

2023 -- H 6000

LC002434

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

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

Introduced By: Representative Scott Slater

Date Introduced: March 01, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 21-28.11-10.1 of the General Laws in Chapter 21-28.11 entitled "The
2 Rhode Island Cannabis Act" is hereby amended to read as follows:

3 **21-28.11-10.1. Transitional period and transfer of authority.**

4 (a) To protect public health and public safety, upon the effective date of this chapter [May
5 25, 2022] until final issuance of the commission's rules and regulations promulgated pursuant to
6 the provisions of this chapter, there shall exist a transitional period of regulatory and enforcement
7 authority regarding the production, possession, regulation, distribution, sale and use of cannabis
8 relating to the sale by hybrid cannabis retailers of adult use cannabis pursuant to § 21-28.11-10.

9 (b) During the transitional period, the office of cannabis regulation shall prescribe such
10 forms, procedures, and requirements as necessary to facilitate the acquisition of hybrid retail and
11 cultivation licenses by compassion centers and cultivators licensed pursuant to chapter 28.6 of this
12 title.

13 (c) Such forms, procedures, and requirements shall be posted on the website of the office
14 of cannabis regulation no later than October 15, 2022, at which time an application period will
15 commence. Applications shall be received, reviewed, and approved on a rolling basis provided that
16 in no case shall an approved hybrid retailer begin adult use sales before December 1, 2022.

17 (d) The forms, procedures, and requirements prescribed by the office of cannabis regulation
18 shall incorporate, but shall not be limited to, the following:

19 (1) Requirements pertaining to the physical premises of hybrid retail licensees. Where

1 physically possible these shall include prospective licensee plans to physically separate marijuana
2 and marijuana products designated for adult use and medical sales, respectively, in inventory,
3 storage, and customer-facing floor and display areas; plans to physically separate sales areas for
4 adult use and medical sales, which may be provided by a temporary or semi-permanent physical
5 barrier; plans to provide and maintain a patient consultation area that will allow privacy for
6 confidential consultation with qualifying patients; and plans to prioritize patient and caregiver
7 identification verification and physical entry into retail areas in the event of capacity or other
8 constraints; however, if the premises of a hybrid retail licensee does not allow the licensee to meet
9 the requirements of this subsection or would cause undue hardship on the licensee, the office of
10 cannabis regulation may authorize the hybrid retail licensee to conduct adult use sales at an adjunct
11 location. In authorizing any such adjunct location, the office shall require, at a minimum, the
12 following:

13 (i) The adjunct location must be physically located within the same municipality and
14 geographic zone;

15 (ii) The adjunct location must comply with all municipal zoning requirements and obtain
16 municipal approval;

17 (iii) The approval of any adjunct location will not cause undue hardship upon another
18 licensed cannabis retailer; and

19 (iv) In the instance that an adjunct location is approved by the office, the hybrid cannabis
20 retailer shall not be permitted to engage in the sale of cannabis for adult use at more than one
21 premises.

22 (2) Requirements pertaining to inventory, product, and sales tracking. These shall include
23 prospective licensee submission of plans to electronically separate finished marijuana products
24 designated for medical or adult use sales in hybrid licensees' inventory and sales tracking systems.
25 If prospective hybrid licensees are conducting cultivation activities, they shall submit plans to
26 distinguish between sales of marijuana or finished marijuana products at wholesale based on
27 designation for medical or adult use sales.

28 (i) The office of cannabis regulation shall issue requirements pertaining to the sale for adult
29 use of cannabis products known as "cannagar." For the purposes of this section, "cannagar" shall
30 mean a product which consists of cannabis that is wrapped in a tobacco leaf enclosure. Any sale of
31 a "cannagar" product which may be authorized by the office of cannabis regulation shall be exempt
32 from the taxes imposed by chapter 20 of title 44.

33 (3) Requirements relating to the maintenance of medical marijuana program service levels.
34 These shall include prospective licensee submission of comprehensive policies and procedures

1 detailing plans to maintain a sufficient quantity and variety of medical marijuana products, and if
2 substitutions of medical marijuana products with adult use marijuana products are to be made, a
3 justification for such substitutions. Prospective hybrid licensees shall also be required to designate
4 an individual who will be primarily responsible for maintenance of medical marijuana program
5 service levels and ongoing compliance with existing program requirements, rules, and regulations.

6 (4) Requirements relating to operating plans, policies, and procedures. These shall include
7 prospective licensee submission, maintenance of, and adherence to a set of written standard
8 operating procedures that encompass both adult use and medical marijuana service lines. These
9 operating plans and procedures shall take the form of an updated operations manual as currently
10 required under medical marijuana program regulations and shall include, but not be limited to,
11 policies and procedures relating to the maintenance of medical marijuana program service levels
12 as defined in this section.

13 (e) Notwithstanding the foregoing provisions of this section, all prospective and approved
14 applicants for hybrid cannabis retailer and cannabis cultivator licenses under this chapter shall
15 maintain compliance with the existing provisions of chapter 28.6 of this title of the general laws
16 and the regulations promulgated thereunder until final issuance of the commission's rules and
17 regulations, including, but not limited to, existing restrictions and requirements related to financial
18 disclosures; registration of owners, managers, key persons, agents, and employees; product testing;
19 packaging and labeling; transportation; home delivery; and advertising.

20 (f) Forms, procedures, and requirements relating to this transitional period may be amended
21 by the office of cannabis regulation or the commission up until the final issuance of the
22 commission's regulations pursuant to the provisions of this chapter at which time the forms,
23 procedures, and requirements will be superseded by the commission's final rules and regulations.

24 (g) Upon final issuance of the commission's rules and regulations, the following shall
25 occur:

26 (1) All powers, duties and responsibilities of the department of business regulation and the
27 office of cannabis regulation with respect to the regulation, administration and enforcement of the
28 provisions of chapter 28.6 of this title shall be transferred to the commission or as designated by
29 the commission to the cannabis office.

30 (2) All powers, duties and responsibilities of the department of environmental management
31 with respect to regulation, administration and enforcement of chapter 28.6 of this title shall be
32 transferred to the commission or as designated by the commission to the cannabis office.

33 (3) All powers, duties and responsibilities of the department of health with respect to
34 regulation, administration and enforcement of chapter 28.6 of this title shall be transferred to the

1 commission or as designated by the commission to the cannabis office, except for the following:

2 (i) Administration of registry identification cards to qualified patients; and

3 (ii) Powers delegated to the department pursuant to this chapter or by rules and regulations
4 of the commission.

5 (4) There shall be established a “cannabis office” with the powers, duties and
6 responsibilities authorized pursuant to § 21-28.11-18.1.

7 (5) All powers exercised by state agencies, departments and offices pursuant to the
8 provisions of subsections (a) and (b) of this section relating to transitional period authority shall
9 cease.

10 (h) Upon final issuance of the commission’s rules and regulations, whenever the term
11 “office of cannabis regulation” appears in any general law or regulation, the term shall mean the
12 “cannabis office” as defined in this chapter.

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

=====
LC002434
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO FOOD AND DRUGS -- THE RHODE ISLAND CANNABIS ACT

1 This act would, during the transitional period for cannabis regulation, require the office of
2 cannabis regulation to issue requirements pertaining to the sale of the adult use cannabis product
3 known as "cannagar" which is a cannabis product wrapped in a tobacco leaf enclosure, and which
4 product would be exempt from taxes pursuant to the cigarette and other tobacco products tax
5 chapter.

6 This act would take effect upon passage.

=====
LC002434
=====