

1 **ARTICLE 11**

2 RELATING TO ADULT USE MARIJUANA

3 SECTION 1. Section 2-26-5 of the General Laws in Chapter 2-26 entitled “Hemp Growth
4 Act” is hereby amended as follows:

5 **2-26-5. Authority over licensing and sales.**

6 (a) The department shall prescribe rules and regulations for the licensing and regulation of
7 hemp growers, handlers, licensed CBD distributors, and licensed CBD retailers and persons
8 employed by the applicant not inconsistent with law, to carry into effect the provision of this chapter
9 and shall be responsible for the enforcement of the licensing.

10 (b) All growers, handlers, licensed CBD distributors, and licensed CBD retailers must have
11 a hemp license issued by the department. All production, distribution, and retail sale of hemp-
12 derived consumable CBD products must be consistent with any applicable state or local food
13 processing and safety regulations, and the applicant shall be responsible to ensure its compliance
14 with the regulations and any applicable food safety licensing requirements, including, but not
15 limited to, those promulgated by the department on health.

16 (c) The application for a hemp license shall include, but not be limited to, the following:

17 (1) (i) The name and address of the applicant who will supervise, manage, or direct the
18 growing and handling of hemp and the names and addresses of any person or entity partnering or
19 providing consulting services regarding the growing or handling of hemp; and

20 (ii) The name and address of the applicant who will supervise, manage, or direct the
21 distribution or sale of hemp-derived consumable CBD products, and names and addresses of any
22 person or entity partnering or providing consulting services regarding the distribution or sale of
23 hemp-derived CBD products.

24 (2) A certificate of analysis that the seeds or plants obtained for cultivation are of a type
25 and variety that do not exceed the maximum concentration of delta-9 THC, as set forth in § 2-26-
26 3; any seeds that are obtained from a federal agency are presumed not to exceed the maximum
27 concentration and do not require a certificate of analysis.

28 (3) (i) The location of the facility, including the Global Positioning System location, and
29 other field reference information as may be required by the department with a tracking program
30 and security layout to ensure that all hemp grown is tracked and monitored from seed to distribution
31 outlets; and

1 (ii) The location of the facility and other information as may be required by the department
2 as to where the distribution or sale of hemp-derived consumable CBD products will occur.

3 (4) An explanation of the seed to sale tracking, cultivation method, extraction method, and
4 certificate of analysis or certificate of analysis for the standard hemp seeds or hemp product if
5 required by the department.

6 (5) Verification, prior to planting any seed, that the plant to be grown is of a type and
7 variety of hemp that will produce a delta-9 THC concentration of no more than three-tenths of one
8 percent (0.3%) on a dry-weight basis.

9 (6) Documentation that the licensee and/or its agents have entered into a purchase
10 agreement with a hemp handler, processor, distributor or retailer.

11 (7) All applicants:

12 (i) Shall apply to the state police, attorney general, or local law enforcement for a National
13 Criminal Identification records check that shall include fingerprints submitted to the Federal
14 Bureau of Investigation. Upon the discovery of a disqualifying conviction defined in subsections
15 (c)(7)(iv) and (c)(7)(v), and in accordance with the rules promulgated by the department, the state
16 police shall inform the applicant, in writing, of the nature of the conviction, and the state police
17 shall notify the department, in writing, without disclosing the nature of the conviction, that a
18 conviction has been found;

19 (ii) In those situations in which no conviction has been found, the state police shall inform
20 the applicant and the department, in writing, of this fact;

21 (iii) All applicants shall be responsible for any expense associated with the criminal
22 background check with fingerprints.

23 (iv) Any applicant who has been convicted of any felony offense under chapter 28 of title
24 21, or any person who has been convicted of murder; manslaughter; first-degree sexual assault;
25 second-degree sexual assault; first-degree child molestation; second-degree child molestation;
26 kidnapping; first-degree arson; second-degree arson; mayhem; robbery; burglary; breaking and
27 entering; assault with a dangerous weapon; or any assault and battery punishable as a felony or
28 assault with intent to commit any offense punishable as a felony, shall be disqualified from holding
29 any license or permit under this chapter. The department shall notify any applicant, in writing, of a
30 denial of a license pursuant to this subsection, provided that any disqualification or denial of license
31 shall be subject to the provisions of § 28-5.1-14 of the general laws.

32 (v) For purposes of this section, "conviction" means, in addition to judgments of conviction
33 entered by a court subsequent to a finding of guilty, or plea of guilty, those instances where the
34 defendant has entered a plea of nolo contendere and has received a jail sentence or a suspended jail

1 sentence, or those instances wherein the defendant has entered into a deferred sentence agreement
2 with the Rhode Island attorney general and the period of deferment has not been completed.

3 (8) Any other information as set forth in rules and regulations as required by the
4 department.

5 (d) [Deleted by P.L. 2019, ch. 88, art. 15, §1].

6 (e) The department shall issue a hemp license to the grower or handler applicant if he, she,
7 or it meets the requirements of this chapter, upon the applicant paying a licensure fee of two
8 thousand five hundred dollars (\$2,500). Said license shall be renewed every two (2) years upon
9 payment of a two thousand five hundred dollar (\$2,500) renewal fee. Any licensee convicted of
10 any disqualifying offense described in subsection (c)(7)(iv) shall have his, her, or its license
11 revoked. All license fees shall be directed to the department to help defray the cost of enforcement.
12 The department shall collect a nonrefundable application fee of two hundred fifty dollars (\$250)
13 for each application to obtain a license.

14 (f) Any grower or handler license applicant or license holder may also apply for and be
15 issued a CBD distributor and/or CBD retailer license at no additional cost provided their grower or
16 handler license is issued or renewed. CBD distributor and CBD retailer licenses shall be renewed
17 each year at no additional fee provided the applicant also holds or renews a grower and/or handler
18 license.

19 (g) For applicants who do not hold, renew, or receive a grower or handler license, CBD
20 distributor and CBD retailer licenses shall have a licensure fee of five hundred dollars (\$500). The
21 licenses shall be renewed each year upon approval by the department and payment of a five hundred
22 dollar (\$500) renewal fee.

23 SECTION 2. Section 21-28.5-2 of Chapter 21-28.5 of the General Laws entitled “Sale of
24 Drug Paraphernalia” is hereby amended as follows:

25 **21-28.5-2. Manufacture or delivery of drug paraphernalia – Penalty.**

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

1 Notwithstanding any other provision of the general laws, the sale, manufacture, or delivery
2 of drug paraphernalia to a person acting in accordance with chapters [28.6](#), [28.11](#), or [28.12](#) of this
3 title shall not be considered a violation of this chapter.

4 SECTION 3. Sections 21-28.6-3, 21-28.6-5, and 21-28.6-6 of the General Laws in
5 Chapter 21-28.6 entitled “The Edward O. Hawkins and Thomas C. Slater Medical Marijuana
6 Act” are hereby amended as follows:

7 **21-28.6-3 Definitions.**

8 For the purposes of this chapter:

9 (1) "Authorized purchaser" means a natural person who is at least twenty-one (21) years
10 old and who is registered with the department of health for the purposes of assisting a qualifying
11 patient in purchasing marijuana from a compassion center. An authorized purchaser may assist no
12 more than one patient, and is prohibited from consuming marijuana obtained for the use of the
13 qualifying patient. An authorized purchaser shall be registered with the department of health and
14 shall possess a valid registry identification card.

15 (2) “Cannabis” means all parts of the plant of the genus marijuana, also known as marijuana
16 sativa L, whether growing or not; the seeds thereof; the resin extracted from any part of the
17 plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its
18 seeds, or resin regardless of cannabinoid content or cannabinoid potency including “marijuana”, and
19 “industrial hemp” or “industrial hemp products” which satisfy the requirements of chapter 26 of
20 title 2.

21 (3) “Cannabis testing laboratory” means a third-party analytical testing laboratory licensed
22 by the department of health, in coordination with the department of business regulation, to collect
23 and test samples of cannabis.

24 (4) "Cardholder" means a person who has been registered or licensed with the department
25 of health or the department of business regulation pursuant to this chapter and possesses a valid
26 registry identification card or license.

27 (5) "Commercial unit" means a building, or other space within a commercial or industrial
28 building, for use by one business or person and is rented or owned by that business or person.

29 (6)(i) "Compassion center" means a not-for-profit corporation, subject to the provisions of
30 chapter 6 of title 7, and licensed under § 21-28.6-12, that acquires, possesses, cultivates,
31 manufactures, ~~delivers~~, transfers, transports, supplies, or dispenses medical marijuana, and/or

1 related supplies and educational materials, to patient cardholders and/or their registered caregiver,
2 cardholder or authorized purchaser.

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

6 (7) "Debilitating medical condition" means:

7 (i) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune
8 deficiency syndrome, Hepatitis C, post-traumatic stress disorder, or the treatment of these
9 conditions;

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

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

17 (8) "Department of business regulation" means the Rhode Island department of business
18 regulation or its successor agency.

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

21 (10) "Department of public safety" means the Rhode Island department of public safety or
22 its successor agency.

23 (11) "Dried marijuana" means the dried leaves and flowers of the marijuana plant as
24 defined by regulations promulgated by the department of business regulation.

25 (12) "Dwelling unit" means the room, or group of rooms, within a residential dwelling used
26 or intended for use by one family or household, or by no more than three (3) unrelated individuals,
27 with facilities for living, sleeping, sanitation, cooking, and eating.

28 (13) "Equivalent amount" means the portion of usable marijuana, be it in extracted, edible,
29 concentrated, or any other form, found to be equal to a portion of dried marijuana, as defined by
30 regulations promulgated by the departments of business regulation.

31 (14) "Immature marijuana plant" means a marijuana plant, rooted or unrooted, with no
32 observable flowers or buds.

1 (15) "Licensed medical marijuana cultivator" means a person or entity, as identified in §
2 43-3-6, who has been licensed by the department of business regulation to cultivate medical
3 marijuana pursuant to § 21-28.6-16.

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

5 (17) "Marijuana establishment licensee" means any person or entity licensed by the
6 department of business regulation under this chapter [or chapter 28.12 of title 21](#) whose license
7 permits it to engage in or conduct activities in connection with the medical marijuana program [or](#)
8 [adult use marijuana industry](#). "Marijuana establishment licensees" shall include [but not be limited](#)
9 [to](#), compassion centers, medical marijuana cultivators, ~~and~~ cannabis testing laboratories, [adult use](#)
10 [marijuana retailers, hybrid marijuana cultivators, and the holder of any other license issued by the](#)
11 [department of business regulation under chapters 28.6 or 28.12 of title 21 of the general laws and/or](#)
12 [as specified and defined in regulations promulgated by the department of business regulation](#).

13 (18) "Mature marijuana plant" means a marijuana plant that has flowers or buds that are
14 readily observable by an unaided visual examination.

15 (19) "Medical marijuana emporium" means any establishment, facility or club, whether
16 operated for-profit or nonprofit, or any commercial unit, at which the sale, distribution, transfer or
17 use of medical marijuana or medical marijuana products is proposed and/or occurs to, by or among
18 registered patients, registered caregivers, authorized purchaser cardholders or any other person.
19 This shall not include a compassion center regulated and licensed by the department of business
20 regulation pursuant to the terms of this chapter.

21 (20) "Medical marijuana" means marijuana and marijuana products that satisfy the
22 requirements of this chapter and have been given the designation of "medical marijuana" due to
23 dose, potency, form. Medical marijuana products are only available for use by patient cardholders,
24 and may only be sold to or possessed by patient cardholders, or their registered caregiver, or
25 authorized purchaser in accordance with this chapter. Medical marijuana may not be sold to,
26 possessed by, manufactured by, or used except as permitted as under this chapter.

27 (21) "Medical marijuana plant tag set" or "plant tag" means any tag, identifier, registration,
28 certificate, or inventory tracking system authorized or issued by the department or which the
29 department requires be used for the lawful possession and cultivation of medical marijuana plants
30 in accordance with this chapter.

31 (22) "Medical use" means the acquisition, possession, cultivation, manufacture, use,
32 delivery, transfer, or transportation of medical marijuana or paraphernalia relating to the
33 consumption of marijuana to alleviate a patient cardholder's debilitating medical condition or
34 symptoms associated with the medical condition in accordance with the provisions of this chapter.

1 (23) "Practitioner" means a person who is licensed with authority to prescribe drugs
2 pursuant to chapters 34, 37, and 54 of title 5 who may provide a qualifying patient with a written
3 certification in accordance with regulations promulgated by the department of health.

4 (24) "Primary caregiver" means a natural person who is at least twenty-one (21) years old
5 who is registered under this chapter in order to, and who may assist one (1) qualifying patient, but
6 no more than five (5) qualifying patients, with their medical use of marijuana, provided that a
7 qualified patient may also serve as his or her own primary caregiver subject to the registration and
8 requirements set forth in § 21-28.6-4.

9 (25) "Qualifying patient" means a person who has been certified by a practitioner as having
10 a debilitating medical condition and is a resident of Rhode Island.

11 (26) "Registry identification card" means a document issued by the department of health
12 or the department of business regulation, as applicable, that identifies a person as a registered
13 qualifying patient, a registered primary caregiver, or authorized purchaser, or a document issued
14 by the department of business regulation or department of health that identifies a person as a
15 registered principal officer, board member, employee, volunteer, or agent of a compassion center,
16 licensed medical marijuana cultivator, cannabis testing lab, or any other medical marijuana
17 licensee.

18 (27) "Unusable marijuana" means marijuana seeds, stalks, and unusable roots and shall not
19 count towards any weight-based possession limits established in this chapter.

20 (28) "Usable marijuana" means the leaves and flowers of the marijuana plant, and any
21 mixture or preparation thereof, but does not include the seeds, stalks, and roots of the plant.

22 (29) "Wet marijuana" means the harvested leaves and flowers of the marijuana plant before
23 they have reached a dry state, as defined by regulations promulgated by the department of health
24 and department of business regulation.

25 (30) "Written certification" means a statement signed by a practitioner, stating that, in the
26 practitioner's professional opinion, the potential benefits of the medical use of marijuana would
27 likely outweigh the health risks for the qualifying patient. A written certification shall be made only
28 in the course of a bona fide, practitioner-patient relationship after the practitioner has completed a
29 full assessment of the qualifying patient's medical history. The written certification shall specify
30 the qualifying patient's debilitating medical condition or conditions which may include the
31 qualifying patient's medical records.

32 **21-28.6-5 Departments of health and business regulation to issue regulations.**

33 (a) Not later than ninety (90) days after the effective date of this chapter, the department of
34 health shall promulgate regulations governing the manner in which it shall consider petitions from

1 the public to add debilitating medical conditions to those included in this chapter. In considering
2 such petitions, the department of health shall include public notice of, and an opportunity to
3 comment in a public hearing, upon such petitions. The department of health shall, after hearing,
4 approve or deny such petitions within one hundred eighty (180) days of submission. The approval
5 or denial of such a petition shall be considered a final department of health action, subject to judicial
6 review. Jurisdiction and venue for judicial review are vested in the superior court. The denial of a
7 petition shall not disqualify qualifying patients with that condition, if they have a debilitating
8 medical condition as defined in § 21-28.6-3(~~57~~). The denial of a petition shall not prevent a person
9 with the denied condition from raising an affirmative defense.

10 (b) Not later than ninety (90) days after the effective date of this chapter, the department
11 of health shall promulgate regulations governing the manner in which it shall consider applications
12 for, and renewals of, registry identification cards for qualifying patients and authorized purchasers.
13 The department of health's regulations shall establish application and renewal fees that generate
14 revenues sufficient to offset all expenses of implementing and administering this chapter. The
15 department of health may vary the application and renewal fees along a sliding scale that accounts
16 for a qualifying patient's or caregiver's income. The department of health may accept donations
17 from private sources in order to reduce the application and renewal fees.

18 (c) Not later than ~~October 1, 2019~~ January 1, 2022, the department of business regulation
19 shall promulgate regulations not inconsistent with law, to carry into effect the provisions of this
20 section, governing the manner in which it shall consider applications for, and renewals of, registry
21 identification cards for primary caregivers. The department of business regulation's regulations
22 shall establish application and renewal fees. The department of business regulation may vary the
23 application and renewal fees along a sliding scale that accounts for a qualifying patient's or
24 caregiver's income. The department of business regulation may accept donations from private
25 sources in order to reduce the application and renewal fees.

26 **21-28.6-6 Administration of departments of health and business regulation**
27 **regulations.**

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

- 31 (1) Written certification as defined in § 21-28.6-3;
- 32 (2) Application fee, as applicable;
- 33 (3) Name, address, and date of birth of the qualifying patient; provided, however, that if
34 the patient is homeless, no address is required;

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

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

3 (6) Name, address, and date of birth of one primary caregiver of the qualifying patient and

4 any authorized purchaser for the qualifying patient, if any primary caregiver or authorized

5 purchaser is chosen by the patient or allowed in accordance with regulations promulgated by the

6 departments of health or business regulation.

7 (b) The department of health shall not issue a registry identification card to a qualifying

8 patient under the age of eighteen (18) unless:

9 (1) The qualifying patient's practitioner has explained the potential risks and benefits of the

10 medical use of marijuana to the qualifying patient and to a parent, guardian, or person having legal

11 custody of the qualifying patient; and

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

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

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

15 (iii) Control the acquisition of the marijuana, the dosage, and the frequency of the medical

16 use of marijuana by the qualifying patient.

17 (c) The department of health shall renew registry identification cards to qualifying patients

18 in accordance with regulations promulgated by the department of health and subject to payment of

19 any applicable renewal fee.

20 (d) The department of health shall not issue a registry identification card to a qualifying

21 patient seeking treatment for post-traumatic stress disorder (PTSD) under the age of eighteen (18).

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

23 renewal submitted pursuant to this section, and shall approve or deny an application or renewal

24 within thirty-five (35) days of receiving it. The department may deny an application or renewal

25 only if the applicant did not provide the information required pursuant to this section, or if the

26 department determines that the information provided was falsified, or that the renewing applicant

27 has violated this chapter under their previous registration. Rejection of an application or renewal is

28 considered a final department action, subject to judicial review. Jurisdiction and venue for judicial

29 review are vested in the superior court.

30 (f) If the qualifying patient's practitioner notifies the department of health in a written

31 statement that the qualifying patient is eligible for hospice care or chemotherapy, the department

32 of health and department of business regulation, as applicable, shall give priority to these

33 applications when verifying the information in accordance with subsection (e) and issue a registry

34 identification card to these qualifying patients, primary caregivers and authorized purchasers within

1 seventy-two (72) hours of receipt of the completed application. The departments shall not charge a
2 registration fee to the patient, caregivers or authorized purchasers named in the application. The
3 department of health may identify through regulation a list of other conditions qualifying a patient
4 for expedited application processing.

5 (g) Following the promulgation of regulations pursuant to § 21-28.6-5(c), the department
6 of business regulation may issue or renew a registry identification card to the qualifying patient
7 cardholder's primary caregiver, if any, who is named in the qualifying patient's approved
8 application. The department of business regulation shall verify the information contained in
9 applications and renewal forms submitted pursuant to this chapter prior to issuing any registry
10 identification card. The department of business regulation may deny an application or renewal if
11 the applicant or appointing patient did not provide the information required pursuant to this section,
12 or if the department determines that the information provided was falsified, or if the applicant or
13 appointing patient has violated this chapter under their previous registration or has otherwise failed
14 to satisfy the application or renewal requirements.

15 (1) A primary caregiver applicant or an authorized purchaser applicant shall apply to the
16 bureau of criminal identification of the department of attorney general, department of public safety
17 division of state police, or local police department for a national criminal records check that shall
18 include fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
19 disqualifying information as defined in subsection (g)(5), and in accordance with the rules
20 promulgated by the director, the bureau of criminal identification of the department of attorney
21 general, department of public safety division of state police, or the local police department shall
22 inform the applicant, in writing, of the nature of the disqualifying information; and, without
23 disclosing the nature of the disqualifying information, shall notify the department of business
24 regulation or department of health, as applicable, in writing, that disqualifying information has been
25 discovered.

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

30 (3) The department of health or department of business regulation, as applicable, shall
31 maintain on file evidence that a criminal records check has been initiated on all applicants seeking
32 a primary caregiver registry identification card or an authorized purchaser registry identification
33 card and the results of the checks. The primary caregiver cardholder shall not be required to apply
34 for a national criminal records check for each patient he or she is connected to through the

1 department's registration process, provided that he or she has applied for a national criminal records
2 check within the previous two (2) years in accordance with this chapter. The department of health
3 and department of business regulation, as applicable, shall not require a primary caregiver
4 cardholder or an authorized purchaser cardholder to apply for a national criminal records check
5 more than once every two (2) years.

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

14 (5) Information produced by a national criminal records check pertaining to a conviction
15 for any felony offense under chapter 28 of this title 21 ("Rhode Island Controlled Substances Act");
16 murder; manslaughter; rape; first-degree sexual assault; second-degree sexual assault; first-degree
17 child molestation; second-degree child molestation; kidnapping; first-degree arson; second-degree
18 arson; mayhem; robbery; burglary; breaking and entering; assault with a dangerous weapon; assault
19 or battery involving grave bodily injury; and/or assault with intent to commit any offense
20 punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the
21 applicant and the department of health or department of business regulation, as applicable,
22 disqualifying the applicant. If disqualifying information has been found, the department of health
23 or department of business regulation, as applicable may use its discretion to issue a primary
24 caregiver registry identification card or an authorized purchaser registry identification card if the
25 applicant's connected patient is an immediate family member and the card is restricted to that
26 patient only. [Any disqualification or denial of registration hereunder shall be subject to the](#)
27 [provisions of § 28-5.1-14 of the general laws.](#)

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

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

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

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

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

10 (3) Registry identification cards shall contain:

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

12 (ii) A random registry identification number;

13 (iii) A photograph; and

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

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

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

21 (2) A qualifying patient cardholder who fails to notify the department of health of any of
22 these changes is responsible for a civil infraction, punishable by a fine of no more than one hundred
23 fifty dollars (\$150). If the patient cardholder has ceased to suffer from a debilitating medical
24 condition, the card shall be deemed null and void and the person shall be liable for any other
25 penalties that may apply to the person's nonmedical use of marijuana.

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

31 (4) When a qualifying patient cardholder or primary caregiver cardholder notifies the
32 department of health or department of business regulation, as applicable, of any changes listed in
33 this subsection, the department of health or department of business regulation, as applicable, shall
34 issue the qualifying patient cardholder and each primary caregiver cardholder a new registry

1 identification card within ten (10) days of receiving the updated information and a ten-dollar
2 (\$10.00) fee.

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

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

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

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

22 (j) Possession of, or application for, a registry identification card shall not constitute
23 probable cause or reasonable suspicion, nor shall it be used to support the search of the person or
24 property of the person possessing or applying for the registry identification card, or otherwise
25 subject the person or property of the person to inspection by any governmental agency.

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

33 (2) The application for qualifying patient's registry identification card shall include a
34 question asking whether the patient would like the department of health to notify him or her of any

1 clinical studies about marijuana's risk or efficacy. The department of health shall inform those
2 patients who answer in the affirmative of any such studies it is notified of, that will be conducted
3 in Rhode Island. The department of health may also notify those patients of medical studies
4 conducted outside of Rhode Island.

5 (3) The department of health and the department of business regulation, as applicable, shall
6 maintain a confidential list of the persons to whom the department of health or department of
7 business regulation has issued authorized patient, primary caregiver, and authorized purchaser
8 registry identification cards. Individual names and other identifying information on the list shall be
9 confidential, exempt from the provisions of Rhode Island access to public records, chapter 2 of title
10 38, and not subject to disclosure, except to authorized employees of the departments of health and
11 business regulation as necessary to perform official duties of the departments and of this section.

12 (l) Notwithstanding subsections (k) and (m), the departments of health and business
13 regulation, as applicable, shall verify to law enforcement personnel whether a registry identification
14 card is valid and may provide additional information to confirm whether a cardholder is compliant
15 with the provisions of this chapter and the regulations promulgated hereunder. The department of
16 business regulation shall verify to law enforcement personnel whether a registry identification card
17 is valid and may confirm whether the cardholder is compliant with the provisions of this chapter
18 and the regulations promulgated hereunder. This verification may occur through the use of a shared
19 database, provided that any medical records or confidential information in this database related to
20 a cardholder's specific medical condition is protected in accordance with subsection (k)(1).

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

29 (n) On or before the fifteenth day of the month following the end of each quarter of the
30 fiscal year, the department of health and the department of business regulation shall report to the
31 governor, the speaker of the House of Representatives, and the president of the senate on
32 applications for the use of marijuana for symptom relief. The report shall provide:

33 (1) The number of applications for registration as a qualifying patient, primary caregiver,
34 or authorized purchaser that have been made to the department of health and the department of

1 business regulation during the preceding quarter, the number of qualifying patients, primary
2 caregivers, and authorized purchasers approved, the nature of the debilitating medical conditions
3 of the qualifying patients, the number of registrations revoked, and the number and specializations,
4 if any, of practitioners providing written certification for qualifying patients.

5 (o) On or before September 30 of each year, the department of health and the department
6 of business regulation, as applicable, shall report to the governor, the speaker of the House of
7 Representatives, and the president of the senate on the use of marijuana for symptom relief. The
8 report shall provide:

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

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

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

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

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

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

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

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

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

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

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

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

7 **21-28.6-16.1 Procurement and transfer of marijuana.**

8 (a) A compassion center or licensed medical marijuana cultivator that obtains a
9 corresponding hybrid license pursuant to chapter 28.12 of title 21 may procure marijuana and
10 marijuana products from or transfer medical marijuana for processing and product manufacturing
11 to a marijuana establishment that is licensed under chapter 28.12 provided such procurement,
12 processing, manufacturing and transfer is conducted in accordance and compliance with chapters
13 28.6, 28.11 and 28.12 of title 21 and regulations promulgated by the office of cannabis regulation
14 including regulations regarding product testing, labeling, packaging and other requirements
15 designed to ensure health, safety and patient access and all applicable provisions of title 44.

16 (b) Notwithstanding any other provision of the general laws, a licensed compassion center
17 that also holds a license as a hybrid marijuana retailer pursuant to chapter 28.12 of title 21 and the
18 regulations promulgated hereunder shall be exempt from the requirements of chapter 28.6 of title
19 21 requiring registration as a not-for-profit corporation under chapter 6 of title 7 of the general
20 laws, provided the compassion center maintains operation and licensure as a hybrid marijuana
21 retailer in good standing with the department of business regulation. The department of business
22 regulation may promulgate regulations or issue guidance to facilitate the transition from a not-for-
23 profit corporation to a for profit corporation or other entity including but not limited to the
24 requirement that the compassion center must update and/or resubmit licensing and application
25 documents which reflect this transfer.

26 SECTION 5. Title 21 of the General Laws entitled "FOOD AND DRUGS" is hereby
27 amended by adding thereto the following chapters 28.11 and 28.12:

28 **CHAPTER 28.11**

29 **ADULT USE OF MARIJUANA ACT**

30 **21-28.11-1. Short title.**

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

32 **21-28.11-2. Legislative Findings.**

33 The general assembly finds and declares that:

1 (1) Prohibiting the possession, cultivation, and sale of cannabis to adults has proven to be
2 an ineffective policy for the State of Rhode Island. In the absence of a legal, tightly regulated
3 market, an illicit cannabis industry has thrived, undermining the public health, safety and welfare
4 of Rhode Islanders.

5 (2) Regional and national shifts in cannabis policy have increased access to legal cannabis
6 and marijuana products for Rhode Islanders in other states, the sale of which benefits the residents
7 of the providing state while providing no funds to the State of Rhode Island to address the public
8 health, safety and welfare externalities that come with increased access to cannabis, including
9 marijuana.

10 (3) It is in the best interests of the of the State of Rhode Island to implement a new
11 regulatory framework and tax structure for the commercial production and sale of cannabis and
12 cannabis products, all aspects of which shall be tightly regulated and controlled by the provisions
13 of this act and the office of cannabis regulation, the revenue from which is to be used to tightly
14 regulate cannabis and cannabis products and to study and mitigate the risks and deleterious
15 impacts that cannabis and marijuana use may have on the citizens and State of Rhode Island.

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

17 For purposes of this chapter:

18 (1) “Adult use marijuana cultivator” means an entity that holds a license to cultivate
19 marijuana pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by
20 the office of cannabis regulation and includes a hybrid marijuana cultivator.

21 (2) “Adult use marijuana retailer” means an entity that holds a license to sell marijuana
22 at retail pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by
23 the office of cannabis regulation and includes a hybrid marijuana retailer.

24 (3) “Cannabis” means all parts of the plant of the genus marijuana, also known as marijuana
25 sativa L, whether growing or not; the seeds thereof; the resin extracted from any part of the
26 plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its
27 seeds, or resin regardless of cannabinoid content or cannabinoid potency including “marijuana”, and
28 “industrial hemp” or “industrial hemp products” which satisfy the requirements of chapter 2-26 of
29 the general laws and the regulations promulgated thereunder.

30 (4) “Cannabis plant” means a cannabis plant, rooted or unrooted, mature, or immature, with
31 or without flowers or buds.

32 (5) “Department” or “department of business regulation” means the office of cannabis regulation
33 within the department of business regulation or its successor agency.

1 (6) "Dwelling unit" means a room or group of rooms within a residential dwelling used or
2 intended for use by one family or household, or by no more than three (3) unrelated individuals,
3 with facilities for living, sleeping, sanitation, cooking, and eating.

4 (7) "Equivalent amount" means the portion of usable marijuana, be it in extracted, edible,
5 concentrated, or any other form, found to be equal to a portion of dried, marijuana, as defined by
6 regulations promulgated by the office of cannabis regulation.

7 (8) "Hybrid marijuana cultivator" means an entity that holds a medical marijuana
8 cultivator license pursuant to chapter 28.6 of title 21 that also holds a license to cultivate marijuana
9 pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by the
10 office of cannabis regulation.

11 (9) "Hybrid marijuana retailer" means an entity that holds a medical marijuana
12 compassion center license pursuant to chapter 28.6 of title 21 that also holds a license to sell
13 marijuana at retail pursuant to chapter 28.12 of title 21 and in accordance with regulations
14 promulgated by the office of cannabis regulation.

15 (10) "Industrial Hemp" means the plant of the genus cannabis and any part of such plant,
16 whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed
17 three-tenths percent (0.3%) on a dry-weight basis of any part of the plant cannabis, or per volume
18 or weight of cannabis product or the combined percent of delta-9 tetrahydrocannabinol and
19 tetrahydrocannabinolic acid in any part of the plant cannabis regardless of the moisture content,
20 which satisfy the requirements of chapter 2-26 of the general laws and the regulations promulgated
21 thereunder.

22 (11) "Industrial Hemp products" means all products made from industrial hemp plants,
23 including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, paint, paper,
24 construction materials, plastics, seed, seed meal, seed oil, and certified for cultivation which satisfy
25 the requirements of chapter 2-26 of the general laws and the regulations promulgated thereunder.

26 (12) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not;
27 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
28 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
29 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
30 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
31 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
32 plant which is incapable of germination. Marijuana shall not include "industrial hemp" or
33 industrial hemp products" which satisfy the requirements of chapter 26 of title 2 of the general laws
34 and the regulations promulgated thereunder.

1 (13) "Marijuana establishment" and "marijuana establishment licensee" means any person
2 or entity licensed by the office of cannabis regulation under chapter 28.12 or chapter 28.6 of title
3 21 whose license permits it to engage in or conduct activities in connection with the adult use
4 marijuana industry or medical marijuana program and includes but is not limited to a licensed
5 adult use marijuana retailer, marijuana testing facility, hybrid marijuana retailer, adult use
6 marijuana cultivator, hybrid marijuana cultivator, compassion center, medical marijuana cultivator,
7 or any other license issued by the office of cannabis regulation under chapter 28.12 or chapter 28.6
8 of title 21 and/or as specified and defined in regulations promulgated by the office of cannabis
9 regulation.

10 (14) "Marijuana paraphernalia" means equipment, products, and materials which are
11 used or intended for use in planting, propagating, cultivating, growing, harvesting,
12 manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing,
13 packaging, repackaging, storing, containing, concealing, ingesting, or inhaling marijuana, or
14 otherwise introducing marijuana into the human body.

15 (15) "Marijuana products" means any form of marijuana, including concentrated marijuana
16 and products that are comprised of marijuana and other ingredients that are intended for use or
17 consumption, such as, but not limited to, extracts, infusions, edible products, ointments, and tinctures,
18 as further defined in regulations promulgated by the office of cannabis regulation.

19 (16) "Marijuana testing facility" and "cannabis testing laboratory" means a third-party
20 analytical testing laboratory licensed by the departments of health and office of cannabis regulation
21 to collect and test samples of cannabis pursuant to regulations promulgated by the departments.

22 (17) "Office of cannabis regulation" means the office of cannabis regulation within the
23 department of business regulation.

24 (18) "Public place" means any street, alley, park, sidewalk, public building other than
25 individual dwellings, or any place of business or assembly open to or frequented by the public,
26 and any other place to which the public has access.

27 (19) "Smoke" or "smoking" means heating to at least the point of combustion, causing plant
28 material to burn, inhaling, exhaling, burning, or carrying any lighted or heated cigarette, pipe, weed, plant,
29 other marijuana product in any manner or in any form intended for inhalation in any manner or form and
30 includes but is not limited to the use of electronic cigarettes, electronic pipes, electronic marijuana delivery
31 system products, or other similar products that rely on vaporization or aerosolization.

32 (20) "State prosecution" means prosecution initiated or maintained by the state of Rhode
33 Island or an agency or political subdivision of the state of Rhode Island.

1 (21) “Vaporize” or “vape” means heating below the point of combustion and resulting in a
2 vapor or mist.

3 **21-28.11-4. Exempt activities.**

4 Effective from and after April 1, 2022, except as otherwise provided in this chapter:

5 (1) A person who is twenty-one (21) years of age or older is exempt from arrest, civil or
6 criminal penalty, seizure or forfeiture of assets, discipline by any state or local licensing board,
7 and state prosecution for solely engaging in the following acts:

8 (i) Actually or constructively using, obtaining, purchasing, transporting, or possessing one
9 ounce (1 oz.) or less of marijuana plant material, or an equivalent amount of marijuana product as
10 determined by regulations promulgated by the office of cannabis regulation, provided that a person
11 who is twenty-one (21) years of age or older may only purchase one ounce (1 oz.) of marijuana
12 plant material, or an equivalent amount of marijuana product as determined by regulations
13 promulgated by the office of cannabis regulation per day;

14 (ii) Possessing in the person’s primary residence in secured and locked storage five ounces
15 (5 oz) or less of marijuana plant material or an equivalent amount of marijuana product as determined
16 by regulations promulgated by the office of cannabis regulation, or possessing in any dwelling unit
17 used as the a primary residence by two or more persons who are each twenty-one (21) years of age
18 or older in secured and locked storage ten ounces (10 oz.) or less of marijuana plant material or an
19 equivalent amount of marijuana product as determined by regulations promulgated by the office of
20 cannabis regulation;

21 (iii) Controlling any premises or vehicle where persons who are twenty-one (21) years of
22 age or older possess, process, or store amounts of marijuana plant material and marijuana products
23 that are legal under state law under subsections (1)(i) and (1)(ii) of this section, provided that any and
24 all marijuana plant material and/or marijuana products in a vehicle are sealed, unused, and in their
25 original unopened packaging;

26 (iv) Giving away, without consideration, the amounts of marijuana and marijuana products
27 that are legal under state law under subsection (1)(i) of this section, if the recipient is a person
28 who is twenty-one (21) years of age or older, provided the gift or transfer of marijuana is not advertised
29 or promoted to the public and the gift or transfer of marijuana is not in conjunction with the sale or transfer
30 of any money, consideration or value, or another item or any other services in an effort to evade laws
31 governing the sale of marijuana;

32 (v) Aiding and abetting another person who is twenty-one (21) years of age or older in the
33 actions allowed under this chapter; and

1 (vi) Any combination of the acts described within subsections (1)(i) through (1)(v) of this
2 section, inclusive.

3 (2) Except as provided in this chapter and chapter 28.12 of title 21, an adult use
4 marijuana retailer, hybrid marijuana retailer or any person who is twenty-one (21) years of age
5 or older and acting in their capacity as an owner, principal officer, partner, board member,
6 employee, or agent of a licensed retailer is exempt from arrest, civil or criminal penalty, seizure
7 or forfeiture of assets, discipline by any state or local licensing board, and state prosecution for
8 solely engaging in the following acts:

9 (i) Actually or constructively transporting or possessing marijuana or marijuana products that
10 were purchased from a hybrid marijuana cultivator, another adult use marijuana retailer, or any other
11 marijuana establishment in accordance with regulations promulgated by the office of cannabis
12 regulation;

13 (ii) Manufacturing, possessing, producing, obtaining, or purchasing marijuana paraphernalia;

14 (iii) Selling, delivering, or transferring marijuana or marijuana products to another retailer in
15 accordance with regulations promulgated by the office of cannabis regulation;

16 (iv) Selling, transferring, or delivering, no more than, one ounce (1 oz.) of marijuana, or an
17 equivalent amount of marijuana product per day, or marijuana paraphernalia to any person who is
18 twenty-one (21) years of age or older, in accordance with regulations promulgated by the office of
19 cannabis regulation and within the transaction limits of this chapter, chapter 21-28.12 and transactions
20 limits specified in regulations promulgated by the office of cannabis regulation;

21 (v) Transferring or delivering marijuana or marijuana products to a cannabis testing facility
22 in accordance with regulations promulgated by the office of cannabis regulation;

23 (vi) Controlling any premises or vehicle where marijuana, marijuana products, and
24 marijuana paraphernalia are possessed, sold, or deposited in a manner that is not in conflict with this
25 chapter or the regulations pursuant thereto; and

26 (vii) Any combination of the acts described within subsections (2)(i) through (2)(vi) of this
27 section, inclusive.

28 (3) Except as provided in this chapter and chapter 28.12 of title 21, an adult use marijuana
29 cultivator, hybrid marijuana cultivator or any person who is twenty-one (21) years of age or older
30 and acting in their capacity as an owner, principal officer, partner, board member, employee, or
31 agent of a licensed cultivator is exempt from arrest, civil or criminal penalty, seizure or forfeiture
32 of assets, discipline by any state or local licensing board, and state prosecution for solely engaging
33 in the following acts:

1 (i) Cultivating, packing, processing, transporting, or manufacturing marijuana, but not
2 marijuana products, in accordance with regulations promulgated by the office of cannabis
3 regulation;

4 (ii) Transporting or possessing marijuana that was produced by the hybrid marijuana
5 cultivator or another marijuana establishment, in accordance with regulations promulgated by the
6 office of cannabis regulation;

7 (iii) Selling, delivering, or transferring marijuana to an adult use marijuana retailer, hybrid
8 marijuana retailer, another hybrid marijuana cultivator, or any other marijuana establishment, in
9 accordance with regulations promulgated by the office of cannabis regulation;

10 (iv) Purchasing marijuana from another hybrid marijuana cultivator;

11 (v) Delivering or transferring marijuana to a marijuana testing facility;

12 (vi) Controlling any premises or vehicle where marijuana is possessed, manufactured, sold, or
13 deposited, in accordance with regulations promulgated by the office of cannabis regulation; and

14 (vii) Any combination of the acts described within subsections (3)(i) through (3)(vi) of this
15 section, inclusive.

16 (4) Except as provided in this chapter and chapter 28.12 of title 21, a cannabis testing
17 facility or any person who is twenty-one (21) years of age or older and acting in their capacity as
18 an owner, principal officer, owner, partner, board member, employee, or agent of a licensed
19 cannabis testing facility shall not be subject to state prosecution; search, except by the department
20 of business regulation or department of health pursuant to §21-28.12-8; seizure; or penalty in
21 any manner or be denied any right or privilege, including, but not limited to, civil penalty
22 or disciplinary action by a court or business licensing board or entity solely engaging in for the
23 following acts:

24 (i) Acquiring, transporting, storing, or possessing marijuana or marijuana products, in
25 accordance with regulations promulgated by the office of cannabis regulation;

26 (ii) Returning marijuana and marijuana products to marijuana cultivation facilities, marijuana
27 retailers, other marijuana establishment licensees and industrial hemp license holders, in accordance
28 with regulations promulgated by the office of cannabis regulation;

29 (iii) Receiving compensation for analytical testing, including but not limited to testing
30 for contaminants and potency; and

31 (iv) Any combination of the acts described within subsections (4)(i) through (4)(iii) of this
32 section, inclusive.

1 (5) The acts listed in subsections (1) through (4) of this section, when undertaken in
2 compliance with the provisions of this chapter and regulations promulgated hereunder, are lawful
3 under Rhode Island law.

4 (6) Except as provided in this chapter and chapter 28.12 of title 21, a marijuana
5 establishment licensee or any person who is twenty-one (21) years of age or older and acting
6 in their capacity as an owner, principal officer, partner, board member, employee, or agent of
7 licensed a marijuana establishment created by the office of cannabis regulation is exempt from
8 arrest, civil or criminal penalty, seizure or forfeiture of assets, discipline by any state or local
9 licensing board, and state prosecution solely for possessing, transferring, dispensing, or delivering
10 marijuana in accordance with the corresponding marijuana establishment license regulations
11 promulgated by the office of cannabis regulation, or otherwise engaging in activities permitted
12 under the specific marijuana establishment license it holds as issued by the office of cannabis
13 regulation and the regulations promulgated by the office of cannabis regulation.

14 (7) Except for the exemptions set forth in subsection (1) of this section which shall be
15 effective from and after April 1, 2022, the exemptions set forth in subsections (2), (3), (4), (5) and
16 (6) of this section shall be effective as to a marijuana establishment licensee from and after the date
17 of issuance of a license by the office of cannabis regulation.

18 **21-28.11-5. Authorized activities; paraphernalia.**

19 (a) Any person who is twenty-one (21) years of age or older is authorized to manufacture,
20 produce, use, obtain, purchase, transport, or possess, actually or constructively, marijuana
21 paraphernalia in accordance with all applicable laws.

22 (b) Any person who is twenty-one (21) years of age or older is authorized to distribute or
23 sell marijuana paraphernalia to marijuana establishments or persons who are twenty-one (21) years
24 of age or older in accordance with all applicable laws.

25 **21-28.11-6. Unlawful activities; penalties.**

26 (a) Except as expressly provided in this chapter and chapters 2-26, 28.6 and 21-28.12, no
27 person or entity shall cultivate, grow, manufacture, process, or otherwise produce cannabis,
28 cannabis plants or cannabis products.

29 (b) Any person who cultivates, grows, manufactures, processes, or otherwise produces
30 cannabis, cannabis plants or cannabis products in violation of this chapter and chapters 2-26, 21-
31 28.6, 21-28.12, and/or the regulations promulgated hereunder shall be subject to imposition of an
32 administrative penalty and order by the office of cannabis regulation as follows:

1 (i) for a violation of this section involving one (1) to five (5) cannabis plants, an
2 administrative penalty of \$2,000 per plant and an order requiring forfeiture and/or destruction of
3 said plants;

4 (ii) for a violation of this section involving six (6) to ten (10) cannabis plants, an
5 administrative penalty of \$3,000 per plant and an order requiring forfeiture and/or destruction of
6 said plants;

7 (iii) for a violation of this section involving eleven (11) to twenty (20) cannabis plants, an
8 administrative penalty of \$4,000 per plant and an order requiring forfeiture and/or destruction of
9 said plants;

10 (iv) for a violation of this section involving more than twenty (20) cannabis plants, an
11 administrative penalty of \$5,000 per plant and an order requiring forfeiture and/or destruction of
12 said plants;

13 (v) for any violation of this section involving more than twenty (20) cannabis plants, such
14 person and, in the case of an entity such entity's principal officers and other key persons, shall also
15 be guilty of a felony, and upon conviction shall be punished by imprisonment and a fine as provided
16 in chapter 21-28 of the general laws and the attorney general shall prosecute such criminal
17 violation; and

18 (vi) for any violation of this section involving possession of marijuana material or marijuana
19 products over the legal possession limits of this chapter, there shall be an administrative penalty of \$2,000
20 per ounce of equivalent marijuana material over the legal possession limit and an order requiring
21 forfeiture and/or destruction of said marijuana.

22 **21-28.11-7. Activities not exempt.**

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

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

29 (2) Possessing marijuana or marijuana products if the person is incarcerated;

30 (3) Possessing marijuana or marijuana products in any local detention facility, county jail,
31 state prison, reformatory, or other correctional facility, including, without limitation, any facility for the
32 detention of juvenile offenders; or

33 (4) Manufacturing or processing of marijuana products with the use of prohibited solvents,
34 in violation of § 21-28.11-13.

1 **21-28.11-8. Marijuana use prohibitions.**

2 (a) No person shall smoke, vaporize or otherwise consume or use cannabis in a public
3 place. A person who violates this section shall be subject to imposition of any applicable penalty
4 or fine established pursuant to local ordinance by the municipality where the public consumption
5 or use occurred.

6 (b) No person shall smoke or vaporize cannabis in, on or about the premises of any housing
7 that is subject to regulation or otherwise within the purview of chapters 45-25, 45-26, 45-53 or 45-
8 60 of the general laws and any regulations promulgated thereunder. A person who smokes or
9 vaporizes cannabis in, on or about such housing premises shall be subject to imposition of any
10 applicable penalty established pursuant to local ordinance, access prohibition or restriction, eviction
11 or other action that may lawfully be taken by the owner and/or applicable authority with respect to
12 said housing.

13 (c) No person shall smoke or vaporize cannabis in, on or about the premises of any multi-
14 unit housing complex or building without the written permission of the owner of such property
15 and/or any applicable governing body of the housing complex or building. A person who smokes
16 or vaporizes cannabis in, on or about any multi-unit housing complex or building premises without
17 such written permission shall be subject to imposition of any applicable penalty established
18 pursuant to local ordinance, access prohibition or restriction, eviction or other action that may
19 lawfully be taken by the owner and/or any applicable authority with respect to such multi- unit
20 housing complex or building.

21 (d) No person or entity shall permit smoking, vaporizing or other consumption or use, sale,
22 distribution or other transfer or any proposed sale, distribution or transfer, of cannabis or cannabis
23 products in, on or about the premises of any place of business, establishment, or club, whether
24 public or private, and whether operated for-profit or nonprofit, or any commercial property or other
25 premises as further defined through regulations promulgated by the office of cannabis regulation,
26 unless a cannabis social use license or temporary cannabis social use permit has been issued by the
27 office of cannabis regulation with respect to such business, establishment, club or commercial
28 property premises in accordance with regulations promulgated by the office of cannabis regulation.
29 Any person or entity who violates this section shall be subject to imposition of administrative fine
30 and/or other penalty as prescribed by the office of cannabis regulation in such regulations.

31 **21-28.11-9. Places of employment.**

32 (a) Nothing in this chapter shall be construed to require an employer to accommodate the
33 use or possession of marijuana, or being under the influence of marijuana, in any workplace.

1 (b) An employer shall be entitled to implement policies prohibiting the use or possession
2 of marijuana in the workplace and/or working under the influence of marijuana, provided such
3 policies are in writing and uniformly applied to all employees and an employee is given prior
4 written notice of such policies by the employer.

5 (c) The provisions of this chapter shall not permit any person to undertake any task under
6 the influence of marijuana when doing so would constitute negligence or professional malpractice,
7 jeopardize workplace safety, or to operate, navigate or be in actual physical control of any motor
8 vehicle or other transport vehicle, aircraft, motorboat, machinery or equipment, or firearms under
9 the influence of marijuana.

10 (d) Notwithstanding any other section of the general laws, upon specific request of a person
11 who is a qualifying medical marijuana patient cardholder under chapter 28.6 of title 21, the
12 department of health may verify the requesting cardholder's status as a valid patient cardholder to
13 the qualifying patient cardholder's employer, in order to ensure compliance with patient protections
14 of §21-28.6-4(e).

15 (e) Notwithstanding any other section of the general laws, an employer may take
16 disciplinary action against an employee, including termination of employment, if the results of a
17 drug test administered in accordance with section § 28-6.5-1 of the general laws demonstrates that
18 the employee was under the influence of or impaired by marijuana while in the workplace or during
19 the performance of work. For purposes of this subsection (e), a drug test that yields a positive result
20 for cannabis metabolites shall not be construed as proof that an employee is under the influence of
21 or impaired by marijuana unless the test yields a positive result for active THC, delta-9-
22 tetrahydrocannabinol, delta-8-tetrahydrocannabinol, or any other active cannabinoid found in
23 marijuana which causes intoxication and/or impairment.

24 **21-28.11-10. Private property.**

25 (a) Except as provided in this section, the provisions of this chapter do not require any
26 person, corporation, or any other entity that occupies, owns, or controls a property to allow the
27 consumption, or transfer of marijuana on or in that property.

28 (b) Except as provided in this section, in the case of the rental of a residential dwelling
29 unit governed by chapter 18 of title 34, a landlord may not prohibit the consumption of cannabis
30 by non-smoked or non-vaporized means, or the transfer without compensation of cannabis by the
31 tenant as defined in § 34-18-11, provided the tenant is in compliance with the possession and
32 transfer limits and other requirements set forth in § 21-28.11-4(1)(i)-(vi), and provided any such
33 consumption or transfer by the tenant is done within the tenant's dwelling unit and is not visible
34 from outside of the individual residential dwelling unit. A landlord may prohibit the consumption,

1 display, and transfer of cannabis by a roomer as defined in § 34-18-11 and by any other person who
2 is not a tenant.

3 **21-28.11-12. Unlawful distribution to minors; penalties.**

4 (a) Except as expressly provided in chapter 28.6 of title 21 of the general laws, no person
5 or entity shall sell, deliver or otherwise transfer to any person who is under twenty-one (21) years
6 of age marijuana, marijuana plants or marijuana products.

7 (b) Any person or entity who sells, delivers or otherwise transfers marijuana, marijuana
8 plants or marijuana products to any person who is under twenty-one (21) years of age violation of
9 this chapter and chapter 28.12 of title 21 and/or the regulations promulgated hereunder shall be
10 subject to imposition of an administrative penalty by the office of cannabis regulation in the amount
11 of \$10,000 per violation.

12 (c) As to any violation of this section, such person, and in the case of an entity such entity's
13 principal officers and other key persons, shall also be guilty of a felony, and upon conviction shall
14 be punished by imprisonment and a fine as provided in chapter 28 of title 21 of the general laws
15 and the attorney general shall prosecute such criminal violation.

16 **21-28.11-13. Unlawful marijuana extraction, penalties.**

17 (a) No person, other than a licensee who is authorized to process marijuana pursuant to
18 a license under chapter 28.12 of title 21 and who is in compliance with this chapter, chapter 28.12
19 and accompanying regulations or an agent of such licensee acting in that capacity, may extract
20 compounds from marijuana using solvents other than water, glycerin, propylene glycol, vegetable
21 oil, or food grade ethanol (ethyl alcohol). No person may extract compounds from marijuana using
22 ethanol in the presence or vicinity of open flame.

23 (b) A person who violates this section shall be subject to imposition of an administrative
24 penalty by the office of cannabis regulation of up to five thousand dollars (\$5,000) per violation.

25 (c) A person who violates this section shall also be guilty of a felony punishable by imprisonment
26 and a fine in accordance with chapter 28 of title 21 of the general laws and the attorney general shall
27 prosecute such criminal violation.

28 **21-28.11-14. Medical marijuana program parity.**

29 (a) No later than April 1, 2023, the department of business regulation shall, in collaboration
30 with the department of health and the office of management and budget, conduct and deliver to the
31 Governor, the Speaker of the House of Representatives, and the President of the Senate a study
32 relating to the impact of the implementation of adult use cannabis in Rhode Island on the existing
33 medical marijuana program (MMP) established pursuant to chapter 28.6 of title 21. This study shall
34 examine and make recommendations relating to, without limitation, the following:

1 (b) The extent to which the introduction of adult use cannabis has diminished or eliminated
2 the availability of certain medical marijuana products or product types;

3 (c) The extent to which patient cardholders in Rhode Island have experienced new or
4 greater obstacles to obtaining medical marijuana, including on the basis of price, quantity, product
5 type, or geographic location;

6 (d) The extent to which the number of caregiver registrations and/or the number of plant
7 tag certificates issued by the office of cannabis regulation increases or decreases; and

8 (e) The extent to which the introduction of the new adult use cannabis tax and license fee
9 structure requires a realignment of the existing medical marijuana tax and license fee structure.

10 (f) Any recommendations delivered to the Governor pursuant to this study shall be
11 considered by the Governor, the department, and the office of management and budget in the
12 development of the act proposing appropriations for the fiscal year beginning July 1, 2024.

13 CHAPTER 28.12

14 MARIJUANA REGULATION, CONTROL, AND TAXATION ACT

15 **21-28.12-1. Short title.**

16 This chapter shall be known and may be cited as the "Marijuana Regulation, Control, and
17 Taxation Act."

18 **21-28.12-2. Definitions.**

19 For purposes of this chapter:

20 (1) "Adult use marijuana cultivator" means an entity that holds a license to cultivate
21 marijuana pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by
22 the office of cannabis regulation and includes a hybrid marijuana cultivator.

23 (2) "Adult use marijuana retailer" means an entity that holds a license to sell marijuana
24 at retail pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by
25 the office of cannabis regulation and includes a hybrid marijuana retailer.

26 (3) "Cannabis" means all parts of the plant of the genus marijuana, also known as marijuana
27 sativa L, whether growing or not; the seeds thereof; the resin extracted from any part of the
28 plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its
29 seeds, or resin regardless of cannabinoid content or cannabinoid potency including "marijuana", and
30 "industrial hemp" or "industrial hemp products" which satisfy the requirements of chapter 26 of
31 title 2 of the general laws and the regulations promulgated thereunder.

32 (4) "Equivalent amount" means the portion of usable marijuana, be it in extracted, edible,
33 concentrated, or any other form, found to be equal to a portion of dried marijuana, as defined by
34 regulations promulgated by the office of cannabis regulation.

1 (5) "Hybrid marijuana cultivator" means an entity that holds a medical marijuana
2 cultivator license pursuant to chapter 28.6 of title 21 that also holds a license to cultivate marijuana
3 pursuant to chapter 28.12 of title 21 and in accordance with regulations promulgated by the office
4 of cannabis regulation.

5 (6) "Hybrid marijuana retailer" means an entity that holds a medical marijuana
6 compassion center license pursuant to chapter 28.6 of title 21 that also holds a license to sell
7 marijuana at retail pursuant to chapter 28.12 of title 21 and in accordance with regulations
8 promulgated by the office of cannabis regulation.

9 (7) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not;
10 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
11 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
12 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
13 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
14 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
15 plant which is incapable of germination. Marijuana shall not include "industrial hemp or" industrial
16 hemp products" which satisfy the requirements of chapter 2-26 of the general laws and the
17 regulations promulgated thereunder.

18 (8) "Marijuana establishment" and "marijuana establishment licensee" means any person or
19 entity licensed by the office of cannabis regulation under this chapter or chapter 21-28.6 whose
20 license permits it to engage in or conduct activities in connection with the adult use marijuana
21 industry or medical marijuana program and includes but is not limited to a licensed adult use
22 marijuana retailer, marijuana testing facility, adult use marijuana cultivator, hybrid marijuana retailer,
23 hybrid marijuana cultivator, compassion center, medical marijuana cultivator or any other license issued by
24 the office of cannabis regulation under this chapter or chapter 28.6 of title 21 and/or as specified and defined
25 in regulations promulgated by the office of cannabis regulation.

26 (9) "Marijuana paraphernalia" means equipment, products, and materials which are
27 used or intended for use in planting, propagating, cultivating, growing, harvesting,
28 manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing,
29 packaging, repackaging, storing, containing, concealing, ingesting, or inhaling marijuana, or
30 otherwise introducing marijuana into the human body.

31 (10) "Marijuana products" means any form of marijuana, including concentrated marijuana
32 and products that are comprised of marijuana and other ingredients that are intended for use or
33 consumption, such as, but not limited to, extracts, infusions, edible products, ointments, and tinctures,
34 as further defined in regulations promulgated by the office of cannabis regulation.

1 (11) "Marijuana testing facility" or "cannabis testing laboratory" means a third-party analytical
2 testing laboratory licensed by the departments of health and office of cannabis regulation to collect
3 and test samples of cannabis pursuant to regulations promulgated by the departments.

4 (12) "Smoke" or "smoking" means heating to at least the point of combustion, causing plant
5 material to burn, inhaling, exhaling, burning, or carrying any lighted or heated cigarette, pipe, weed, plant,
6 other marijuana product in any manner or in any form intended for inhalation in any manner or form and
7 includes but is not limited to the use of electronic cigarettes, electronic pipes, electronic marijuana delivery
8 system products, or other similar products that rely on vaporization or aerosolization.

9 (13) "State prosecution" means prosecution initiated or maintained by the state of Rhode
10 Island or an agency or political subdivision of the state of Rhode Island.

11 (14) "Vaporize" or "vape" means heating below the point of combustion and resulting in a
12 vapor or mist.

13 **21-28.12-3. Office of Cannabis Regulation.**

14 (a) The office of cannabis regulation within the department of business regulation shall
15 oversee the regulation, licensing and control of cannabis, including marijuana, medical marijuana
16 and industrial hemp, and such other matters within the jurisdiction of the department as determined
17 by the director. The head of the office shall serve as the chief of the office of cannabis regulation.
18 The chief shall be the executive and administrative head of the office and shall be responsible for
19 administering and enforcing the laws and regulations relating to cannabis in the state of Rhode
20 Island.

21 (b) Whenever in chapter 26 of title 2, and chapters 28.6, 28.11, and 28.12 of title 21 and
22 chapter 49.1 of title 44 of the general laws the words "department of business regulation" shall
23 appear, the words shall be deemed to mean the office of cannabis regulation within the department
24 of business regulation. Whenever in chapter 26 of title 2, and chapters 28.6, 28.11, and 28.12 of
25 title 21 and chapter 49.1 of title 44 of the general laws the words "office of cannabis regulation"
26 shall appear, the words shall be deemed to mean the office of cannabis regulation within the
27 department of business regulation.

28 (c) The office of cannabis regulation shall coordinate the executive branch response to
29 the regulation and control of cannabis including, but not limited to, strategic planning,
30 coordination and approval of regulations, educational content, planning and
31 implementation, community engagement, budget coordination, data collection and analysis
32 functions, and any other duties deemed necessary and appropriate by the office of cannabis
33 regulation to carry out the provisions of this chapter.

1 (d) In furtherance of coordinating the oversight of cannabis, including marijuana, medical
2 marijuana and industrial hemp, across state agencies, the office of cannabis regulation shall:

3 (1) Coordinate with the staff designated by the respective directors of each state agency
4 regarding the agency's promulgation and implementation of rules and regulations regarding adult use
5 of marijuana, medical marijuana and industrial hemp with the objective of producing positive
6 economic, public safety, and health outcomes for the state and its citizens;

7 (2) Offer guidance to and communicate with municipal officials regarding the
8 implementation and enforcement of this chapter and chapters 28.6 and 28.11;

9 (3) Align all policy objectives and the promulgation of rules and regulations across state
10 agencies to increase efficiency and eliminate unintended negative impacts on the state and its
11 citizens;

12 (4) Communicate with regulatory officials from other states that allow marijuana for adult use,
13 medical marijuana use and industrial hemp production to learn from the experiences of those states;

14 (5) Anticipate, prioritize, and respond to emerging issues with the regulation of marijuana;

15 (6) Coordinate the collection of data on adult use of marijuana and medical marijuana use from
16 state agencies and report to the governor and legislature no later than April 1, 2023, and every year
17 thereafter. The report shall include, but is not limited to:

18 (i) The number and geographic distribution of all licensed marijuana establishments;

19 (ii) Data on the total amount of sales of marijuana and the total amount of revenue raised
20 from taxes and fees levied on marijuana;

21 (iii) Projected estimate of the total marijuana revenue that will be raised in the proceeding
22 year;

23 (iv) The distribution of funds to programs and agencies from revenue raised from fees and
24 taxes levied on marijuana; and

25 (v) Any findings from the departments of health and public safety related to changes in
26 marijuana use rates and the impact, if any, of marijuana use on public health and public safety.

27 **21-28.12-4. Governor's Cannabis Reinvestment Task Force.**

28 (a) There is hereby created the Governor's Cannabis Reinvestment Task Force, members
29 of which shall be appointed by and serve at the pleasure of the Governor. There shall be fifteen
30 (15) members, with eight (8) members constituting a quorum. The members shall serve for an initial
31 term of one (1) year and may be reappointed for an additional period of one (1) year. The members
32 shall serve on the task force without compensation.

33 (b) The task force shall be co-chaired by the Director of the Department of Business
34 Regulation or her or his designee and the Secretary of the Executive Office of Health and Human

1 Services or her or his designee and shall also include the Directors of the Departments of Health,
2 Labor and Training, Public Safety, and the President of the Rhode Island Commerce Corporation,
3 or their designees.

4 (c) The task force shall further consist of, but not be limited to, representatives of municipal
5 government, faith-based organizations, Rhode Island-based community development corporations
6 (CDCs), industry associations, small business owners, and at least two (2) members of the Rhode
7 Island cannabis industry, including at least one (1) representative of a licensed compassion center
8 and one (1) representative of a licensed cultivator. No later than July 1, 2022, the task force shall
9 present recommendations to the office of cannabis regulation and the office of management and
10 budget specifically relating to the long-term reinvestment of adult use cannabis revenues in existing
11 or new programs or initiatives which shall include, but not be limited to: job training, small business
12 access to capital, affordable housing, health equity, and neighborhood and community
13 development. These recommendations shall contemplate an overall proportion of cannabis
14 revenues to be reinvested in these targeted areas, and shall be made with a specific focus on racial
15 equity, worker and family economic empowerment, the disproportionate impact of cannabis-related
16 law enforcement policies and procedures, and structural barriers to participation in Rhode Island’s
17 cannabis industry.

18 (d) All meetings of the task force shall be open meetings and all records of the task force
19 shall be public records. The office of cannabis regulation, the office of management and budget,
20 and the executive office of health and human services shall provide administrative support to the
21 task force as needed.

22 **21-28.12-5. Licensed retailers.**

23 (a) The department of business regulations shall accept applications for adult use marijuana
24 retailer licenses on an annual basis according to the following methodology:

25 (1) During the 12-month period beginning July 1, 2021, the department of business
26 regulation shall establish and open a first application period, the duration of which shall be
27 determined by the department, during which the department will accept applications for twenty-
28 five (25) adult use marijuana retailer licenses;

29 (2) During the 12-month period beginning July 1, 2022, the department of business
30 regulation shall establish and open a second application period, the duration of which shall be
31 determined by the department, during which the department will accept applications for an
32 additional twenty-five (25) adult use marijuana retailer licenses;

33 (3) During the 12-month period beginning July 1, 2023, the department of business
34 regulation shall establish and open a third application period, the duration of which shall be

1 determined by the department, during which the department will accept applications for an
2 additional twenty-five (25) adult use marijuana retail licenses; such that by June 30, 2024, the
3 department will have awarded or issued preliminary approval for no more than seventy-five (75)
4 adult use retail licenses;

5 (b) Beginning July 1, 2024, and for the years that follow, the department may make
6 additional retail adult use cannabis licenses available based on market factors including, but not
7 limited to, the findings of a market demand study conducted pursuant to § 21-28.12-18, and taking
8 into consideration the impact of said additional licenses on public health and safety.

9 (c) Excluding applications for hybrid marijuana retailer licenses as described in subsection
10 (f), to the extent that the total number of qualifying applications for retail licenses received during
11 any application period exceeds the number of licenses made available by the department pursuant
12 to this section, the department shall award the licenses to qualifying applicants selected by way of
13 a randomized lottery in accordance with rules and regulations promulgated by the department,
14 provided in no case shall the number of licenses awarded to qualifying minority business
15 enterprises, as defined in chapter 14.1 of title 37 and regulations promulgated thereunder, be fewer
16 than five (5) or twenty percent (20%) of the total number of licenses awarded on an annual basis,
17 whichever is greater.

18 (d) By January 1, 2023, the department of business regulation shall conduct a disparity
19 study examining the extent to which minority-owned businesses have been able to participate in
20 the adult use cannabis market in Rhode Island, and may recommend revisions to the ratio set forth
21 in subsection (c) as needed based on the findings of this study.

22 (e) The departments of administration and business regulation are hereby authorized to
23 jointly promulgate additional rules and regulations as needed to clarify and implement the process
24 of certification as a minority business enterprise for the purposes of this section.

25 (f) In addition to the adult use marijuana retailer licenses issued pursuant to subsection (a),
26 any person or entity to whom the department of business regulation has issued a compassion center
27 license or conditional compassion center application approval as of the date the department's
28 opening of the application period, and who is in good standing with the department pursuant to
29 chapter 28.6 of title 21 may apply for and shall be issued a hybrid marijuana retailer license during
30 the first application period, provided that any such applicant is in compliance with all applicable
31 regulations and demonstrates to the satisfaction of the department in accordance with regulations
32 promulgated hereunder that the applicant's proposed adult use licensure will have no adverse effect
33 on the medical marijuana program market and patient need. The department may deny an

1 application that fails to make this demonstration and/or may impose restrictions and conditions to
2 licensure as it deems appropriate to ensure no adverse effect on the medical marijuana program
3 market and patient needs. A hybrid marijuana retailer licensee must maintain its compassion center
4 license in good standing as a condition to licensure for its hybrid marijuana retailer license.

5 (g) An adult use marijuana retailer licensed under this section may acquire marijuana and
6 marijuana products from licensed hybrid marijuana cultivators and other licensed marijuana
7 establishments in accordance with regulations promulgated by department of business regulation,
8 and possess, deliver, transfer, transport, supply and sell at retail marijuana, marijuana products and
9 marijuana paraphernalia to persons who are twenty-one (21) years of age or older in accordance
10 with the provisions of chapters 28.11 and 28.12 of title 21 and the regulations promulgated by the
11 department of business regulation. A licensed adult use marijuana retailer shall not be a primary
12 caregiver cardholder and shall not hold a cooperative cultivation license. A licensed adult use
13 marijuana retailer shall not hold an adult use marijuana cultivator license and shall not grow or
14 cultivate marijuana except to the extent the adult use marijuana retailer is licensed as a hybrid
15 marijuana retailer issued to a compassion center that has been approved for cultivation of marijuana
16 pursuant to such compassion center license. The department of business regulation may restrict the
17 number, types, and classes of adult use marijuana licenses an applicant may be issued through
18 regulations promulgated by the department.

19 (h) The department of business regulation may promulgate regulations governing the
20 manner in which it shall consider applications for the licensing of adult use marijuana retailers and
21 registration of all of its owners, officers, directors, managers, members, partners, employees, and
22 agents, including but not limited to regulations governing:

23 (1) The form and content of licensing and renewal applications, including, without
24 limitation, required submission materials upon which the department shall determine suitability of
25 an applicant;

26 (2) Minimum oversight requirements for licensed adult use marijuana retailers;

27 (3) Minimum record-keeping requirements for adult use marijuana retailers;

28 (4) Minimum insurance requirements for adult use marijuana retailers;

29 (5) Minimum security requirements for adult use marijuana retailers; and

30 (6) Procedures for suspending, revoking, or terminating the license of adult use marijuana
31 retailers that violate any provisions of this chapter or the regulations promulgated hereunder.

32 (7) Applicable application and license fees.

33 (i) The license issued by the department of business regulation to an adult use marijuana
34 retailer and the registration issued to each of its owners, officers, directors, managers, members,

1 partners, employees and agents shall expire one (1) year after it was issued and the licensee may
2 apply for renewal with the department in accordance with its regulations pertaining to licensed
3 adult use marijuana retailers.

4 (j) The department of business regulation may promulgate regulations that govern how
5 much marijuana a licensed adult use marijuana retailer may possess. All marijuana acquired,
6 possessed and sold by a licensed adult use marijuana retailer must be catalogued in a seed to sale
7 inventory tracking system in accordance with regulations promulgated by the department of
8 business regulation.

9 (k) Adult use marijuana retailers shall only sell marijuana, marijuana products and
10 marijuana paraphernalia at retail to persons twenty-one (21) years of age or older in accordance
11 with chapters 28.11 and 28.12 of title 21 and the regulations promulgated by the department of
12 business regulation thereunder. Adult use marijuana retailers shall not sell any other products
13 except as otherwise permitted in regulations promulgated by the department of business regulation.
14 The department may suspend and/or revoke the adult use marijuana retailer's license and the
15 registration of any owner, officer, director, manager, member, partner, employee, or agent of such
16 adult use marijuana retailer and/or impose an administrative penalty in accordance with such
17 regulations promulgated by the department for any violation of chapters 28.11 or 28.12 of title 21
18 or the regulations promulgated thereunder. In addition, any violation of chapters 28.11 or 28.12 of
19 title 21 or the regulations promulgated pursuant to this subsection and subsection (h) shall cause a
20 licensed adult use marijuana retailer to lose the protections described in § 21-28.11-4(2) and may
21 subject the licensed adult use marijuana retailer and its owners, officers, directors, managers,
22 members, partners, employees, and agents to arrest and prosecution under Chapter 28 of title 21
23 (the Rhode Island Controlled Substances Act).

24 (l) Adult use marijuana retailers shall be subject to any regulations promulgated by the
25 department of health or department of business regulation that specify how marijuana must be
26 tested for items, including, but not limited to, potency, cannabinoid profile, and contaminants;

27 (m) Adult use marijuana retailers shall be subject to any product labeling requirements
28 promulgated by the department of business regulation and the department of health;

29 (n) Adult use marijuana retailers shall only be licensed to possess and sell marijuana,
30 marijuana products and marijuana paraphernalia at the location(s) set forth in its adult use
31 marijuana retailer license and registered with the department of business regulation and the
32 department of public safety. The department of business regulation may promulgate regulations
33 governing the department's approval of locations where adult use marijuana retailers are allowed

1 to operate. Adult use marijuana retailers must abide by all local ordinances, including zoning
2 ordinances.

3 (o) Adult use marijuana retailers shall be subject to inspection and audit by the department
4 of business regulation or the department of health for the purposes of enforcing regulations
5 promulgated pursuant to this chapter and all applicable Rhode Island general laws.

6 (p) An adult use marijuana retailer applicant, unless they are an employee with no equity,
7 ownership, financial interest, or managing control, shall apply to the bureau of criminal
8 identification of the department of attorney general, department of public safety division of state
9 police, or local police department for a national criminal records check that shall include
10 fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
11 disqualifying information as defined in subdivision (p)(2), and in accordance with the rules
12 promulgated by the director of the department of business regulation, the bureau of criminal
13 identification of the department of attorney general, department of public safety division of state
14 police, or the local police department shall inform the applicant, in writing, of the nature of the
15 disqualifying information; and, without disclosing the nature of the disqualifying information, shall
16 notify the department of business regulation, in writing, that disqualifying information has been
17 discovered.

18 (1) In those situations in which no disqualifying information has been found, the bureau of
19 criminal identification of the department of attorney general, department of public safety division
20 of state police, or the local police department shall inform the applicant and the department of
21 business regulation, in writing, of this fact.

22 (2) Information produced by a national criminal records check pertaining to a conviction
23 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a
24 sentence of probation shall result in a letter to the applicant and the department of business
25 regulation disqualifying the applicant.

26 (3) The adult use marijuana retailer applicant shall be responsible for any expense
27 associated with the national criminal records check.

28 (q) Persons issued adult use marijuana retailer licenses or registration cards shall be subject
29 to the following:

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

1 (2) When a licensed adult use marijuana retailer cardholder notifies the department of
2 business regulation of any changes listed in this subsection, the department of business regulation
3 shall issue the adult use marijuana retailer cardholder a new license or registry identification card
4 after the department approves the changes and receives from the licensee payment of a fee specified
5 in regulation.

6 (3) If a licensed adult use marijuana retailer cardholder loses his or her registry
7 identification card, he or she shall notify the department of business regulation and submit a fee
8 specified in regulation within ten (10) days of losing the registry identification card. The department
9 of business regulation shall issue a new registry identification card with a new random
10 identification number.

11 (4) A licensed adult use marijuana retailer cardholder shall notify the department of
12 business regulation of any disqualifying criminal convictions as defined in subsection (p)(2). The
13 department of business regulation may choose to suspend and/or revoke his or her card after such
14 notification.

15 (5) If a licensed adult use marijuana retailer or adult use marijuana retailer cardholder
16 violates any provision of this chapter or regulations promulgated hereunder as determined by the
17 department of business regulation, his or her card or the issued license may be suspended and/or
18 revoked.

19 (r) No person or entity shall engage in activities described in this § 21-28.12-5 without an
20 adult use marijuana retailer license issued by the department of business regulation in accordance
21 with chapters 28.11 and 28.12 of title 21 and regulations promulgated thereunder by the department
22 of business regulation.

23 **21-28.12-6 Licensed cultivators.**

24 (a) On or after July 1, 2021, the department of business regulation shall establish and open
25 an application period during which it will accept applications for adult use marijuana cultivator
26 licenses. The duration of the application period, the number and class of adult use marijuana
27 licenses and the method of selection shall be determined in accordance with regulations
28 promulgated by the department of business regulation taking into consideration market demand
29 and the impact of said additional licenses on public health and safety.

30 (b) A medical marijuana cultivator licensed and in good standing with the department of
31 business regulation as of the opening of the application period may apply for and shall be issued a
32 hybrid marijuana cultivator license under this section, provided that a medical marijuana cultivator
33 licensee who applies for a hybrid marijuana cultivator license will be required to demonstrate to

1 the satisfaction of the department of business regulation in accordance with regulations
2 promulgated hereunder that the applicant's proposed adult use licensure will have no adverse effect
3 on the medical marijuana program market and patient need. The department of business regulation
4 may deny an application that fails to make this demonstration and/or may impose restrictions and
5 conditions to licensure as it deems appropriate to ensure no adverse effect on the medical marijuana
6 program market and patient needs. A licensed hybrid marijuana cultivator must maintain its
7 medical marijuana cultivator license in good standing as a condition to licensure for its hybrid
8 marijuana cultivator license.

9 (c) An adult use marijuana cultivator licensed pursuant to this section shall be authorized
10 to acquire, possess, cultivate, package, process, manufacture and transfer marijuana and marijuana
11 products, in accordance with chapters 28.11 and 28.12 of title 21 and regulations promulgated by
12 the department of business regulation, and may sell, deliver, or transfer marijuana and marijuana
13 products to adult use marijuana retailers, a cannabis testing laboratory, or another marijuana
14 establishment licensee in accordance with regulations promulgated by the department of business
15 regulation. A licensed cultivator shall not be a primary caregiver cardholder and shall not hold a
16 cooperative cultivation license. A licensed adult use marijuana cultivator shall not sell, deliver, or
17 transfer marijuana or marijuana products to a compassion center licensed under chapter 28.6 of title
18 21 except to the extent that the adult use marijuana cultivator is licensed as a hybrid cultivator
19 issued to a medical marijuana cultivator licensed and in good standing with the department of
20 business regulation and in accordance with the applicable regulations. A licensed adult use
21 marijuana cultivator shall not sell marijuana or marijuana products at retail or otherwise to the
22 general public. The department of business regulation may restrict the number, types, and classes
23 of adult use marijuana establishment licenses an applicant may be issued through regulations
24 promulgated by the department.

25 (d) The department of business regulation may promulgate regulations governing the
26 manner in which it shall consider applications for the licensing of adult use marijuana cultivators,
27 including but not limited to regulations governing:

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

29 (2) Minimum oversight requirements for licensed adult use marijuana cultivators;

30 (3) Minimum record-keeping requirements for adult use marijuana cultivators;

31 (4) Minimum insurance requirements for adult use marijuana cultivators;

32 (5) Minimum security requirements for adult use marijuana cultivators; and

33 (6) Procedures for suspending, revoking, or terminating the license of adult use marijuana
34 cultivators that violate any provisions of this chapter or the regulations promulgated hereunder.

1 (7) Applicable application and license fees.

2 (e) A adult use marijuana cultivator license issued by the department of business regulation
3 shall expire one (1) years after it was issued and the licensed hybrid marijuana cultivator may apply
4 for renewal with the department in accordance with its regulations pertaining to licensed adult use
5 marijuana cultivators.

6 (f) The department of business regulation may promulgate regulations that govern how
7 much marijuana a licensed adult use marijuana cultivator may cultivate and possess. All marijuana
8 possessed by a licensed adult use marijuana cultivator must be catalogued in a seed to sale inventory
9 tracking system in accordance with regulations promulgated by the department of business
10 regulation.

11 (g) Adult use marijuana cultivators shall only sell marijuana and marijuana products to
12 adult use marijuana retailers or another licensed marijuana establishment licensee in accordance
13 with regulations promulgated by the department of business regulation. The department may
14 suspend and/or revoke the adult use marijuana cultivator’s license and the registration of any owner,
15 officer, director, manager, member, partner, employee, or agent of such adult use marijuana
16 cultivator and/or impose an administrative penalty in accordance with such regulations
17 promulgated by the department for any violation of this section or the regulations. In addition, any
18 violation of this section or the regulations promulgated pursuant to this subsection and subsection
19 (f) shall cause a licensed adult use marijuana cultivator to lose the protections described in § 21-
20 28.11-4(3) and may subject the licensed adult use marijuana cultivator and its owners, officers,
21 directors, managers, members, partners, employees, or agents to arrest and prosecution under
22 chapter 28 of title 21 (the Rhode Island Controlled Substances Act).

23 (h) Adult use marijuana cultivators shall be subject to any regulations promulgated by the
24 department of health or department of business regulation for marijuana testing, including, but not
25 limited to, potency, cannabinoid profile, and contaminants;

26 (i) Adult use marijuana cultivators shall be subject to any product packaging and labeling
27 requirements promulgated by the department of business regulation and the department of health;

28 (j) Adult use marijuana cultivators shall only be licensed to cultivate and process marijuana
29 at a single location, registered with the department of business regulation and the department of
30 public safety provided that a hybrid marijuana cultivator licensee whose hybrid license and medical
31 marijuana cultivator license under chapter 28.6 of title 21 is in good standing may cultivate and
32 process adult use marijuana at an additional location that is separate from its original licensed
33 premises if approved in accordance with regulations adopted by the department of business

1 regulation. Adult use marijuana cultivators must abide by all local ordinances, including zoning
2 ordinances.

3 (k) Adult use marijuana cultivators shall be subject to reasonable inspection by the
4 department of business regulation and the department of health for the purposes of enforcing
5 regulations promulgated pursuant to this chapter and all applicable Rhode Island general laws.

6 (l) A adult use marijuana cultivator applicant, unless they are an employee with no equity,
7 ownership, financial interest, or managing control, shall apply to the bureau of criminal
8 identification of the department of attorney general, department of public safety division of state
9 police, or local police department for a national criminal records check that shall include
10 fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
11 disqualifying information as defined in subdivision (1)(2), and in accordance with the rules
12 promulgated by the director of the department of business regulation, the bureau of criminal
13 identification of the department of attorney general, department of public safety division of state
14 police, or the local police department shall inform the applicant, in writing, of the nature of the
15 disqualifying information; and, without disclosing the nature of the disqualifying information, shall
16 notify the department of business regulation, in writing, that disqualifying information has been
17 discovered.

18 (1) Where no disqualifying information has been found, the bureau of criminal
19 identification of the department of attorney general, department of public safety division of state
20 police, or the local police department shall inform the applicant and the department of business
21 regulation, in writing, of this fact.

22 (2) Information produced by a national criminal records check pertaining to a conviction
23 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a
24 sentence of probation shall result in a letter to the applicant and the department of business
25 regulation disqualifying the applicant.

26 (3) An adult use marijuana cultivator applicant shall be responsible for any expense
27 associated with the national criminal records check.

28 (m) Persons issued adult use marijuana cultivator licenses or registration cards shall be
29 subject to the following:

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

1 (2) When a licensed adult use marijuana cultivator cardholder notifies the department of
2 business regulation of any changes listed in this subsection, the department of business regulation
3 shall issue the adult use marijuana cultivator cardholder a new license or registry identification card
4 after the department approves the changes and receives from the licensee payment of a fee specified
5 in regulation.

6 (3) If a licensed adult use marijuana cultivator cardholder loses his or her registry
7 identification card, he or she shall notify the department of business regulation and submit a fee
8 specified in regulation within ten (10) days of losing the registry identification card. The
9 department of business regulation shall issue a new registry identification card with a new random
10 identification number.

11 (4) A licensed adult use marijuana cultivator cardholder shall notify the department of
12 business regulation of any disqualifying criminal convictions as defined in subdivision (1)(2). The
13 department of business regulation may choose to suspend and/or revoke his or her card after such
14 notification.

15 (5) If a licensed adult use marijuana cultivator or hybrid marijuana cultivator cardholder
16 violates any provision of this chapter or regulations promulgated hereunder as determined by the
17 department of business regulation, his or her card or the issued license may be suspended and/or
18 revoked.

19 (n) No person or entity shall engage in activities described in this § 21-28.12-6 without an
20 adult use marijuana cultivator license issued by the department of business regulation.

21 **21-28.12-7. Other supporting marijuana establishment licenses.**

22 (a) The office of cannabis regulation shall have the authority to promulgate regulations to
23 establish and implement additional types and classes of commercial marijuana establishment
24 licenses, including but not limited to, craft cultivators, marijuana processors and licenses for
25 businesses to engage in marijuana, destruction, delivery, disposal, research and development,
26 transportation, social use licenses, or any other commercial activity needed to support licensed
27 hybrid marijuana cultivators, licensed adult use marijuana retailers, and licensed cannabis testing
28 facilities, provided no such license created by the department shall allow for the retail sale of
29 marijuana.

30 (b) The office of cannabis regulation shall promulgate regulations governing the manner
31 in which it shall accept applications and issue licenses for such additional types and classes of
32 marijuana establishment licenses, in accordance with this section provided that any regulations
33 establishing a new license type shall include a mechanism to issue not less than 50% of such license

1 type to minority business enterprises (MBEs), as defined in chapter 14.1 of title 37 and regulations
2 promulgated thereunder, during the first application period, provided that this ratio shall be subject
3 to annual review and revision according to rules and regulations promulgated by the department
4 pursuant to this section and the disparity study conducted pursuant to § 21-28.12-5(d).

5 (c) The office of cannabis regulation shall promulgate regulations governing the manner in
6 which it shall consider applications for the licensing and renewal of each type of additional
7 marijuana establishment license necessary and proper to enforce the provisions of and carry out the
8 duties assigned to it under this chapter and chapter 28.11, including but not limited to regulations
9 governing:

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

11 (2) Application and licensing fees for marijuana establishment licensees;

12 (3) Procedures for the approval or denial of a license, and procedures for suspension or
13 revocation of the license of any marijuana establishment licensee that violates the provisions of this
14 chapter, chapter 28.11 or the regulations promulgated thereunder in accordance with the provisions
15 of chapter 35 of title 42 of the general laws;

16 (4) Minimum oversight requirements for marijuana establishment licensees;

17 (5) The allowable size, scope and permitted activities of marijuana establishment licensees and
18 facilities and the number and type of licenses that a marijuana establishment licensee may be issued;

19 (6) Minimum record-keeping requirements for marijuana establishment licensees;

20 (7) Minimum security requirements for additional adult use marijuana establishment
21 licensees; and

22 (8) Compliance with municipal zoning restrictions, if any, which comply with § 21-28.12-
23 12 of this chapter.

24 (d) The department of health, in coordination with the office of cannabis regulation, shall have
25 authority to promulgate regulations to create and implement all licenses involving cannabis
26 reference testing requirements including approval, laboratory proficiency programs and
27 proficiency sample providers, quality assurance sample providers, round robin testing and
28 regulations establishing quality control and test standardization, and create and implement additional
29 types and classes of licensed cannabis testing facilities in accordance with regulations promulgated
30 hereunder.

31 (e) The department of health or the office of cannabis regulation, as applicable, shall issue
32 each principal officer, board member, agent, volunteer, and employee of a marijuana establishment
33 license a registry identification card or renewal card after receipt of the person's name, address,

1 date of birth; a fee in an amount established by the department of health or the office of cannabis
2 regulation; and, when the applicant holds an ownership, equity, controlling, or managing stake in
3 the marijuana establishment license as defined in regulations promulgated by the office of cannabis
4 regulation, notification to the department of health or the office of cannabis regulation by the
5 department of public safety division of state police, attorney general's office, or local law
6 enforcement that the registry identification card applicant has not been convicted of a felony drug
7 offense or has not entered a plea of nolo contendere for a felony drug offense and received a
8 sentence of probation. Each card shall specify that the cardholder is a principal officer, board
9 member, agent, volunteer, employee, or other designation required by the departments of marijuana
10 establishment license and shall contain the following:

11 (i) The name, address, and date of birth of card applicant;

12 (ii) The legal name of the marijuana establishment licensee to which the applicant is
13 affiliated;

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

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

16 (v) A photograph, if the department of health or the office of cannabis regulation decides
17 to require one; and

18 (vi) Any other information or card classification that the office of cannabis regulation or
19 department of health requires.

20 (f) Except as provided in subsection (e), neither the department of health nor the office of
21 cannabis regulation shall issue a registry identification card to any card applicant who holds an
22 ownership, equity, controlling, or managing stake in the marijuana establishment license as defined
23 in regulations promulgated by the office of cannabis regulation, who has been convicted of a felony
24 drug offense or has entered a plea of nolo contendere for a felony drug offense and received a
25 sentence of probation or who the department has otherwise deemed unsuitable. If a registry
26 identification card is denied, the applicant will be notified in writing of the purpose for denying the
27 registry identification card.

28 (g) (i) All registry identification card applicants who hold an ownership, equity,
29 controlling, or managing stake in the marijuana establishment license as defined in regulations
30 promulgated by the office of cannabis regulation shall apply to the department of public safety
31 division of state police, the attorney general's office, or local law enforcement for a national
32 criminal identification records check that shall include fingerprints submitted to the federal bureau
33 of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
34 contendere for a felony drug offense with a sentence of probation, and in accordance with the rules

1 promulgated by the department of health and the office of cannabis regulation, the department of
2 public safety division of state police, the attorney general's office, or local law enforcement shall
3 inform the applicant, in writing, of the nature of the felony and the department of public safety
4 division of state police shall notify the department of health or the office of cannabis regulation, in
5 writing, without disclosing the nature of the felony, that a felony drug offense conviction or a plea
6 of nolo contendere for a felony drug offense with probation has been found.

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

11 (iii) All registry identification card applicants shall be responsible for any expense
12 associated with the criminal background check with fingerprints.

13 (h) A registry identification card of a principal officer, board member, agent, volunteer, or
14 employee, or any other designation required by the office of cannabis regulation shall expire one
15 year after its issuance, or upon the termination of the principal officer, board member, agent,
16 volunteer or employee's relationship with the marijuana establishment licensee, or upon the
17 termination or revocation of the affiliated marijuana establishment's license, whichever occurs first.

18 (i) A registration identification card holder shall notify and request approval from the office
19 of cannabis regulation or department of health of any change in his or her name or address within
20 ten (10) days of such change. A cardholder who fails to notify the office of cannabis regulation or
21 health of any of these changes is responsible for a civil infraction, punishable by a fine of no more
22 than one hundred fifty dollars (\$150).

23 (j) When a cardholder notifies the department of health or the office of cannabis regulation
24 of any changes listed in this subsection, the department shall issue the cardholder a new registry
25 identification after receiving the updated information and a ten dollar (\$10.00) fee.

26 (k) If a cardholder loses his or her registry identification card, he or she shall notify the
27 department of health or the office of cannabis regulation and submit a ten dollar (\$10.00) fee within
28 ten (10) days of losing the card and the department shall issue a new card.

29 (l) Registry identification cardholders shall notify the office of cannabis regulation or
30 health of any disqualifying criminal convictions as defined in subdivision (g)(i). The applicable
31 department may choose to suspend and/or revoke his or her registry identification card after such
32 notification.

1 (m) If a registry identification cardholder violates any provision of this chapter or
2 regulations promulgated hereunder as determined by the departments of health and office of
3 cannabis regulation, his or her registry identification card may be suspended and/or revoked.

4 (n) The office of cannabis regulation may limit or prohibit a medical marijuana
5 establishment's operation under an adult use marijuana establishment license if the office of
6 cannabis regulation determines that failure to do so would threaten medical marijuana patients'
7 access to marijuana products needed to treat qualifying conditions.

8 (o) Licensees may hold a medical marijuana establishment license and an adult use
9 marijuana establishment license in accordance with regulations promulgated by the office of
10 cannabis regulation.

11 **21-28.12-8. Ineligibility for license.**

12 A marijuana establishment may not operate, and a prospective marijuana establishment may
13 not apply for a license, if any of the following are true:

14 (1) The person or entity is applying for a license to operate as a marijuana establishment and
15 t h e establishment would operate in a location that is within one thousand (1,000) feet of the property
16 line of a preexisting public or private school; or

17 (2) The establishment would be located at a site where the use is not permitted by applicable
18 zoning classification or by special use permit or other zoning approval, or if the proposed location would
19 otherwise violate a municipality's zoning ordinance; or

20 (3) The establishment would be located in a municipality in which the kind of
21 marijuana establishment being proposed is not permitted pursuant to a referendum approved in
22 accordance with § 21-28.12-12. For purpose of illustration but not limitation, an adult use marijuana
23 retailer may not operate in a municipality in which residents have approved by a simple majority
24 referendum a ban on marijuana retailers.

25 (4) If any marijuana establishment licensee including an adult use marijuana retailer applicant is
26 deemed unsuitable or denied a license or any of its owners, officers, directors, managers, members,
27 partners or agents is denied a registry identification card by the office of cannabis regulation.

28 **21-28.12-9. License Required.**

29 No person or entity shall engage in any activities in which a licensed marijuana
30 establishment licensee may engage pursuant to chapters 28.6, 28.11 or 28.12 of title 21 and the
31 regulations promulgated thereunder, without the license that is required in order to engage in such
32 activities issued by the office of cannabis regulation and compliance with all provisions of such
33 chapters 28.6, 28.11 and 28.12 of title 21 and the regulations promulgated thereunder.

34 **21.28.12-10. Enforcement**

1 (a) (1) Notwithstanding any other provision of this chapter, if the director of the department
2 of business regulation or his or her designee has cause to believe that a violation of any provision
3 of chapters 21-28.6, 21-28.11 or 28.12 or any regulations promulgated thereunder has occurred by
4 a licensee that is under the department's jurisdiction pursuant to chapters 21-28.6, 21-28.11 or
5 28.12, or that any person or entity is conducting any activities requiring licensure or registration by
6 the office of cannabis regulation under chapters 21-28.6, 21-28.11 or 28.12 or the regulations
7 promulgated thereunder without such licensure or registration, the director or his or her designee
8 may, in accordance with the requirements of the administrative procedures act, chapter 35 of title
9 42:

10 (i) With the exception of patients and authorized purchasers, revoke or suspend a license
11 or registration;

12 (ii) Levy an administrative penalty in an amount established pursuant to regulations
13 promulgated by the office of cannabis regulation;

14 (iii) Order the violator to cease and desist such actions;

15 (iv) Require a licensee or registrant or person or entity conducting any activities requiring
16 licensure or registration under chapters 21-28.6, 21-28.11 or 28.12 to take such actions as are
17 necessary to comply with such chapter and the regulations promulgated thereunder; or

18 (v) Any combination of the above penalties.

19 (2) If the director of the department of business regulation finds that public health, safety,
20 or welfare imperatively requires emergency action, and incorporates a finding to that effect in his
21 or her order, summary suspension of license or registration and/or cease and desist may be ordered
22 pending proceedings for revocation or other action. These proceedings shall be promptly instituted
23 and determined.

24 (b) If a person exceeds the possession limits set forth in chapters 21-28.6, 21-28.11 or 21-
25 28.12, or is in violation of any other section of chapters 21-28.6, 21-28.11 or 28.12 or the
26 regulations promulgated thereunder, he or she may also be subject to arrest and prosecution under
27 chapter 28 of title 21 of the general laws.

28 (c) All marijuana establishment licensees are subject to inspection by the office of cannabis
29 regulation including but not limited to, the licensed premises, all marijuana and marijuana products
30 located on the licensed premises, personnel files, training materials, security footage, all business
31 records and business documents including but not limited to purchase orders, transactions, sales,
32 and any other financial records or financial statements whether located on the licensed premises or
33 not.

1 (d) All marijuana products that are held within the borders of this state in violation of the
2 provisions of chapters 28.6, 28.11 or 28.12 of title 21 or the regulations promulgated thereunder
3 are declared to be contraband goods and may be seized by the office of cannabis regulation, the tax
4 administrator or his or her agents, or employees, or by any sheriff, or his or her deputy, or any
5 police or other law enforcement officer when requested by the tax administrator or office of
6 cannabis regulation to do so, without a warrant. All contraband goods seized by the state under this
7 chapter may be destroyed.

8 (e) Notwithstanding any other provision of law, the office of cannabis regulation may make
9 available to law enforcement and public safety personnel, any information that the department's
10 director or his or her designee may consider proper contained in licensing records, inspection
11 reports and other reports and records maintained by the office of cannabis regulation, as necessary
12 or appropriate for purposes of ensuring compliance with state laws and regulations. Nothing in this
13 act shall be construed to prohibit law enforcement, public safety, fire, or building officials from
14 investigating violations of, or enforcing state law.

15 **21-28.12-11. Rulemaking authority.**

16 (a) The department of business regulation may adopt all rules and regulations necessary
17 and convenient to carry out and administer the provisions in this chapter and chapter 28.11
18 including operational requirements applicable to licensees and regulations as are necessary and
19 proper to enforce the provisions of and carry out the duties assigned to it under this chapter and
20 chapter 28.11, including but not limited to regulations governing:

21 (1) Record-keeping requirements for marijuana establishment licensees;

22 (2) Security requirements for marijuana establishment licensees including but not limited
23 to the use of:

24 (i) An alarm system, with a backup power source, that alerts security personnel and local
25 law enforcement officials of any unauthorized breach;

26 (ii) Perpetual video surveillance system, with a backup power source, that records video
27 surveillance must be stored for at least two (2) months and be accessible to the office of cannabis
28 regulation via remote access and to law enforcement officials upon request;

29 (iii) Protocols that ensure the secure transport, delivery, and storage of cannabis and
30 cannabis products;

31 (iv) Additional security measures to protect against diversion or theft of cannabis from
32 cannabis cultivation facilities that cultivate cannabis outdoors; and

33 (v) any additional requirements deemed necessary by the office of cannabis regulation;

1 (3) Requirements for inventory tracking and the use of seed to sale monitoring system(s)
2 approved by the state which tracks all cannabis from its origin up to and including the point of sale;
3 (4) Permitted forms of advertising and advertising content. (5) Permitted forms of
4 marijuana products including, but not limited to, regulations which:
5 (i) prohibit any form of marijuana product which is in the shape or form of an animal,
6 human, vehicle, or other shape or form which may be attractive to children;
7 (ii) prohibit any marijuana “additives” which could be added, mixed, sprayed on, or applied
8 to an existing food product without a person’s knowledge; and
9 (iii) include any other requirements deemed necessary by the office of cannabis regulation;
10 and
11 (6) Limits for marijuana product serving sizes, doses, and potency including but not limited
12 to regulations which:
13 (i) limit all servings of edible forms of marijuana to no more than five milligrams (5 mg)
14 of THC per serving;
15 (ii) limit the total maximum amount of THC per edible product package to one hundred
16 milligrams (100 mg) of THC;
17 (iii) limit the THC potency of any product;
18 (iv) may establish product or package limits based on the total milligrams of THC; and
19 (v) include any additional requirements or limitations deemed necessary by the office of
20 cannabis regulation in consultation with the department of health;
21 (7) Product restrictions including but not limited to regulations which:
22 (i) establish a review process for the office of cannabis regulation to approve or deny forms
23 of marijuana products which may require marijuana establishment licensees to submit a proposal,
24 which includes photographs of the proposed product properly packaged and labeled and any other
25 materials deemed necessary by the office of cannabis regulation, to the office of cannabis regulation
26 for each line of cannabis products;
27 (ii) place additional restrictions on marijuana products to safeguard public health and
28 safety, as determined by the office of cannabis regulation in consultation with the executive branch
29 state agencies;
30 (iii) require all servings of edible products to be marked, imprinted, molded, or otherwise
31 display a symbol chosen by the department to alert consumers that the product contains marijuana;
32 (iv) standards to prohibit cannabis products that pose public health risks, that are easily
33 confused with existing non-cannabis products, or that are especially attractive to youth; and
34 (v) any other requirements deemed suitable by the department;

1 (8) Limits and restrictions for marijuana transactions and sales including but not limited to
2 regulations which:

3 (i) establish processes and procedures to ensure all transactions and sales are properly
4 tracked through the use of a seed to sale inventory tracking and monitoring system;

5 (ii) establish rules and procedures for customer age verification;

6 (iii) establish rules and procedures to ensure retailers to no dispense, and customers to not
7 purchase amounts of marijuana in excess of the one ounce (1 oz) marijuana or equivalent amount
8 per transaction and/or per day;

9 (iv) establish rules and procedures to ensure no marijuana is dispensed to anyone under the
10 age of twenty-one (21); and

11 (v) include any additional requirements deemed necessary by the office of cannabis regulation;

12 (9) The testing and safety of marijuana and marijuana products including but not limited
13 to regulations promulgated by the office of cannabis regulation or department of health, as
14 applicable which:

15 (i) license and regulate the operation of cannabis testing facilities, including requirements
16 for equipment, training, and qualifications for personnel;

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

20 (iii) testing for residual solvents or toxins; harmful chemicals; dangerous molds or
21 mildew; filth; and harmful microbials such as E. coli or salmonella and pesticides, and any
22 other compounds, elements, or contaminants;

23 (iv) require all cannabis and cannabis products must undergo random sample testing at a
24 licensed cannabis testing facility or other laboratory equipped to test cannabis and cannabis products
25 that has been approved by the office of cannabis regulation;

26 (v) require any products which fail testing be quarantined and/or recalled and destroyed in
27 accordance with regulations;

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

32 (vii) require marijuana establishment licensees and marijuana products to comply with any
33 applicable food safety requirements determined by the office of cannabis regulation and/or the
34 department of health;

1 (viii) include any additional requirements deemed necessary by the office of cannabis
2 regulation and the department of health; and

3 (ix) allow the office of cannabis regulation, in coordination with the department of health, at
4 their discretion, to temporarily remove, or phase in, any requirement for laboratory testing if it finds
5 that there is not sufficient laboratory capacity for the market.

6 (10) Online sales;

7 (11) Transport and delivery;

8 (12) Marijuana and marijuana product packaging and labeling including but not limited to
9 requirements that packaging be:

10 (i) opaque;

11 (ii) constructed to be significantly difficult for children under five (5) years of age to open
12 and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.20 (1995) or another
13 approval standard or process approved by the office of cannabis regulation;

14 (iii) be designed in a way that is not deemed as especially appealing to children; and

15 (iv) any other regulations required by the office of cannabis regulation; and

16 (13) Regulations for the quarantine and/or destruction of unauthorized materials;

17 (14) Industry and licensee production limitations;

18 (15) Procedures for the approval or denial of a license, and procedures for suspension or
19 revocation of the license of any marijuana establishment licensee that violates the provisions of this
20 chapter, chapter 28.11 or the regulations promulgated thereunder in accordance with the provisions
21 of chapter 35 of title 42 of the general laws;

22 (16) Compliance with municipal zoning restrictions, if any, which comply with § 21-28.12-
23 12 of this chapter;

24 (17) Standards and restrictions for marijuana manufacturing and processing which shall
25 include but not be limited to requirements that marijuana processors;

26 (i) comply with all applicable building and fire codes;

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

29 (iii) require any marijuana processor that manufactures edibles of marijuana infused food
30 products to comply with all applicable requirements and regulations issued by the department of
31 health's office of food safety; and

32 (iv) comply with any other requirements deemed suitable by the office of cannabis
33 regulation.

34 (18) Standards for employee and workplace safety and sanitation;

1 (19) Standards for employee training including but not limited to:

2 (i) requirements that all employees of cannabis establishments must participate in a
3 comprehensive training on standard operating procedures, security protocols, health and sanitation
4 standards, workplace safety, and the provisions of this chapter prior to working at the establishment.
5 Employees must be retrained on an annual basis or if state officials discover a cannabis
6 establishment in violation of any rule, regulation, or guideline in the course of regular inspections
7 or audits; and

8 (ii) any other requirements deemed appropriate by the office of cannabis regulation; and

9 (20) Mandatory labeling that must be affixed to all packages containing cannabis or
10 cannabis products including but not limited to requirements that the label display:

11 (i) the name of the establishment that cultivated the cannabis or produced the cannabis
12 product;

13 (ii) the tetrahydrocannabinol (THC) content of the product;

14 (iii) a "produced on" date;

15 (iv) warnings that state: "Consumption of cannabis impairs your ability to drive a car or
16 operate machinery" and "Keep away from children" and, unless federal law has changed to
17 accommodate cannabis possession, "Possession of cannabis is illegal under federal law and in many
18 states outside of Rhode Island";

19 (v) a symbol that reflects these products are not safe for children which contains poison
20 control contact information; and

21 (vi) any other information required by the office of cannabis regulation; and

22 (21) Standards for the use of pesticides;

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

26 (23) Rules and regulations based on federal law provided those rules and regulations are
27 designed to comply with federal guidance and mitigate federal enforcement against the marijuana
28 establishments and adult use state stores authorized, licensed and operated pursuant to this chapter.

29 **21-28.12-12. Municipal authority.**

30 (a) Municipalities shall:

31 (i) Have the authority to enact local zoning and use ordinances not in conflict with this
32 chapter or with rules and regulations adopted by the office of cannabis regulation regulating
33 the time, place, and manner of marijuana establishments' operations, provided that no local
34 authority may prohibit any type of marijuana establishment operations altogether, either expressly

1 or through the enactment of ordinances or regulations which make any type of marijuana
2 establishments' operation impracticable; and

3 (b) Zoning ordinances enacted by a local authority shall not require a marijuana establishment
4 licensee or marijuana establishment applicant to enter into a community host agreement or pay any
5 consideration to the municipality other than reasonable zoning and permitting fees as determined by the
6 office of cannabis regulation. The office of cannabis regulation is the sole licensing authority for
7 marijuana establishment licensees. A municipality shall not enact any local zoning ordinances or
8 permitting requirements that establishes a de facto local license or licensing process unless explicitly
9 enabled by this chapter or ensuing regulations promulgated by the office of cannabis regulation.

10 (c) Notwithstanding subsection (a) of this section:

11 (i) Municipalities may enact local zoning and use ordinances which prohibit specific classes of
12 marijuana establishment licenses, or all classes of marijuana establishment licenses from being issued
13 within their jurisdiction and which may remain in effect until November 2, 2021. A local zoning and use
14 ordinance which prohibits specific classes of marijuana establishment licenses, or all classes of marijuana
15 establishment licenses from being issued within a city or town's jurisdiction may only remain in effect past
16 November 2, 2021, if the residents of the municipality have approved, by a simple majority of
17 the electors voting, a referendum to ban adult use marijuana cultivator facilities, adult use state
18 stores, adult use marijuana processors or cannabis testing facilities, provided such referendum must
19 be conducted on or before November 2, 2021, and any ordinances related thereto must be adopted before
20 April 1, 2022;

21 (ii) Municipalities must put forth a separate referendum question to ban each class of
22 marijuana establishment. A single question to ban all classes of marijuana establishments shall not be
23 permitted; and

24 (iii) Municipalities which ban the licensure of marijuana establishments located within their
25 jurisdiction pursuant to subsection (c)(i), and/or adopt local zoning and other ordinances, in accordance
26 with this section, may hold future referenda to prohibit previously allowed licenses, or allow previously
27 prohibited licenses, provided those subsequent referenda are held on the first Tuesday after the first
28 Monday in the month of November.

29 (d) Notwithstanding subsections (a), (b) or (c) of this section, a municipality may not
30 prohibit a medical marijuana establishment licensee from continuing to operate under a marijuana
31 establishment license issued by the office of cannabis regulation or previously issued by the
32 department of business regulation if that marijuana establishment licensee was approved or licensed
33 prior to the passage of this chapter.

1 (e) Notwithstanding any other provision of this chapter, no municipality or local authority
2 shall restrict the transport or delivery of marijuana through their jurisdiction, or to local residents,
3 provided all transport and/or delivery is in accordance with this chapter.

4 (f) Municipalities may impose civil and criminal penalties for the violation of ordinances
5 enacted pursuant to and in accordance with this section.

6 (g) Notwithstanding subsection (b) of this section, a city or town may receive a municipal
7 impact fee from a newly licensed and operating marijuana establishment located within their
8 jurisdiction provided:

9 (i) the municipal impact fee must offset or reimburse actual costs and expenses incurred by
10 the city or town during the first three (3) months that the licensee is licensed and/or operational;

11 (ii) the municipal impact fee must offset or reimburse reasonable and appropriate expenses
12 incurred by the municipality, which are directly attributed to, or are a direct result of, the licensed
13 operations of the marijuana establishment which may include but not be limited to, increased traffic or
14 police details needed to address new traffic patterns, increased parking needs, or pedestrian foot traffic
15 by consumers;

16 (iii) the municipality is responsible for estimating or calculating projected impact fees and
17 must follow the same methodology if providing a fee estimate or projection for multiple marijuana
18 establishment locations or applicants;

19 (iv) marijuana establishment licensees or applicants may not offer competing impact fees or
20 pay a fee that is more than the actual and reasonable costs and expenses incurred by the municipality;
21 and

22 (v) the office of cannabis regulation may suspend, revoke or refuse to issue a license to an
23 applicant or for a proposed establishment within a municipality if the municipality and/or marijuana
24 establishment local impact fee violates the requirements of this section.

25 **21-28.12-13. Transportation of marijuana.**

26 The office of cannabis regulation shall promulgate regulations regarding secure transportation
27 of marijuana for eligible adult use marijuana retailers delivering products to purchasers in accordance
28 with this chapter and shipments of marijuana or marijuana products between marijuana establishment
29 licensees.

30 **21-28.12-14. No minors on the premises of marijuana establishments.**

31 A marijuana establishment shall not allow any person who is under twenty-one (21)
32 years of age to be present inside any room where marijuana or marijuana products are stored,
33 produced, or sold by the marijuana establishment unless the person who is under twenty-one (21)
34 years of age is:

1 (1) A government employee performing their official duties; or

2 (2) If the marijuana establishment is a hybrid marijuana retailer that also holds a
3 compassion center license pursuant §21-28.6-12 for the same licensed premises and the individual
4 under twenty-one (21) years of age is a qualifying patient registered under chapter 28.6 of
5 title 21 and the retail establishment complies with applicable regulations promulgated by the
6 department of business regulation.

7 **21-28.12-15. Contracts enforceable.**

8 It is the public policy of the state that contracts related to the operation of a marijuana
9 establishment or a licensee under chapter 26 of title 2 or chapters 28.6 and 28.12 of title 21 in
10 accordance with Rhode Island law shall be enforceable. It is the public policy of the state that no
11 contract entered into by a licensed marijuana establishment or other licensee under chapter 26 of title
12 2 or chapters 28.6 and 28.12 of title 21 of the general laws or its employees or agents as permitted
13 pursuant to a valid license issued by the office of cannabis regulation, or by those who allow property
14 to be used by an establishment, its employees, or its agents as permitted pursuant to a valid
15 license, shall be unenforceable solely on the basis that cultivating, obtaining, manufacturing,
16 distributing, dispensing, transporting, selling, possessing, testing or using marijuana or hemp is
17 prohibited by federal law.

18 **21-28.12-16. Establishment of marijuana trust fund.**

19 (a) There is created with the general fund a restricted receipt accounts collectively known
20 as the “marijuana trust fund”, otherwise known as the “adult use marijuana licensing” or “adult use
21 marijuana program licensing” accounts. Taxes collected pursuant to chapter 49.1 of title 44,
22 including sales and use tax attributable to marijuana products, and fees collected pursuant to chapter
23 28.12 of title 21 shall be deposited into this account. The state share of trust fund revenue will be
24 used to fund programs and activities related to program administration; revenue collection and
25 enforcement; substance use disorder prevention for adults and youth; education and public
26 awareness campaigns; treatment and recovery support services; public health monitoring, research,
27 data collection, and surveillance; law enforcement training and technology improvements including
28 grants to local law enforcement; and such other related uses that may be deemed necessary by the
29 office of management and budget. The restricted receipt account will be housed within the budgets
30 of the departments of behavioral healthcare, developmental disabilities, and hospitals; business
31 regulation; health; revenue and public safety, and the executive office of health and human services.
32 All amounts deposited into the marijuana trust fund shall be exempt from the indirect cost recovery
33 provisions of § 35-4-27. The allocation of the marijuana trust fund shall be:

1 (1) Twenty-five percent (25%) of trust fund revenue to the departments of business
2 regulation, health, revenue and public safety, and the executive office of health and human services,
3 except that in fiscal year 2022 the office of management and budget may allocate up to an additional
4 four million nine hundred thousand dollars (\$4,900,000) from trust fund revenues to these agencies;

5 (2) Fifteen percent (15%) of trust fund revenue to cities and towns; and

6 (3) Sixty percent (60%) of trust fund revenue to the general fund.

7 (b) All revenue allocated to cities and towns under subsection (a)(2) shall be distributed at
8 least quarterly by the division of taxation and department of business regulation, credited and paid
9 by the state treasurer to the city or town based on the following allocation:

10 (1) One-quarter based in an equal distribution to each city or town in the state;

11 (2) One-quarter based on the share of total licensed marijuana cultivators, licensed
12 marijuana processors, and licensed marijuana retailers found in each city or town at the end of the
13 quarter that corresponds to the distribution, with licensed marijuana retailers assigned a weight
14 twice that of the other license types; and

15 (3) One-half based on the volume of sales of adult use marijuana products that occurred in
16 each city or town in the quarter of the distribution.

17 (c) The division of taxation and the department of business regulation shall jointly
18 promulgate regulations to effectuate the distribution under subsection (a)(2).

19 **21-28.12-17. Transfer of revenue to the marijuana trust fund.**

20 The department of business regulation shall transfer all revenue collected pursuant to this
21 chapter, including penalties or forfeitures, interest, costs of suit and fines, to the marijuana trust
22 fund established by § 21-28.12-16.

23 **21-28.12-18. Market demand study to determine viability of a cap on retail licenses.**

24 (a) No later than January 1, 2024, the department of business regulation shall conduct a
25 market demand study to determine the effect of the phased implementation of adult use marijuana
26 retail licenses on the Rhode Island market. This study shall include, but not be limited to, an analysis
27 of price changes, product availability, geographic dispersion, and downstream effects on
28 cultivators, manufacturers, and other market participants licensed under chapter 28.12 of title 21.

29 (b) The study may further contemplate, based on this analysis, a recommendation for an
30 overall cap on retail licenses in Rhode Island. The study shall be made public by the department
31 and delivered to the Governor, the Speaker of the House of Representatives, and the President of
32 the Senate.

33 **21-28.12-19. Severability.**

1 If any provision of this chapter or its application thereof to any person or
2 circumstance is held invalid, such invalidity shall not affect other provisions or applications of
3 this chapter, which can be given effect without the invalid provision or application, and to this
4 end the provisions of this chapter are declared to be severable.

5 SECTION 6. Sections 31-27-2, 31-27-2.1 and 31-27-2.9 of Chapter 31-27 of the General
6 Laws entitled "Motor Vehicles Offenses" are hereby amended as follows:

7 **31-27-2. Driving under influence of liquor or drugs.**

8 (a) Whoever drives or otherwise operates any vehicle in the state while under the influence
9 of any intoxicating liquor, drugs, toluene, or any controlled substance as defined in chapter 28 of
10 title 21, or any combination of these, shall be guilty of a misdemeanor, except as provided in
11 subsection (d)(3), and shall be punished as provided in subsection (d).

12 (b)(1) Any person charged under subsection (a), whose blood alcohol concentration is eight
13 one-hundredths of one percent (.08%) or more by weight, as shown by a chemical analysis of a
14 blood, breath, or urine sample, shall be guilty of violating subsection (a). This provision shall not
15 preclude a conviction based on other admissible evidence, including the testimony of a drug
16 recognition expert or evaluator, certified pursuant to training approved by the Rhode Island
17 Department of Transportation Office on Highway Safety. Proof of guilt under this section may also
18 be based on evidence that the person charged was under the influence of intoxicating liquor, drugs,
19 toluene, or any controlled substance defined in chapter 28 of title 21, or any combination of these,
20 to a degree that rendered the person incapable of safely operating a vehicle. The fact that any person
21 charged with violating this section is, or has been, legally entitled to use alcohol or a drug shall not
22 constitute a defense against any charge of violating this section.

23 (2) Whoever drives, or otherwise operates, any vehicle in the state with a blood presence
24 of any scheduled controlled substance as defined within chapter 28 of title 21, as shown by analysis
25 of a blood or urine sample, shall be guilty of a misdemeanor and shall be punished as provided in
26 subsection (d).

27 (c) In any criminal prosecution for a violation of subsection (a), evidence as to the amount
28 of intoxicating liquor, toluene, or any controlled substance as defined in chapter 28 of title 21, or
29 any combination of these, in the defendant's blood at the time alleged as shown by a chemical
30 analysis of the defendant's breath, blood, saliva or urine or other bodily substance, shall be
31 admissible and competent, provided that evidence is presented that the following conditions have
32 been complied with:

1 (1) The defendant has consented to the taking of the test upon which the analysis is made.
2 Evidence that the defendant had refused to submit to the test shall not be admissible unless the
3 defendant elects to testify.

4 (2) A true copy of the report of the test result was mailed within seventy-two (72) hours of
5 the taking of the test to the person submitting to a breath test.

6 (3) Any person submitting to a chemical test of blood, urine, saliva or other body fluids
7 shall have a true copy of the report of the test result mailed to him or her within thirty (30) days
8 following the taking of the test.

9 (4) The test was performed according to methods and with equipment approved by the
10 director of the department of health of the state of Rhode Island and by an authorized individual.

11 (5) Equipment used for the conduct of the tests by means of breath analysis had been tested
12 for accuracy within thirty (30) days preceding the test by personnel qualified as hereinbefore
13 provided, and breathalyzer operators shall be qualified and certified by the department of health
14 within three hundred sixty-five (365) days of the test.

15 (6) The person arrested and charged with operating a motor vehicle while under the
16 influence of intoxicating liquor, toluene, or any controlled substance as defined in chapter 28 of
17 title 21 or any combination of these in violation of subsection (a), was afforded the opportunity to
18 have an additional chemical test. The officer arresting or so charging the person shall have informed
19 the person of this right and afforded him or her a reasonable opportunity to exercise this right, and
20 a notation to this effect is made in the official records of the case in the police department. Refusal
21 to permit an additional chemical test shall render incompetent and inadmissible in evidence the
22 original report.

23 (d)(1)(i) Every person found to have violated subsection (b)(1) shall be sentenced as
24 follows: for a first violation whose blood alcohol concentration is eight one-hundredths of one
25 percent (.08%), but less than one-tenth of one percent (.1%), by weight, or who has a blood presence
26 of any scheduled controlled substance as defined in subsection (b)(2), shall be subject to a fine of
27 not less than one hundred dollars (\$100), nor more than three hundred dollars (\$300); shall be
28 required to perform ten (10) to sixty (60) hours of public community restitution, and/or shall be
29 imprisoned for up to one year. The sentence may be served in any unit of the adult correctional
30 institutions in the discretion of the sentencing judge and/or shall be required to attend a special
31 course on driving while intoxicated or under the influence of a controlled substance; provided,
32 however, that the court may permit a servicemember or veteran to complete any court-approved
33 counseling program administered or approved by the Veterans' Administration, and his or her
34 driver's license shall be suspended for thirty (30) days up to one hundred eighty (180) days. The

1 sentencing judge or magistrate may prohibit that person from operating a motor vehicle that is not
2 equipped with an ignition interlock system as provided in § 31-27-2.8.

3 (ii) Every person convicted of a first violation whose blood alcohol concentration is one-
4 tenth of one percent (.1%) by weight or above, but less than fifteen hundredths of one percent
5 (.15%), or whose blood alcohol concentration is unknown, shall be subject to a fine of not less than
6 one hundred (\$100) dollars, nor more than four hundred dollars (\$400), and shall be required to
7 perform ten (10) to sixty (60) hours of public community restitution and/or shall be imprisoned for
8 up to one year. The sentence may be served in any unit of the adult correctional institutions in the
9 discretion of the sentencing judge. The person's driving license shall be suspended for a period of
10 three (3) months to twelve (12) months. The sentencing judge shall require attendance at a special
11 course on driving while intoxicated or under the influence of a controlled substance and/or
12 alcoholic or drug treatment for the individual; provided, however, that the court may permit a
13 servicemember or veteran to complete any court-approved counseling program administered or
14 approved by the Veterans' Administration. The sentencing judge or magistrate may prohibit that
15 person from operating a motor vehicle that is not equipped with an ignition interlock system as
16 provided in § 31-27-2.8.

17 (iii) Every person convicted of a first offense whose blood alcohol concentration is fifteen
18 hundredths of one percent (.15%) or above, or who is under the influence of a drug, toluene, or any
19 controlled substance as defined in subsection (b)(1), shall be subject to a fine of five hundred dollars
20 (\$500) and shall be required to perform twenty (20) to sixty (60) hours of public community
21 restitution and/or shall be imprisoned for up to one year. The sentence may be served in any unit
22 of the adult correctional institutions in the discretion of the sentencing judge. The person's driving
23 license shall be suspended for a period of three (3) months to eighteen (18) months. The sentencing
24 judge shall require attendance at a special course on driving while intoxicated or under the influence
25 of a controlled substance and/or alcohol or drug treatment for the individual; provided, however,
26 that the court may permit a servicemember or veteran to complete any court-approved counseling
27 program administered or approved by the Veterans' Administration. The sentencing judge or
28 magistrate shall prohibit that person from operating a motor vehicle that is not equipped with an
29 ignition interlock system as provided in § 31-27-2.8.

30 (2)(i) Every person convicted of a second violation within a five-year (5) period with a
31 blood alcohol concentration of eight one-hundredths of one percent (.08%) or above, but less than
32 fifteen hundredths of one percent (.15%), or whose blood alcohol concentration is unknown, or
33 who has a blood presence of any controlled substance as defined in subsection (b)(2), and every
34 person convicted of a second violation within a five-year (5) period, regardless of whether the prior

1 violation and subsequent conviction was a violation and subsequent conviction under this statute
2 or under the driving under the influence of liquor or drugs statute of any other state, shall be subject
3 to a mandatory fine of four hundred dollars (\$400). The person's driving license shall be suspended
4 for a period of one year to two (2) years, and the individual shall be sentenced to not less than ten
5 (10) days, nor more than one year, in jail. The sentence may be served in any unit of the adult
6 correctional institutions in the discretion of the sentencing judge; however, not less than forty-eight
7 (48) hours of imprisonment shall be served consecutively. The sentencing judge shall require
8 alcohol or drug treatment for the individual; provided, however, that the court may permit a
9 servicemember or veteran to complete any court-approved counseling program administered or
10 approved by the Veterans' Administration and shall prohibit that person from operating a motor
11 vehicle that is not equipped with an ignition interlock system as provided in § 31-27-2.8.

12 (ii) Every person convicted of a second violation within a five-year (5) period whose blood
13 alcohol concentration is fifteen hundredths of one percent (.15%) or above, by weight as shown by
14 a chemical analysis of a blood, breath, or urine sample, or who is under the influence of a drug,
15 toluene, or any controlled substance as defined in subsection (b)(1), shall be subject to mandatory
16 imprisonment of not less than six (6) months, nor more than one year; a mandatory fine of not less
17 than one thousand dollars (\$1,000); and a mandatory license suspension for a period of two (2)
18 years from the date of completion of the sentence imposed under this subsection. The sentencing
19 judge shall require alcohol or drug treatment for the individual; provided, however, that the court
20 may permit a servicemember or veteran to complete any court approved counseling program
21 administered or approved by the Veterans' Administration. The sentencing judge or magistrate shall
22 prohibit that person from operating a motor vehicle that is not equipped with an ignition interlock
23 system as provided in § 31-27-2.8.

24 (3)(i) Every person convicted of a third or subsequent violation within a five-year (5)
25 period with a blood alcohol concentration of eight one-hundredths of one percent (.08%) or above,
26 but less than fifteen hundredths of one percent (.15%), or whose blood alcohol concentration is
27 unknown or who has a blood presence of any scheduled controlled substance as defined in
28 subsection (b)(2), regardless of whether any prior violation and subsequent conviction was a
29 violation and subsequent conviction under this statute or under the driving under the influence of
30 liquor or drugs statute of any other state, shall be guilty of a felony and be subject to a mandatory
31 fine of four hundred (\$400) dollars. The person's driving license shall be suspended for a period of
32 two (2) years to three (3) years, and the individual shall be sentenced to not less than one year and
33 not more than three (3) years in jail. The sentence may be served in any unit of the adult correctional
34 institutions in the discretion of the sentencing judge; however, not less than forty-eight (48) hours

1 of imprisonment shall be served consecutively. The sentencing judge shall require alcohol or drug
2 treatment for the individual; provided, however, that the court may permit a servicemember or
3 veteran to complete any court-approved counseling program administered or approved by the
4 Veterans' Administration, and shall prohibit that person from operating a motor vehicle that is not
5 equipped with an ignition interlock system as provided in § 31-27-2.8.

6 (ii) Every person convicted of a third or subsequent violation within a five-year (5) period
7 whose blood alcohol concentration is fifteen hundredths of one percent (.15%) above by weight as
8 shown by a chemical analysis of a blood, breath, or urine sample, or who is under the influence of
9 a drug, toluene, or any controlled substance as defined in subsection (b)(1), shall be subject to
10 mandatory imprisonment of not less than three (3) years, nor more than five (5) years; a mandatory
11 fine of not less than one thousand dollars (\$1,000), nor more than five thousand dollars (\$5,000);
12 and a mandatory license suspension for a period of three (3) years from the date of completion of
13 the sentence imposed under this subsection. The sentencing judge shall require alcohol or drug
14 treatment for the individual. The sentencing judge or magistrate shall prohibit that person from
15 operating a motor vehicle that is not equipped with an ignition interlock system as provided in §
16 31-27-2.8.

17 (iii) In addition to the foregoing penalties, every person convicted of a third or subsequent
18 violation within a five-year (5) period, regardless of whether any prior violation and subsequent
19 conviction was a violation and subsequent conviction under this statute or under the driving under
20 the influence of liquor or drugs statute of any other state, shall be subject, in the discretion of the
21 sentencing judge, to having the vehicle owned and operated by the violator seized and sold by the
22 state of Rhode Island, with all funds obtained by the sale to be transferred to the general fund.

23 (4) Whoever drives or otherwise operates any vehicle in the state while under the influence
24 of any intoxicating liquor, drugs, toluene, or any controlled substance as defined in chapter 28 of
25 title 21, or any combination of these, when his or her license to operate is suspended, revoked, or
26 cancelled for operating under the influence of a narcotic drug or intoxicating liquor, shall be guilty
27 of a felony punishable by imprisonment for not more than three (3) years and by a fine of not more
28 than three thousand dollars (\$3,000). The court shall require alcohol and/or drug treatment for the
29 individual; provided, the penalties provided for in this subsection (d)(4) shall not apply to an
30 individual who has surrendered his or her license and served the court-ordered period of suspension,
31 but who, for any reason, has not had his or her license reinstated after the period of suspension,
32 revocation, or suspension has expired; provided, further, the individual shall be subject to the
33 provisions of subdivision (d)(2)(i), (d)(2)(ii), (d)(3)(i), (d)(3)(ii), or (d)(3)(iii) regarding subsequent
34 offenses, and any other applicable provision of this section.

1 (5)(i) For purposes of determining the period of license suspension, a prior violation shall
2 constitute any charge brought and sustained under the provisions of this section or § 31-27-2.1.

3 (ii) Any person over the age of eighteen (18) who is convicted under this section for
4 operating a motor vehicle while under the influence of alcohol, other drugs, or a combination of
5 these, while a child under the age of thirteen (13) years was present as a passenger in the motor
6 vehicle when the offense was committed shall be subject to immediate license suspension pending
7 prosecution. Any person convicted of violating this section shall be guilty of a misdemeanor for a
8 first offense and may be sentenced to a term of imprisonment of not more than one year and a fine
9 not to exceed one thousand dollars (\$1,000). Any person convicted of a second or subsequent
10 offense shall be guilty of a felony offense and may be sentenced to a term of imprisonment of not
11 more than five (5) years and a fine not to exceed five thousand dollars (\$5,000). The sentencing
12 judge shall also order a license suspension of up to two (2) years, require attendance at a special
13 course on driving while intoxicated or under the influence of a controlled substance, and alcohol
14 or drug education and/or treatment. The individual may also be required to pay a highway
15 assessment fee of no more than five hundred dollars (\$500) and the assessment shall be deposited
16 in the general fund.

17 (6)(i) Any person convicted of a violation under this section shall pay a highway
18 assessment fine of five hundred dollars (\$500) that shall be deposited into the general fund. The
19 assessment provided for by this subsection shall be collected from a violator before any other fines
20 authorized by this section.

21 (ii) Any person convicted of a violation under this section shall be assessed a fee of eighty-
22 six dollars (\$86).

23 (7)(i) If the person convicted of violating this section is under the age of eighteen (18)
24 years, for the first violation he or she shall be required to perform ten (10) to sixty (60) hours of
25 public community restitution and the juvenile's driving license shall be suspended for a period of
26 six (6) months, and may be suspended for a period up to eighteen (18) months. The sentencing
27 judge shall also require attendance at a special course on driving while intoxicated or under the
28 influence of a controlled substance and alcohol or drug education and/or treatment for the juvenile.
29 The juvenile may also be required to pay a highway assessment fine of no more than five hundred
30 dollars (\$500) and the assessment imposed shall be deposited into the general fund.

31 (ii) If the person convicted of violating this section is under the age of eighteen (18) years,
32 for a second or subsequent violation regardless of whether any prior violation and subsequent
33 conviction was a violation and subsequent under this statute or under the driving under the influence
34 of liquor or drugs statute of any other state, he or she shall be subject to a mandatory suspension of

1 his or her driving license until such time as he or she is twenty-one (21) years of age and may, in
2 the discretion of the sentencing judge, also be sentenced to the Rhode Island training school for a
3 period of not more than one year and/or a fine of not more than five hundred dollars (\$500).

4 (8) Any person convicted of a violation under this section may undergo a clinical
5 assessment at the community college of Rhode Island's center for workforce and community
6 education. Should this clinical assessment determine problems of alcohol, drug abuse, or
7 psychological problems associated with alcoholic or drug abuse, this person shall be referred to an
8 appropriate facility, licensed or approved by the department of behavioral healthcare,
9 developmental disabilities and hospitals, for treatment placement, case management, and
10 monitoring. In the case of a servicemember or veteran, the court may order that the person be
11 evaluated through the Veterans' Administration. Should the clinical assessment determine problems
12 of alcohol, drug abuse, or psychological problems associated with alcohol or drug abuse, the person
13 may have their treatment, case management, and monitoring administered or approved by the
14 Veterans' Administration.

15 (e) Percent by weight of alcohol in the blood shall be based upon milligrams of alcohol per
16 one hundred (100) cubic centimeters of blood.

17 (f)(1) There is established an alcohol and drug safety unit within the division of motor
18 vehicles to administer an alcohol safety action program. The program shall provide for placement
19 and follow-up for persons who are required to pay the highway safety assessment. The alcohol and
20 drug safety action program will be administered in conjunction with alcohol and drug programs
21 licensed by the department of behavioral healthcare, developmental disabilities and hospitals.

22 (2) Persons convicted under the provisions of this chapter shall be required to attend a
23 special course on driving while intoxicated or under the influence of a controlled substance, and/or
24 participate in an alcohol or drug treatment program, [which course and programs must meet the](#)
25 [standards established by the Rhode Island department of behavioral healthcare, developmental](#)
26 [disabilities and hospitals](#); provided, however, that the court may permit a servicemember or veteran
27 to complete any court-approved counseling program administered or approved by the Veterans'
28 Administration. The course shall take into consideration any language barrier that may exist as to
29 any person ordered to attend, and shall provide for instruction reasonably calculated to
30 communicate the purposes of the course in accordance with the requirements of the subsection.
31 Any costs reasonably incurred in connection with the provision of this accommodation shall be
32 borne by the person being retrained. A copy of any violation under this section shall be forwarded
33 by the court to the alcohol and drug safety unit. In the event that persons convicted under the
34 provisions of this chapter fail to attend and complete the above course or treatment program, as

1 ordered by the judge, then the person may be brought before the court, and after a hearing as to
2 why the order of the court was not followed, may be sentenced to jail for a period not exceeding
3 one year.

4 (3) The alcohol and drug safety action program within the division of motor vehicles shall
5 be funded by general revenue appropriations.

6 (g) The director of the health department of the state of Rhode Island is empowered to
7 make and file with the secretary of state regulations that prescribe the techniques and methods of
8 chemical analysis of the person's body fluids or breath and the qualifications and certification of
9 individuals authorized to administer this testing and analysis.

10 (h) Jurisdiction for misdemeanor violations of this section shall be with the district court
11 for persons eighteen (18) years of age or older and to the family court for persons under the age of
12 eighteen (18) years. The courts shall have full authority to impose any sentence authorized and to
13 order the suspension of any license for violations of this section. All trials in the district court and
14 family court of violations of the section shall be scheduled within thirty (30) days of the arraignment
15 date. No continuance or postponement shall be granted except for good cause shown. Any
16 continuances that are necessary shall be granted for the shortest practicable time. Trials in superior
17 court are not required to be scheduled within thirty (30) days of the arraignment date.

18 (i) No fines, suspensions, assessments, alcohol or drug treatment programs, course on
19 driving while intoxicated or under the influence of a controlled substance, public community
20 restitution, or jail provided for under this section can be suspended.

21 (j) An order to attend a special course on driving while intoxicated that shall be
22 administered in cooperation with a college or university accredited by the state, shall include a
23 provision to pay a reasonable tuition for the course in an amount not less than twenty-five dollars
24 (\$25.00), and a fee of one hundred seventy-five dollars (\$175), which fee shall be deposited into
25 the general fund.

26 (k) For the purposes of this section, any test of a sample of blood, breath, or urine for the
27 presence of alcohol that relies in whole or in part upon the principle of infrared light absorption is
28 considered a chemical test.

29 (l) If any provision of this section, or the application of any provision, shall for any reason
30 be judged invalid, such a judgment shall not affect, impair, or invalidate the remainder of the
31 section, but shall be confined in this effect to the provision or application directly involved in the
32 controversy giving rise to the judgment.

33 (m) For the purposes of this section, "servicemember" means a person who is presently
34 serving in the armed forces of the United States, including the Coast Guard, a reserve component

1 thereof, or the National Guard. "Veteran" means a person who has served in the armed forces,
2 including the Coast Guard of the United States, a reserve component thereof, or the National Guard,
3 and has been discharged under other than dishonorable conditions.

4 **31-27-2.1. Refusal to submit to chemical test.**

5 (a) Any person who operates a motor vehicle within this state shall be deemed to have
6 given his or her consent to chemical tests of his or her breath, blood, [saliva](#) and/or urine for the
7 purpose of determining the chemical content of his or her body fluids or breath. No more than two
8 (2) complete tests, one for the presence of intoxicating liquor and one for the presence of toluene
9 or any controlled substance, as defined in § 21-28-1.02(8), shall be administered at the direction of
10 a law enforcement officer having reasonable grounds to believe the person to have been driving a
11 motor vehicle within this state while under the influence of intoxicating liquor, toluene, or any
12 controlled substance, as defined in chapter 28 of title 21, or any combination of these. The director
13 of the department of health is empowered to make and file, with the secretary of state, regulations
14 that prescribe the techniques and methods of chemical analysis of the person's body fluids or breath
15 and the qualifications and certification of individuals authorized to administer the testing and
16 analysis.

17 (b) If a person, for religious or medical reasons, cannot be subjected to blood tests, the
18 person may file an affidavit with the division of motor vehicles stating the reasons why he or she
19 cannot be required to take blood tests and a notation to this effect shall be made on his or her
20 license. If that person is asked to submit to chemical tests as provided under this chapter, the person
21 shall only be required to submit to chemical tests of his or her breath, [saliva](#) or urine. When a person
22 is requested to submit to blood tests, only a physician or registered nurse, or a medical technician
23 certified under regulations promulgated by the director of the department of health, may withdraw
24 blood for the purpose of determining the alcoholic content in it. This limitation shall not apply to
25 the taking of breath, [saliva](#) or urine specimens. The person tested shall be permitted to have a
26 physician of his or her own choosing, and at his or her own expense, administer chemical tests of
27 his or her breath, blood, [saliva](#) and/or urine in addition to the tests administered at the direction of
28 a law enforcement officer. If a person, having been placed under arrest, refuses upon the request of
29 a law enforcement officer to submit to the tests, as provided in § 31-27-2, none shall be given, but
30 a judge or magistrate of the traffic tribunal or district court judge or magistrate, upon receipt of a
31 report of a law enforcement officer: that he or she had reasonable grounds to believe the arrested
32 person had been driving a motor vehicle within this state under the influence of intoxicating liquor,
33 toluene, or any controlled substance, as defined in chapter 28 of title 21, or any combination of
34 these; that the person had been informed of his or her rights in accordance with § 31-27-3; that the

1 person had been informed of the penalties incurred as a result of noncompliance with this section;
2 and that the person had refused to submit to the tests upon the request of a law enforcement officer;
3 shall promptly order that the person's operator's license or privilege to operate a motor vehicle in
4 this state be immediately suspended, however, said suspension shall be subject to the hardship
5 provisions enumerated in § 31-27-2.8. A traffic tribunal judge or magistrate, or a district court judge
6 or magistrate, pursuant to the terms of subsection (c), shall order as follows:

7 (1) Impose, for the first violation, a fine in the amount of two hundred dollars (\$200) to
8 five hundred dollars (\$500) and shall order the person to perform ten (10) to sixty (60) hours of
9 public community restitution. The person's driving license in this state shall be suspended for a
10 period of six (6) months to one year. The traffic tribunal judge or magistrate shall require attendance
11 at a special course on driving while intoxicated or under the influence of a controlled substance
12 and/or alcohol or drug treatment for the individual. The traffic tribunal judge or magistrate may
13 prohibit that person from operating a motor vehicle that is not equipped with an ignition interlock
14 system as provided in § 31-27-2.8.

15 (2) Every person convicted of a second violation within a five-year (5) period, except with
16 respect to cases of refusal to submit to a blood test, shall be guilty of a misdemeanor; shall be
17 imprisoned for not more than six (6) months; shall pay a fine in the amount of six hundred dollars
18 (\$600) to one thousand dollars (\$1,000); perform sixty (60) to one hundred (100) hours of public
19 community restitution; and the person's driving license in this state shall be suspended for a period
20 of one year to two (2) years. The judge or magistrate shall require alcohol and/or drug treatment
21 for the individual. The sentencing judge or magistrate shall prohibit that person from operating a
22 motor vehicle that is not equipped with an ignition interlock system as provided in § 31-27-2.8.

23 (3) Every person convicted for a third or subsequent violation within a five-year (5) period,
24 except with respect to cases of refusal to submit to a blood test, shall be guilty of a misdemeanor;
25 and shall be imprisoned for not more than one year; fined eight hundred dollars (\$800) to one
26 thousand dollars (\$1,000); shall perform not less than one hundred (100) hours of public community
27 restitution; and the person's operator's license in this state shall be suspended for a period of two
28 (2) years to five (5) years. The sentencing judge or magistrate shall prohibit that person from
29 operating a motor vehicle that is not equipped with an ignition interlock system as provided in §
30 31-27-2.8. The judge or magistrate shall require alcohol or drug treatment for the individual.
31 Provided, that prior to the reinstatement of a license to a person charged with a third or subsequent
32 violation within a three-year (3) period, a hearing shall be held before a judge or magistrate. At the
33 hearing, the judge or magistrate shall review the person's driving record, his or her employment

1 history, family background, and any other pertinent factors that would indicate that the person has
2 demonstrated behavior that warrants the reinstatement of his or her license.

3 (4) For a second violation within a five-year (5) period with respect to a case of a refusal
4 to submit to a blood test, a fine in the amount of six hundred dollars (\$600) to one thousand dollars
5 (\$1,000); the person shall perform sixty (60) to one hundred (100) hours of public community
6 restitution; and the person's driving license in this state shall be suspended for a period of two (2)
7 years. The judicial officer shall require alcohol and/or drug treatment for the individual. The
8 sentencing judicial officer shall prohibit that person from operating a motor vehicle that is not
9 equipped with an ignition interlock system as provided in § 31-27-2.8. Such a violation with respect
10 to refusal to submit to a chemical blood test shall be a civil offense.

11 (5) For a third or subsequent violation within a five-year (5) period with respect to a case
12 of a refusal to submit to a blood test, a fine in the amount of eight hundred dollars (\$800) to one
13 thousand dollars (\$1,000); the person shall perform not less than one hundred (100) hours of public
14 community restitution; and the person's driving license in this state shall be suspended for a period
15 of two (2) to five (5) years. The sentencing judicial officer shall prohibit that person from operating
16 a motor vehicle that is not equipped with an ignition interlock system as provided in § 31-27-2.8.
17 The judicial officer shall require alcohol and/or drug treatment for the individual. Such a violation
18 with respect to refusal to submit to a chemical test of blood shall be a civil offense. Provided, that
19 prior to the reinstatement of a license to a person charged with a third or subsequent violation within
20 a three-year (3) period, a hearing shall be held before a judicial officer. At the hearing, the judicial
21 officer shall review the person's driving record, his or her employment history, family background,
22 and any other pertinent factors that would indicate that the person has demonstrated behavior that
23 warrants the reinstatement of their license.

24 (6) For purposes of determining the period of license suspension, a prior violation shall
25 constitute any charge brought and sustained under the provisions of this section or § 31-27-2.

26 (7) In addition to any other fines, a highway safety assessment of five hundred dollars
27 (\$500) shall be paid by any person found in violation of this section, the assessment to be deposited
28 into the general fund. The assessment provided for by this subsection shall be collected from a
29 violator before any other fines authorized by this section.

30 (8) In addition to any other fines and highway safety assessments, a two-hundred-dollar
31 (\$200) assessment shall be paid by any person found in violation of this section to support the
32 department of health's chemical testing programs outlined in § 31-27-2(4), that shall be deposited
33 as general revenues, not restricted receipts.

1 (9) No fines, suspensions, assessments, alcohol or drug treatment programs, course on
2 driving while intoxicated or under the influence of a controlled substance, or public community
3 restitution provided for under this section can be suspended.

4 (c) Upon suspending or refusing to issue a license or permit as provided in subsection (a),
5 the traffic tribunal or district court shall immediately notify the person involved in writing, and
6 upon his or her request, within fifteen (15) days, shall afford the person an opportunity for a hearing
7 as early as practical upon receipt of a request in writing. Upon a hearing, the judge may administer
8 oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books
9 and papers. If the judge finds after the hearing that:

10 (1) The law enforcement officer making the sworn report had reasonable grounds to believe
11 that the arrested person had been driving a motor vehicle within this state while under the influence
12 of intoxicating liquor, toluene, or any controlled substance, as defined in chapter 28 of title 21, or
13 any combination of these;

14 (2) The person, while under arrest, refused to submit to the tests upon the request of a law
15 enforcement officer;

16 (3) The person had been informed of his or her rights in accordance with § 31-27-3; and

17 (4) The person had been informed of the penalties incurred as a result of noncompliance
18 with this section, the judge shall sustain the violation. The judge shall then impose the penalties set
19 forth in subsection (b). Action by the judge must be taken within seven (7) days after the hearing
20 or it shall be presumed that the judge has refused to issue his or her order of suspension.

21 (d) For the purposes of this section, any test of a sample of blood, breath, or urine for the
22 presence of alcohol that relies, in whole or in part, upon the principle of infrared light absorption is
23 considered a chemical test.

24 (e) If any provision of this section, or the application of any provision, shall, for any reason,
25 be judged invalid, the judgment shall not affect, impair, or invalidate the remainder of the section,
26 but shall be confined in this effect to the provisions or application directly involved in the
27 controversy giving rise to the judgment.

28 **31-27-2.9. Administration of chemical test.**

29 (a) Notwithstanding any provision of § 31-27-2.1, if an individual refuses to consent to a
30 chemical test as provided in § 31-27-2.1, and a peace officer, as defined in § 12-7-21, has probable
31 cause to believe that the individual has violated one or more of the following sections: 31-27-1, 31-
32 27-1.1, 31-27-2.2, or 31-27-2.6 and that the individual was operating a motor vehicle under the
33 influence of any intoxicating liquor, toluene or any controlled substance as defined in chapter 21-
34 28, or any combination thereof, a chemical test may be administered without the consent of that

1 individual provided that the peace officer first obtains a search warrant authorizing administration
2 of the chemical test. The chemical test shall determine the amount of the alcohol or the presence of
3 a controlled substance in that person's blood, saliva or breath.

4 (b) The chemical test shall be administered in accordance with the methods approved by
5 the director of the department of health as provided for in subdivision 31-27-2(c)(4). The individual
6 shall be afforded the opportunity to have an additional chemical test as established in subdivision
7 31-27-2(c)(6).

8 (c) Notwithstanding any other law to the contrary, including, but not limited to, chapter 5-
9 37.3, any health care provider who, as authorized by the search warrant in subsection (a):

- 10 (i) Takes a blood, saliva or breath sample from an individual; or
- 11 (ii) Performs the chemical test; or
- 12 (iii) Provides information to a peace officer pursuant to subsection (a) above and who uses
13 reasonable care and accepted medical practices shall not be liable in any civil or criminal
14 proceeding arising from the taking of the sample, from the performance of the chemical test or from
15 the disclosure or release of the test results.

16 (d) The results of a chemical test performed pursuant to this section shall be admissible as
17 competent evidence in any civil or criminal prosecution provided that evidence is presented in
18 compliance with the conditions set forth in subdivisions 31-27-2(c)(3), 31-27-2(c)(4) and 31-27-
19 2(c)(6).

20 (e) All chemical tests administered pursuant to this section shall be audio and video
21 recorded by the law enforcement agency which applied for and was granted the search warrant
22 authorizing the administration of the chemical test.

23 SECTION 7. Sections 44-49-1, 44-49-2, 44-49-4, 44-49-5, 44-49-7, 44-49-8, 44-49-9, 44-
24 49-9.1, 44-49-10, 44-49-11, and 44-49-12 of the General Laws in Chapter 44-49 entitled "Taxation
25 of Marijuana and Controlled Substances" are hereby amended as follows:

26 **44-49-1. Short title.**

27 This chapter shall be known as the "~~Marijuana and~~ Controlled Substances Taxation Act".

28 **44-49-2. Definitions.**

29 (a) "Controlled substance" means any drug or substance, whether real or counterfeit, as
30 defined in § 21-28-1.02(8), that is held, possessed, transported, transferred, sold, or offered to be
31 sold in violation of Rhode Island laws. "Controlled substance" does not include marijuana.

32 (b) "Dealer" means a person who in violation of Rhode Island law manufactures, produces,
33 ships, transports, or imports into Rhode Island or in any manner acquires or possesses ~~more than~~
34 ~~forty two and one half (42.5) grams of marijuana, or~~ seven (7) or more grams of any controlled

1 substance, or ten (10) or more dosage units of any controlled substance which is not sold by weight.
2 A quantity of ~~marijuana-or~~ a controlled substance is measured by the weight of the substance
3 whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in
4 the dealer's possession. A quantity of a controlled substance is dilute if it consists of a detectable
5 quantity of pure controlled substance and any excipients or fillers.

6 ~~(c) "Marijuana" means any marijuana, whether real or counterfeit, as defined in § 21-28-~~
7 ~~1.02(30), that is held, possessed, transported, transferred, sold, or offered to be sold in violation of~~
8 ~~Rhode Island laws.~~

9 **44-49-4. Rules.**

10 The tax administrator may adopt rules necessary to enforce this chapter. The tax
11 administrator shall adopt a uniform system of providing, affixing, and displaying official stamps,
12 official labels, or other official indicia for ~~marijuana-and~~ controlled substances on which a tax is
13 imposed.

14 **44-49-5. Tax payment required for possession.**

15 No dealer may possess any ~~marijuana-or~~ controlled substance upon which a tax is imposed
16 under this chapter unless the tax has been paid on ~~the marijuana-or~~ a controlled substance as
17 evidenced by a stamp or other official indicia.

18 **44-49-7. Pharmaceuticals.**

19 Nothing in this chapter shall require persons lawfully in possession of ~~marijuana-or~~ a
20 controlled substance to pay the tax required under this chapter.

21 **44-49-8. Measurement.**

22 For the purpose of calculating this tax, a quantity of ~~marijuana-or~~ a controlled substance is
23 measured by the weight of the substance whether pure or impure or dilute, or by dosage units when
24 the substance is not sold by weight, in the dealer's possession. A quantity of a controlled substance
25 is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or
26 fillers.

27 **44-49-9. Tax rate.**

28 A tax is imposed on ~~marijuana-and~~ controlled substances as defined in § 44-49-2 at the
29 following rates:

30 ~~(1) On each gram of marijuana, or each portion of a gram, three dollars and fifty cents~~
31 ~~(\$3.50); and~~

32 ~~(2)~~(1) On each gram of controlled substance, or portion of a gram, two hundred dollars
33 (\$200); or

1 ~~(2)~~(2) On each ten (10) dosage units of a controlled substance that is not sold by weight,
2 or portion of the dosage units, four hundred dollars (\$400).

3 **44-49-9.1. Imposition of tax, interest and liens.**

4 (a) Any law enforcement agency seizing ~~marijuana and/or~~ controlled substances as defined
5 in § 44-49-2 in the quantities set forth in that section shall report to the division of taxation no later
6 than the twenty-fifth (25th) of each month, the amount of all ~~marijuana and~~ controlled substances
7 seized during the previous month and the name and address of each dealer from whom the
8 ~~marijuana and~~ controlled substances were seized.

9 (b) The tax administrator shall assess the dealer for any tax due at the rate provided by §
10 44-49-9. The tax shall be payable within fifteen (15) days after its assessment and, if not paid when
11 due, shall bear interest from the date of its assessment at the rate provided in § 44-1-7 until paid.

12 (c) The tax administrator may file a notice of tax lien upon the real property of the dealer
13 located in this state immediately upon mailing a notice of assessment to the dealer at the address
14 listed in the report of the law enforcement agency. The tax administrator may discharge the lien
15 imposed upon the filing of a bond satisfactory to the tax administrator in an amount equal to the
16 tax, interest and penalty imposed under this chapter.

17 **44-49-10. Penalties – Criminal provisions.**

18 (a) *Penalties.* Any dealer violating this chapter is subject to a penalty of one hundred
19 percent (100%) of the tax in addition to the tax imposed by § 44-49-9. The penalty will be collected
20 as part of the tax.

21 (b) *Criminal penalty; sale without affixed stamps.* In addition to the tax penalty imposed,
22 a dealer distributing or possessing ~~marijuana or~~ controlled substances without affixing the
23 appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be
24 sentenced to imprisonment for not more than five (5) years, or to payment of a fine of not more
25 than ten thousand dollars (\$10,000), or both.

26 (c) *Statute of limitations.* An indictment may be found and filed, or a complaint filed, upon
27 any criminal offense specified in this section, in the proper court within six (6) years after the
28 commission of this offense.

29 **44-49-11. Stamp price.**

30 Official stamps, labels, or other indicia to be affixed to all ~~marijuana or~~ controlled
31 substances shall be purchased from the tax administrator. The purchaser shall pay one hundred
32 percent (100%) of face value for each stamp, label, or other indicia at the time of the purchase.

33 **44-49-12. Payment due.**

1 (a) Stamps affixed. When a dealer purchases, acquires, transports, or imports into this state
2 ~~marijuana or~~ controlled substances on which a tax is imposed by § 44-49-9, and if the indicia
3 evidencing the payment of the tax have not already been affixed, the dealer shall have them
4 permanently affixed on the ~~marijuana or~~ controlled substance immediately after receiving the
5 substance. Each stamp or other official indicia may be used only once.

6 (b) Payable on possession. Taxes imposed upon ~~marijuana or~~ controlled substances by this
7 chapter are due and payable immediately upon acquisition or possession in this state by a dealer.

8 SECTION 8. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
9 adding thereto the following chapter 44-49.1:

10 **44-49.1-1. Short title.**

11 This chapter shall be known as the "Cannabis Taxation Act."

12 **44-49.1-2. Definitions.**

13 As used in this chapter, unless the context clearly indicates otherwise, the following
14 words and phrases shall have the following meanings:

15 (1) "Adult use marijuana retailer" has the meaning given that term in § 21-28.11-3.

16 (2) "Cannabis" has the meaning given that term in § 21-28.11-3.

17 (3) "Department of business regulation" means the office of cannabis regulation with the
18 department of business regulation or its successor agency.

19 (4) "Licensee" has the same meaning as "marijuana establishment licensee" in § 21-28.11-
20 3.

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

22 (6) "Marijuana cultivator" means a licensed medical marijuana cultivator as defined in § 21-
23 28.6-3, an adult use marijuana cultivator as defined in § 21-28.11-3, or any other person licensed by
24 the department of business regulation to cultivate marijuana in the state. A marijuana cultivator does
25 not include a primary caregiver or qualifying patients, as defined in 21-28.6-3, who are growing
26 marijuana pursuant to § 21-28.6-4 and in accordance with chapter 28.6 of title 21 and the
27 regulations promulgated thereunder.

28 (7) "Marijuana flower" means the flower or bud from a marijuana plant.

29 (8) "Marijuana products" has the meaning given that term in § 21-28.11-3.

30 (9) "Marijuana trim" means any part of the marijuana plant other than marijuana flower.

31 (10) "Person" means any individual, including an employee or agent, firm, fiduciary,
32 partnership, corporation, trust, or association, however formed.

33 (11) "Tax administrator" means the tax administrator within the division of taxation of
34 the department of revenue as defined in § 44-1-1.

1 **44-49.1-3. Adult use cultivator, retailer licenses required.**

2 Each person engaging in the business of cultivating adult use marijuana or selling adult use
3 marijuana products,, shall secure a license from the department of business regulation before
4 engaging in that business, or continuing to engage in it. A separate application and license is
5 required for each place of business operated by the retailer. A licensee shall notify the department
6 of business regulation and tax administrator simultaneously within thirty (30) days in the event that
7 it changes its principal place of business. A separate license is required for each type of business if
8 the applicant is engaged in more than one of the activities required to be licensed by this section.

9 **44-49.1-4. Marijuana cultivator excise tax.**

10 (a) An excise tax is imposed on all marijuana cultivated by marijuana cultivators. The rate
11 of taxation is as follows:

12 (1) Three dollars (\$3.00) for every dried ounce of marijuana trim and a proportionate tax
13 at the like rate on all fractional parts of an ounce thereof, and

14 (2) Ten dollars (\$10.00) for every dried ounce of marijuana flower and a proportionate tax
15 at the like rate on all fractional parts of an ounce thereof.

16 (b) Marijuana trim and marijuana flower that has not reached a dried state will be taxed
17 using equivalent amounts as established by regulations promulgated by the department of taxation
18 and the department of business regulation.

19 (c) The excise tax is assessed and levied upon the sale or transfer of marijuana by a
20 marijuana cultivator to any party or upon the designation of the product for retail sale by the
21 cultivator, whichever occurs earlier.

22 (d) The tax bears interest at the annual rate provided by § 44-1-7 from the twentieth (20th)
23 day after the close of the month for which the amount, or any portion of it, should have been paid
24 until the date of payment.

25 (e) This section is effective as of January 1, 2022.

26 **44-49.1-5. Adult use marijuana retail excise tax.**

27 (a) An excise tax is imposed on all marijuana sold by adult use marijuana retailers pursuant
28 to chapter 28.12 of title 21 at a rate of ten percent (10%) of the gross sales of marijuana products.
29 This excise tax is in addition to all other taxes imposed by title 44. The burden of proving the tax
30 was collected is upon the person who makes the sale and the purchaser, unless the person who
31 makes the sales takes from the purchaser a certificate to the effect that the purchase was for resale.
32 The certificate shall contain any information and be in the form that the tax administrator may
33 require.

1 (b) Any adult use marijuana retailer shall collect the taxes imposed by this section from
2 any purchaser to whom the sale of marijuana products is made and shall remit to the state the tax
3 levied by this section. The retail sale of marijuana products shall not be bundled with any other
4 non-marijuana tangible personal property or taxable services set forth in R.I. Gen. Laws § 44-18-
5 7.3.

6 (c) The adult use marijuana retailer shall add the tax imposed by this chapter to the sale
7 price or charge, and when added the tax constitutes a part of the price or charge, is a debt from the
8 consumer or user to the retailer, and is recoverable at law in the same manner as other debts;
9 provided, that the amount of tax that the retailer collects from the consumer or user is as follows:

10 Amount of Fair Market Value, as Tax

11 <u>\$0.01 to \$.09 inclusive</u>	<u>No Tax</u>
12 <u>.10 to .19 inclusive</u>	<u>.01</u>
13 <u>.20 to .29 inclusive</u>	<u>.02</u>
14 <u>.30 to .39 inclusive</u>	<u>.03</u>
15 <u>.40 to .49 inclusive</u>	<u>.04</u>
16 <u>.50 to .59 inclusive</u>	<u>.05</u>
17 <u>.60 to .69 inclusive</u>	<u>.06</u>
18 <u>.70 to .79 inclusive</u>	<u>.07</u>
19 <u>.80 to .89 inclusive</u>	<u>.08</u>
20 <u>.90 to .99 inclusive</u>	<u>.09</u>
21 <u>.100 to .109 inclusive</u>	<u>.10</u>

22 and where the amount of the sale is more than one dollar and nine cents (\$1.09) the amount
23 of the tax is computed at the rate of ten percent (10%)

24 (d) It shall be deemed a violation of this section for an adult use marijuana retailer to fail
25 to separately state the tax imposed in this section and instead include it in the sale price of marijuana
26 products. The tax levied in this article shall be imposed is in addition to all other taxes imposed by
27 the state, or any municipal corporation or political subdivision of any of the foregoing.

28 (e) The tax bears interest at the annual rate provided by § 44-1-7 from the twentieth (20th)
29 day after the close of the month for which the amount, or any portion of it, should have been paid
30 until the date of payment.

31 **44-49.1-7. Returns.**

32 (a) Every marijuana cultivator shall, on or before the twentieth (20th) day of the month
33 following the sale or transfer of marijuana, make a return to the tax administrator for taxes due

1 under § 44-49.1-4. Marijuana cultivators shall file their returns on a form as prescribed by the tax
2 administrator.

3 (b) Every licensed adult use marijuana retailer shall, on or before the twentieth (20th) day
4 of the month following the sale of marijuana products, make a return to the tax administrator for
5 taxes due under § 44-49.1-5. Adult use marijuana retailers shall file their returns on a form as
6 prescribed by the tax administrator.

7 (c) If for any reason an adult use marijuana retailer fails to collect the tax imposed § 44-
8 49.1-5 from the purchaser, the purchaser shall file a return and pay the tax directly to the state, on
9 or before the date required by subsection (b) of this section.

10 (d) There is created with the general fund a restricted receipt account to be known as the
11 “marijuana cash use surcharge” account. Surcharge collected pursuant to subsection (f) shall be
12 deposited into this account and be used to finance costs associated with processing and handling
13 cash payments for taxes paid under this chapter. The restricted receipt account will be housed within
14 the budget of the department of revenue. All amounts deposited into the marijuana cash use
15 surcharge account shall be exempt from the indirect cost recovery provisions of § 35-4-27.

16 (e) Any licensee who makes a payment in cash for taxes due under this chapter, or taxes
17 due under chapters 18 or 67 of this title, shall pay a ten percent (10%) penalty on the amount of
18 that payment to the division of taxation. Payment of a tax return with less than one thousand dollars
19 (\$1,000) in taxes due per month, on average, shall not be subject to the penalty.

20 (f) Notwithstanding any other provision of law, the department of business regulation and
21 tax administrator may, on a periodic basis, prepare and publish for public distribution a list of
22 entities and their active licenses administered under this chapter. Each list may contain the license
23 type, name of the licensee, and the amount of tax paid under this chapter.

24 **44-49.1-8. Sale of contraband products prohibited.**

25 (a) No person shall sell, offer for sale, display for sale, or possess with intent to sell any
26 contraband marijuana, marijuana products.

27 (b) Any marijuana or marijuana products exchanged in which one of the two entities does
28 not have a license or exchanged between a non-licensed entity and a consumer shall be considered
29 contraband.

30 (c) Any marijuana or marijuana products for which applicable taxes have not been paid as
31 specified in title 44 shall be considered contraband.

32 (d) Failure to comply with the provisions of this chapter may result in the imposition of the
33 applicable civil penalties in Section 44-49.1-13 below; however, the possession of marijuana or

1 marijuana products as described in this chapter do not constitute contraband for purposes of
2 imposing a criminal penalty under chapter 28 of title 21.

3 **44-49.1-9. Recordkeeping.**

4 (a) Each licensee shall maintain copies of invoices or equivalent documentation for, or
5 itemized for, each of its facilities for each involving the sale or transfer of marijuana or marijuana
6 products. All records and invoices required under this section must be safely preserved for three
7 (3) years in a manner to insure permanency and accessibility for inspection by the administrator or
8 his or her authorized agents.

9 (b) Records required under this section shall be preserved on the premises described in the
10 relevant license in such a manner as to ensure permanency and accessibility for inspection at
11 reasonable hours by authorized personnel of the administrator. With the tax administrator's
12 permission, persons with multiple places of business may retain centralized records but shall
13 transmit duplicates of the invoices or the equivalent documentation to each place of business within
14 twenty-four (24) hours upon the request of the administrator or his or her designee.

15 (c) Any person who fails to submit the reports required in this chapter or by the tax
16 administrator under this chapter, or who makes any incomplete, false, or fraudulent report, or who
17 refuses to permit the tax administrator or his or her authorized agent to examine any books, records,
18 papers, or stocks of marijuana or marijuana products as provided in this chapter, or who refuses to
19 supply the tax administrator with any other information which the tax administrator requests for
20 the reasonable and proper enforcement of the provisions of this chapter, shall be guilty of a
21 misdemeanor punishable by imprisonment up to one (1) year, or a fine of not more than five
22 thousand dollars (\$5,000), or both, for the first offense, and for each subsequent offense, shall be
23 fined not more than ten thousand dollars (\$10,000), or be imprisoned not more than five (5) years,
24 or both.

25 **44-49.1-10. Inspections and investigations.**

26 (a) The tax administrator or his or her duly authorized agent shall have authority to enter
27 and inspect, without a warrant during normal business hours, and with a warrant during nonbusiness
28 hours, the facilities and records of any licensee.

29 (b) In any case where the administrator or his or her duly authorized agent, or any police
30 officer of this state, has knowledge or reasonable grounds to believe that any vehicle is transporting
31 marijuana or marijuana products in violation of this chapter, the administrator, such agent, or such
32 police officer, is authorized to stop such vehicle and to inspect the same for contraband marijuana
33 or marijuana products.

1 (c) For the purpose of determining the correctness of any return, determining the amount
2 of tax that should have been paid, determining whether or not the licensee should have made a
3 return or paid taxes, or collecting any taxes under this chapter, the tax administrator may examine,
4 or cause to be examined, any books, papers, records, or memoranda, that may be relevant to making
5 those determinations, whether the books, papers, records, or memoranda, are the property of or in
6 the possession of the licensee or another person. The tax administrator may require the attendance
7 of any person having knowledge or information that may be relevant, compel the production of
8 books, papers, records, or memoranda by persons required to attend, take testimony on matters
9 material to the determination, and administer oaths or affirmations. Upon demand of the tax
10 administrator or any examiner or investigator, the court administrator of any court shall issue a
11 subpoena for the attendance of a witness or the production of books, papers, records, and
12 memoranda. The tax administrator may also issue subpoenas. Disobedience of subpoenas issued
13 under this chapter is punishable by the superior court of the district in which the subpoena is issued,
14 or, if the subpoena is issued by the tax administrator, by the superior court of the county in which
15 the party served with the subpoena is located, in the same manner as contempt of superior court.

16 **44-49.1-11. Suspension or revocation of license.**

17 The tax administrator may instruct the department of business regulation to, and upon such
18 instruction the department shall be authorized to suspend or revoke any license under this chapter
19 for failure of the licensee to comply with any provision of this chapter or with any provision of any
20 other law or ordinance relative to the sale or transfer of marijuana or marijuana products.

21 **44-49.1-12. Seizure and destruction.**

22 Any marijuana or marijuana products found in violation of this chapter shall be declared
23 to be contraband goods and may be seized by the tax administrator, his or her agents, or employees,
24 or by any deputy sheriff, or police officer when directed by the tax administrator to do so, without
25 a warrant. For the purposes of seizing and destroying contraband marijuana, employees of the
26 department of business regulation may act as agents of the tax administrator. The seizure and/or
27 destruction of any marijuana or marijuana products under the provisions of this section does not
28 relieve any person from a fine or other penalty for violation of this chapter. The department of
29 business regulation, in conjunction with the tax administrator and the department of public safety,
30 may promulgate rules and regulations for the destruction of contraband goods pursuant to this
31 section.

32 **44-49.1-13. Penalties.**

33 (a) Failure to file tax returns or to pay tax. In the case of failure:

1 (1) To file. The tax return on or before the prescribed date, unless it is shown that the failure
2 is due to reasonable cause and not due to willful neglect, an addition to tax shall be made equal to
3 ten percent (10%) of the tax required to be reported. For this purpose, the amount of tax required
4 to be reported shall be reduced by an amount of the tax paid on or before the date prescribed for
5 payment and by the amount of any credit against the tax which may properly be claimed upon the
6 return;

7 (2) To pay. The amount shown as tax on the return on or before the prescribed date for
8 payment of the tax unless it is shown that the failure is due to reasonable cause and not due to
9 willful neglect, there shall be added to the amount shown as tax on the return ten percent (10%) of
10 the amount of the tax.

11 (b) Negligence. If any part of a deficiency is due to negligence or intentional disregard of
12 the Rhode Island General Laws or rules or regulations under this chapter (but without intent to
13 defraud), five percent (5%) of that part of the deficiency shall be added to the tax.

14 (c) Fraud. If any part of a deficiency is due to fraud, fifty percent (50%) of that part of the
15 deficiency shall be added to the tax. This amount shall be in lieu of any other additional amounts
16 imposed by subsections (a) and (b) of this section.

17 (d) Failure to collect and pay over tax. Any person required to collect, truthfully account
18 for, and pay over any tax under this title who willfully fails to collect the tax or truthfully account
19 for and pay over the tax or willfully attempts in any manner to evade or defeat the tax or the payment
20 thereof, shall, in addition to other penalties provided by law, be liable to a civil penalty equal to the
21 total amount of the tax evaded, or not collected, or not accounted for and paid over.

22 (e) Additions and penalties treated as tax. The additions to the tax and civil penalties
23 provided by this section shall be paid upon notice and demand and shall be assessed, collected, and
24 paid in the same manner as taxes.

25 (f) Bad checks. If any check or money order in payment of any amount receivable under
26 this title is not duly paid, in addition to any other penalties provided by law, there shall be paid as
27 a penalty by the person who tendered the check, upon notice and demand by the tax administrator
28 or his or her delegate, in the same manner as tax, an amount equal to one percent (1%) of the amount
29 of the check, except that if the amount of the check is less than five hundred dollars (\$500), the
30 penalty under this section shall be five dollars (\$5.00). This subsection shall not apply if the person
31 tendered the check in good faith and with reasonable cause to believe that it would be duly paid.

32 (g) Misuse of Trust Funds. Any retailer and any officer, agent, servant, or employee of any
33 corporate retailer responsible for either the collection or payment of the tax, who appropriates or
34 converts the tax collected to his or her own use or to any use other than the payment of the tax to

1 the extent that the money required to be collected is not available for payment on the due date as
2 prescribed in this chapter, shall upon conviction for each offense be fined not more than ten
3 thousand dollars (\$10,000), or be imprisoned for one year, or by both fine and imprisonment, both
4 fine and imprisonment to be in addition to any other penalty provided by this chapter.

5 (h) Whoever fails to pay any tax imposed by § 44-49.1-4, § 44-49.1-5, or § 44-49.1-6 at
6 the time prescribed by law or regulations, shall, in addition to any other penalty provided in this
7 chapter, be liable for a penalty of one thousand dollars (\$1,000) or not more than five (5) times the
8 tax due but unpaid, whichever is greater.

9 (i) When determining the amount of a penalty sought or imposed under this section,
10 evidence of mitigating or aggravating factors, including history, severity, and intent, shall be
11 considered.

12 **44-49.1-14. Claim for refund.**

13 Whenever the tax administrator determines that any person is entitled to a refund of any
14 moneys paid by a person under the provisions of this chapter, or whenever a court of competent
15 jurisdiction orders a refund of any moneys paid, the general treasurer shall, upon certification by
16 the tax administrator and with the approval of the director of revenue, pay the refund from any
17 moneys in the treasury not appropriated without any further act or resolution making appropriation
18 for the refund. No refund is allowed unless a claim is filed with the tax administrator within three
19 (3) years from the fifteenth (15th) day after the close of the month for which the overpayment was
20 made.

21 **44-49.1-15. Hearings and appeals.**

22 (a) Any person aggrieved by any action under this chapter of the tax administrator or his
23 or her authorized agent for which a hearing is not elsewhere provided may apply to the tax
24 administrator, in writing, within thirty (30) days of the action for a hearing, stating the reasons why
25 the hearing should be granted and the manner of relief sought. The tax administrator shall notify
26 the applicant of the time and place fixed for the hearing. After the hearing, the tax administrator
27 may make the order in the premises as may appear to the tax administrator just and lawful and shall
28 furnish a copy of the order to the applicant. The tax administrator may, by notice in writing, at any
29 time, order a hearing on his or her own initiative and require the licensee or any other individual
30 whom the tax administrator believes to be in possession of information concerning any growing,
31 processing, distribution, sales, or transfer of cannabis products to appear before the tax
32 administrator or his or her authorized agent with any specific books of account, papers, or other
33 documents, for examination relative to the hearing.

1 (b) Appeals from administrative orders or decisions made pursuant to any provisions of
2 this chapter shall be to the sixth division district court pursuant to chapter 8 of title 8. The taxpayer's
3 right to appeal under this section shall be expressly made conditional upon prepayment of all taxes,
4 interest, and penalties, unless the taxpayer moves for and is granted an exemption from the
5 prepayment requirement pursuant to § 8-8-26.

6 **44-49.1-16. Disclosure of information to the office of cannabis regulation.**

7 Notwithstanding any other provision of law, the tax administrator may make available to
8 an officer or employee of the office of cannabis regulation of the Rhode Island department of
9 business regulation, any information that the administrator may consider proper contained in tax
10 reports or returns or any audit or the report of any investigation made with respect to them, filed
11 pursuant to the tax laws of this state, to whom disclosure is necessary for the purpose of ensuring
12 compliance with state law and regulations.

13 **44-49.1-17. Transfer of revenue to the marijuana trust fund.**

14 (a) The division of taxation shall transfer all collections from marijuana cultivator excise
15 tax and the adult use marijuana retail excise tax, including penalties or forfeitures, interest, costs of
16 suit and fines, to the marijuana trust fund established by § 21-28.12-18.

17 (b) The division of taxation shall transfer all collections remitted by adult use marijuana
18 retailers pursuant to § 44-18-18 due to the net revenue of marijuana products. The tax administrator
19 may base this transfer on an estimate of the net revenue of marijuana products derived from any
20 other tax data collected under title 44 or data shared by the department of business regulation.

21 **44-49.1-18. Rules and regulations.**

22 The tax administrator is authorized to promulgate rules and regulations to carry out the
23 provisions, policies, and purposes of this chapter. The provisions of this chapter shall be liberally
24 construed to foster the enforcement of and compliance with all provisions herein related to taxation.

25 **44-49.1-19. Severability.**

26 If any provision of this chapter or the application of this chapter to any person or
27 circumstances is held invalid, that invalidity shall not affect other provisions or applications of the
28 chapter that can be given effect without the invalid provision or application, and to this end the
29 provisions of this chapter are declared to be severable.

30 SECTION 9. This article shall take effect upon passage.