

2023 -- H 6217

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

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A N A C T

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

Introduced By: Representatives Spears, and McEntee

Date Introduced: March 29, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 21-28.11-7 of the General Laws in Chapter 21-28.11 entitled "The
2 Rhode Island Cannabis Act" is hereby amended to read as follows:

3 **21-28.11-7. Licensed cannabis cultivators.**

4 (a) Except as provided pursuant to the provisions of subsection (b) of this section or § 21-
5 28.11-8, there shall be a moratorium on the issuance of new cannabis cultivator licenses until the
6 date that is two (2) years following the final issuance of the commission's rules and regulations
7 pursuant to the provisions of this chapter. This moratorium shall not apply to cannabis cultivators
8 licensed pursuant to chapter 28.6 of this title on or before enactment of this chapter.

9 (b) On August 1, 2022 and thereafter, any medical marijuana cultivator licensed or
10 approved pursuant to the provisions of § 21-28.6-16, upon payment of an additional license fee,
11 shall be permitted to cultivate, manufacture and process cannabis as a hybrid cannabis cultivator
12 for both adult use and medical use. The amount of the additional license fee shall be determined by
13 the office of cannabis regulation during the transitional period established by § 21-28.11-10 and
14 shall be subject to review by the commission pursuant to the final rules and regulations. The fee
15 shall be deposited in the social equity fund established in § 21-28.11-31. Sale of the cultivated
16 cannabis shall be made directly to a licensee pursuant to the provisions of this chapter and chapter
17 28.6 of this title, subject to the following conditions:

18 (1) The cultivator must be in good standing and maintain the cultivator license pursuant to

1 the provisions of chapter 28.6 of this title; and

2 (2) The cultivator must make good faith efforts to ensure the adult use cannabis production
3 portion of the cultivation operation has no significant adverse effect on the medical marijuana
4 program and patient needs.

5 (c) During the moratorium pursuant to this section, the commission, with the assistance of
6 the advisory board, as required, shall submit a report to the general assembly which evaluates the
7 cultivation of adult use and medical cannabis. The report shall consider factors, including, but not
8 limited to:

9 (1) Cultivation and production history;

10 (2) Tax payment history;

11 (3) Existing inventory and inventory history;

12 (4) Sales contracts;

13 (5) Current and future projected market conditions; and

14 (6) Any other factors relevant to ensuring responsible cultivation, production, and
15 inventory management for both medical and adult use cannabis.

16 (d) Upon expiration of the moratorium pursuant to this section, the commission may adopt
17 rules and regulations authorizing issuance of additional cultivator licenses; provided, however, a
18 new cultivator licensee's canopy shall not exceed ten thousand square feet (10,000 ft²). In
19 determining whether to issue additional cultivator licenses, the cannabis control commission shall
20 consider the findings of the report submitted pursuant to subsection (c) of this section.

21 (e) For the purposes of this section, "canopy" means the total surface area within a
22 cultivation area that is dedicated to the cultivation of mature cannabis plants. The surface area of
23 the canopy must be calculated in square feet and measured using the outside boundaries of the area
24 and must include all of the area within the boundaries. If the surface area of the canopy consists of
25 noncontiguous areas, each component area must be separated by identifiable boundaries. If a tiered
26 or shelving system is used in the cultivation area, the surface area of each tier or shelf must be
27 included in calculating the area of the canopy. The canopy does not include the areas within the
28 cultivation area that are used to cultivate immature cannabis plants and seedlings and that are not
29 used at any time to cultivate mature cannabis plants.

30 (f) To qualify for issuance of any cannabis cultivator license under subsection (d) of this
31 section, an applicant shall satisfy all requirements and qualifications established by the commission
32 to include but not limited to, the following:

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

34 (2) Provide proof that the applicant is twenty-one (21) years of age or older and is a resident

1 of the state;

2 (3) Undergo a criminal record background check pursuant to § 21-28.11-12.1 and on any
3 terms established by the commission;

4 (4) Provide proof that the applicant is current with and in compliance with all obligations
5 required by the division of taxation, including filings and payment of taxes;

6 (5) Has provided a nonrefundable application fee as determined by the commission;

7 (6) Shall consent and be subject to inspections by the commission for the purposes of
8 ensuring and enforcing compliance with this chapter and all rules and regulations promulgated
9 pursuant to this chapter; and

10 (7) Prior to the issuance of any license and for any period of renewal, the applicant shall
11 submit an annual license fee pursuant to subsection (b) of this section to be deposited in the social
12 equity fund established in § 21-28.11-31.

13 (g) The commission may determine and adjust the application fee or annual license fee
14 pursuant to the commission's rulemaking authority and in accordance with the provisions of chapter
15 35 of title 42.

16 (h) Every individual cannabis plant possessed by a licensed cannabis cultivator shall be
17 catalogued in a seed-to-sale inventory tracking system. The commission shall review the current
18 seed-to-sale tracking system utilized pursuant to chapter 28.6 of this title and promulgate new or
19 additional regulations, as it deems appropriate. As of December 1, 2022, any cannabis tags issued
20 to provide seed-to-sale inventory and tracking shall be issued without charge to patient cardholders
21 and/or primary caregivers authorized to grow medical cannabis.

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

25 (j) Cannabis cultivators shall sell cannabis only to an entity licensed pursuant to the
26 provisions of this chapter or chapter 28.6 of this title. [The commission shall promulgate rules and](#)
27 [regulations mandating that a reasonable percentage of the cannabis offered for sale by hybrid](#)
28 [cannabis retailers licensed pursuant to the provisions of § 21-28.11-10 and by cannabis retailers](#)
29 [licensed pursuant to the provisions of § 21-28.11-10.2 shall be purchased from multiple cultivators](#)
30 [licensed pursuant to the provisions of §§ 21-28.6-16 or 21-28.11-7.](#)

31 (k) Cannabis cultivators shall be licensed to grow cannabis only at a location or locations
32 registered with and approved by the cannabis commission. The commission may promulgate
33 regulations governing locations where cultivators are authorized to grow. Cannabis cultivators shall
34 abide by all local ordinances, including zoning ordinances.

1 (l) As a condition of licensing, cannabis cultivators shall consent and be subject to
2 inspection by the commission for the purposes of ensuring and enforcing compliance with this
3 chapter and chapter 28.6 of this title, all rules and regulations promulgated pursuant to this chapter,
4 and the provisions of § 28-5.1-14.

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

6 (1) A licensed cannabis cultivator shall notify and request approval from the commission
7 of any change in his or her name or address within ten (10) days of the change. A licensed cannabis
8 cultivator who fails to notify the commission of any of these changes commits shall be subject to
9 an administrative fine of no more than one hundred fifty dollars (\$150), or other penalty as
10 determined by the commission.

11 (2) When a licensed cannabis cultivator notifies the commission of any changes listed in
12 this subsection, the commission shall issue the licensed cannabis cultivator a new license
13 identification document after the commission approves the changes and receives from the licensee
14 payment of a fee specified in regulations.

15 (3) If a licensed cannabis cultivator loses his or her license or certification document, he or
16 she shall notify the commission and submit a fee specified in regulation within ten (10) days of
17 losing the document. The commission shall issue a new license document with a new random
18 identification number, upon receipt of payment of a fee promulgated in the rules and regulations
19 not to exceed the amount of one hundred dollars (\$100).

20 (4) A licensed cannabis cultivator has a continuing duty to notify the commission of any
21 criminal conviction(s) that occurs after the issuance of a license or registration. A criminal
22 conviction may not automatically result in suspension or revocation of a license, but shall be subject
23 to § 21-28.11-12.1. The commission may suspend and/or revoke his or her license after the
24 notification, pending a final determination of disqualification pursuant to § 21-28.11-12.1.

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

28 (n) **Immunity.**

29 (1) No licensed cannabis cultivator shall be subject to: arrest; prosecution; search or
30 seizure, except as authorized pursuant to §§ 21-28.11-20 and 21-28.11-27 and subsection (f)(6) of
31 this section; or penalty in any manner, or denied any right or privilege, including, but not limited
32 to, civil penalty or disciplinary action by a business, occupational, or professional licensing board
33 or entity, solely for acting in accordance with this chapter, chapter 28.6 of this title and rules and
34 regulations promulgated by the commission.

1 (2) No principal officers, board members, agents, volunteers, or employees of a licensed
2 cannabis cultivator shall be subject to arrest; prosecution; search or seizure, except as authorized
3 pursuant to §§ 21-28.11-20 and 21-28.11-27 and subsection (f)(6) of this section; or penalty in any
4 manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary
5 action by a business, occupational, or professional licensing board or entity, solely for working for
6 or with a licensed cannabis cultivator to engage in acts permitted by this chapter, chapter 28.6 of
7 this title and rules and regulations promulgated by the commission.

8 (3) No state employee or commission member shall be subject to arrest; prosecution; search
9 or seizure, except as authorized pursuant to §§ 21-28.11-20 and 21-28.11-27; or penalty in any
10 manner, or denied any right or privilege, including, but not limited to, civil penalty, disciplinary
11 action, termination, or loss of employee or pension benefits, for any and all conduct that occurs
12 within the scope of his or her employment regarding the administration, execution, and/or
13 enforcement of this chapter, chapter 28.6 of this title and rules and regulations promulgated by the
14 commission, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

15 (o) Nothing in this section shall be construed as authorizing a cannabis cultivator to transfer
16 or sell cannabis directly to a consumer. A direct sale or transfer from a cannabis cultivator to a
17 consumer is prohibited and shall be grounds for revocation of license and criminal prosecution.

18 (p) A cannabis cultivator and all agents and employees of the cannabis cultivator shall
19 comply with all rules adopted by the commission and other applicable laws.

20 (q) No cannabis or cannabis product shall be sold or otherwise marketed pursuant to this
21 chapter that has not first been tested by a cannabis testing laboratory and determined to meet the
22 commission's testing protocols issued pursuant to § 21-28.11-11. Cannabis cultivators shall be
23 subject to any regulations promulgated by the commission that specify how marijuana shall be
24 tested, including, but not limited to, potency, cannabinoid profile and contaminants. Cannabis
25 cultivators shall be subject to any product labeling requirements promulgated by the commission
26 or otherwise required by law.

27 (r) **License required.** No person or entity shall engage in activities described in this section
28 without a cultivator license issued pursuant to this chapter.

29 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

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

- 1 This act would require the cannabis commission to establish minimum purchasing
- 2 requirements for recreational and hybrid retailers from multiple local cannabis cultivators.
- 3 This act would take effect upon passage.

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