marijuana.**

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

26 (1) Possessing, using, purchasing, processing or manufacturing one ounce (1 oz.) or less of
27 marijuana, except that not more than five grams (5 g) of marijuana may be in the form of marijuana
28 concentrate;

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

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

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

5 (b) Notwithstanding any other general or special law to the contrary, except as otherwise
6 provided in this chapter, if the import or export of marijuana to or from the state is not prohibited
7 by federal law, a person twenty-one (21) years of age or older shall not be arrested, prosecuted,
8 penalized, sanctioned or disqualified under the laws of the state in any manner, or denied any right
9 or privilege and shall not be subject to seizure or forfeiture of assets for possessing, using,
10 purchasing, cultivating, processing or manufacturing any amount of marijuana or marijuana
11 products for personal use.

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

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

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

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

32 (g) For the purposes of this section, "marijuana concentrate" means the resin extracted from
33 any part of the plant of the genus cannabis and every compound, manufacture, salt, derivative,
34 mixture or preparation of that resin but shall not include the weight of any other ingredient

1 combined with marijuana to prepare marijuana products.

2 **21-28.11-23. Marijuana accessories authorized.**

3 Notwithstanding any general or special law to the contrary, except as otherwise provided
4 in this chapter, a person twenty-one (21) years of age or older shall not be arrested, prosecuted,
5 penalized, sanctioned or disqualified and shall not be subject to seizure or forfeiture of assets for
6 possessing, purchasing or otherwise obtaining or manufacturing marijuana accessories or for
7 selling or otherwise transferring marijuana accessories to a person who is twenty-one (21) years of
8 age or older.

9 **21-28.11-24. Lawful operation of marijuana establishments.**

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

14 (1) A marijuana retailer or an owner, operator, employee or other agent acting on behalf of
15 a marijuana retailer possessing or testing marijuana or marijuana products, purchasing, selling or
16 otherwise transferring or delivering marijuana or marijuana products to or from a marijuana
17 establishment; or selling or otherwise transferring or delivering marijuana or marijuana products to
18 a consumer;

19 (2) A marijuana cultivator or an owner, operator, employee or other agent acting on behalf
20 of a marijuana cultivator cultivating, propagating, breeding, harvesting, processing, packaging,
21 testing, storing or possessing marijuana or marijuana products, or selling or otherwise transferring,
22 purchasing or delivering marijuana and marijuana products to or from a marijuana establishment;

23 (3) A marijuana product manufacturer or an owner, operator, employee or other agent
24 acting on behalf of a marijuana product manufacturer packaging, processing, manufacturing,
25 storing, testing or possessing marijuana or marijuana products, or delivering, selling or otherwise
26 transferring and purchasing marijuana or marijuana products to or from a marijuana establishment;
27 or

28 (4) A marijuana testing facility or an owner, operator, employee or other agent acting on
29 behalf of a marijuana testing facility possessing, processing, storing, transferring or testing
30 marijuana or marijuana products.

31 (b) Any licensee, or agent or employee thereof, under this chapter who reasonably relies
32 on a state issued identification card, or on a motor vehicle license, or on a valid passport issued by
33 the United States government, or by the government of a foreign country recognized by the United
34 States government, or a valid United States issued military identification card, for proof of a

1 person's identity and age shall not suffer any modification, suspension, revocation or cancellation
2 of such license, nor shall the licensee, agent or employee suffer any criminal liability, for delivering
3 or selling marijuana or marijuana products to a person under twenty-one (21) years of age. Any
4 licensee, or agent or employee thereof, under this chapter, who reasonably relies on the forms of
5 identification listed in this subsection, for proof of a person's identity and age shall be presumed to
6 have exercised due care in making such delivery or sale of marijuana or marijuana products to a
7 person under twenty-one (21) years of age. Such presumption shall be rebuttable.

8 **21-28.11-25. Contracts pertaining to marijuana enforceable.**

9 It is the public policy of the state that contracts related to the operation of marijuana
10 establishments under this chapter shall be enforceable. A contract entered into by a licensee or its
11 agents as permitted pursuant to a valid license issued by the department, or by those who allow
12 property to be used by a licensee or its agents as permitted pursuant to a valid license issued by the
13 department, shall not be unenforceable or void exclusively because the actions or conduct permitted
14 pursuant to the license is prohibited by federal law.

15 **21-28.11-26. Provision of professional services.**

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

20 **21-28.11-27. Penalties.**

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

27 (b) No person shall possess more than one ounce (1oz.) of marijuana or marijuana products
28 within the person's place of residence pursuant to § 21-28.11-22 unless the marijuana and marijuana
29 products are secured by a lock. A person who violates this subsection shall be punished by a civil
30 penalty of not more than five hundred dollars (\$500) and forfeiture of the marijuana.

31 (c) No person shall consume marijuana in a public place or smoke marijuana where
32 smoking tobacco is prohibited. A person who violates this subsection shall be punished by a civil
33 penalty of not more than five hundred dollars (\$500). This subsection shall not apply to a person
34 who consumes marijuana or marijuana products in a designated area of a marijuana establishment

1 located in a city or town that has authorized consumption on the premises where sold and shall not
2 be construed to limit the medical use of marijuana.

3 (d) Notwithstanding the provisions of this chapter and until the import or export of
4 marijuana to or from the state is not prohibited by federal law, a person who is at least twenty-one
5 (21) years of age and who cultivates more than six (6) but not more than twelve (12) marijuana
6 plants or who possesses an amount of marijuana outside of his or her place of residence having a
7 weight of more than one ounce (1 oz.) but not more than two ounces (2 oz.) shall be subject only
8 to a civil penalty of not more than five hundred dollars (\$500) and forfeiture of the marijuana not
9 allowed by this chapter, but shall not be subject to any other form of criminal or civil punishment
10 or disqualification solely for this conduct.

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

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

25 (g)(1) A person less than twenty-one (21) years of age, except a qualifying patient holding
26 a valid registration card or prescription for the medical use of marijuana, who cultivates not more
27 than twelve (12) marijuana plants shall be punished by a civil penalty of not more than five hundred
28 dollars (\$500) and shall complete a drug awareness program established pursuant to the provisions
29 of this chapter. If a person is less than eighteen (18) years of age at the time of the offense and fails
30 to complete a drug awareness program not later than one year after the offense, that person may be
31 subject to delinquency proceedings and/or assessed a civil penalty of no more than five hundred
32 dollars (\$500).

33 (2) If an offender under the age of eighteen (18) years of age, a parent or legal guardian
34 fails to file with the clerk of the appropriate court a certificate that the offender has completed a

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

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

13 (j) For the purposes of this subsection, "furnish" means to knowingly or intentionally
14 supply, give or provide marijuana to a person less than twenty-one (21) years of age, except for the
15 children and grandchildren of the person being charged.

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

18 **21-28.11-28. Liability to state under this chapter as debt.**

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

23 **21-28.11-29. Scope of chapter.**

24 (a) This chapter shall not permit:

25 (1) Any person to undertake any task under the influence of marijuana when doing so
26 would constitute negligence or professional malpractice;

27 (2) The smoking of marijuana:

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

29 (ii) On any school grounds;

30 (iii) In any correctional facility;

31 (iv) In any public place;

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

33 (vi) Where exposure to the marijuana smoke significantly adversely affects the health,
34 safety, or welfare of children; or

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

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

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

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

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

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

25 **21-28.11-30. Activities not exempt.**

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

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

32 (2) Possessing or using marijuana or marijuana products if the person is a prisoner;

33 (3) Possessing or using marijuana or marijuana products in any local detention facility, jail,
34 state prison, reformatory, or other correctional facility, including, without limitation, any facility

1 for the detention of juvenile offenders; or

2 (4) Manufacturing or processing of marijuana products with the use of prohibited solvents,
3 in violation of this chapter and chapter 28.6 of title 21; or

4 (5) Possessing, using, distributing, cultivating, processing or manufacturing marijuana or
5 marijuana products which do not satisfy the requirements of this chapter and chapter 28.6 of title
6 21.

7 **21-28.11-31. Social equity assistance fund.**

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

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

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

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

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

30 (f) The director shall administer the program and the authorized disbursement of funds as
31 appropriated.

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

33 Revenue collected as sales tax or state marijuana excise tax pursuant to the provisions of §
34 21-28.11-13 shall be paid into the state's general fund.

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

3 CHAPTER 70

4 MARIJUANA TAX

5 **44-70-1. Definitions.**

6 As used in this chapter, the following words shall, unless the context clearly requires
7 otherwise, have the following meanings:

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

10 (2) "Marijuana establishment", "Marijuana paraphernalia", "Marijuana products", and
11 "Marijuana retailer", shall have the same meanings as defined in chapter 28.11 of title 21.

12 **44-70-2. State excise tax imposition -- Rate -- Payment.**

13 Except for a sale in compliance with the provisions of chapter 28.6 of the title 21, a state
14 excise tax is hereby imposed upon the sale of marijuana or marijuana products to anyone other than
15 a marijuana establishment at a rate of eight percent (8%) of the total sales price received by the
16 seller as a consideration for the sale of marijuana or marijuana products. The state excise tax shall
17 be levied in addition to any sales and use state tax imposed upon the sale of property or services as
18 provided in chapter 18 of title 44 and shall be paid by a marijuana seller to the administrator at the
19 time provided for filing the return required by chapter 18 of title 44.

20 **44-70-3. Local.**

21 Except for a sale in compliance with the provisions of chapter 28.6 of title 21,
22 municipalities may impose a local excise tax on non-medical marijuana sold by compassion centers
23 and marijuana retailers licensed pursuant to chapter 28.11 of title 21, which are located within the
24 boundaries of the municipality at a rate of five percent (5%) of the gross sales of marijuana
25 products. The taxes collected in accordance with this section shall be allocated such that the
26 municipality collecting the local excise tax shall receive sixty percent (60%) of the excise taxes
27 collected and the remaining forty percent (40%) of the local excise taxes collected submitted to the
28 state and shall be distributed in equal shares to the municipalities that have no compassion centers
29 or marijuana retailers located within the municipality. The said forty percent (40%) of the local
30 excise tax collected shall be deposited into a fund established by the department of revenue for
31 distribution in accordance with the provisions of this section. The marijuana retailer shall pay the
32 local excise tax imposed under this section to the local tax authority at the same time as the sales
33 tax is due to the state.

34 **44-70-4. Exemptions.**

1 The state excise and sales tax and the local excise tax provided by this chapter shall not
2 apply to the sale of marijuana or marijuana products by a medical marijuana treatment center or a
3 registered personal caregiver to a qualifying patient, cardholder, compassion center cardholder, or
4 authorized purchaser pursuant to chapter 28.6 of title 21.

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

6 The administrator shall deposit revenue collected pursuant to this chapter from the state
7 excise tax and the sales tax into the general fund.

8 **44-70-6. Rates of taxation.**

9 The general assembly may adjust the rate of taxation provided for in this chapter from time
10 to time. The director and the department of revenue may make such recommendations to the general
11 assembly as the director and the department of revenue deem appropriate in regard to the rate of
12 taxation set forth in this chapter.

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

16 **21-28.6-12. Compassion centers.**

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

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

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

- 29 (i) The form and content of license and renewal applications;
- 30 (ii) Minimum oversight requirements for compassion centers;
- 31 (iii) Minimum record-keeping requirements for compassion centers;
- 32 (iv) Minimum security requirements for compassion centers; and

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

1 (2) Within ninety (90) days of the effective date of this chapter, the department of health
2 shall begin accepting applications for the operation of a single compassion center.

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

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

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

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

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

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

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

32 (9) Any compassion center application selected for approval by the department of health
33 on or before December 31, 2016, or selected for approval by the department of business regulation
34 on or after January 1, 2017, shall remain in full force and effect, notwithstanding any provisions of

1 this chapter to the contrary, and shall be subject to state law adopted herein and rules and regulations
2 adopted by the departments of health and business regulation subsequent to passage of this
3 legislation.

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

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

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

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

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

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

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

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

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

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

34 (2)(i) For applications submitted on or before December 31, 2016, any time one or more

1 compassion center license applications are being considered, the department of health shall also
2 allow for comment by the public and shall solicit input from registered qualifying patients,
3 registered primary caregivers, and the towns or cities where the applicants would be located;

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

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

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

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

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

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

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

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

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

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

27 (4) A compassion center approved by the department of health on or before December 31,
28 2016, shall submit the following to the department before it may begin operations:

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

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

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

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

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

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

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

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

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

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

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

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

17 (A) A fee paid to the department in the amount of five hundred thousand dollars
18 (\$500,000);

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

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

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

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

32 (6) Except as provided in subsection (c)(7) of this section, the department of health or the
33 department of business regulation shall issue each principal officer, board member, agent,
34 volunteer, and employee of a compassion center a registry identification card or renewal card after

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

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

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

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

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

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

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

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

1 division of state police shall notify the department of health or the department of business
2 regulation, in writing, without disclosing the nature of the felony, that a felony drug offense
3 conviction or a plea of nolo contendere for a felony drug offense with probation has been found.

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

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

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

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

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

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

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

34 (13) On or after January 1, 2017, a compassion center cardholder shall notify the

1 department of business regulation of any disqualifying criminal convictions as defined in
2 subsection (c)(7) of this section. The department of business regulation may choose to suspend
3 and/or revoke his or her registry identification card after the notification.

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

7 (d) Expiration or termination of compassion center:

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

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

15 (i) The compassion center submits the materials required under subsections (c)(4) and
16 (c)(5) of this section, including a five-hundred-thousand-dollar (\$500,000) fee;

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

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

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

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

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

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

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

34 (5) A compassion center's license shall be denied, suspended, or subject to revocation if

1 the compassion center:

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

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

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

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

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

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

21 (f) Compassion center requirements:

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

27 (i) Minimum security and surveillance requirements;

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

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

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

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

32 (vi) Minimum requirements to address odor mitigation;

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

34 (viii) Minimum requirements and prohibitions for advertising;

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

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

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

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

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

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

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

1 his or her relationship with the compassion center;

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

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

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

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

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

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

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

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

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

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

34 (13) Each compassion center shall maintain a personnel record for each employee, agent,

1 and volunteer that includes an application and a record of any disciplinary action taken.

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

5 (i) Professional conduct, ethics, and patient confidentiality; and

6 (ii) Informational developments in the field of medical use of marijuana.

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

9 (i) The proper use of security measures and controls that have been adopted; and

10 (ii) Specific procedural instructions on how to respond to an emergency, including robbery
11 or violent accident.

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

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

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

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

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

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

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

15 (h) Immunity:

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

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

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

32 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
33 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
34 termination, or loss of employee or pension benefits, for any and all conduct that occurs within the

1 scope of his or her employment regarding the administration, execution and/or enforcement of this
2 act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

3 (i) Prohibitions:

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

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

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

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

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

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

25 (j) Legislative oversight committee:

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

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

- 1 (i) Patients' access to medical marijuana;
- 2 (ii) Efficacy of compassion centers;
- 3 (iii) Physician participation in the Medical Marijuana Program;
- 4 (iv) The definition of qualifying medical condition; and
- 5 (v) Research studies regarding health effects of medical marijuana for patients.

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

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

10 SECTION 4. Section 21-28.5-2 of the General Laws in Chapter 21-28.5 entitled "Sale of
11 Drug Paraphernalia" is hereby amended to read as follows:

12 **21-28.5-2. Manufacture or delivery of drug paraphernalia -- Penalty.**

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

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

23 SECTION 5. Chapter 14-1 of the General Laws entitled "Proceedings in Family Court" is
24 hereby amended by adding thereto the following section:

25 **14-1-4.1. Marijuana possession.**

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

1 [marijuana and other controlled substances with particular emphasis on early detection and](#)
2 [prevention of abuse of substances.](#)

3 SECTION 6. Chapter 12-1.3 of the General Laws entitled "Expungement of Criminal
4 Records" is hereby amended by adding thereto the following section:

5 **12-1.3-5. Automatic expungement of marijuana records.**

6 [\(a\) Any person with a prior conviction for misdemeanor or felony possession of marijuana](#)
7 [or a marijuana related offense that has been decriminalized subsequent to the date of the conviction](#)
8 [shall be entitled to have the criminal conviction automatically expunged, notwithstanding the](#)
9 [provisions of chapter 1.3 of title 12.](#)

10 [\(b\) All outstanding court-imposed or court-related fees, fines, costs, assessments, charges,](#)
11 [and/or any other monetary obligations for cases eligible for automatic expungement pursuant to](#)
12 [subsection \(a\) of this section shall be waived. Notwithstanding other provisions of the law, any fees](#)
13 [related to the expungement of records pursuant to this section shall be waived.](#)

14 [\(c\) Nothing in this section shall be construed to establish a cause of action for the](#)
15 [reimbursement of any court-imposed or court-related fees, fines, costs, assessments, charges,](#)
16 [and/or any other monetary obligations which have already been collected by the court.](#)

17 [\(d\) No prior criminal charge and/or conviction having been expunged pursuant to the](#)
18 [provisions of this section may be used to impede a person from entering into the marijuana industry](#)
19 [or any government assistance programs.](#)

20 [\(e\) Nothing in this section shall be construed to restrict or modify a person's right to have](#)
21 [their records expunged, except as otherwise may be provided in this chapter, or diminish or](#)
22 [abrogate any rights or remedies otherwise available to the individual.](#)

23 [\(f\) The attorney general in consultation with the state police and the municipal police](#)
24 [departments of the state is authorized to promulgate any and all rules and regulations necessary to](#)
25 [carry out the provisions of this section.](#)

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

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

29 When used in this chapter:

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

31 (2) "Company union" means any committee employee representation plan or association
32 of employees which exists for the purpose, in whole or in part, of dealing with employers
33 concerning grievances or terms and conditions of employment, which the employer has initiated or
34 created or whose initiation or creation he or she has suggested, participated in or in the formulation

1 of whose governing rules or policies or the conducting of whose management, operations, or
2 elections the employer participates in or supervises, or which the employer maintains, finances,
3 controls, dominates, or assists in maintaining or financing, whether by compensating any one for
4 services performed in its behalf or by donating free services, equipment, materials, office or
5 meeting space or any thing else of value, or by any other means.

6 (3)(i) "Employees" includes, but is not restricted to, any individual employed by a labor
7 organization; any individual whose employment has ceased as a consequence of, or in connection
8 with, any current labor dispute or because of any unfair labor practice, and who has not obtained
9 any other regular and substantially equivalent employment; and shall not be limited to the
10 employees of a particular employer, unless the chapter explicitly states otherwise;

11 (ii) "Employees" does not include any individual employed by his or her parent or spouse
12 or in the domestic service of any person in his or her home, or any individuals employed only for
13 the duration of a labor dispute, or any individuals employed as farm laborers; provided that, any
14 individual employed by an employer in an industry established or regulated pursuant to chapters
15 28.6 or 28.11 of title 21 shall be an employee within the meaning of this act and shall not be
16 considered a farm laborer.

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

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

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

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

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

34 (9) "Representatives" includes a labor organization or an individual whether or not

1 employed by the employer of those whom he or she represents.

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

4 SECTION 8. 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 -- ADULT USE MARIJUANA

1 This act would authorize the director of the department of business regulation to license
2 the cultivation and sale of marijuana for non-medical adult use. In addition to the state sales tax, a
3 municipal five percent (5%) local excise tax and an eight percent (8%) state excise tax would be
4 added to the sales price. The act would further provide for the creation of a social equity assistance
5 fund and program to be funded by licensing and renewal fees, as appropriated. The act would also
6 provide for an automatic expungement procedure for prior marijuana convictions for an offense
7 that has been decriminalized.

8 This act would take effect upon passage.

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