



Testimony in SUPORT of H6270

The Slater Center in Providence is Rhode Island's first licensed and regulated cannabis dispensary located at 1 Corliss Street. We write to express our support of H6270, which would prevent current attempts to undermine the state's existing cannabis regulatory program through exploitation of a federal loophole. This bill stops the current practice of retailers like liquor stores and convenience stores from selling hemp-derived THC beverages, which are already appearing on shelves throughout Rhode Island. This legislation mirrors action already taken in nearby states like Massachusetts which has banned hemp-derived THC beverages for health and safety reasons.

The production of hemp-derived THC is based on exploitation of a loophole. Hemp was never intended to provide psychoactive effects because it does not include any significant amounts of Delta-9 THC. However, through a chemical process that converts non-psychoactive components of hemp like CBD (using solvents, acids or catalysts) it is possible to create synthetic Delta-9 THC. The resulting synthetic cannabinoids are not allowed under Rhode Island's existing hemp regulations, which prohibit consumable CBD products from being combined with alcohol, nicotine, or any synthetic cannabinoids.

The exploitative loophole the retailers are currently profiting from does not carry any of the same regulatory mandates in the existing cannabis market – even though the products they sell include the same (albeit synthetically derived) psychoactive components. Our facility pays an annual fee to the state of \$625,000 just for the privilege of keeping our business open. We face restrictions from the federal government under Section 280E of the tax code that prohibits us from taking normal business deductions because we sell a federally-illegal substance. We cannot take any of our products across state lines because of prohibitions against interstate commerce. All of our products are tested for potency and safety and there are strict regulations on packaging and labeling to prevent enticement to children. None of these requirements are present in the proliferation of hemp-derived THC beverages currently in the state.

Many states are taking the same approach to hemp-derived THC products as this bill. Most notably, our neighbor in Massachusetts through its Department of Public Health and Department of Agricultural Resources banned the sale of all hemp-derived THC food and beverages last year.

Rhode Island's Cannabis Control Commission has highlighted problems with hemp-derived THC beverages, including risks of onsite consumption without adequate oversight, unregulated THC

potency and product safety, detrimental impacts on existing businesses, and regulatory fragmentation. The Rhode Island Department of Health has expressed concerns about hemp-derived THC beverages, including concerns that they are likely to increase the risk of accidental overconsumption and potential exposure among vulnerable populations, including but not limited to, youth and pregnant women.

We believe that our local cannabis industry, especially the licensed cultivators that we work closely with to produce safe and tested products, is being harmed by the inundation of hemp-derived beverages sold at local stores. It is unfair to allow out-of-state corporate producers to profit at the expense of our local cannabis growers without any oversight, regulatory controls, or licensing fees. This is simply a chance for corporate interests to profit from a loophole in federal legislation at the expense of local businesses that have struggled for over a decade in an extremely challenging marketplace. H6720 brings fairness to this situation while mirroring the public health and safety actions taken last year by regulators in Massachusetts.