LC000989

#### 2015 -- S 0441

## STATE OF RHODE ISLAND

#### IN GENERAL ASSEMBLY

#### JANUARY SESSION, A.D. 2015

#### AN ACT

## RELATING TO HEALTH AND SAFETY - ELECTRONIC MARIJUANA-DELIVERY SYSTEMS

Introduced By: Senators Ruggerio, Miller, Goodwin, Goldin, and Jabour

Date Introduced: February 25, 2015

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

- SECTION 1. Sections 11-9-13, 11-9-13.4, 11-9-13.8 and 11-9-13.13 of the General Laws
   in Chapter 11-9 entitled "Children" are hereby amended to read as follows:
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11-9-13. Purchase, sale or delivery of tobacco products to persons under eighteen --

4 Posting notice of law. -- No person under eighteen (18) years of age shall purchase, nor shall any 5 person sell, give, or deliver to any person under eighteen (18) years of age, any electronic 6 marijuana-delivery systems or tobacco in the form of cigarettes, bidi cigarettes, cigars, little 7 cigars, flavored cigars known as "blunts," unflavored "blunts," flavored and unflavored blunt 8 wraps, cigarette rolling papers of any size or composition, cigarillos and tiparillos, pipe tobacco, 9 chewing tobacco, electronic nicotine-delivery systems, or snuff. Any person, firm, or corporation 10 that owns, manages, or operates a place of business in which electronic marijuana-delivery 11 systems or tobacco products are sold, including sales through cigarette vending machines, shall 12 post notice of this law conspicuously in the place of business in letters at least three-eighths of an inch (3/8") high. 13

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#### 11-9-13.4. Definitions. -- As used in this chapter:

(1) "Bidi cigarette" means any product that (i) contains tobacco that is wrapped in temburni or tender leaf, or that is wrapped in any other material identified by rules of the Department of Health that is similar in appearance or characteristics to the temburni or tender leaf, and (ii) does not contain a smoke filtering device.

1 (2) "Court" means any appropriate district court of the state of Rhode Island. 2 (3) "Dealer" is synonymous with the term "retail tobacco products dealer" and 3 "electronic marijuana-delivery system products dealer". 4 (4) "Department of behavioral healthcare, developmental disabilities and hospitals " 5 means the state of Rhode Island behavioral healthcare, developmental disabilities and hospitals department, its employees, agents or assigns. 6 7 (5) "Department of taxation" means the state of Rhode Island taxation division, its 8 employees, agents, or assigns. 9 (6) "License" is synonymous with the term "retail tobacco products dealer license" or, 10 "electronic nicotine-delivery system license-," or "electronic marijuana-delivery system license." 11 (7) "License holder" is synonymous with the term "retail tobacco products dealer" or, 12 "electronic nicotine-delivery system license-," or "electronic marijuana-delivery system license." 13 (8) "Person" means any individual person, firm, association, or corporation licensed as a 14 retail dealer to sell tobacco products within the state. 15 (9) "Retail tobacco products dealer" means the holder of a license to sell tobacco 16 products at retail. 17 (10) "Retail tobacco products dealer license" means a license to sell tobacco products at 18 retail as issued by the department of taxation. 19 (11) "Spitting tobacco" also means snuff, powdered tobacco, chewing tobacco, dipping 20 tobacco, pouch tobacco, or smokeless tobacco. 21 (12) "Tobacco product(s)" means any product containing tobacco, including bidi 22 cigarettes, as defined in subdivision (1) of this section, that can be used for, but whose use is not limited to, smoking, sniffing, chewing, or spitting of the product. 23 (13) "Underage individual" or "underage individuals" means any child under the age of 24 25 eighteen (18) years of age. 26 (14) "Little cigars" means and includes any roll, made wholly or in part of tobacco, irrespective of size or shape, and irrespective of whether the tobacco is flavored, adulterated, or 27 28 mixed with any other ingredient, where such roll has a wrapper or cover made of tobacco 29 wrapped in leaf tobacco or any substance containing tobacco paper or any other material, except 30 where such wrapper is wholly or in greater part made of tobacco and such roll weighs over three 31 (3) pounds per thousand (1,000). 32 (15) "Electronic nicotine-delivery system" means an electronic device that may be used 33 to simulate smoking in the delivery of nicotine or other substance to a person inhaling from the

device, and includes, but is not limited to, an electronic cigarette, electronic cigar, electronic

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1 cigarillo, electronic pipe, or electronic hookah and any related device and any cartridge or other 2 component of such device. 3 (16) "Electronic marijuana-delivery system" means an electronic device that may be used 4 in the delivery of marijuana to a person inhaling from the device, and includes, but is not limited 5 to, an electronic pipe or electronic hookah, and any related device and any other component of such device. 6 7 **11-9-13.8.** Prohibitions applicable to license holders and their employees and agents. 8 [Effective January 1, 2015.] -- A person holding a license issued under chapter 20 of title 44 9 and/or § 23-1-56, or an employee or agent of that person, is prohibited from selling, distributing, 10 or delivering a tobacco, and/or electronic nicotine-delivery system product, and/or electronic 11 marijuana-delivery system product: 12 (1) To any individual who is under eighteen (18) years of age; or 13 (2) In any form other than an original, factory-wrapped package; or 14 (3) As a single-cigarette sale (§ 44-20-31) or as a sale of cigarettes by the individual 15 piece known as "loosies." 16 11-9-13.13. Nature and size of penalties. [Effective January 1, 2015.] -- (a) Any 17 person or individual who violates a requirement of § 11-9-13.6(2), display of specific signage, 18 shall be subject to a fine in court of not less than thirty-five dollars (\$35.00), nor more than five 19 hundred dollars (\$500), per civil violation. 20 (b) The license holder is responsible for all violations of this section that occur at the 21 location for which the license is issued. Any license holder that violates the prohibition of § 11-9-22 13.8(1) and/or (2) shall be subject to civil fines as follows: 23 (1) A fine of two hundred fifty dollars (\$250) for the first violation within any thirty-six-24 month (36) period; 25 (2) A fine of five hundred dollars (\$500) for the second violation within any thirty-six-26 month (36) period; (3) A fine of one thousand dollars (\$1,000) and a fourteen-day (14) suspension of the 27 28 license to sell tobacco products, or electronic nicotine-delivery systems, or electronic marijuana-29 delivery systems for the third violation within any thirty-six-month (36) period; 30 (4) A fine of one thousand five hundred dollars (\$1,500) and a ninety-day (90) 31 suspension of the license to sell tobacco products, or electronic nicotine-delivery systems, or 32 <u>electronic marijuana-delivery systems</u> for each violation in excess of three (3). 33 (c) Any person that violates a prohibition of § 11-9-13.8(3), sale of single cigarettes; § 34 11-9-13.8(2), regarding factory-wrapped packs; shall be subject to a penalty of five hundred

1 dollars (\$500) for each violation.

(d) The department of taxation and/or the department of health shall not issue a license to
any individual, business, firm, association, or corporation the license of which has been revoked
or suspended, to any corporation an officer of which has had his or her license revoked or
suspended, or to any individual who is, or has been, an officer of a corporation the license of
which has been revoked or suspended so long as such revocations or suspensions are in effect.

7 (e) The court shall suspend the imposition of a license suspension of the license secured 8 from the Rhode Island tax administrator for violation of subdivisions (b)(3) and (b)(4) of this 9 section if the court finds that the license holder has taken measures to prevent the sale of tobacco, 10 and/or electronic nicotine-delivery systems and/or electronic marijuana-delivery systems to 11 minors and the license holder can demonstrate to the court that those measures have been taken 12 and that employees have received training. No person shall sell tobacco products, and/or 13 electronic nicotine-delivery system, and/or electronic marijuana-delivery systems products at 14 retail without first being trained in the legal sale of tobacco, and/or electronic nicotine-delivery 15 system products, and/or electronic marijuana-delivery system products. Training shall teach 16 employees what constitutes a tobacco, and/or electronic nicotine-delivery system product, and/or 17 electronic marijuana-delivery system product; legal age of purchase; acceptable identification; 18 how to refuse a direct sale to a minor or secondary sale to an adult; and all applicable laws on 19 tobacco sales and distribution. Dealers shall maintain records indicating that the provisions of this 20 section were reviewed with all employees who conduct, or will conduct, tobacco, and/or 21 electronic nicotine-delivery systems sales, and/or electronic marijuana-delivery systems sales. 22 Each employee who sells or will sell tobacco, and/or electronic nicotine-delivery system products, and/or electronic marijuana-delivery system products shall sign an acknowledgement 23 24 form attesting that the provisions of this section were reviewed with him or her. Each form shall 25 be maintained by the retailer for as long as the employee is so employed and for no less than one year after termination of employment. The measures to prevent the sale of tobacco, and/or 26 27 electronic nicotine-delivery systems, and/or electronic marijuana-delivery systems to minors shall 28 be defined by the department of behavioral healthcare, developmental disabilities and hospitals in 29 rules and regulations.

30 SECTION 2. Section 21-28.6-3 of the General Laws in Chapter 21-28.6 entitled "The
31 Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act" is hereby amended to read as
32 follows:

33 **<u>21-28.6-3. Definitions. --</u>** For the purposes of this chapter:

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(1) "Cardholder" means a qualifying patient or a primary caregiver who has registered

1 with the department and has been issued and possesses a valid registry identification card.

2 (2) (i) "Compassion center" means a not-for-profit corporation, subject to the provisions 3 of chapter 6 of title 7, and registered under § 21-28.6-12, that acquires, possesses, cultivates, 4 manufactures, delivers, transfers, transports, supplies or dispenses marijuana, and/or related 5 supplies and educational materials, to patient cardholders and/or their registered caregiver cardholder, who have designated it as one of their primary caregivers. 6

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(ii) "Compassion center cardholder" means a principal officer, board member, employee, 8 volunteer, or agent of a compassion center who has registered with the department and has been 9 issued and possesses a valid registry identification card.

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(3) "Debilitating medical condition" means:

11 (i) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired 12 immune deficiency syndrome, Hepatitis C, or the treatment of these conditions;

13 (ii) A chronic or debilitating disease or medical condition, or its treatment, that produces 14 one or more of the following: cachexia or wasting syndrome; severe, debilitating, chronic pain; 15 severe nausea; seizures, including but not limited to, those characteristic of epilepsy; or severe 16 and persistent muscle spasms, including but not limited to, those characteristic of multiple 17 sclerosis or Crohn's disease; or agitation of Alzheimer's Disease; or

18 (iii) Any other medical condition or its treatment approved by the department, as 19 provided for in § 21-28.6-5.

20 (4) "Department" means the Rhode Island department of health or its successor agency.

21 (5) "Marijuana" has the meaning given that term in § 21-28-1.02(26).

22 (6) "Marijuana vaping lounge" means a business subject to § 21-28.6-15 that acts as a

23 gathering place for medical marijuana cardholders as defined in § 21-28.6-3 and/or that transfers,

24 supplies and/or sells devices that may be used in the delivery of marijuana to a person or persons

25 inhaling from the device. Such devices include, but are not limited to, an electric pipe or

26 electronic hookah and/or any related device and any other component of such a device.

27 (6)(7) "Mature marijuana plant" means a marijuana plant that has flowers or buds that 28 are readily observable by an unaided visual examination.

29 (7)(8) "Medical use" means the acquisition, possession, cultivation, manufacture, use, 30 delivery, transfer, or transportation of marijuana or paraphernalia relating to the consumption of 31 marijuana to alleviate a patient cardholder's debilitating medical condition or symptoms 32 associated with the medical condition.

33 (8)(9) "Practitioner" means a person who is licensed with authority to prescribe drugs 34 pursuant to chapter 37 of title 5 or a physician licensed with authority to prescribe drugs in 1 Massachusetts or Connecticut.

2 (9)(10) "Primary caregiver" means either a natural person, who is at least twenty-one
3 (21) years old, or a compassion center. A natural person primary caregiver may assist no more
4 than five (5) qualifying patients with their medical use of marijuana.

5 (10)(11) "Qualifying patient" means a person who has been diagnosed by a practitioner
6 as having a debilitating medical condition and is a resident of Rhode Island.

7 (11)(12) "Registry identification card" means a document issued by the department that
8 identifies a person as a registered qualifying patient, a registered primary caregiver, or a
9 registered principal officer, board member, employee, volunteer, or agent of a compassion center.

10 (12)(13) "Seedling" means a marijuana plant with no observable flowers or buds.

11 (13)(14) "Unusable marijuana" means marijuana seeds, stalks, seedlings, and unusable
 roots.

13 (14)(15) "Usable marijuana" means the dried leaves and flowers of the marijuana plant,
14 and any mixture or preparation thereof, but does not include the seeds, stalks, and roots of the
15 plant.

16 (15)(16) "Written certification" means the qualifying patient's medical records, and a 17 statement signed by a practitioner, stating that in the practitioner's professional opinion, the 18 potential benefits of the medical use of marijuana would likely outweigh the health risks for the 19 qualifying patient. A written certification shall be made only in the course of a bona fide, 20 practitioner-patient relationship after the practitioner has completed a full assessment of the 21 qualifying patient's medical history. The written certification shall specify the qualifying patient's 22 debilitating medical condition or conditions.

SECTION 3. Chapter 21-28.6 of the General Laws entitled "The Edward O. Hawkins and
 Thomas C. Slater Medical Marijuana Act" is hereby amended by adding thereto the following
 sections:

26 <u>**21-28.6-15. Marijuana vaping lounges.** – (a) A marijuana vaping lounge registered</u>

27 <u>under this statute may deliver, transfer, supply, or sell supplies related to marijuana to registered</u>

28 qualified patients and their registered primary caregivers.

- 29 (b) Registration of marijuana vaping lounges:
- 30 (1) The department shall promulgate regulations governing the manner in which it will
- 31 <u>issue applications including:</u>
- 32 (i) The form and content of registration and renewal applications;
- 33 (ii) Minimum oversight requirements for marijuana vaping lounges:
- 34 (iii) Minimum record-keeping requirements for marijuana vaping lounges;

1 (iv) Minimum security requirements for marijuana vaping lounges; and 2 (v) Procedures for suspending, revoking, or terminating the registration of marijuana vaping lounges that violate the provisions of this section or the regulations promulgated pursuant 3 4 to this subsection. 5 21-28.6-15.1. Requirements. - (a) Only current "cardholder(s)" as defined in § 21-28.6-3(6), may become members and/or utilize the products and services provided by a marijuana 6 7 vaping lounge. 8 (b) Only persons eighteen (18) years of age and older shall be allowed on the premises of 9 a marijuana vaping lounge. 10 (c) A marijuana vaping lounge is prohibited from acquiring, possessing, cultivating, 11 manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any 12 purpose. 13 21-28.6-15.2. Regulations. - The department shall: 14 (1) Coordinate and promote the enforcement of the provisions of this section and serve as 15 the primary liaison from this department to other state or local agencies and departments. 16 (2) Investigate concurrently with other state and local officials violations of this section, utilizing unannounced statewide compliance checks investigating compliance with the provisions 17 of this section. Underage individuals, acting as agents for the department and with the written 18 19 permission of a parent or guardian, may enter a marijuana vaping lounge, with immunity from 20 prosecution, for the purposes of law enforcement or government research involving monitoring 21 compliance with this chapter, provided that the underage individuals are supervised by an adult 22 law enforcement official. Any individual participating in an unannounced compliance check with 23 age requirements of marijuana vaping lounges, must state his or her age if asked by the 24 representative of the marijuana vaping lounge being checked. 25 (3) Seek enforcement, concurrently with other state and local officials, of the penalties as 26 detailed in this chapter. 27 21-28.6-15.3. Nature and size of penalties. – (a) The license holder is responsible for all 28 violations of this section that occur at the location for which the license is issued. Any license 29 holder that violates this section shall be subject to civil fines as follows: 30 (1) A fine of two hundred fifty dollars (\$250) for the first violation within any thirty-six 31 (36) month period; 32 (2) A fine of five hundred dollars (\$500) for the second violation within any thirty-six 33 (36) month period; (3) A fine of one thousand dollars (\$1,000) for the third violation within any thirty-six 34

1 (36) month period.

2 The department of taxation and/or the department of health shall not issue a license to any individual, business, firm, association, or corporation the license of which has been revoked 3 4 or suspended, to any corporation an officer of which has had his or her license revoked or 5 suspended, or to any individual who is, or has been, an officer of a corporation the license of which has been revoked or suspended so long as such revocations or suspensions are in effect. 6 7 (b) The court shall suspend the imposition of a license suspension of the license secured 8 from the Rhode Island tax administrator for violations of subdivisions of this section if the court 9 finds that the license holder has taken measures to prohibit entry of minors to the marijuana 10 vaping lounge establishment. 11 SECTION 4. Sections 23-1-55, 23-1-56, 23-1-57 and 23-1-58 of the General Laws in 12 Chapter 23-1 entitled "Department of Health" are hereby amended to read as follows: 13 23-1-55. Electronic nicotine delivery system distributor, and dealer licenses required 14 -- Definitions. [Effective January 1, 2015.] -- Definitions. - Whenever used in §§ 23-1-56 to 23-15 1-58, unless the context requires otherwise: 16 (1) "Dealer" means any person, whether located within or outside of this state, who sells 17 or distributes electronic nicotine-delivery system products or electronic marijuana-delivery 18 system products to a consumer in this state; 19 (2) "Distributor" means any person: 20 (i) Whether located within or outside of this state, other than a dealer, who sells or 21 distributes electronic nicotine-delivery system products within or into this state. Such term shall 22 not include any electronic nicotine-delivery system products manufacturer, export warehouse 23 proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine-24 delivery system products in this state only to licensed distributors or to an export warehouse proprietor or another manufacturer with a valid permit; 25 26 (ii) Selling electronic nicotine-delivery system products directly to consumers in this 27 state by means of at least twenty-five (25) electronic nicotine-delivery system product vending 28 machines; 29 (iii) Engaged in this state in the business of manufacturing electronic nicotine-delivery 30 system products or any person engaged in the business of selling electronic nicotine-delivery 31 system products to dealers, or to other persons, for the purpose of resale only; provided that 32 seventy-five percent (75%) of all electronic nicotine-delivery system products sold by that person 33 in this state are sold to dealers or other persons for resale and selling electronic nicotine-delivery 34 system products directly to at least forty (40) dealers or other persons for resale; or

- 1 (iv) Maintaining one or more regular places of business in this state for that purpose; 2 provided, that seventy-five percent (75%) of the sold electronic nicotine-delivery system products 3 are purchased directly from the manufacturer and selling electronic nicotine-delivery system 4 products directly to at least forty (40) dealers or other persons for resale;
- 5 (3) "Electronic nicotine-delivery system" means the products as defined in § 11-9-13.4(15). 6
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- (4) "Electronic marijuana-delivery system" means the products defined in § 11-9-8 13.4(16).

9 23-1-56. License. [Effective January 1, 2015.] -- (a) Each person engaging in the 10 business of selling electronic nicotine-delivery system products or electronic marijuana-delivery 11 system products in the state, including any distributor or dealer, shall secure a license annually 12 from the department before engaging in that business or continuing to engage in it. A separate 13 application and license is required for each place of business operated by a distributor or dealer. If 14 the applicant for a license does not have a place of business in this state, the license shall be 15 issued for such applicant's principal place of business, wherever located. A licensee shall notify 16 the department within thirty (30) days in the event that it changes its principal place of business. 17 A separate license is required for each class of business if the applicant is engaged in more than 18 one of the activities required to be licensed by this section. No person shall maintain or operate, 19 or cause to be operated, a vending machine for electronic nicotine-delivery systems without 20 procuring a dealer's license for each machine.

21 (b) The director shall have authority to set a reasonable fee not to exceed twenty-five 22 dollars (\$25.00) for the issuance of the license.

23 (c) Each issued license shall be prominently displayed on the premises, if any, covered 24 by the license.

25 (d) The director shall create and maintain a website setting forth the identity of all 26 licensed persons under this section, itemized by type of license possessed, and shall update the 27 site no less frequently than six (6) times per year.

28 (e) A manufacturer or importer may sell or distribute electronic nicotine-delivery 29 systems to a person located or doing business within the state only if such person is a licensed 30 distributor. An importer may obtain electronic nicotine-delivery systems only from a licensed 31 manufacturer. A distributor may sell or distribute electronic nicotine-delivery systems to a person 32 located or doing business within this state only if such person is a licensed distributor or dealer. A 33 distributor may obtain electronic nicotine-delivery systems only from a licensed manufacturer, 34 importer, or distributor. A dealer may obtain electronic nicotine-delivery systems only from a

1 licensed distributor.

2 (f) (1) No license under this chapter may be granted, maintained, or renewed if the 3 applicant, or any combination of persons owning directly or indirectly any interests in the 4 applicant:

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(i) Is delinquent in any tax filings for one month or more; or

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(ii) Had a license under this chapter revoked within the past two (2) years.

(2) No person shall apply for a new license, or renewal of a license and no license shall
be issued or renewed for any person, unless all outstanding fines, fees, or other charges relating to
any license held by that person have been paid.

10 (3) No license shall be issued relating to a business at any specific location until all prior 11 licenses relating to that location have been officially terminated and all fines, fees, or charges 12 relating to the prior licenses have been paid or otherwise resolved or if the director has found that 13 the person applying for the new license is not acting as an agent for the prior licensee who is 14 subject to any such related fines, fees, or charges that are still due. Evidence of such agency status 15 includes, but is not limited to, a direct familial relationship and/or employment, contractual, or 16 other formal financial or business relationship with the prior licensee.

(4) No person shall apply for a new license pertaining to a specific location in order toevade payment of any fines, fees, or other charges relating to a prior license for that location.

(5) No new license shall be issued for a business at a specific location for which a license
has already issued unless there is a bona fide, good-faith change in ownership of the business at
that location.

(6) No license or permit shall be issued, renewed or maintained for any person, including the owners of the business being licensed, who has been convicted of violating any criminal law relating to tobacco products and/or electronic nicotine-delivery system products <u>and/or electronic</u> <u>marijuana-delivery system products</u>, the payment of taxes, or fraud, or has been ordered to pay civil fines of more than twenty-five thousand dollars (\$25,000) for violations of any civil law relating to tobacco products and/or electronic nicotine-delivery system products<u>and/or electronic</u> <u>marijuana-delivery system products</u>, the payment of taxes, or fraud.

29 **23-1-57.** Penalties for unlicensed business. [Effective January 1, 2015.] -- Any 30 distributor or dealer who sells, offers for sale, or possesses with intent to sell, electronic nicotine-31 delivery system products <u>or electronic marijuana-delivery system products</u> without a license as 32 provided in § 23-1-56, shall be fined in accordance with the provisions of, and the penalties 33 contained in, § 23-1-58.

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#### 23-1-58. Penalty for operating without a dealer license. [Effective January 1, 2015.] -

1 - (a) Any individual or business who violates this chapter by selling or conveying an electronic 2 nicotine-delivery system product or electronic marijuana-delivery system product without a retail 3 license shall be cited for that violation and shall be required to appear in district court for a 4 hearing on the citation. 5 (b) Any individual or business cited for a violation hereunder shall: 6 (1) Either post a five hundred dollar (\$500) bond with the district court within ten (10) days of the citation; or 7 8 (2) Sign and accept the citation indicating a promise to appear in court. 9 (c) An individual or business who or that has accepted the citation may: 10 (1) Pay the five hundred dollar (\$500) fine, either by mail or in person, within ten (10) 11 days after receiving the citation; or 12 (2) If that individual or business has posted a bond, forfeit the bond by not appearing at 13 the scheduled hearing. If the individual or business cited pays the five hundred dollar (\$500) fine 14 or forfeits the bond, that individual or business is deemed to have admitted the cited violation and 15 to have waived the right to a hearing on the issue of commission on the violation. 16 (d) The court, after a hearing on a citation, shall make a determination as to whether a 17 violation has been committed. If it is established that the violation did occur, the court shall 18 impose a five hundred dollar (\$500) fine in addition to any court costs or fees. 19 SECTION 5. This act shall take effect upon passage.

====== LC000989

#### **EXPLANATION**

#### BY THE LEGISLATIVE COUNCIL

#### OF

### AN ACT

# RELATING TO HEALTH AND SAFETY - ELECTRONIC MARIJUANA-DELIVERY SYSTEMS

#### \*\*\*

- 1 This act would define and regulate the use of electronic marijuana-delivery system
- 2 products.
- 3 This act would take effect upon passage.

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