

2021 -- H 6076

LC002238

**STATE OF RHODE ISLAND**

## **IN GENERAL ASSEMBLY**

## **JANUARY SESSION, A.D. 2021**

A N A C T

## **RELATING TO CRIMINAL PROCEDURE -- THE RHODE ISLAND SOCIAL EQUITY CANNABIS ACT**

Introduced By: Representatives Williams, and Potter

Date Introduced: March 03, 2021

**Referred To:** House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 12 of the General Laws entitled "CRIMINAL PROCEDURE" is hereby  
2 amended by adding thereto the following chapter:

CHAPTER 1.7

## THE RHODE ISLAND SOCIAL EQUITY CANNABIS ACT

### **12-1.7-1. Short title.**

This act shall be known and may be cited as the "Rhode Island Social Equity Cannabis Act".

#### **12-1.7-2. Legislative findings.**

9                     (1) In 2005, Rhode Island passed the "Edward O. Hawkins and Thomas C. Slater Medical  
10                     Marijuana Act". Rhode Island has also decriminalized possession of one ounce (1 oz.) or less of  
11                     marijuana for personal use. With the advent of different states throughout the country legalizing  
12                     marijuana, the general assembly finds that regulating it in a way that reduces barriers to entry into  
13                     the legal, regulated market would benefit the state, and that some persons are inequitably being  
14                     denied the opportunity to enter into the business of selling and cultivating marijuana due to prior  
15                     convictions relating to possession of marijuana.

(2) Marijuana prohibition had a devastating impact on communities in Rhode Island and across the United States. Persons convicted of a marijuana offense and their families suffer the long-term consequences of conviction, including the type of repercussions in obtaining

1     employment and housing and generally, hindering the ability of those convicted to participate and  
2     contribute as productive members of society.

3         (3) In 2013, the American Civil Liberties Union (ACLU) issued a report that addressed  
4     marijuana possession and found that between 2001 and 2010 the racial disparity in marijuana  
5     possession arrests varied from 2.6 to 3.6 black-to-white.

6         (4) In 2016, the ACLU released a national report with the Human Rights Watch that  
7     indicated that blacks in Rhode Island were arrested for drug possession at almost three (3) times  
8     the rate of whites in 2014, despite national studies that repeatedly show that blacks and whites  
9     generally use drugs at roughly similar rates.

10         (5) The general assembly finds and declares that this chapter furthers the purposes and  
11     intent of the "Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act", and prospectively  
12     will reduce barriers in the future as Rhode Island contemplates legalization of marijuana.

13             **12-1.7-3. Automatic expungement of marijuana related convictions.**

14         (a) Any person with a prior conviction for misdemeanor or felony possession of marijuana  
15     shall be entitled to have the criminal conviction automatically expunged, notwithstanding the  
16     provisions of chapter 1.3 of title 12. No prior criminal charge and/or conviction having been  
17     expunged pursuant to the provisions of this section may be used to impede a person from entering  
18     into the cannabis industry or any government assistance programs. The expungement shall be at no  
19     cost to the individual.

20         (b) Any person who has been incarcerated for misdemeanor or felony possession of  
21     marijuana shall have all court costs waived with respect to expungement of his or her criminal  
22     record under this section.

23         (c) Records shall be expunged pursuant to the procedures set forth in this chapter in  
24     accordance with the following timelines:

25             (i) Records created prior to the effective date of this chapter, but on or after January 1,  
26     2014, shall be automatically expunged January 1, 2022;

27             (ii) Records created prior to January 1, 2014, but on or after January 1, 2001, shall be  
28     automatically expunged January 1, 2024;

29             (iii) Records created prior to January 1, 2001, shall be automatically expunged prior to  
30     January 1, 2026.

31         (d) Nothing in this section shall be construed to restrict or modify a person's right to have  
32     their records expunged, except as otherwise may be provided in this chapter, or diminish or  
33     abrogate any rights or remedies otherwise available to the individual;

34         (e) The Rhode Island attorney general in consultation with the Rhode Island state police

1       and the municipal police departments of the state is hereby authorized to promulgate any and all  
2       rules and regulations necessary to carry out the provisions of this section.

3           SECTION 2. Sections 21-28.6-3, 21-28.6-4, 21-28.6-5, 21-28.6-12 and 21-28.6-16 of the  
4       General Laws in Chapter 21-28.6 entitled "The Edward O. Hawkins and Thomas C. Slater Medical  
5       Marijuana Act" are hereby amended to read as follows:

6           **21-28.6-3. Definitions.**

7           For the purposes of this chapter:

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

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

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

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

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

28           (6)(i) "Compassion center" means a not-for-profit corporation, subject to the provisions of  
29       chapter 6 of title 7, and is licensed under § 21-28.6-12, that acquires, possesses, cultivates,  
30       manufactures, delivers, transfers, transports, supplies, or dispenses medical marijuana, and/or  
31       related supplies and educational materials, to patient cardholders and/or their registered caregiver  
32       cardholder or authorized purchaser.

33           (ii) "Compassion center cardholder" means a principal officer, board member, employee,  
34       volunteer, or agent of a compassion center who has registered with the department of business

1 regulation and has been issued and possesses a valid, registry identification card.

2       (7) "Debilitating medical condition" means: any serious health condition a reasonable  
3 practitioner believes, based on their experience, knowledge, and reasonable judgment as a health  
4 care provider, could be alleviated or treated through the use of medical marijuana.

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

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

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

15       (8) "Department of business regulation" means the office of cannabis regulation within the  
16 Rhode Island department of business regulation or its successor agency.

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

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

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

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

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

29           (14) "Hardship registration" means a designation for patient cardholders who, based on  
30 their financial circumstances, are eligible to receive discounts on medical marijuana and medical  
31 marijuana products purchased at compassion centers.

32           ~~(14)~~(15) "Immature marijuana plant" means a marijuana plant, rooted or unrooted, with no  
33 observable flower or buds.

34           ~~(15)~~(16) "Licensed medical marijuana cultivator" means a person or entity, as identified in

1       § 43-3-6, who or that has been licensed by the department of business regulation to cultivate  
2 medical marijuana pursuant to § 21-28.6-16.

3           ~~(16)~~(17) "Marijuana" has the meaning given that term in § 21-28-1.02.

4           ~~(17)~~(18) "Marijuana establishment licensee" means any person or entity licensed by the  
5 department of business regulation under this chapter whose license permits it to engage in or  
6 conduct activities in connection with the medical marijuana program. "Marijuana establishment  
7 licensees" shall include compassion centers, medical marijuana cultivators, and cannabis testing  
8 laboratories.

9           ~~(18)~~(19) "Mature marijuana plant" means a marijuana plant that has flowers or buds that  
10 are readily observable by an unaided visual examination.

11          ~~(19)~~(20) "Medical marijuana emporium" means any establishment, facility or club,  
12 whether operated for-profit or nonprofit, or any commercial unit, at which the sale, distribution,  
13 transfer, or use of medical marijuana or medical marijuana products is proposed and/or occurs to,  
14 by or among registered patients, registered caregivers, authorized purchaser cardholders or any  
15 other person. This shall not include a compassion center regulated and licensed by the department  
16 of business regulation pursuant to the terms of this chapter.

17          ~~(20)~~(21) "Medical marijuana" means marijuana and marijuana products that satisfy the  
18 requirements of this chapter and have been given the designation of "medical marijuana" due to  
19 dose, potency, form. Medical marijuana products are only available for use by patient cardholders,  
20 and may only be sold to or possessed by patient cardholders, or their registered caregiver, or  
21 authorized purchaser in accordance with this chapter. Medical marijuana may not be sold to,  
22 possessed by, manufactured by, or used except as permitted under this chapter.

23          ~~(21)~~(22) "Medical marijuana plant tag set" or "plant tag" means any tag, identifier,  
24 registration, certificate, or inventory tracking system authorized or issued by the department or  
25 which the department requires be used for the lawful possession and cultivation of medical  
26 marijuana plants in accordance with this chapter.

27          ~~(22)~~(23) "Medical use" means the acquisition, possession, cultivation, manufacture, use,  
28 delivery, transfer, or transportation of medical marijuana or paraphernalia relating to the  
29 consumption of marijuana to alleviate a patient cardholder's debilitating medical condition or  
30 symptoms associated with the medical condition in accordance with the provisions of this chapter.

31          ~~(23)~~(24) "Practitioner" means a person who is licensed with authority to prescribe drugs  
32 pursuant to chapters 34, 37, and 54 of title 5 or a nurse practitioner licensed to practice in Rhode  
33 Island, who may provide a qualifying patient with a written certification in accordance with  
34 regulations promulgated by the department of health.

1           (24)(25) "Primary caregiver" means a natural person who is at least twenty-one (21) years  
2 old who is registered under this chapter in order to, and who may assist one qualifying patient, but  
3 no more than five (5) qualifying patients, with their medical use of marijuana, provided that a  
4 qualified patient may also serve as his or her own primary caregiver subject to the registration and  
5 requirements set forth in § 21-28.6-4.

6           (25)(26) "Qualifying patient" means a person who has been certified by a practitioner as  
7 having a debilitating medical condition and is a resident of Rhode Island.

8           (26)(27) "Registry identification card" means a document issued by the department of  
9 health or the department of business regulation, as applicable, that identifies a person as a registered  
10 qualifying patient, a registered primary caregiver, or authorized purchaser, or a document issued  
11 by the department of business regulation that identifies a person as a registered principal officer,  
12 board member, employee, volunteer, or agent of a compassion center, licensed medical marijuana  
13 cultivator, cannabis testing lab, or any other medical marijuana licensee.

14           (27)(28) "Unusable marijuana" means marijuana seeds, stalks, and unusable roots and  
15 shall not count towards any weight-based possession limits established in this chapter.

16           (28)(29) "Usable marijuana" means the leaves and flowers of the marijuana plant, and any  
17 mixture or preparation thereof, but does not include the seeds, stalks, and roots of the plant.

18           (29)(30) "Wet marijuana" means the harvested leaves and flowers of the marijuana plant  
19 before they have reached a dry state, as defined by regulations promulgated by the department of  
20 health and department of business regulation.

21           (30)(31) "Written certification" means a statement signed by a practitioner, stating that, in  
22 the practitioner's professional opinion, the potential benefits of the medical use of marijuana would  
23 likely outweigh the health risks for the qualifying patient. A written certification shall be made only  
24 in the course of a bona fide, practitioner-patient relationship after the practitioner has completed a  
25 full assessment of the qualifying patient's medical history. The written certification shall specify  
26 the qualifying patient's debilitating medical condition or conditions which may include the  
27 qualifying patient's relevant medical records.

28           **21-28.6-4. Protections for the medical use of marijuana.**

29           (a) A qualifying patient cardholder who has in his or her possession a registry identification  
30 card shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or  
31 privilege, including, but not limited to, civil penalty or disciplinary action by a business or  
32 occupational or professional licensing board or bureau, solely for the medical use of medical  
33 marijuana; provided that the qualifying patient cardholder possesses an amount of medical  
34 marijuana that does not exceed twelve (12) mature marijuana plants and twelve (12) immature

1 marijuana plants ~~that are accompanied by valid medical marijuana plant tags~~, two and one-half  
2 ounces (2.5 oz.) of dried medical marijuana, or its equivalent amount which satisfies the  
3 requirements of this chapter, sixteen ounces (16 oz.) of dried medical marijuana if the marijuana  
4 was cultivated by the patient cardholder or their designated caregiver and is stored securely within  
5 the patient's residence, and an amount of wet medical marijuana to be set by regulations  
6 promulgated by the department of business regulation. The plants shall be stored in an indoor  
7 facility. Marijuana plants and the marijuana they produce shall only be grown, stored,  
8 manufactured, and processed in accordance with regulations promulgated by the department of  
9 business regulation;

10                 (b) An authorized purchaser who has in his or her possession a registry identification card  
11 shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege,  
12 including, but not limited to, civil penalty or disciplinary action by a business or occupational or  
13 professional licensing board or bureau, for the possession of medical marijuana; provided that the  
14 authorized purchaser possesses an amount of medical marijuana that does not exceed two and one-  
15 half (2.5) ounces of usable marijuana, or its equivalent amount, and this medical marijuana was  
16 purchased legally from a compassion center for the use of their designated qualifying patient.

17                 (c) A qualifying patient cardholder, who has in his or her possession a registry  
18 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied  
19 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business  
20 or occupational or professional licensing board or bureau, for selling, giving, or distributing, on or  
21 before December 31, 2016, to a compassion center cardholder, medical marijuana of the type and  
22 in an amount not to exceed that set forth in subsection (a) that he or she has cultivated or  
23 manufactured pursuant to this chapter.

24                 (d) No school or landlord may refuse to enroll, or lease to, or otherwise penalize, a person  
25 solely for his or her status as a cardholder. Provided, however, due to the safety and welfare concern  
26 for other tenants, the property, and the public, as a whole, a landlord may have the discretion not  
27 to lease, or continue to lease, to a cardholder who cultivates, manufactures, processes, smokes, or  
28 vaporizes medical marijuana in the leased premises.

29                 (e) No employer may refuse to employ, or otherwise penalize, a person solely for his or  
30 her status as a cardholder, except:

31                         (1) To the extent employer action is taken with respect to such person's:

32                         (i) Use or possession of marijuana or being under the influence of marijuana in any  
33 workplace;

34                         (ii) Undertaking a task under the influence of marijuana when doing so would constitute

1       negligence or professional malpractice or jeopardize workplace safety;  
2               (iii) Operation, navigation, or actual physical control of any motor vehicle or other  
3       transport vehicle, aircraft, motorboat, machinery or equipment, or firearms while under the  
4       influence of marijuana; or

5               (iv) Violation of employment conditions pursuant to the terms of a collective bargaining  
6       agreement; or

7               (2) Where the employer is a federal contractor or otherwise subject to federal law such that  
8       failure of the employer to take such action against the employee would cause the employer to lose  
9       a monetary or licensing related benefit.

10          (f) A primary caregiver cardholder, who has in his or her possession a registry identification  
11       card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or  
12       privilege, including, but not limited to, civil penalty or disciplinary action by a business or  
13       occupational or professional licensing board or bureau, for assisting a patient cardholder, to whom  
14       he or she is connected through the department of health or department of business regulation's  
15       registration process, with the medical use of medical marijuana; provided, that the primary  
16       caregiver cardholder possesses an amount of marijuana that does not exceed twelve (12) mature  
17       marijuana plants that are accompanied by valid medical marijuana tags, two and one-half (2.5)  
18       ounces of usable marijuana, or its equivalent amount, and an amount of wet marijuana set in  
19       regulations promulgated by the departments of health and business regulation for each qualified  
20       patient cardholder to whom he or she is connected through the department of health's registration  
21       process.

22          (g) A qualifying patient cardholder shall be allowed to possess a reasonable amount of  
23       unusable marijuana, including up to twelve (12) immature marijuana plants that are accompanied  
24       by valid medical marijuana tags. A primary caregiver cardholder shall be allowed to possess a  
25       reasonable amount of unusable marijuana, including up to twenty-four (24) immature marijuana  
26       plants that are accompanied by valid medical marijuana tags and an amount of wet marijuana set  
27       in regulations promulgated by the departments of health and business regulation.

28          (h) There shall exist a presumption that a cardholder is engaged in the medical use of  
29       marijuana if the cardholder:

30               (1) Is in possession of a registry identification card; and

31               (2) Is in possession of an amount of marijuana that does not exceed the amount permitted  
32       under this chapter. Such presumption may be rebutted by evidence that conduct related to marijuana  
33       was not for the purpose of alleviating the qualifying patient's debilitating medical condition or  
34       symptoms associated with the medical condition.

1                   (i) A primary caregiver cardholder may receive reimbursement for costs associated with  
2 assisting a qualifying patient cardholder's medical use of marijuana. A primary caregiver  
3 cardholder may only receive reimbursement for the actual costs of goods, materials, services or  
4 utilities for which they have incurred expenses. A primary caregiver may not receive  
5 reimbursement or compensation for his or her time, knowledge, or expertise. Compensation shall  
6 not constitute sale of controlled substances under state law. The department of business regulation  
7 may promulgate regulations for the documentation and tracking of reimbursements and the transfer  
8 of medical marijuana between primary caregivers and their registered patients.

9                   (j) A primary caregiver cardholder, who has in his or her possession a registry identification  
10 card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or  
11 privilege, including, but not limited to, civil penalty or disciplinary action by a business or  
12 occupational or professional licensing board or bureau, for selling, giving, or distributing, on or  
13 before December 31, 2016, to a compassion center cardholder, marijuana, of the type, and in an  
14 amount not to exceed that set forth in subsection (f), if:

15                  (1) The primary caregiver cardholder cultivated the marijuana pursuant to this chapter, not  
16 to exceed the limits of subsection (f); and

17                  (2) Each qualifying patient cardholder the primary caregiver cardholder is connected with  
18 through the department of health's registration process has been provided an adequate amount of  
19 the marijuana to meet his or her medical needs, not to exceed the limits of subsection (a).

20                  (k) A practitioner shall not be subject to arrest, prosecution, or penalty in any manner, or  
21 denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by  
22 the Rhode Island board of medical licensure and discipline, or an employer or occupational or  
23 professional licensing board or bureau solely for providing written certifications in accordance with  
24 this chapter and regulations promulgated by the department of health, or for otherwise stating that,  
25 in the practitioner's professional opinion, the potential benefits of the medical marijuana would  
26 likely outweigh the health risks for a patient.

27                  (l) Any interest in, or right to, property that is possessed, owned, or used in connection with  
28 the lawful medical use of marijuana, or acts incidental to such use, shall not be forfeited.

29                  (m) No person shall be subject to arrest or prosecution for constructive possession,  
30 conspiracy, aiding and abetting, being an accessory, or any other offense, for simply being in the  
31 presence or vicinity of the medical use of marijuana as permitted under this chapter, or for assisting  
32 a qualifying patient cardholder with using or administering marijuana.

33                  (n) A practitioner, licensed with authority to prescribe drugs pursuant to chapters 34, 37,  
34 and 54 of title 5, or pharmacist, licensed under chapter 19.1 of title 5, or certified school nurse

1 teacher, shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or  
2 privilege, including, but not limited to, civil penalty or disciplinary action by an employer or  
3 occupational or professional licensing board or bureau solely for: (1) Discussing the benefits or  
4 health risks of medical marijuana or its interaction with other substances with a patient; or

5                 (2) Administering a non-smokable and non-vaporized form of medical marijuana in a  
6 school setting to a qualified patient registered in accordance with this chapter.

7                 (o) A qualifying patient or primary caregiver registry identification card, or its equivalent,  
8 issued under the laws of another state, U.S. territory, or the District of Columbia, to permit the  
9 medical use of marijuana by a patient with a debilitating medical condition, or to permit a person  
10 to assist with the medical use of marijuana by a patient with a debilitating medical condition, shall  
11 have the same force and effect as a registry identification card.

12                 (p) Notwithstanding the provisions of subsection (f), no primary caregiver cardholder shall  
13 possess an amount of marijuana in excess of twenty-four (24) mature marijuana plants that are  
14 accompanied by valid medical marijuana tags and five (5) ounces of usable marijuana, or its  
15 equivalent, and an amount of wet medical marijuana set in regulations promulgated by the  
16 departments of health and business regulation for patient cardholders to whom he or she is  
17 connected through the department of health and/or department of business regulation registration  
18 process.

19                 (q) A qualifying patient or primary caregiver cardholder may give marijuana to another  
20 qualifying patient or primary caregiver cardholder to whom they are not connected by the  
21 department's registration process, provided that no consideration is paid for the marijuana, and that  
22 the recipient does not exceed the limits specified in this section.

23                 (r) Qualifying patient cardholders and primary caregiver cardholders electing to grow  
24 marijuana shall only grow at one premises, and this premises shall be registered with the department  
25 of business regulation. Except for licensed compassion centers, and licensed cooperative  
26 cultivations, and licensed cultivators, no more than twenty-four (24) mature marijuana plants that  
27 are accompanied by valid medical marijuana tags shall be grown or otherwise located at any one  
28 dwelling unit or commercial unit. The number of qualifying patients or primary caregivers residing,  
29 owning, renting, growing, or otherwise operating at a dwelling or commercial unit does not affect  
30 this limit. The department of business regulation shall promulgate regulations to enforce this  
31 provision.

32                 (s) For the purposes of medical care, including organ transplants, a patient cardholder's  
33 authorized use of marijuana shall be considered the equivalent of the authorized use of any other  
34 medication used at the direction of a physician, and shall not constitute the use of an illicit

1 substance.

2 (t) Notwithstanding any other provisions of the general laws, the manufacture of marijuana  
3 using a solvent extraction process that includes the use of a compressed, flammable gas as a solvent  
4 by a patient cardholder or primary caregiver cardholder shall not be subject to the protections of  
5 this chapter.

6 (u) Notwithstanding any provisions to the contrary, nothing in this chapter or the general  
7 laws shall restrict or otherwise affect the manufacturing, distribution, transportation, sale,  
8 prescribing, and dispensing of a product that has been approved for marketing as a prescription  
9 medication by the U.S. Food and Drug Administration and legally prescribed, nor shall hemp, in  
10 accordance with chapter 26 of title 2, be defined as marijuana or marihuana pursuant to this chapter,  
11 chapter 28 of this title or elsewhere in the general laws.

12 (v) No state department, agency, court or official in any capacity, shall render policies,  
13 punishments, or decisions in a manner that regards a registered patient cardholder, or the lawful  
14 use of medical marijuana pursuant to this chapter, differently than a similarly situated person  
15 lawfully using a prescribed medication.

16 **21-28.6-5. Departments of health and business regulation to issue regulations.**

17 (a) Not later than ninety (90) days after the effective date of this chapter, the department of  
18 health shall promulgate regulations governing the manner in which it shall consider petitions from  
19 the public to add debilitating medical conditions to those included in this chapter. In considering  
20 such petitions, the department of health shall include public notice of, and an opportunity to  
21 comment in a public hearing, upon such petitions. The department of health shall, after hearing,  
22 approve or deny such petitions within one hundred eighty (180) days of submission. The approval  
23 or denial of such a petition shall be considered a final department of health action, subject to judicial  
24 review. Jurisdiction and venue for judicial review are vested in the superior court. The denial of a  
25 petition shall not disqualify qualifying patients with that condition, if they have a debilitating  
26 medical condition as defined in § 21-28.6-3. The denial of a petition shall not prevent a person with  
27 the denied condition from raising an affirmative defense.

28 (b) Not later than ninety (90) days after the effective date of this chapter, the department  
29 of health shall promulgate regulations governing the manner in which it shall consider applications  
30 for, and renewals of, registry identification cards for qualifying patients and authorized purchasers.  
31 The department of health's regulations shall establish application and renewal fees that generate  
32 revenues sufficient to offset all expenses of implementing and administering this chapter. The  
33 department of health may vary the application and renewal fees along a sliding scale that accounts  
34 for a qualifying patient's or caregiver's income. The department of health may accept donations

1 from private sources in order to reduce the application and renewal fees.

2       (c) Not later than October 1, 2019, the department of business regulation shall promulgate  
3 regulations not inconsistent with law, to carry into effect the provisions of this section, governing  
4 the manner in which it shall consider applications for, and renewals of, registry identification cards  
5 for primary caregivers. The department of business regulation's regulations shall establish  
6 application and renewal fees. The department of business regulation may vary the application and  
7 renewal fees along a sliding scale that accounts for a qualifying patient's or caregiver's income. The  
8 department of business regulation may accept donations from private sources in order to reduce the  
9 application and renewal fees.

10       (d) Not later than October 1, 2021, the department of health shall promulgate regulations  
11 not inconsistent with law to designate qualifying patients as eligible for a hardship registration if,  
12 when submitting applications for, and renewal of, registry identification cards, provide proof that  
13 they receive supplemental security income, Social Security disability income, and/or Medicaid  
14 benefits. The department of health may develop other criteria for hardship designation eligibility  
15 based on a qualifying patient's income and other financial circumstances. Upon issuance of registry  
16 identification cards, and renewals of, the department of health shall imprint a symbol indicating a  
17 qualifying patient's hardship registration either on the registry identification card or another official  
18 document provided by the department. A qualifying patient's hardship registration shall remain in  
19 effect as long as the patient's registration card remains valid.

20       **21-28.6-12. Compassion centers.**

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

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

30       (1) Not later than ninety (90) days after the effective date of this chapter, the department  
31 of health shall promulgate regulations governing the manner in which it shall consider applications  
32 for licenses for compassion centers, including regulations governing:  
33           (i) The form and content of license and renewal applications;  
34           (ii) Minimum oversight requirements for compassion centers;

(iii) Minimum record-keeping requirements for compassion centers;

(iv) Minimum security requirements for compassion centers; and

(v) Procedures for suspending, revoking, or terminating the license of compassion centers

that violate the provisions of this section or the regulations promulgated pursuant to this subsection.

(2) Within ninety (90) days of the effective date of this chapter, the department of health

(3) Within one hundred fifty (150) days of the effective date of this chapter, the department

of health shall provide for at least one public hearing on the granting of an application to a single compassion center.

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

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

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

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

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

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

1       one license has been issued by the department of business regulation for every one thousand (1,000)  
2       registered patient cardholders.

3                 (9) Any compassion center application selected for approval by the department of health  
4       on or before December 31, 2016, or selected for approval by the department of business regulation  
5       on or after January 1, 2017, shall remain in full force and effect, notwithstanding any provisions of  
6       this chapter to the contrary, and shall be subject to state law adopted herein and rules and regulations  
7       adopted by the departments of health and business regulation subsequent to passage of this  
8       legislation.

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

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

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

22                 (i) A non-refundable application fee paid to the department in the amount of ~~ten thousand~~  
23      ~~dollars (\$10,000)~~ five hundred dollars (\$500);

24                 (ii) The proposed legal name and proposed articles of incorporation of the compassion  
25      center;

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

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

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

33                 (vi) Proposed security and safety measures that shall include at least one security alarm  
34      system for each location, planned measures to deter and prevent the unauthorized entrance into

1 areas containing marijuana and the theft of marijuana, as well as a draft, employee-instruction  
2 manual including security policies, safety and security procedures, personal safety, and crime-  
3 prevention techniques; and

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

5 (2)(i) For applications submitted on or before December 31, 2016, any time one or more  
6 compassion center license applications are being considered, the department of health shall also  
7 allow for comment by the public and shall solicit input from registered qualifying patients,  
8 registered primary caregivers, and the towns or cities where the applicants would be located;

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

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

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

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

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

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

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

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

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

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

32 (4) A compassion center approved by the department of health on or before December 31,  
33 2016, shall submit the following to the department before it may begin operations:

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

1       hundred dollars (\$500);

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

3           (iii) The physical address of the compassion center; this may include a second address for

4       the secure cultivation of marijuana;

5           (iv) The name, address, and date of birth of each principal officer and board member of the

6       compassion center; and

7           (v) The name, address, and date of birth of any person who will be an agent of, employee,

8       or volunteer of the compassion center at its inception.

9           (5)(i) A compassion center approved or renewed by the department of business regulation

10      on or after January 1, 2017, but before July 1, 2019, shall submit materials pursuant to regulations

11      promulgated by the department of business regulation before it may begin operations:

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

13       hundred dollars (\$500);

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

15           (C) The physical address of the compassion center; this may include a second address for

16       the secure cultivation of medical marijuana;

17           (D) The name, address, and date of birth of each principal officer and board member of the

18       compassion center;

19           (E) The name, address, and date of birth of any person who will be an agent, employee, or

20       volunteer of the compassion center at its inception.

21           (ii) A compassion center approved or renewed by the department of business regulation on

22      or after July 1, 2019, shall submit materials pursuant to regulations promulgated by the department

23      of business regulation before it may begin operations, which shall include but not be limited to:

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

25       five hundred dollars (\$500);

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

27           (C) The physical address of the compassion center; this may include a second address for

28       the secure cultivation of medical marijuana;

29           (D) The name, address, and date of birth of each principal officer and board member of the

30       compassion center, and any person who has a direct or indirect ownership interest in any marijuana

31       establishment licensee, which ownership interest shall include, but not be limited to, any interests

32       arising pursuant to the use of shared management companies, management agreements or other

33       agreements that afford third-party management or operational control, or other familial or business

34       relationships between compassion center or cultivator owners, members, officers, directors,

1 managers, investors, agents, or key persons that effect dual license interests as determined by the  
2 department of business regulation;

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

5 (6) Except as provided in subsection (c)(7) of this section, the department of health or the  
6 department of business regulation shall issue each principal officer, board member, agent,  
7 volunteer, and employee of a compassion center a registry identification card or renewal card after  
8 receipt of the person's name, address, date of birth; a fee in an amount established by the department  
9 of health or the department of business regulation; ~~and, except in the case of an employee,~~  
10 ~~notification to the department of health or the department of business regulation by the department~~  
11 ~~of public safety division of state police, attorney general's office, or local law enforcement that the~~  
12 ~~registry identification card applicant has not been convicted of a felony drug offense or has not~~  
13 ~~entered a plea of nolo contendere for a felony drug offense and received a sentence of probation.~~  
14 Each card shall specify that the cardholder is a principal officer, board member, agent, volunteer,  
15 or employee of a compassion center and shall contain the following:

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

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

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

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

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

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

34 (i) ~~All registry identification card applicants shall apply to the department of public safety~~

1       division of state police, the attorney general's office, or local law enforcement for a national  
2       criminal identification records check that shall include fingerprints submitted to the federal bureau  
3       of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo  
4       contendere for a felony drug offense with a sentence of probation, and in accordance with the rules  
5       promulgated by the department of health and the department of business regulation, the department  
6       of public safety division of state police, the attorney general's office, or local law enforcement shall  
7       inform the applicant, in writing, of the nature of the felony and the department of public safety  
8       division of state police shall notify the department of health or the department of business  
9       regulation, in writing, without disclosing the nature of the felony, that a felony drug offense  
10      conviction or a plea of nolo contendere for a felony drug offense with probation has been found.

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

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

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

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

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

33               (11) If a compassion center cardholder loses his or her registry identification card, he or  
34       she shall notify the department of health or the department of business regulation and submit a ten-

1       dollar (\$10.00) fee within ten (10) days of losing the card. Within five (5) days, the department  
2       shall issue a new registry identification card with new random identification number.

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

7                 (13) On or after January 1, 2017, a compassion center cardholder shall notify the  
8       department of business regulation of any disqualifying criminal convictions as defined in  
9       subsection (c)(7) of this section. The department of business regulation may choose to suspend  
10      and/or revoke his or her registry identification card after the notification.

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

14                 (d) Expiration or termination of compassion center:

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

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

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

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

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

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

34                 (4) The department of business regulation shall issue a compassion center one or more

1        thirty-day (30) temporary licenses after that compassion center's license would otherwise expire if  
2        the following conditions are all satisfied:

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

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

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

8                (5) A compassion center's license shall be denied, suspended, or subject to revocation if  
9        the compassion center:

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

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

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

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

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

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

29                (f) Compassion center requirements:

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

- (i) Minimum security and surveillance requirements;
  - (ii) Minimum requirements for workplace safety and sanitation;
  - (iii) Minimum requirements for product safety and testing;
  - (iv) Minimum requirements for inventory tracking and monitoring;
  - (v) Minimum requirements for the secure transport and transfer of medical marijuana;
  - (vi) Minimum requirements to address odor mitigation;
  - (vii) Minimum requirements for product packaging and labeling;
  - (viii) Minimum requirements and prohibitions for advertising;
  - (ix) Minimum requirements for the testing and destruction of marijuana. Wherever

tion of medical marijuana and medical marijuana product is required to bring a person or

into compliance with any provision of this chapter, any rule or regulation promulgated

der, or any administrative order issued in accordance therewith, the director of the

ment of business regulation may designate his or her employees or agents to facilitate the

tion;

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

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

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

34 (4)(i) On or before December 31, 2016, a compassion center shall notify the department of

1        health in writing of the name, address, and date of birth of any new principal officer, board member,  
2        agent, volunteer, or employee and shall submit a fee in an amount established by the department  
3        for a new registry identification card before that person begins his or her relationship with the  
4        compassion center;

5                (ii) On or after January 1, 2017, a compassion center shall notify the department of business  
6        regulation, in writing, of the name, address, and date of birth of any new principal officer, board  
7        member, agent, volunteer, or employee and shall submit a fee in an amount established by the  
8        department of business regulation for a new registry identification card before that person begins  
9        his or her relationship with the compassion center;

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

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

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

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

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

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

34                (11) Effective January 1, 2017, each compassion center shall be subject to any product

1 labeling requirements promulgated by the department of business regulation.

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

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

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

8       (13) Each compassion center shall maintain a personnel record for each employee, agent,  
9 and volunteer that includes an application and a record of any disciplinary action taken.

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

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

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

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

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

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

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

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

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

31       (2) A compassion center or principal officer, board member, agent, volunteer, or employee  
32 of a compassion center may not dispense an amount of usable marijuana, or its equivalent, to a  
33 patient cardholder, qualifying patient, a qualifying patient's primary caregiver, or a qualifying  
34 patient's authorized purchaser that the compassion center, principal officer, board member, agent,

1 volunteer, or employee knows would cause the recipient to possess more marijuana than is  
2 permitted under the Edward O. Hawkins and Thomas C. Slater medical marijuana act.

3           (3) Compassion centers shall utilize a database administered by the departments of health  
4 and business regulation. The database shall contain all compassion centers' transactions according  
5 to qualifying patients', authorized purchasers', and primary caregivers' registry identification  
6 numbers to protect the confidentiality of patient personal and medical information. Compassion  
7 centers will not have access to any applications or supporting information submitted by qualifying  
8 patients, authorized purchasers or primary caregivers. Before dispensing marijuana to any patient  
9 or authorized purchaser, the compassion center must utilize the database to ensure that a qualifying  
10 patient is not dispensed more than two and one-half ounces (2.5 oz.) of usable marijuana or its  
11 equivalent directly or through the qualifying patient's primary caregiver or authorized purchaser  
12 during a fifteen-day (15) period.

13           (h) Immunity:

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

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

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

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

1                   (i) Prohibitions:

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

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

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

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

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

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

23                  (j) Legislative oversight committee:

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

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

33                   (i) Patients' access to medical marijuana;

34                   (ii) Efficacy of compassion centers;

- (iii) Physician participation in the Medical Marijuana Program;
- (iv) The definition of qualifying medical condition; and
- (v) Research studies regarding health effects of medical marijuana for patients.

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

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

### **21-28.6-16. Licensed medical marijuana cultivators.**

9                 (a) A licensed medical marijuana cultivator licensed under this section may acquire,  
10          possess, manufacture, cultivate, deliver, or transfer medical marijuana to licensed compassion  
11          centers, to another licensed medical marijuana cultivator. A licensed medical marijuana cultivator  
12          shall not be a primary caregiver cardholder registered with any qualifying patient(s) and shall not  
13          hold a cooperative cultivation license. Except as specifically provided to the contrary, all provisions  
14          of this chapter (the Edward O. Hawkins and Thomas C. Slater medical marijuana act), apply to a  
15          licensed medical marijuana cultivator unless they conflict with a provision contained in this section.

16 (b) Licensing of medical marijuana cultivators -- Department of business regulation  
17 authority. The department of business regulation shall promulgate regulations governing the  
18 manner in which it shall consider applications for the licensing of medical marijuana cultivators,  
19 including regulations governing:

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

21                   (2) Minimum oversight requirements for licensed medical marijuana cultivators;

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

23                   (4) Minimum security requirements for cultivators; and

24                   (5) Procedures for suspending, revoking, or terminating the license of cultivators who or

25                   that violate the provisions of this section or the regulations promulgated pursuant to this subsection.

(c) A licensed medical marijuana cultivator license issued by the department of business regulation shall expire one year after it was issued and the licensed medical marijuana cultivator may apply for renewal with the department in accordance with its regulations pertaining to licensed medical marijuana cultivators.

30 (d) The department of business regulation shall promulgate regulations that govern how  
31 many marijuana plants, mature and immature; how much wet marijuana; and how much usable  
32 marijuana a licensed medical marijuana cultivator may possess. Every marijuana plant possessed  
33 by a licensed medical marijuana cultivator must be accompanied by a valid medical marijuana tag  
34 issued by the department of business regulation pursuant to § 21-28.6-15 or catalogued in a seed-

1 to-sale inventory tracking system in accordance with regulations promulgated by the department of  
2 business regulation.

3 (e) Medical marijuana cultivators shall only sell marijuana to compassion centers, another  
4 licensed medical marijuana cultivator. All marijuana possessed by a cultivator in excess of the  
5 possession limit established pursuant to subsection (d) of this section shall be under formal  
6 agreement to be purchased by a marijuana establishment. If the excess marijuana is not under  
7 formal agreement to be purchased, the cultivator will have a period of time, specified in regulations  
8 promulgated by the department of business regulation, to sell or destroy that excess marijuana. The  
9 department may suspend and/or revoke the cultivator's license and the license of any officer,  
10 director, employee, or agent of the cultivator and/or impose an administrative penalty in accordance  
11 with the regulations promulgated by the department for any violation of this section or the  
12 regulations. In addition, any violation of this section or the regulations promulgated pursuant to  
13 this subsection and subsection (d) of this section shall cause a licensed medical marijuana cultivator  
14 to lose the protections described in subsection (m) of this section and may subject the licensed  
15 medical marijuana cultivator to arrest and prosecution under Chapter 28 of this title (the Rhode  
16 Island controlled substances act).

17 (f) Medical marijuana cultivators shall be subject to any regulations promulgated by the  
18 department of health or department of business regulation that specify how marijuana must be  
19 tested for items, including, but not limited to, potency, cannabinoid profile, and contaminants.

20 (g) Medical marijuana cultivators shall be subject to any product labeling requirements  
21 promulgated by the department of business regulation and the department of health.

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

25 (i) Medical marijuana cultivators shall only be licensed to grow marijuana at a single  
26 location registered with the department of business regulation and the department of public safety.  
27 The department of business regulation may promulgate regulations governing where cultivators are  
28 allowed to grow. Medical marijuana cultivators must abide by all local ordinances, including  
29 zoning ordinances.

30 (j) Inspection. Medical marijuana cultivators shall be subject to reasonable inspection by  
31 the department of business regulation or the department of health for the purposes of enforcing  
32 regulations promulgated pursuant to this chapter and all applicable Rhode Island general laws.

33 (k) The cultivator applicant, unless he or she is an employee with no equity, ownership,  
34 financial interest, or managing control, shall apply to the bureau of criminal identification of the

1 department of attorney general, department of public safety division of state police, or local police  
2 department for a national criminal records check that shall include fingerprints submitted to the  
3 Federal Bureau of Investigation. Upon the discovery of any disqualifying information as defined  
4 in subsection (k)(2) of this section, and in accordance with the rules promulgated by the director of  
5 the department of business regulation, the bureau of criminal identification of the department of  
6 attorney general, department of public safety division of state police, or the local police department  
7 shall inform the applicant, in writing, of the nature of the disqualifying information; and, without  
8 disclosing the nature of the disqualifying information, shall notify the department of business  
9 regulation, in writing, that disqualifying information has been discovered.

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

14 (2) Information produced by a national criminal records check pertaining to a conviction  
15 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a  
16 sentence of probation shall result in a letter to the applicant and the department of business  
17 regulation disqualifying the applicant. Criminal convictions pertaining to marijuana offenses  
18 pursuant to chapter 28.4 of title 21 shall not be considered a disqualifying factor to any license  
19 applicant.

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

23 (l) Persons issued medical marijuana cultivator licenses shall be subject to the following:

24 (1) A licensed medical marijuana cultivator cardholder shall notify and request approval  
25 from the department of business regulation of any change in his or her name or address within ten  
26 (10) days of the change. A cultivator cardholder who fails to notify the department of business  
27 regulation of any of these changes is responsible for a civil infraction, punishable by a fine of no  
28 more than one hundred fifty dollars (\$150).

29 (2) When a licensed medical marijuana cultivator cardholder notifies the department of  
30 business regulation of any changes listed in this subsection (l), the department of business  
31 regulation shall issue the cultivator cardholder a new registry identification card after the  
32 department approves the changes and receives from the licensee payment of a fee specified in  
33 regulation. The applicable fee shall not exceed the sum of five hundred dollars (\$500).

34 (3) If a licensed medical marijuana cultivator cardholder loses his or her card, he or she

1 shall notify the department of business regulation and submit a fee specified in regulation within  
2 ten (10) days of losing the card. The department of business regulation shall issue a new card with  
3 a new random identification number.

4 (4) A licensed medical marijuana cultivator cardholder shall notify the department of  
5 business regulation of any disqualifying criminal convictions as defined in subsection (k)(2) of this  
6 section. The department of business regulation may choose to suspend and/or revoke his or her card  
7 after the notification.

8 (5) If a licensed medical marijuana cultivator or cultivator cardholder violates any  
9 provision of this chapter or regulations promulgated hereunder as determined by the department of  
10 business regulation, his or her card and the issued license may be suspended and/or revoked.

11 (m) Immunity:

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

17 (2) No licensed medical marijuana cultivator shall be subject to prosecution, seizure, or  
18 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty  
19 or disciplinary action by a business, occupational, or professional licensing board or entity, for  
20 selling, giving, or distributing marijuana in whatever form and within the limits established by the  
21 department of business regulation to a licensed compassion center.

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

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

33 (n) License required. No person or entity shall engage in activities described in this section  
34 without a medical marijuana cultivator license issued by the department of business regulation.

4 SECTION 3. Section 15-14.1-21 of the General Laws in Chapter 15-14.1 entitled "Uniform  
5 Child Custody Jurisdiction and Enforcement Act" is hereby amended to read as follows:

### 15-14.1-21. Information to be submitted to court.

7                     (a) Subject to any law providing for the confidentiality of procedures, addresses, and other  
8 identifying information in a child custody proceeding, each party, in its first pleading or in an  
9 attached affidavit, shall give information, if reasonably ascertainable, under oath as to the child's  
10 present address or whereabouts, the places where the child has lived during the last five (5) years,  
11 and the names and present addresses of the persons with whom the child has lived during that  
12 period. The pleading or affidavit must state whether the party:

13 (1) Has participated, as a party or witness or in any other capacity, in any other proceeding  
14 concerning the custody of or visitation with the child and, if so, identify the court, the case number,  
15 and the date of the child custody determination, if any;

(3) Knows the names and addresses of any person not a party to the proceeding who has physical custody of the child or claims rights of legal custody or physical custody of, or visitation with, the child and, if so, the names and address of those persons.

23                 (b) If the information required by subsection (a) of this section is not furnished, the court,  
24 upon motion of a party or its own motion, may stay the proceeding until the information is  
25 furnished.

26 (c) If the declaration as to any of the items described in subdivisions (a)(1) through (3) of  
27 this section is in the affirmative, the declarant shall give additional information under oath as  
28 required by the court. The court may examine the parties under oath as to details of the information  
29 furnished and other matters pertinent to the court's jurisdiction and the disposition of the case.

30 (d) Each party has a continuing duty to inform the court of any proceeding in this or any  
31 other state that could affect the current proceeding.

32                 (e) If a party alleges in an affidavit or a pleading under oath that the health, safety, or liberty  
33 of a party or child would be jeopardized by disclosure of identifying information, the information  
34 must be sealed and may not be disclosed to the other party or the public unless the court orders the

1 disclosure to be made after a hearing in which the court takes into consideration the health, safety,  
2 or liberty of the party or child and determines that the disclosure is in the interest of justice.

3       (f) Information to be submitted to the court for a child custody determination shall not  
4 include information relative to any lawful cannabis-related activities.

5           SECTION 4. Section 44-11-2 of the General Laws in Chapter 44-11 entitled "Business  
6 Corporation Tax" is hereby amended to read as follows:

7           **44-11-2. Imposition of tax.**

8           (a) Each corporation shall annually pay to the state a tax equal to nine percent (9%) of net  
9 income, as defined in § 44-11-11, qualified in § 44-11-12, and apportioned to this state as provided  
10 in §§ 44-11-13 -- 44-11-15, for the taxable year. For tax years beginning on or after January 1,  
11 2015, each corporation shall annually pay to the state a tax equal to seven percent (7.0%) of net  
12 income, as defined in § 44-11-13 -- 44-11-15, for the taxable year; provided, however, that any  
13 corporation licensed pursuant to chapter 28.6 of title 21, the Edward O. Hawkins and Thomas C.  
14 Slater medical marijuana act, that controls five percent (5%) or more of the state's cannabis market  
15 or has sales exceeding five percent (5%) of the total sales of cannabis in this state, shall annually  
16 pay to the state a tax equal to ten percent (10%) of net income, as defined in §§ 44-11-13 through  
17 44-11-15, for the taxable year.

18           (b) A corporation shall pay the amount of any tax as computed in accordance with  
19 subsection (a) after deducting from "net income," as used in this section, fifty percent (50%) of the  
20 excess of capital gains over capital losses realized during the taxable year, if for the taxable year:

21           (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its  
22 own behalf and not as a broker, underwriter, or distributor;

23           (2) Its gross receipts derived from these activities during the taxable year amounted to at  
24 least ninety percent (90%) of its total gross receipts derived from all of its activities during the year.  
25 "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable  
26 consideration, received during the taxable year in connection with the conduct of the taxpayer's  
27 activities.

28           (c) A corporation shall not pay the amount of the tax computed on the basis of its net  
29 income under subsection (a), but shall annually pay to the state a tax equal to ten cents (\$.10) for  
30 each one hundred dollars (\$100) of gross income for the taxable year or a tax of one hundred dollars  
31 (\$100), whichever tax shall be the greater, if for the taxable year the corporation is either a "personal  
32 holding company" registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a-  
33 1 et seq., "regulated investment company," or a "real estate investment trust" as defined in the  
34 federal income tax law applicable to the taxable year. "Gross income" means gross income as

1 defined in the federal income tax law applicable to the taxable year, plus:  
2           (1) Any interest not included in the federal gross income; minus  
3           (2) Interest on obligations of the United States or its possessions, and other interest exempt  
4 from taxation by this state; and minus  
5           (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during the  
6 taxable year.

7           (d)(1) A small business corporation having an election in effect under subchapter S, 26  
8 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except  
9 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income  
10 that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after  
11 January 1, 2015, a small business corporation having an election in effect under subchapter S, 26  
12 U.S.C. § 1361 et seq., shall be subject to the minimum tax under § 44-11-2(e).

13           (2) The shareholders of the corporation who are residents of Rhode Island shall include in  
14 their income their proportionate share of the corporation's federal taxable income.

15           (3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

16           (4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

17           (e) Minimum tax. The tax imposed upon any corporation under this section, including a  
18 small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et  
19 seq., shall not be less than four hundred fifty dollars (\$450). For tax years beginning on or after  
20 January 1, 2017, the tax imposed shall not be less than four hundred dollars (\$400).

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

24           **21-28.6-16.3. Social equity licensing classification for licensed medical marijuana**  
25           **cultivators.**

26           (a) The department of business regulation shall promulgate rules and regulations governing  
27 the manner in which it shall consider applications for the licensing of medical marijuana cultivators  
28 to individuals who have suffered social injustice.

29           (b) To qualify for a license pursuant to subsection (a) of this section, a social equity  
30 applicant shall have:

31           (1) A prior conviction for a drug offense or have an immediate family member with a prior  
32 drug conviction; or

33           (2) Based upon historical arrest data relating to drug offenses, lived in a disproportionately  
34 impacted area for at least five (5) of the last ten (10) years; and

1           (3) An income that shall not exceed four hundred percent (400%) of the federal poverty  
2 level.

3           (c) Applicants who qualify for a social equity licensing classification shall be granted the  
4 following benefits:

5           (1) Access to an expedited application process;

6           (2) Access to direct technical assistance and/or mentorship to assist the applicant in startup  
7 process;

8           (3) Two (2) year period of exclusive access to social use, microbusiness, and delivery  
9 licenses pursuant to chapter 28.6 of title 21;

10          (4) Exemption and/or reduction in applicable corporate cannabis business tax applicable  
11 under § 44-11-2; and

12          (5) Non-interest bearing loan funded through the social equity fund pursuant to § 21-28.6-  
13 20.

14          (d) Licenses issued pursuant to this section shall be issued in accordance with § 21-28.6-  
15 16.

16          **21-28.6-17.1. Revenue of Adult Use Cannabis.**

17          (a) If the state passes legislation to legalize the municipal use of marijuana, forty-percent  
18 (40%) of any tax revenue generated shall be used to benefit communities of people negatively  
19 impacted by the war on drugs. Such benefits shall include:

20          (1) Governmental programs. Including public housing, community schools, and  
21 scholarship assistance. Grants to community groups to offer services in communities that have been  
22 disproportionately impacted; and

23          (2) Assistance for individuals involved in the criminal justice system, such as re-entry  
24 programs, and workforce development; and

25          (3) Investment in workplace development, technical assistance, and/or mentoring  
26 servicers; and

27          (4) Training and education in the cannabis industry.

28          (b) A social equity commission shall be established and shall consist of twelve (12)  
29 members, four (4) members appointed by the speaker of the house of representatives, four (4)  
30 members appointed by the president of the senate, and four (4) members by the governor. All  
31 members shall represent a disadvantaged group and/or a historically marginalized community. The  
32 commission shall submit a recommendation to the general assembly on the manner in which the  
33 tax revenue for adult-use cannabis is to be distributed.

34          **21-28.6-19. Taxation of Existing Cannabis Operators.**

1       If the state passes legislation to legalize the municipal use of marijuana, any licensee under  
2       § 21-28.6-12, who operates and/or grows medical marijuana for a previous legal use before this act  
3       was enacted shall pay a tax deemed necessary by the director of the department of business  
4       regulations. Said tax shall be paid into the social equity fund pursuant to § 21-28.6-20.

5       **21-28.6-20. Social equity and race analysis.**

6       (a) To facilitate greater equity in business ownership and employment in any business  
7       requiring a state license including, but not limited to, the cannabis market, the department of  
8       business regulation (the "department") shall undertake a social equity and race analysis (the  
9       "analysis"), which analysis shall be completed and the results thereof published on or before  
10      January 1, 2022.

11      (b) The social equity and race analysis shall include:

12      (1) A disparity study consisting of both qualitative and quantitative findings to determine  
13      whether racial disparities exist in the process to obtain a state license;  
14      (2) To determine whether racial disparities exist in the process to obtain a license to engage  
15      in business relative to the cannabis market, a disparity study on whether racial disparities exist in  
16      the arrest and conviction rates for possession of marijuana by determining percentage figures for  
17      such arrests and convictions aggregated by the following ethnic groups:

18      (i) African-American/Black;  
19      (ii) Hispanic/Latino;  
20      (iii) White;  
21      (iv) Asian; and  
22      (v) Pacific Island/American Indian/Alaskan Native.

23      (c) The department shall consider, identify, and address the following factors for and  
24      aggregated by each group identified in subsection (b)(2) of this section:

25      (1) Representation in the general population;  
26      (2) Rates of employment and unemployment;  
27      (3) Poverty rates; and  
28      (4) Arrests for or related to marijuana.

29      (d) The analysis shall consist of data as provided for by this section for the calendar years  
30      2010 through 2020, inclusive, and shall promulgate findings and conclusions relative to racial  
31      disparities and whether racial disparities exist in the process of obtaining a state business license  
32      and to the existence of disparities in arrests and convictions relative to marijuana and shall identify  
33      any ethnic group that has been disproportionately impacted by marijuana prohibition.

34      (e) All state and municipal agencies shall cooperate with the department to effectuate the

1      purposes of the analysis.

2            (f) On or before January 1, 2022, the department shall publish such findings and  
3        conclusions and submit a copy of the analysis to the governor, the speaker of the house, and the  
4        president of the senate.

5            **21-28.6-20. Social Equity Fund.**

6            (a) The department of taxation shall create the social equity fund where the taxation of  
7        cannabis businesses shall pay appropriate taxes and shall be deposited in said account.

8            (b) An applicant may borrow from the social equity fund pursuant to the director of  
9        department of business regulations. The director shall process the applicants and shall provide  
10      funding for applicants to participate in any legal cannabis industry based on these factors:

11          (1) An applicant with at least fifty-one percent (51%) ownership and control by one or  
12        more individuals who have resided for at least five (5) of the preceding ten (10) years in a  
13        disproportionately impacted area;

14          (2) An applicant with at least fifty-one percent (51%) ownership and control by one or  
15        more individuals who:

16            (i) Have been arrested for, convicted of, or adjudicated delinquent for any offense that is  
17        eligible for expungement under chapter 1.7 of title 21; or

18            (ii) Is a member of an impacted family;

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

21            (i) Currently reside in a disproportionately impacted area § 21-28.6-16.3; or

22            (ii) Have been arrested for, convicted of, or adjudicated delinquent for any offense that is  
23        eligible for expungement under chapter 1.7 of title 21 or member of an impacted family.

24            (4) An applicant shall be required to own property for the proposed facility at the time the  
25        applicant is submitted.

26            (c) The department of business regulation shall create an annual report in January of each  
27        year delineating the demographic information on employees and owners in the cannabis industry  
28        and shall provide a copy of said report to the speaker of the house, senate president, and the  
29        governor.

30            **21-28.6-21. Adult use.**

31            Consumers eligible. Upon the approval of any adult-use cannabis law providing for the  
32        retail sale of cannabis, the director shall establish rules and regulations for the provision of a  
33        licensing and fee structure to accommodate this purpose provided that a licensing fee of a least one  
34        hundred thousand dollars (\$100,000) shall be assessed to any such dispensary licensed pursuant to

1       this chapter who provide sales for adult-use customers at retail. Provided, further the funds  
2       collected for this license shall be deposited into a restricted receipt account, pursuant to § 21-28.6-  
3       17, to be held separately maintained for the exclusive use to individuals who are victims of social  
4       inequity and seeking licensure in the retail adult-use of cannabis industry.

5           SECTION 6. Section 21-28.6-15 of the General Laws in Chapter 21-28.6 entitled "The  
6       Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act" is hereby repealed.

7           **21-28.6-15. Medical marijuana plant tags.**

8       (a) ~~Effective January 1, 2017, the department of business regulation shall make medical~~  
9       ~~marijuana tag sets available for purchase. Effective April 1, 2017, every marijuana plant, either~~  
10      ~~mature or immature, grown by a registered patient or primary caregiver, must be accompanied by~~  
11      ~~a physical medical marijuana tag purchased through the department of business regulation and~~  
12      ~~issued by the department of business regulation to qualifying patients and primary caregivers.~~

13       (1) ~~The department of business regulation shall charge an annual fee for each medical~~  
14       ~~marijuana tag set that shall include one tag for a mature medical marijuana plant and one tag for an~~  
15       ~~immature plant. If the required fee has not been paid, those medical marijuana tags shall be~~  
16       ~~considered expired and invalid. The fee established by the department of business regulation shall~~  
17       ~~be in accordance with the following requirements:~~

18       (i) ~~For patient cardholders authorized to grow medical marijuana by the department of~~  
19       ~~business regulation, the fee per tag set shall not exceed twenty five dollars (\$25);~~

20       (ii) ~~For primary caregivers, the fee per tag set shall not exceed twenty five dollars (\$25);~~

21       (iii) ~~For patients who qualify for reduced registration due to income or disability status,~~  
22       ~~there shall be no fee per tag set;~~

23       (iv) ~~For caregivers who provide care for a patient cardholder who qualifies for reduced~~  
24       ~~registration due to income or disability status, there shall be no fee per tag set for the qualifying~~  
25       ~~patient; and~~

26       (v) ~~For licensed medical marijuana cultivators, the fee per tag set shall be established in~~  
27       ~~regulations promulgated by the department of business regulation.~~

28       (2) ~~Effective January 1, 2017, the department of business regulation shall verify with the~~  
29       ~~department of health that all medical marijuana tag purchases are made by qualifying patient~~  
30       ~~cardholders or primary caregiver cardholders. The department of health shall provide this~~  
31       ~~verification according to qualifying patients' and primary caregivers' registry identification~~  
32       ~~numbers and without providing access to any applications or supporting information submitted by~~  
33       ~~qualifying patients to protect patient confidentiality.~~

34       (3) ~~Effective January 1, 2019, and thereafter, the department of business regulation shall~~

1 verify with the department of health that all medical marijuana tag purchases are made by registered  
2 patient cardholders, who have notified the department of health of their election to grow medical  
3 marijuana, or primary caregiver cardholders. The department of health shall provide this  
4 verification according to qualifying patients' and primary caregivers' registry identification  
5 numbers and without providing access to any applications or supporting information submitted by  
6 qualifying patients to protect patient confidentiality.

7 (4) The department of business regulation shall maintain information pertaining to medical  
8 marijuana tags.

9 (5) All primary caregivers shall purchase at least one medical marijuana tag set for each  
10 patient under their care and all patients growing medical marijuana for themselves shall purchase  
11 at least one medical marijuana tag set.

12 (6) All licensed medical marijuana cultivators shall purchase at least one medical marijuana  
13 tag set or utilize a seed to sale tracking system.

14 (7) The department of business regulation shall promulgate regulations to establish a  
15 process by which medical marijuana tags may be returned. The department of business regulation  
16 may choose to reimburse a portion or the entire amount of any fees paid for medical marijuana tags  
17 that are subsequently returned.

18 (b) Enforcement:

19 (1) If a patient cardholder, primary caregiver cardholder, licensed compassion center, or  
20 licensed medical marijuana cultivator violates any provision of this chapter or the regulations  
21 promulgated hereunder as determined by the departments of business regulation or health, his or  
22 her medical marijuana tags may be revoked. In addition, the department that issued the cardholder's  
23 registration or the license may revoke the cardholder's registration or license.

24 (2) The department of business regulation may revoke and not reissue, pursuant to  
25 regulations, medical marijuana tags to any cardholder or licensee who is convicted of; placed on  
26 probation; whose case is filed pursuant to § 12-10-12 where the defendant pleads nolo contendere;  
27 or whose case is deferred pursuant to § 12-19-19 where the defendant pleads nolo contendere for  
28 any felony offense under chapter 28 of this title ("Rhode Island controlled substances act") or a  
29 similar offense from any other jurisdiction.

30 (3) If a patient cardholder, primary caregiver cardholder, licensed cooperative cultivation,  
31 compassion center, licensed medical marijuana cultivator, or any other person or entity is found to  
32 have marijuana plants, or marijuana material without valid medical marijuana tags sets or which  
33 are not tracked in accordance with regulation, the department of business regulation shall impose  
34 an administrative penalty in accordance with regulations promulgated by the department on the

~~1 patient cardholder, primary caregiver cardholder, licensed cooperative cultivation, compassion  
2 center, licensed medical marijuana cultivator, or other person or entity for each untagged marijuana  
3 plant or unit of untracked marijuana material.~~

~~(4) [Deleted by P.L. 2019, ch. 88, art. 15, § 5].~~

5 SECTION 7. Chapter 44-67 of the General Laws entitled "The Compassion Center  
6 Surcharge Act" is hereby repealed in its entirety.

CHAPTER 44-67

## ~~The Compassion Center Surcharge Act~~

## 44-67-1. Short title.

~~This chapter shall be known as "The Compassion Center Surcharge Act."~~

## 44-67-2. Definitions.

~~For purposes of this chapter:~~

(1) "Administrator" means the tax administrator within the department of revenue.

(2) "Compassion center" means a not for profit entity registered under § 21-28.6-12 that possesses, cultivates, manufactures, delivers, transfers, transports, supplies or dispenses medical marijuana, or related supplies and educational materials, to registered qualifying patients and their certified primary caregivers who have designated it as one of their primary caregivers.

(3) "Net patient revenue" means the gross amount received on a cash basis by a compassion net of returns and allowances.

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

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

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

~~(7) "Surcharge" means the assessment that is imposed upon net patient revenue pursuant to chapter~~

~~(8) Any term not defined in this chapter shall have the same meaning as used in chapter title 21.~~

### 44.67.3 Imposition of surcharge – Compensation centers

~~A surcharge at a rate of four percent (4.0%) shall be imposed upon the net patient revenue  
due each month by every compassion center. Every compassion center shall pay the monthly~~

1 surcharge to the tax administrator no later than the twentieth (20th) day of the month following the  
2 month that the net patient revenue was received. This surcharge shall be in addition to any other  
3 authorized fees that have been assessed upon a compassion center.

4 **44-67-4. Returns.**

5 (a) Every compassion center shall, on or before the twentieth (20th) day of the month  
6 following the month that the net patient revenue was received, make a return to the tax  
7 administrator.

8 (b) Compassion centers shall file their returns on a form as prescribed by the tax  
9 administrator containing data for the computation of net patient revenue and the surcharge. If a  
10 return shows an overpayment of a surcharge, the tax administrator shall refund or credit the  
11 overpayment to the compassion center.

12 (c) The tax administrator, for good cause shown, may extend the time within which a  
13 compassion center is required to file a return. If the return is filed during the period of extension,  
14 no penalty or late filing charge may be imposed for failure to file the return at the time required by  
15 this chapter, but the compassion center shall be liable for any interest as prescribed in this chapter.  
16 Failure to file the return during the period for the extension shall make the extension null and void  
17 and an appropriate penalty or late filing charge shall be imposed.

18 **44-67-5. Setoff for delinquent payment of surcharge.**

19 If a compassion center fails to pay a surcharge, penalty or late filing charge within thirty  
20 (30) days of its due date, the tax administrator may request any agency of state government to setoff  
21 the amount of the delinquency against any payment due the compassion center from the agency  
22 and to remit to the tax administrator the amount of the surcharge, penalty and/or late filing charge  
23 from any such payment owed the compassion center. Upon receipt of a request for setoff from the  
24 tax administrator, any agency of state government is authorized and empowered to setoff the  
25 amount of any delinquency against any payment due the compassion center. The amount of setoff  
26 shall be credited against the surcharge, penalty and/or late filing charge due from the compassion  
27 center.

28 **44-67-6. Surcharge on available information -- Interest on delinquencies -- Penalties**

29 **-- Collection powers.**

30 If any compassion center fails, within the time required by this chapter, to file a return, or  
31 files an insufficient or incorrect return, or does not pay the surcharge imposed by this chapter when  
32 it is due, the tax administrator shall make an assessment based upon available information, which  
33 assessment shall be payable upon demand and shall bear interest from the date when the surcharge  
34 should have been paid at the annual rate set forth in § 44-1-7. If any part of the surcharge is caused

1       by the negligence or intentional disregard of the provisions of this chapter, a penalty of ten percent  
2       (10%) of the amount of the determination shall be added to the surcharge. The tax administrator  
3       shall collect the surcharge with interest, penalty and/or late filing charge in the same manner and  
4       with the same powers as prescribed for collection of taxes in this title.

5                  44-67-7. Claims for refund -- Hearing upon denial.

6       (a) A claim for refund of an overpayment of a surcharge may be filed by a compassion  
7       center with the tax administrator at any time within two (2) years after the surcharge has been paid.  
8       If the tax administrator determines that a surcharge has been overpaid, the tax administrator shall  
9       make a refund with interest from the date of overpayment at the rate provided in § 44-1-7.1.

10      (b) Any compassion center aggrieved by an action of the tax administrator in determining  
11       the amount of any surcharge or penalty imposed under the provisions of this chapter may, within  
12       thirty (30) days after the notice of the action was mailed, apply to the tax administrator, for a hearing  
13       relative to the surcharge or penalty. The tax administrator shall fix a time and place for the hearing  
14       and shall so notify the compassion center.

15                  44-67-8. Hearing by tax administrator on application.

16       Following the hearing, if the tax administrator upholds the amount of the surcharge  
17       assessed, the amount owed shall be assessed together with any penalty and/or interest thereon.

18                  44-67-9. Appeals.

19       Appeals from administrative orders or decisions made pursuant to any provisions of this  
20       chapter shall be to the sixth (6th) division district court pursuant to chapter 8 of title 8. The  
21       compassion center's right to appeal under this section shall be conditional upon prepayment of all  
22       surcharges, interest, and penalties, unless the compassion center moves for and is granted an  
23       exemption from the prepayment requirement, pursuant to § 8-8-26. Following the appeal, if the  
24       court determines that the compassion center is entitled to a refund, the compassion center shall be  
25       paid interest on the refund at the rate provided in § 44-1-7.1.

26                  44-67-10. Compassion center records.

27       Every compassion center shall:

28        (1) Keep records as may be necessary to determine the amount of its liability under this  
29       chapter;

30        (2) Preserve those records for the period of three (3) years following the date of filing of  
31       any return required by this chapter, or until any litigation or prosecution under this chapter has been  
32       completed; and

33        (3) Make those records available for inspection upon demand by the tax administrator or  
34       his/her authorized agents at reasonable times during regular business hours.

1           **44-67-11. Method of payment and deposit of surcharge.**

2           (a) Payments required by this chapter shall be made by electronic transfer of monies to the  
3 general treasurer for deposit in the general fund.

4           (b) The general treasurer is authorized to establish necessary accounts and to take all steps  
5 necessary to facilitate the electronic transfer of monies. Upon request of the tax administrator the  
6 general treasurer shall provide the tax administrator a record of any such monies transferred and  
7 deposited.

8           **44-67-12. Rules and regulations.**

9           The tax administrator is authorized to promulgate rules and regulations to carry out the  
10 provisions, policies, and purposes of this chapter including, but not limited to, emergency rules and  
11 regulations pursuant to subsection 42-35-3(b).

12           **44-67-13. Severability.**

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

17           SECTION 8. This act shall take effect upon passage.

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LC002238

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO CRIMINAL PROCEDURE -- THE RHODE ISLAND SOCIAL EQUITY  
CANNABIS ACT

\*\*\*

- 1        This act would amend The Edward O. Hawkins and Thomas C. Slater Medical Marijuana
- 2        Act to create an equitable, fair, and inclusive cannabis industry for the existing medical marijuana
- 3        program and any future adult-use market.
- 4        This act would take effect upon passage.

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