

Rhode Island Cannabis Control Commission

Expenditures by Program	FY2024	FY2025	FY2025	Change from		FY2026	Change from Enacted	
	Actual	Enacted	Revised	Enacted		Governor		
Cannabis Control Commission - Central Management	-	-	-	-	-	\$7.6	\$7.6	-
Department of Business Regulation - Office of Cannabis Regulation	\$3.0	\$6.7	\$7.0	\$0.4	5.2%	-	(\$6.7)	12.8%
Total				\$0.4	5.2%	\$7.6	\$0.9	12.8%

Expenditures by Source	FY2024	FY2025	FY2025	Change from		FY2026	Change from Enacted	
	Actual	Enacted	Revised	Enacted		Governor		
Restricted Receipts	\$3.0	\$6.7	\$7.0	\$0.4	5.2%	\$7.6	\$0.9	12.8%
Total	\$3.0	\$6.7	\$7.0	\$0.4	5.2%	\$7.6	\$0.9	12.8%

Authorized FTE Levels	25.0	26.0	26.0	-	-	28.0	2.0	0.1
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\$ in millions. Totals may vary due to rounding

*FY2024 Actuals and FY2025 Enacted levels reflect the amounts budgeted for the Office of Cannabis Regulation within the Department of Business Regulation (DBR) and are provided to show relative expenditures across fiscal years. DBR fiscally and administratively supported the Office of Cannabis Regulation prior to FY2026.

The FY2020 Budget established the Office of Cannabis Regulation (OCR) within the Department of Business Regulation. The Office currently serves as the lead regulatory agency responsible for oversight over legal cannabis in the state, which is comprised of three elements: adult use marijuana, medical marijuana, and industrial hemp.

In 2022, RIGL 21-28.11-1 established the Cannabis Office through the Rhode Island Cannabis Act, creating the foundation for the Cannabis Control Commission and the Cannabis Advisory Board. The Cannabis Control Commission (CCC) acts as the public body tasked with overseeing the regulation, licensing, and control of adult use and medical cannabis. The Commission is composed of 3.0 voting members, all of which are appointed by the Governor, with the advice and consent of the Senate. The Cannabis Advisory Board consists of 19 members, 11 of whom are voting members. The Board works in conjunction with and advises the Commission on how to best implement policies that enhance social equity and justice when considering licensees, regulations, and other policies.

The Governor proposes establishing Rhode Island Cannabis Control Commission as a standalone agency. The Cannabis Control Commission (CCC) would oversee the regulation, licensing, and enforcement of medical, and adult-use marijuana, focusing on public health, safety, and equity principles. The proposed budget includes \$7.6 million in restricted receipts, and 28.0 FTE positions to the new Commission in FY2026. Section 4 of Article 3 also transfers regulatory and licensing oversight of the Hemp program to the Commission.

Analyst Note: According to the Governors proposed budget, During the transitory period between the Department of Business Regulation and the Commission becoming a standalone agency, the Office of Cannabis Regulation will remain the regulatory entity until the regulatory transition to the Commission.

MAJOR ISSUES AND TRENDS

Article 3 of the FY2026 recommended budget amends RIGL 21-28.11-4 and 21-28.11-10.1, establishing The Rhode Island Cannabis Control Commission. The Governor recommends \$7.6 million in restricted receipts, \$858,844 more than the FY2025 enacted level for the Cannabis predecessor, the Office of Cannabis Regulation (OCR).

Cannabis Governance

Rhode Island’s cannabis policy, planning, and programmatic implementation has changed numerous times since the inception of Rhode Island cannabis programs. In 2006, Rhode Island became the 11th state to legalize medical marijuana, and the 19th state to legalize adult-use cannabis in 2022.

Since 2006, policies related to cannabis decriminalization and legalization increased in popularity. According to Regulate Rhode Island, 59.0 percent of voters support cannabis regulation, citing reasons including improved public health, increased revenue, ending social injustice, and reducing youth involvement in illegal marijuana sales. The regulatory changes since the inception of Rhode Island marijuana programs are detailed below.

- The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act of 2005, legalized medical cannabis, and charged the Department of Health with regulatory oversight of the medical marijuana program.
- In 2009, the Rhode Island General Assembly approved an amendment to the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, allowing state-licensed medical cannabis dispensaries (compassion centers).
- Pursuant to a [March 2010 report](#) published by the Special Senate Commission to Study the Prohibition of Marijuana, the General Assembly decriminalized possession of Marijuana, establishing policy reforms similar to Massachusetts, which issued civil penalties of \$100 for possession of an ounce or less of marijuana for individuals eighteen and older.
- In 2016, the Rhode Island General Assembly enacted the [Hemp Growth Act](#), which charged the Department of Business Regulation with the authority to oversee the licensing and regulation of industrial hemp.
- [Article 14 of the FY2017 Budget as Enacted](#) significantly amended the administration and regulation of the State's medical marijuana program. Most notably, establishing a tagging system for licensed growers, and designating the Department of Business Regulation (DBR) as the licensing and regulatory agency for growers, the sale of tags, and tracking information. Article 14 maintained the Department of Health's regulatory and licensing authority over patients and caregivers, decentralizing the regulations and oversight of marijuana between the two agencies. The Article also established a restricted receipt account to finance the State's medical marijuana programs.
- [Article 15 of the FY2020 Budget as Enacted](#) established the Office of Cannabis Regulation (OCR) within the Department of Business Regulation, charging the office with the oversight for the licensing of the medical marijuana program and cannabidiol (CBD) products.
- In 2022, the Rhode Island General Assembly enacted the [Rhode Island Cannabis Act](#), which legalized adult-use marijuana, and established the Cannabis Control Commission and the Cannabis Advisory Board.

Staffing

The Governor recommends 28.0 FTE positions, 2.0 more than the enacted level for DBR's Cannabis staff. The Budget recommendation includes the addition of a Senior Legal Counsel and an Administrative office, to support the Cannabis Control Commission (CCC).

Marijuana Trust Fund

The Marijuana Trust Fund was established by the 2022 General Assembly through RIGL 21-28.11-13, to provide support for program and activities related to program administration, revenue collection, and enforcement. The fund is solely supported by revenue collected for the state cannabis excise tax, penalties, forfeitures, interest, costs of suit, and fines.

The FY2025 Revised budget proposes to transfer \$579,788 from the Marijuana Trust Fund restricted receipt account to the State Controller by June 30, 2025. Pursuant to RIGL 23-28-11.13, restricted receipt accounts were established in the Office of the Attorney General and the Judiciary, appropriating a total of \$1.4 million in restricted receipts. These funds facilitated the implementation of the automatic expungement

provision of the Rhode Island Cannabis Act, which authorized the automatic expungement of any convictions for cannabis possession, use, or purchase. Rhode Island expunged more than 23,000 cannabis convictions under the Cannabis Act. All cannabis expungements were completed July 1, 2024.

Social Equity Assistance Fund

The Social Equity Assistance Fund was established by the 2022 General Assembly through RIGL 21-28.11-31, to provide grants to approved social equity applicants, support the waiver or reduction of application and licensing fees, and implement and administer programming related to restorative justice. The fund is supported through application and licensing fees of social equity applicants.

Regulatory Update

The General Assembly officially established the Cannabis Control Commission in June 2023, and appointed the 19 members of the Cannabis Advisory Board in August, 2023. Since then, the CCC has held five listening sessions across the State in various formats to receive input throughout the Community, as well as numerous monthly hearings. In November 2023, the Advisory Board held its first public hearing and established its five statutorily mandated subcommittees in January 2024. The Subcommittees are as follows:

- Public Health
- Cannabis Industry
- Public Safety
- Market Participation
- Social Equity

In February 2025, the Cannabis Control Commission, with the guidance of the Cannabis Advisory Board, published their first set of regulations. The Commission spent over a year consulting with the Advisory Board, members of the public, industry stakeholders, and cannabis regulatory agencies across the country, resulting in rules and regulations related to four key areas:

- Administration, Procedures, and Enforcement
- Applications, Licensing, and Renewals
- Operational Requirements for Cannabis Establishments
- Caregivers, Medical Home Grow, and Personal Cultivation

Specifically, new regulations include new packaging and labeling requirements, licensing regulations, a new quality insurance testing program, and new criteria related to the social equity assistance fund.

- **New Packaging and Labeling Requirements:** The Commission's regulations ensures that cannabis products may not be in a form that target or appeals to minors by establishing color restrictions, and strengthening preexisting regulations related to tamper evident packaging. Additionally, the Commission now allows retailers to distribute packaging with colored labels, but prohibits neon and fluorescent colors.
- **Licensing Regulations:** Utilizing the preexisting Regulations established by DBR, the Commission streamlined licensing regulations applicable to all regulated licenses, consolidating common licensing requirements to prevent duplication. The Commission also established a hybrid randomized selection process, and limited applications to one interest holder per geographic location to eliminate duplicate applications.
- **Quality Assurance Testing Program:** The Commission established a new Quality Assurance testing Program to provide the Commission with an additional tool to ensure the integrity of laboratory testing

results through the retesting of anonymized samples of product that have already gone through state mandated testing. This program was authorized by the Rhode Island Cannabis Act, and addresses concerns related to cannabis laboratories manipulating testing data to benefit clientele.

- **Social Equity Assistance Fund:** The Commission set forth regulations related to the certification of social equity applicants and program requirements related to the social equity assistance program. Social Equity Applicants must meet one of the following criteria:
 - Prohibit changes in ownership structure of approved social equity applicants within the first year of licensed activities, preventing exploitation of social equity programs.
 - Waives the application fee for initial six social equity applicants, to ensure plentiful resources to establish and operate new cannabis establishment.
 - Allows slightly longer time period to establish cannabis sites.
 - Allows applicants, including approved applicants, to request resources from the social equity program and fund
 - The regulations also set criteria related to social equity applicants, the criteria are as follows:
 - 51.0 percent ownership and control by one or more individuals who were convicted of a nonviolent cannabis offense
 - 51.0 percent ownership and control by one or more individuals who are an immediate family member of an individual convicted of nonviolent cannabis offense
 - 51.0 percent ownership and control by one or more individuals who have resided in a disproportionately impacted area for five of preceding 10 years.
 - A minimum of 10.0 full time employees who:
 - Currently reside in a disproportionately impacted area
 - Have been arrested for, convicted of, or adjudicated delinquency for any offence that is eligible for expungement under the Cannabis Act or is a member of an impacted family
 - Can demonstrate significant past experience in business practices that promote economic empowerment by either volunteering with one or more organizations where they worked directly with individuals in disproportionately impacted areas, or held a full-time position in an organization engaged in economic empowerment
 - At least 51.0 percent ownership and control by one or more individuals who each had an income which does not exceed 400.0 percent of the median income in a disproportionately impacted area.

The Rhode Island Cannabis Control Commission is charged with the oversight and licensure of Cannabis Dispensaries. The Rhode Island Cannabis Act authorizes a total of 33 retail licenses. With nine existing hybrid and medical marijuana retailers, the Commission will authorize an additional 24 adult-use retail licenses. Of the 24 licenses, six are reserved for social equity applicants, and six are reserved for workers cooperative applicants.

Analyst Note: Pursuant to the Rhode Island Cannabis Act, upon the Commission's finalization of their initial regulations, the Office of Cannabis Regulation shall transfer to the Office of Cannabis; however, the legislation is unclear whether this transition will still happen if the Rhode Island Cannabis Control Commission is established. The Senate Fiscal Office assumes that the transition will not occur, requiring an amendment to the Rhode Island Cannabis Act.

Staffing Structure

The state-level staffing structure supporting Cannabis has evolved since the Office of Cannabis Regulation was established by the General Assembly in 2020.

Article 15 of the FY2020 Budget as Enacted authorized a total of 7.0 FTE positions. The Office's FTE authorization increased to 25.0 FTE positions in FY2023, and then to 26.0 FTE positions in FY2025. The Office was overseen by 1.0 unclassified FTE position titled Deputy Director, Office of Cannabis

Regulation. Despite the increased FTEs in 2023, the Office of Cannabis has maintained a relatively stable FTE count.

Analyst Note: The Deputy Director position is not the official classified name of the position. In FY2025, the position was budgeted under Executive Director/Executive Administrator. Prior to FY2025, the positions title changed numerous times, but was consistently referred to as a Deputy Director position.

The Cannabis Control Commission has indicated that there have been no discussions related to the restructure of the Commission. Currently each Commissioner serves a termed appointment, with the advice and consent of the Senate. The Chairperson of the Commission is serving a three-year term. Upon the end of the Chair's term, the General Assembly will have the option to reappoint the Chair for an additional six years. The Chair's term is scheduled to end in 2027. Additionally, the Administrator, Cannabis Office position acts as leadership, but is not subjected to termed appointments. The FY2026 requested budget adds an additional 2.0 FTE positions relative to the FY2025 Enacted Budget.

Salary Costs										
FTE Position	FY2020	FY2023	FY2024	FY2025	FY2026	Change	FY2025	FY2026	Change	
	FTEs	FTEs	FTEs	FTEs	FTEs					
Administrative Officer	1.0	3.0	2.0	2.0	2.0	-	\$114,364	\$126,438	12,074	
Administrative Officer	-	1.0	-	-	1.0	1.0	-	60,667.0	60,667	
Administrative Officer	1.0	-	2.0	2.0	2.0	-	120,476.0	137,073.0	16,597	
Chief of Inspector, Office of Cannabis Regulation)	-	1.0	1.0	1.0	1.0	-	101,372.0	110,698.0	9,326	
Chief Financial Officer I	-	1.0	1.0	1.0	-	(1.0)	113,742.0	-	(113,742)	
Chief Implementation Aid	-	1.0	1.0	1.0	1.0	-	70,187.0	87,243.0	17,056	
Chief of Legal Services	-	-	1.0	1.0	1.0	-	113,742.0	133,541.0	19,799	
Chief of Strategic Planning, Monitoring, and Evaluation	-	1.0	1.0	1.0	1.0	-	120,072.0	143,547.0	23,475	
Chief Public Protection Inspector	-	-	-	-	1.0	1.0	-	51,030.0	51,030	
Chief Public Protection Inspector	2.0	7.0	7.0	7.0	7.0	-	579,522.0	689,163.0	109,641	
Economic and Policy Analyst I	1.0	1.0	1.0	1.0	1.0	-	74,305.0	84,192.0	9,887	
Implementation Director Policy and Programs	1.0	-	-	-	-	-	-	-	-	
Interdepartmental Project Manager	-	-	-	-	1.0	1.0	-	112,929.0	112,929	
Investigative Auditor	1.0	2.0	2.0	2.0	1.0	(1.0)	175,153.0	97,871.0	(77,282)	
Legal Counsel	-	2.0	1.0	1.0	-	(1.0)	86,870.0	-	(86,870)	
Licensing Aid	-	2.0	1.0	1.0	-	(1.0)	44,703.0	-	(44,703)	
Licensing Aid	-	2.0	1.0	1.0	-	(1.0)	44,737.0	-	(44,737)	
Principal Economic and Policy Analyst	-	-	1.0	1.0	-	(1.0)	99,800.0	-	(99,800)	
Senior Economic Policy Analyst	-	-	1.0	1.0	3.0	2.0	86,654.0	298,928.0	212,274	
Senior Legal Counsel	-	-	-	-	2.0	2.0	-	202,808.0	202,808	
Senior Systems Analyst	-	-	-	-	1.0	1.0	-	82,727.0	82,727	
Deputy Chief of Staff	-	-	1.0	1.0	-	(1.0)	178,479.0	-	(178,479)	
Executive Director/Executive Administrator	-	-	-	1.0	-	(1.0)	165,000.0	-	(165,000)	
Administrator, Cannabis Office	-	-	-	-	1.0	1.0	-	186,767.0	186,767	
Chairperson, Cannabis Control Commission	-	-	-	-	1.0	1.0	-	196,220.0	196,220	
Chairperson, Public Utilities Commission	-	1.0	-	-	-	-	-	-	-	
FTE Total	7.0	25.0	25.0	26.0	28.0	2.0	\$2,289,178	\$2,801,842	\$512,664	
							Total Salary Costs	\$1,641,531	\$2,859,529	\$1,217,998
							Total Benefits Cost	\$1,056,609	\$1,731,998	\$675,389
							Salary & Benefits	\$2,698,140	\$4,591,527	\$1,893,387
							Statewide Benefits Assessme	\$90,423	\$82,927	(\$7,496)
							Payroll Cost	\$3,815,610	\$4,674,454	\$858,844
							Contracted Services	\$275,750	\$275,750	-
							Total Personnel	\$4,091,360	\$4,950,204	\$858,844

CENTRAL MANAGEMENT

The Governor recommends one main program within the Rhode Island Cannabis Control Commission, with two subprograms. Within the main Central Management program are the subprograms Adult Use Marijuana Program, and the Medical Marijuana Program.

Central Management	General Revenue
FY2025 Enacted	\$6,697,782
<i>Target and Other Adjustments</i>	
Personnel Adjustment (statewide adjustments)	586,465
OCR New Positions	272,379
Hemp Consolidation to Cannabis Control Commission	Informational
FY2026 Governor	\$7,556,626

OCR New Positions **\$272,379**

The FY2026 recommended budget proposes 2.0 New FTE positions - 1.0 Senior Legal Counsel and a 1.0 Administrative Officer, to support the Cannabis Control Commission (CCC). The Cannabis Control Commission is tasked with overseeing the regulation, licensing, enforcement, and control of regulated adult use and medical cannabis.

- **1.0 Senior Legal Counsel Position:** The Senior Legal Counsel position would oversee compliance with state and federal laws, litigation, and the drafting of regulations, as well as, aid in litigation. The request includes a restricted receipt increase of \$151,155 to fund the position.
- **Administrative Officer Position:** The Administrative Officer position would manage day to day functioning of the CCC, overseeing interagency coordination and regulatory filing requirements. As the cannabis market continues to expand, the CCC believes that these positions are essential to the long-term efficiency and sustainability of the Commission. The request includes a restricted receipt increase of \$101,355 to fund the position.

Hemp Program Consolidation to CCC **Informational**

Article 3 seeks to transfer the Hemp Growth Program to from the Department of Business Regulation to the Rhode Island Cannabis Control Commission (CCC). Currently, RIGL 2-26-1, The Hemp Growth Act, designates the Department of Business Regulation as the statutorily designated body to administer and oversee Hemp growth in Rhode Island. According to the Department, its sensible to merge the Hemp Program with the CCC as both cannabis and hemp derive from the same plant species. As the CCC is developing regulations for adult use cannabis, they should also have the authority to reevaluate hemp distribution. According to the Department’s FY2026 request, the staff within the Office of Cannabis Regulation already administers both the hemp program and cannabis programs.