



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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BUDGET OFFICE
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Memorandum

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee

The Honorable William Conley, Jr.
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: June 9, 2017

Subject: New Article – Relating to the Medical Marijuana Program (17-H-5175)

Summary

The Governor requests that a new article entitled “Relating to the Medical Marijuana Program” be added to the FY 2018 Appropriations Act. This new article would increase the number of licensed compassion centers in the state to provide easier access by patients, caregivers, and authorized purchasers to legal sources of medical marijuana. The article also restructures and redefines compassion center licenses, enhancing transparency by eliminating the state-level non-profit requirement and establishing them as retail-only locations. The state’s existing compassion centers will maintain their right to grow medical marijuana to serve their patients, under a separate cultivator license.

Explanation on Sections

Section 1: **21-28.6-3. Definitions:** This section amends the definition of “usable marijuana” to omit the term “dried;” this more accurately reflects the use of mature marijuana in its dried or wet forms in a variety of medicinal products. The definition of “dwelling unit” is also amended to include a sanitation requirement; in addition to bringing the definition of dwelling unit in line with other statutes related to housing, requiring that plumbing and sanitation be part of a dwelling unit is a preventive measure to ensure only up to the legal maximum of tagged, mature plants be at a single residential location.

21-28.6-4. Protections for the medical use of marijuana: This section amends current law to correct a loophole that currently allows marijuana plants grown by

caregivers to be located outdoors. The section also extends legal protections to the Department of Business Regulation and its employees with regard to the possession and destruction of contraband marijuana in the course of their daily duties.

21-28.6-6. Administration of department of health regulations: This section includes the Department of Business Regulation as sharing enforcement responsibility for cardholders' compliance with the Act. This section also allows the Department of Business Regulation to confirm with law enforcement that a cardholder is compliant with the provisions of the Act. Patient medical records and/or confidential information will remain unshared with law enforcement.

21-28.6-12. Compassion centers. The compassion center license structure is being updated to create more parity between existing compassion centers and new license holders entering the market. This section restructures the licensing of compassion centers, establishing that the Department of Business Regulation shall license new compassion centers, so that there shall be no less than six licensed compassion centers operating in the state. As part of the application and licensing process, the Department of Business Regulation will incorporate convenience to patients in currently underserved areas, where there is limited access to existing centers or to products that satisfy patient needs.

Compassion center licenses will be retail-only licenses; the three existing compassion centers are permitted to continue growing medical marijuana to serve their patient communities. However, they will be issued a separate cultivator license and will be charged the fee associated with the size of their cultivation. The non-refundable application fee for compassion center licenses is increased from \$250 to \$5,000, the same fee paid by cultivator applicants. The annual compassion center licensing fee is increased from \$5,000 to \$25,000. The three current compassion centers will each be allowed a single satellite location under their existing licenses, for which each will pay an additional license fee.

Compassion centers will be subject to minimum sanitation, record-keeping, manufacturing, workplace safety, and other standards as set by the Department of Business Regulation. The Department is also empowered to establish testing, packaging and labeling standards, as well as standards for advertising.

This section amends current law to allow compassion center cardholder background checks to be performed by municipal police departments or by the Office of the Attorney General's Bureau of Criminal Identification. Under current law, compassion center cardholder background checks may only be performed by the State Police, which has resulted in a backlog of background checks to be performed. Background checks for all other program cardholders may be performed by local police forces or the Bureau.

21-28.6-16. Licensed cultivators. This section establishes that cultivators who applied for a license and were approved by the Department of Business Regulation or

the Department of Health prior to January 1, 2018 shall not be prohibited from applying for and being granted a compassion center license.

21-28.6-17. Revenue. This section corrects an existing oversight and establishes that like all patient, caregiver, and authorized purchaser application and license fees, compassion center application and license fees will be deposited as restricted receipts to be used in support of the program.

Section 2: Sets the effective date of the article, which shall be effective upon passage.

Background/Other Information

Please see attached revenue estimates.

If you have any questions concerning this new article, please feel free to reach out to me or my staff at 222-6300.

TAM: 18-Amend-26
Attachment

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration
Jonathan Womer, Director, Office of Management and Budget
Gregory Stack, Supervising Budget Analyst

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ARTICLE XX

SECTION 1. Sections 21-28.6-3, 21-28.6-4, 21-28.6-6, 21-28.6-12, 21-28.6-16, and 21-28.6-17 of the General Laws in Chapter 21-28.6 entitled "The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act" are hereby amended to read as follows:

§ 21-28.6-3 Definitions.

For the purposes of this chapter:

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

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

(3) "Commercial unit" means a building, office, suite, or room within a commercial or industrial building for use by one business or person and is rented or owned by that business or person.

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

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

(5) "Debilitating medical condition" means:

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

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

8 (iii) Any other medical condition or its treatment approved by the department, as provided for in §
9 21-28.6-5.

10 (6) "Department of business regulation" means the Rhode Island department of business regulation
11 or its successor agency.

12 (7) "Department of health" means the Rhode Island department of health or its successor agency.

13 (8) "Department of public safety" means the Rhode Island department of public safety or its
14 successor agency.

15 (9) "Dried, useable marijuana" means the dried leaves and flowers of the marijuana plant as defined
16 by regulations promulgated by the department of health.

17 (10) "Dwelling unit" means the room, or group of rooms, within a dwelling used or intended for
18 use by one family or household, or by no more than three (3) unrelated individuals, for living, sleeping,
19 sanitation, cooking, and eating.

20 (11) "Equivalent amount" means the portion of usable marijuana, be it in extracted, edible,
21 concentrated, or any other form, found to be equal to a portion of dried, usable marijuana, as defined by
22 regulations promulgated by the departments of health and business regulation.

23 (12) "Licensed cultivator" means a person, as identified in § 43-3-6, who has been licensed by the
24 department of business regulation to cultivate marijuana pursuant to § 21-28.6-16.

25 (13) "Marijuana" has the meaning given that term in § 21-28-1.02(26).

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

3 (15) "Medical use" means the acquisition, possession, cultivation, manufacture, use, delivery,
4 transfer, or transportation of marijuana or paraphernalia relating to the consumption of marijuana to
5 alleviate a patient cardholder's debilitating medical condition or symptoms associated with the medical
6 condition.

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

10 (17) "Primary caregiver" means a natural person who is at least twenty-one (21) years old. A
11 primary caregiver may assist no more than five (5) qualifying patients with their medical use of marijuana.

12 (18) "Qualifying patient" means a person who has been diagnosed by a practitioner as having a
13 debilitating medical condition and is a resident of Rhode Island.

14 (19) "Registry identification card" means a document issued by the department of health that
15 identifies a person as a registered qualifying patient, a registered primary caregiver, or authorized purchaser,
16 or a document issued by the department of business regulation that identifies a person as a registered
17 principal officer, board member, employee, volunteer, or agent of a compassion center.

18 (20) "Seedling" means a marijuana plant with no observable flowers or buds.

19 (21) "Unusable marijuana" means marijuana seeds, stalks, seedlings, and unusable roots.

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

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

25 (24) "Written certification" means the qualifying patient's medical records, and a statement signed
26 by a practitioner, stating that, in the practitioner's professional opinion, the potential benefits of the medical

1 use of marijuana would likely outweigh the health risks for the qualifying patient. A written certification
2 shall be made only in the course of a bona fide, practitioner-patient relationship after the practitioner has
3 completed a full assessment of the qualifying patient's medical history. The written certification shall
4 specify the qualifying patient's debilitating medical condition or

5 **§ 21-28.6-4 Protections for the medical use of marijuana.** -- (a) A qualifying patient cardholder
6 who has in his or her possession a registry identification card shall not be subject to arrest, prosecution, or
7 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or
8 disciplinary action by a business or occupational or professional licensing board or bureau, for the medical
9 use of marijuana; provided, that the qualifying patient cardholder possesses an amount of marijuana that
10 does not exceed twelve (12) mature marijuana plants that are accompanied by valid medical marijuana tags,
11 two and one-half (2.5) ounces of dried usable marijuana, or its equivalent amount, and an amount of wet
12 marijuana to be set by regulations promulgated by the departments of health and business regulation. Said
13 plants shall be stored in an indoor facility.

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

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

1 (d) No school, employer, or landlord may refuse to enroll, employ, or lease to, or otherwise
2 penalize, a person solely for his or her status as a cardholder. Provided, however, due to the safety and
3 welfare concern for other tenants, the property, and the public, as a whole, a landlord may have the
4 discretion not to lease, or continue to lease, to a cardholder who cultivates marijuana in the leased premises.

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

16 (f) A qualifying patient cardholder shall be allowed to possess a reasonable amount of unusable
17 marijuana, including up to twelve (12) seedlings that are accompanied by valid medical marijuana tags. A
18 primary caregiver cardholder shall be allowed to possess a reasonable amount of unusable marijuana,
19 including up to twenty-four (24) seedlings that are accompanied by valid medical marijuana tags and an
20 amount of wet marijuana set in regulations promulgated by the departments of health and business
21 regulation.

22 (g) There shall exist a presumption that a cardholder is engaged in the medical use of marijuana if
23 the cardholder:

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

25 (2) Is in possession of an amount of marijuana that does not exceed the amount permitted under
26 this chapter. Such presumption may be rebutted by evidence that conduct related to marijuana was not for

1 the purpose of alleviating the qualifying patient's debilitating medical condition or symptoms associated
2 with the medical condition.

3 (h) A primary caregiver cardholder may receive reimbursement for costs associated with assisting
4 a qualifying patient cardholder's medical use of marijuana. Compensation shall not constitute sale of
5 controlled substances.

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

12 (1) The primary caregiver cardholder cultivated the marijuana pursuant to this chapter, not to
13 exceed the limits of subsection (e); and

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

17 (j) A practitioner shall not be subject to arrest, prosecution, or penalty in any manner, or denied any
18 right or privilege, including, but not limited to, civil penalty or disciplinary action by the Rhode Island
19 board of medical licensure and discipline, or by any other business or occupational or professional licensing
20 board or bureau solely for providing written certifications, or for otherwise stating that, in the practitioner's
21 professional opinion, the potential benefits of the medical marijuana would likely outweigh the health risks
22 for a patient.

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

25 (l) No person shall be subject to arrest or prosecution for constructive possession, conspiracy,
26 aiding and abetting, being an accessory, or any other offense, for simply being in the presence or vicinity

1 of the medical use of marijuana as permitted under this chapter, or for assisting a qualifying patient
2 cardholder with using or administering marijuana.

3 (m) A practitioner, nurse, nurse practitioner, physician's assistant, or pharmacist shall not be subject
4 to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited
5 to, civil penalty or disciplinary action by a business or occupational or professional licensing board or
6 bureau solely for discussing the benefits or health risks of medical marijuana or its interaction with other
7 substances with a patient.

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

13 (o) Notwithstanding the provisions of § 21-28.6-4(e), no primary caregiver cardholder shall possess
14 an amount of marijuana in excess of twenty-four (24) mature marijuana plants that are accompanied by
15 valid medical marijuana tags and five (5) ounces of dried usable marijuana, or its equivalent, and an amount
16 of wet marijuana set in regulations promulgated by the departments of health and business regulation for
17 patient cardholders to whom he or she is connected through the department of health's registration process.

18 (p) A qualifying patient or primary caregiver cardholder may give marijuana to another qualifying
19 patient or primary caregiver cardholder to whom they are not connected by the department's registration
20 process, provided that no consideration is paid for the marijuana, and that the recipient does not exceed the
21 limits specified in § 21-28.6-4.

22 (q) Qualifying patient cardholders and primary caregiver cardholders electing to grow marijuana
23 shall only grow at one premises, and this premises shall be registered with the department of health or
24 business regulation. Except for compassion centers, cooperative cultivations, and licensed cultivators, no
25 more than twenty-four (24) mature marijuana plants that are accompanied by valid medical marijuana tags
26 shall be grown or otherwise located at any one dwelling unit or commercial unit. The number of qualifying

1 patients or primary caregivers residing, owning, renting, growing, or otherwise operating at a dwelling or
2 commercial unit does not affect this limit. The department of health business regulation shall promulgate
3 regulations to enforce this provision.

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

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

10 **§ 21-28.6-6 Administration of department of health regulations.** -- (a) The department of health
11 shall issue registry identification cards to qualifying patients who submit the following, in accordance with
12 the department's regulations:

13 (1) Written certification as defined in § 21-28.6-3(24) of this chapter;

14 (2) Application or renewal fee;

15 (3) Name, address, and date of birth of the qualifying patient; provided, however, that if the patient
16 is homeless, no address is required;

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

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

19 (6) Name, address, and date of birth of one primary caregiver of the qualifying patient and one
20 authorized purchaser for the qualifying patient, if any.

21 (b) The department of health shall not issue a registry identification card to a qualifying patient
22 under the age of eighteen (18) unless:

23 (1) The qualifying patient's practitioner has explained the potential risks and benefits of the medical
24 use of marijuana to the qualifying patient and to a parent, guardian, or person having legal custody of the
25 qualifying patient; and

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

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

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

3 (iii) Control the acquisition of the marijuana, the dosage, and the frequency of the medical use of
4 marijuana by the qualifying patient.

5 (c) The department of health shall verify the information contained in an application or renewal
6 submitted pursuant to this section, and shall approve or deny an application or renewal within thirty-five
7 (35) days of receiving it. The department may deny an application or renewal only if the applicant did not
8 provide the information required pursuant to this section, or if the department determines that the
9 information provided was falsified. Rejection of an application or renewal is considered a final department
10 action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the superior court.

11 (d) If the qualifying patient's practitioner notifies the department in a written statement that the
12 qualifying patient is eligible for hospice care or chemotherapy, the department of health shall give priority
13 to these applications when verifying the information in accordance with subsection (c). Effective January
14 1, 2017, the department of health shall approve or deny a registry identification card to these qualifying
15 patients within five (5) days of receipt of an application. The department of health may identify through
16 regulation a list of other conditions qualifying a patient for expedited application processing.

17 (e) The department of health shall issue a registry identification card to the qualifying patient
18 cardholder's primary caregiver, if any, who is named in the qualifying patient's approved application.

19 (1) A primary caregiver applicant or an authorized purchaser applicant shall apply to the bureau of
20 criminal identification of the department of attorney general, department of public safety division of state
21 police, or local police department for a national criminal records check that shall include fingerprints
22 submitted to the Federal Bureau of Investigation. Upon the discovery of any disqualifying information as
23 defined in subdivision (e)(4), and in accordance with the rules promulgated by the director, the bureau of
24 criminal identification of the department of attorney general, department of public safety division of state
25 police, or the local police department shall inform the applicant, in writing, of the nature of the disqualifying

1 information; and, without disclosing the nature of the disqualifying information, shall notify the department,
2 in writing, that disqualifying information has been discovered.

3 (2) In those situations in which no disqualifying information has been found, the bureau of criminal
4 identification of the department of attorney general, department of public safety division of state police, or
5 the local police shall inform the applicant and the department, in writing, of this fact.

6 (3) The department of health shall maintain on file evidence that a criminal records check has been
7 initiated on all applicants seeking a primary caregiver registry identification card or an authorized purchaser
8 registry identification card and the results of the checks. The primary caregiver cardholder shall not be
9 required to apply for a national criminal records check for each patient he or she is connected to through
10 the department's registration process, provided that he or she has applied for a national criminal records
11 check within the previous two (2) years in accordance with this chapter. The department shall not require a
12 primary caregiver cardholder or an authorized purchaser cardholder to apply for a national criminal records
13 check more than once every two (2) years.

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

24 (5) The primary caregiver or authorized purchaser applicant shall be responsible for any expense
25 associated with the national criminal records check.

1 (6) For purposes of this section, "conviction" means, in addition to judgments of conviction entered
2 by a court subsequent to a finding of guilty or a plea of guilty, those instances where the defendant has
3 entered a plea of nolo contendere and has received a sentence of probation and those instances where a
4 defendant has entered into a deferred sentence agreement with the attorney general.

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

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

11 (iii) Registry identification cards shall contain:

12 (1) The date of issuance and expiration date of the registry identification card;

13 (2) A random registry identification number;

14 (3) A photograph; and

15 (4) Any additional information as required by regulation or the department of health.

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

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

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

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

5 (4) When a qualifying patient cardholder or primary caregiver cardholder notifies the department
6 of health of any changes listed in this subsection, the department of health shall issue the qualifying patient
7 cardholder and each primary caregiver cardholder a new registry identification card within ten (10) days of
8 receiving the updated information and a ten-dollar (\$10.00) fee.

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

15 (6) If a cardholder or authorized purchaser loses his or her registry identification card, he or she
16 shall notify the department and submit a ten-dollar (\$10.00) fee within ten (10) days of losing the card.
17 Within five (5) days, the department shall issue a new registry identification card with new random
18 identification number.

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

22 (8) If a cardholder or authorized purchaser willfully violates any provision of this chapter as
23 determined by the department, his or her registry identification card may be revoked.

24 (h) Possession of, or application for, a registry identification card shall not constitute probable cause
25 or reasonable suspicion, nor shall it be used to support the search of the person or property of the person

1 possessing or applying for the registry identification card, or otherwise subject the person or property of
2 the person to inspection by any governmental agency.

3 (i)(1) Applications and supporting information submitted by qualifying patients, including
4 information regarding their primary caregivers, authorized purchaser, and practitioners, are confidential
5 and protected under the federal Health Insurance Portability and Accountability Act of 1996, and shall be
6 exempt from the provisions of chapter 2 of title 38 et seq. (Rhode Island access to public records act) and
7 not subject to disclosure, except to authorized employees of the departments of health and business
8 regulation as necessary to perform official duties of the departments, and pursuant to subsection (j).

9 (2) The application for qualifying patient's registry identification card shall include a question
10 asking whether the patient would like the department of health to notify him or her of any clinical studies
11 about marijuana's risk or efficacy. The department of health shall inform those patients who answer in the
12 affirmative of any such studies it is notified of, that will be conducted in Rhode Island. The department of
13 health may also notify those patients of medical studies conducted outside of Rhode Island.

14 (3) The department of health shall maintain a confidential list of the persons to whom the
15 department of health has issued registry identification cards. Individual names and other identifying
16 information on the list shall be confidential, exempt from the provisions of Rhode Island access to public
17 information, chapter 2 of title 38, and not subject to disclosure, except to authorized employees of the
18 departments of health and business regulation as necessary to perform official duties of the department.

19 (j) Notwithstanding subsection (i), the departments of health and business regulation shall may
20 verify to law enforcement personnel whether a registry identification card is valid or whether a cardholder
21 is compliant with the Act, solely by confirming the random registry identification number or name. This
22 verification may occur through the use of a shared database, provided that any medical records or
23 confidential information in this database related to a cardholders specific medical condition is protected in
24 accordance with subdivision (i)(1).

25 (k) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a one thousand
26 dollar (\$1,000) fine, for any person, including an employee or official of the departments of health, business

1 regulation, public safety, or another state agency or local government, to breach the confidentiality of
2 information obtained pursuant to this chapter. Notwithstanding this provision, the department employees
3 may notify law enforcement about falsified or fraudulent information submitted to the department.

4 (l) On or before the fifteenth day of the month following the end of each quarter of the fiscal year,
5 the department of health shall report to the governor, the speaker of the House of Representatives, and the
6 president of the senate on applications for the use of marijuana for symptom relief. The report shall provide:

7 (1) The number of applications for registration as a qualifying patient, primary caregiver, or
8 authorized purchaser that have been made to the department during the preceding quarter, the number of
9 qualifying patients, primary caregivers, and authorized purchasers approved, the nature of the debilitating
10 medical conditions of the qualifying patients, the number of registrations revoked, and the number and
11 specializations, if any, of practitioners providing written certification for qualifying patients.

12 (m) On or before September 30 of each year, the department of health shall report to the governor,
13 the speaker of the House of Representatives, and the president of the senate on the use of marijuana for
14 symptom relief. The report shall provide:

15 (1) The total number of applications for registration as a qualifying patient, primary caregiver, or
16 authorized purchaser that have been made to the department, the number of qualifying patients, primary
17 caregivers, and authorized purchasers approved, the nature of the debilitating medical conditions of the
18 qualifying patients, the number of registrations revoked, and the number and specializations, if any, of
19 practitioners providing written certification for qualifying patients;

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

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

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

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

2 and

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

5 **§ 21-28.6-12 Compassion centers.** -- (a) A compassion center registered under this section may
6 acquire, possess, ~~cultivate, manufacture,~~ deliver, transfer, transport, supply, or dispense marijuana, or
7 related supplies and educational materials, to registered qualifying patients and their registered primary
8 caregivers or authorized purchasers. Except as specifically provided to the contrary, all provisions of the
9 Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, §§ 21-28.6-1 – 21-28.6-11, apply to a
10 compassion center unless they conflict with a provision contained in § 21-28.6-12.

11 (b) Registration of compassion centers—authority of the departments of health and business
12 regulation:

13 (1) Not later than ninety (90) days after the effective date of this chapter, the department of health
14 shall promulgate regulations governing the manner in which it shall consider applications for registration
15 certificates for compassion centers, including regulations governing:

16 (i) The form and content of registration and renewal applications;

17 (ii) Minimum oversight requirements for compassion centers;

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

19 (iv) Minimum security requirements for compassion centers; and

20 (v) Procedures for suspending, revoking, or terminating the registration of compassion centers that
21 violate the provisions of this section or the regulations promulgated pursuant to this subsection.

22 (2) Within ninety (90) days of the effective date of this chapter, the department of health shall begin
23 accepting applications for the operation of a single compassion center.

24 (3) Within one hundred fifty (150) days of the effective date of this chapter, the department of
25 health shall provide for at least one public hearing on the granting of an application to a single compassion
26 center.

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

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

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

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

14 (ii) Any time a compassion center registration certificate is revoked, is relinquished, or expires on
15 or after January 1, 2017, the department of business regulation shall accept applications for a new
16 compassion center.

17 (8) If at any time after three (3) years after the effective date of this chapter and on or before
18 December 31, 2016, fewer than three (3) compassion centers are holding valid registration certificates in
19 Rhode Island, the department of health shall accept applications for a new compassion center. If at any time
20 on or after January 1, 2017, fewer than ~~three (3)~~ six (6) compassion centers are holding valid registration
21 certificates in Rhode Island, the department of business regulation shall accept applications for a new
22 compassion centers. ~~No more than three (3) compassion centers may hold valid registration certificates at~~
23 ~~one time.~~

24 (9) (i) A compassion center registered under this section prior to July 1, 2017 may operate a second
25 retail location under its registration in accordance with regulations promulgated by the department of
26 business regulation.

1 (ii) A compassion center registered under this section prior to July 1, 2017 that wishes to operate a
2 second retail location under its existing registration must demonstrate to the department of business
3 regulation that the proposed second retail location is in the best interest of qualified patients or will help to
4 satisfy unmet qualified patient needs.

5 (iii) Regulations promulgated by the department of business regulation may impose an additional
6 fee for a second retail location. This fee shall not exceed the annual compassion center licensing fee.

7 (iv) A second retail location operated by a compassion center registered pursuant to this section
8 shall not be considered an additional or separate compassion center registration and shall not count towards
9 the limits established in 21-28.6-12(b)(8).

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

15 (c) Compassion center and agent applications and registration:

16 (1) Each application for a compassion center shall ~~include~~ be submitted pursuant to regulations
17 promulgated by the department of business regulation and shall include but not be limited to:

18 (i) A non-refundable application fee paid to the department in the amount of ~~two hundred fifty~~
19 ~~dollars (\$250)~~ five thousand dollars (\$5,000);

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

21 (iii) The proposed physical address of the compassion center, if a precise address has been
22 determined, or, if not, the general location where it would be located. This may include a second location
23 for retail distribution in accordance with 21-28.6-12(b)(9)~~This may include a second location for the~~
24 ~~cultivation of medical marijuana;~~

25 (iv) ~~A description of the enclosed, locked facility that would be used in the cultivation of marijuana;~~

1 (iv) The name, address, and date of birth of each principal officer and board member of the
2 compassion center;

3 (v) Proposed security and safety measures that shall include at least one security alarm system for
4 each location, planned measures to deter and prevent the unauthorized entrance into areas containing
5 marijuana and the theft of marijuana, as well as a draft, employee-instruction manual including security
6 policies, safety and security procedures, personal safety, and crime-prevention techniques; and

7 (vi) Proposed procedures to ensure accurate record keeping;

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

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

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

19 (i) Convenience to patients from underserved areas throughout the state of Rhode Island where
20 there is limited access to existing compassion centers or limited ability to satisfy patient needs. ~~to the~~
21 ~~compassion centers if the applicant were approved;~~

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

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

25 (iv) The interests of qualifying patients regarding which applicant be granted a registration
26 certificate;

1 (v) The interests of the city or town where the dispensary would be located;

2 (vi) The sufficiency of the applicant's plans for record keeping and security, which records shall be
3 considered confidential health-care information under Rhode Island law and are intended to be deemed
4 protected health-care information for purposes of the Federal Health Insurance Portability and
5 Accountability Act of 1996, as amended; and

6 (vii) The sufficiency of the applicant's plans for safety and security, including proposed location,
7 security devices employed, and staffing;

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

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

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

12 (iii) The physical address of the compassion center; this may include a second address for the secure
13 cultivation of marijuana;

14 (iv) The name, address, and date of birth of each principal officer and board member of the
15 compassion center; and

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

18 (5) A compassion center approved for licensed operations or that seeks to have its license to operate
19 renewed by the department of business regulation on or after January 1, 2017, shall submit materials
20 pursuant to regulations promulgated by the department of business regulation the following to the
21 department before it may begin operations, such materials shall include but not be limited to:

22 (i) A fee paid to the department in the amount of twenty-five thousand dollars (\$25,000);

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

24 (iii) The physical address of the compassion center; ~~this may include a second address for the secure~~
25 ~~cultivation of marijuana~~

1 (iv) The name, address, and date of birth of each principal officer and board member of the
2 compassion center;

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

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

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

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

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

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

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

23 (7) Except as provided in this subsection, neither the department of health nor the department of
24 business regulation shall issue a registry identification card to any principal officer, board member, agent,
25 volunteer, or employee of a compassion center who has been convicted of a felony drug offense or has
26 entered a plea of nolo contendere for a felony drug offense and received a sentence of probation, or who is

1 determined by the department of business regulation to be unsuitable to participate in the operation of a
2 compassion center. If a registry identification card is denied, the compassion center will be notified in
3 writing of the purpose for denying the registry identification card. A registry identification card may be
4 granted if the offense was for conduct that occurred prior to the enactment of the Edward O. Hawkins and
5 Thomas C. Slater Medical Marijuana Act or that was prosecuted by an authority other than the state of
6 Rhode Island and for which the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act would
7 otherwise have prevented a conviction.

8 (i) All registry identification card applicants shall apply to the bureau of criminal identification of
9 the department of attorney general, a municipal police department, or the department of public safety
10 division of state police for a national criminal identification records check that shall include fingerprints
11 submitted to the federal bureau of investigation. Upon the discovery of a felony drug offense conviction or
12 a plea of nolo contendere for a felony drug offense with a sentence of probation, and in accordance with
13 the rules promulgated by the department of health and the department of business regulation, the department
14 of public safety division of state police shall inform the applicant, in writing, of the nature of the felony and
15 the department of public safety division of state police shall notify the department of health or the
16 department of business regulation, in writing, without disclosing the nature of the felony, that a felony drug
17 offense conviction or a plea of nolo contendere for a felony drug offense with probation has been found.

18 (ii) In those situations in which no felony drug offense conviction or plea of nolo contendere for a
19 felony drug offense with probation has been found, the department of public safety division of state police
20 shall inform the applicant and the department of health or the department of business regulation, in writing,
21 of this fact.

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

24 (8) A registry identification card of a principal officer, board member, agent, volunteer, or
25 employee shall expire one year after its issuance, or upon the expiration of the registered organization's

1 registration certificate, or upon the termination of the principal officer, board member, agent, volunteer or
2 employee's relationship with the compassion center, whichever occurs first.

3 (9) A compassion center cardholder shall notify and request approval from the department of
4 business regulation of any change in his or her name or address within ten (10) days of such change. A
5 compassion center cardholder who fails to notify the department of business regulation of any of these
6 changes is responsible for a civil infraction, punishable by a fine of no more than one hundred fifty dollars
7 (\$150).

8 (10) When a compassion center cardholder notifies the department of health or the department of
9 business regulation of any changes listed in this subsection, the department shall issue the cardholder a new
10 registry identification card within ten (10) days of receiving the updated information and a ten-dollar
11 (\$10.00) fee.

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

16 (12) On or before December 31, 2016, a compassion center cardholder shall notify the department
17 of health of any disqualifying criminal convictions as defined in subdivision (c)(7). The department of
18 health may choose to suspend and/or revoke his or her registry identification card after such notification.

19 (13) On or after January 1, 2017, a compassion center cardholder shall notify the department of
20 business regulation of any disqualifying criminal convictions as defined in subdivision (c)(7). The
21 department of business regulation may choose to suspend and/or revoke his or her registry identification
22 card after such notification.

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

26 (d) *Expiration or termination of compassion center:*

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

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

8 (i) The compassion center submits the materials required under subdivisions (c)(4) and (c)(5),
9 including a twenty-five thousand dollar (\$25,000) fee;

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

12 (iii) The department of health and the department of business regulation find that the compassion
13 center is adequately providing patients with access to medical marijuana at reasonable rates;

14 (3) If the department of health or the department of business regulation determines that any of the
15 conditions listed in paragraphs (d)(2)(i) – (iii) have not been met, the department shall begin an open
16 application process for the operation of a compassion center. In granting a new registration certificate, the
17 department of health or the department of business regulation shall consider factors listed in subdivision
18 (c)(3);

19 (4) The department of health or the department of business regulation shall issue a compassion
20 center one or more thirty-day (30) temporary registration certificates after that compassion center's
21 registration would otherwise expire if the following conditions are all satisfied:

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

24 (ii) The compassion center requested a temporary registration certificate; and

25 (iii) The compassion center has not had its registration certificate revoked due to violations of this
26 chapter or regulations issued pursuant to this chapter.

1 (5) A compassion center's registry identification card shall be subject to revocation if the
2 compassion center:

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

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

5 (iii) Is in violation of other departmental regulations; or

6 (iv) Employs or enters into a business relationship with a medical practitioner who provides written
7 certification of a qualifying patient's medical condition.

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

13 (f) Compassion center requirements:

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

18 (i) Minimum security and surveillance requirements;

19 (ii) Minimum requirements for workplace safety and sanitation;

20 (iii) Minimum requirements for product safety and testing;

21 (iv) Minimum requirements for inventory tracking and monitoring;

22 (v) Minimum requirements for the safe manufacturing of marijuana products;

23 (vi) Minimum requirements for the secure transport and transfer of medical marijuana;

24 (vii) Minimum requirements to address odor mitigation;

25 (viii) Minimum requirements for product packaging and labeling including but not limited to;

26 (a) All packaging shall protect the product from contamination;

1 (b) Packaging and labeling shall not make any false or misleading statements including any
2 statements regarding health or physical benefits to the consumer and the composition and profiles that are
3 advertised/indicated on the label;

4 (c) Packaging and labeling shall not resemble the trademarked, characteristic, or product-
5 specialized packaging of any commercially available snack, baked good, or beverage or contain any
6 statement, artwork, or design that could reasonably mislead any reasonably prudent person to believe that
7 the package contains anything other than medical marijuana or marijuana product;

8 (d) Packaging, labeling and medical marijuana products shall not be designed such that they would
9 be attractive to children. This requires that the packing and labeling have no animal characters or cartoons,
10 does not contain the word “candy,” and that the edible product not resemble the trademarked, characteristic,
11 or product-specialized form of any commercially available candy, snack, or baked good;

12 (e) Medical marijuana and marijuana products sold at retail must be packaged in manner that is
13 child-resistant;

14 (f) Packaging for medical marijuana and marijuana products sold at retail shall be opaque, light-
15 resistant, and tamper-evident;

16 (g) Packaging and labeling shall contain any other warnings or information as required through
17 regulations promulgated by the department of business regulation or the department of health.

18 (ix) Minimum requirements for advertising;

19 (x) Minimum requirements for the testing and destruction of marijuana. Wherever destruction of
20 medical marijuana and medical marijuana product is required to bring a person or entity into compliance
21 with any provision of Title 21-28.6, any rule or promulgated thereunder, or any administrative order issued
22 in accordance therewith, the director of the department of business regulation may designate his employees
23 or agents to facilitate said destruction.

24 (xi) If a compassion center violates this chapter, or any regulation thereunder, and the department
25 of business regulation determines that violation does not pose an immediate threat to public health or public

1 safety, the compassion center shall pay to the department of business regulation a fine of no less than five-
2 hundred dollars (\$500).

3 (xii) If a compassion center violates this chapter, or any regulation thereunder, and the department
4 of business regulation determines that violation poses an immediate threat to public health or public safety,
5 the compassion center shall pay to the department of business regulation a fine of no less than two-thousand
6 dollars (\$2,000).

7 (2) A compassion center may not be located within one thousand feet (1000') of the property line
8 of a preexisting public or private school;

9 (3) On or before December 31, 2016, a compassion center shall notify the department of health
10 within ten (10) days of when a principal officer, board member, agent, volunteer, or employee ceases to
11 work at the compassion center. On or after January 1, 2017, a compassion center shall notify the department
12 of business regulation within ten (10) days of when a principal officer, board member, agent, volunteer, or
13 employee ceases to work at the compassion center. His or her card shall be deemed null and void and the
14 person shall be liable for any penalties that may apply to any nonmedical possession or use of marijuana
15 by the person;

16 (4)(i) On or before December 31, 2016, a compassion center shall notify the department of health
17 in writing of the name, address, and date of birth of any new principal officer, board member, agent,
18 volunteer or employee and shall submit a fee in an amount established by the department for a new registry
19 identification card before that person begins his or her relationship with the compassion center;

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

24 (5) A compassion center shall implement appropriate security measures to deter and prevent the
25 unauthorized entrance into areas containing marijuana and the theft of marijuana and shall insure that each
26 location has an operational security alarm system. Each compassion center shall request that the department

1 of public safety division of state police visit the compassion center to inspect the security of the facility and
2 make any recommendations regarding the security of the facility and its personnel within ten (10) days
3 prior to the initial opening of each compassion center. Said recommendations shall not be binding upon any
4 compassion center, nor shall the lack of implementation of said recommendations delay or prevent the
5 opening or operation of any center. If the department of public safety division of state police does not
6 inspect the compassion center within the ten-day (10) period, there shall be no delay in the compassion
7 center's opening.

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

10 (7) A compassion center is prohibited from acquiring, possessing, ~~cultivating, manufacturing,~~
11 delivering, transferring, transporting, supplying, or dispensing marijuana for any purpose except to assist
12 registered qualifying patients with the medical use of marijuana directly or through the qualifying patient's
13 primary caregiver or authorized purchaser.

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

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

19 (10) Effective July 1, 2016, each compassion center shall be subject to any regulations promulgated
20 by the department of health that specify how usable marijuana must be tested for items included but not
21 limited to cannabinoid profile and contaminants.

22 (11) Effective January 1, 2017, each compassion center shall be subject to any product labeling
23 requirements promulgated by the department of business regulation.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (2) A compassion center or principal officer, board member, agent, volunteer, or employee of a
2 compassion center may not dispense an amount of usable marijuana, or its equivalent, seedlings, or mature
3 marijuana plants, to a qualifying patient, a qualifying patient's primary caregiver, or a qualifying patient's
4 authorized purchaser that the compassion center, principal officer, board member, agent, volunteer, or
5 employee knows would cause the recipient to possess more marijuana than is permitted under the Edward
6 O. Hawkins and Thomas C. Slater Medical Marijuana Act.

7 (3) Compassion centers shall utilize a database administered by the departments of health and
8 business regulation. The database shall contains all compassion centers' transactions according to qualifying
9 patients', authorized purchasers', and primary caregivers', registry identification numbers to protect the
10 confidentiality of patient personal and medical information. Compassion centers will not have access to any
11 applications or supporting information submitted by qualifying patients, authorized purchasers or primary
12 caregivers. Before dispensing marijuana to any patient or authorized purchaser, the compassion center must
13 utilize the database to ensure that a qualifying patient is not dispensed more than two and one half ounces
14 (2.5 oz.) of dried usable marijuana or its equivalent directly or through the qualifying patient's primary
15 caregiver or authorized purchaser during a fifteen-day (15) period.

16 (h) Immunity:

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

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

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

6 (4) (i) Notwithstanding any other part of this chapter, if the department of business regulation has
7 reason to believe that any person or entity has in the course of medical marijuana cultivation, manufacturing,
8 and/or distribution violated any provision of the Title 21-28.6 under the department's jurisdiction or
9 violated any rule or regulation promulgated thereunder, including but not limited to engaging in operations
10 that require a medical marijuana license without obtaining the appropriate license, and the department finds
11 that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to
12 that effect in its order, the department may issue an immediate compliance order listing the violation and
13 ordering the person or entity to cease and desist from the violation and/or otherwise remedy the public
14 health, safety, or welfare threat presented by the violation. If a person or entity that is the subject of an
15 immediate compliance order contests the order by requesting a hearing, the order shall remain in effect
16 pending administrative proceedings, which shall be promptly instituted and determined. Orders issued
17 under this section shall be enforceable in the Superior Court for Providence County.

18 (ii) In addition its authority to issue immediate compliance orders under section § 21-28.6-
19 12(h)(4)(i), the department of business regulation may issue an order to show cause to any person or entity
20 for whom/which the department has reason to believe has in the course of medical marijuana cultivation,
21 manufacturing, and/or distribution violated any provision of the Title 21-28.6 under the department's
22 jurisdiction or violated any rule or regulation promulgated thereunder, including but not limited to engaging
23 in operations that require a medical marijuana license without obtaining the appropriate license, ordering
24 that person or entity to appear before the department at a hearing to show cause why the department should
25 not issue an order to that person or entity to cease and desist from the violation and/or otherwise remedy

1 the violation. By decision after hearing pursuant to this subsection (b), approved by the director, the
2 department may issue a permanent order to cease and desist.

3 (4) (5) No state employee shall be subject to arrest, prosecution or penalty in any manner, or denied
4 any right or privilege, including, but not limited to, civil penalty, disciplinary action, termination, or loss of
5 employee or pension benefits, for any and all conduct that occurs within the scope of his or her employment
6 regarding the administration, execution and/or enforcement of this act, and the provisions of §§ 9-31-8 and
7 9-31-9 shall be applicable to this section.

8 (i) Prohibitions:

9 (1). A compassion center must limit its inventory of ~~seedlings, plants, and usable~~ marijuana to
10 reflect the projected needs of qualifying patients; (i) A compassion center may not cultivate marijuana or
11 manufacture or process marijuana products unless the cultivation, processing, or manufacturing is done
12 under a cultivator license which has been issued to the compassion center by the department of business
13 regulation pursuant to 21-28.6-16.

14 (ii) A compassion center that was approved and registered by the department of health or renewed
15 by the department of business regulation prior to January 1, 2018 may also hold a cultivator license or
16 licenses in accordance with regulations promulgated by the department of business regulation. The class or
17 classes of said cultivator license or licenses shall correspond to the size of the growing, manufacturing, or
18 processing facility or facilities which were in operation or were approved by the department prior to January
19 1, 2018.

20 (iii) A compassion center that is approved by the department of business regulation after January
21 1, 2018 may also hold a cultivator license subject to regulations promulgated by the department of business
22 regulation, provided the department of business regulation approved the cultivator license application prior
23 to January 1, 2018.

24 (2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a person
25 other than a qualifying patient or to such patient's primary caregiver or authorized purchaser;

1 (3) A person found to have violated paragraph (2) of this subsection may not be an employee, agent,
2 volunteer, principal officer, or board member of any compassion center;

3 (4) An employee, agent, volunteer, principal officer or board member of any compassion center
4 found in violation of paragraph (2) shall have his or her registry identification revoked immediately; and

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

13 (j) Legislative oversight committee:

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

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

22 (i) Patients' access to medical marijuana;

23 (ii) Efficacy of compassion centers;

24 (iii) Physician participation in the Medical Marijuana Program;

25 (iv) The definition of qualifying medical condition; and

26 (v) Research studies regarding health effects of medical marijuana for patients.

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

3 **§ 21-28.6-16 Licensed cultivators.** -- (a) A licensed cultivator licensed under this section may
4 acquire, possess, cultivate, deliver, or transfer marijuana to licensed compassion centers. A licensed
5 cultivator shall not be a primary caregiver cardholder and shall not hold a cooperative cultivation license.
6 Except as specifically provided to the contrary, all provisions of the Edward O. Hawkins and Thomas C.
7 Slater Medical Marijuana Act, §§ 21-28.6-1 – 21-28.6-15, apply to a licensed cultivator unless they conflict
8 with a provision contained in § 21-28.6-16.

9 (b) Licensing of cultivators – Department of business regulation authority. The department of
10 business regulation shall promulgate regulations governing the manner in which it shall consider
11 applications for the licensing of cultivators, including regulations governing:

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

13 (2) Minimum oversight requirements for licensed cultivators;

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

15 (4) Minimum security requirements for cultivators; and

16 (5) Procedures for suspending, revoking, or terminating the license of cultivators that violate the
17 provisions of this section or the regulations promulgated pursuant to this subsection.

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

21 (d) The department of business regulation shall promulgate regulations that govern how many
22 marijuana plants, how many marijuana seedlings, how much wet marijuana, and how much usable
23 marijuana a licensed cultivator may possess. Every marijuana plant possessed by a licensed cultivator must
24 be accompanied by valid medical marijuana tag issued by the department of business regulation pursuant
25 to § 21-28.6-15. Each cultivator must purchase at least one medical marijuana tag in order to remain a
26 licensed cultivator.

1 (e) Cultivators shall only sell marijuana to compassion centers. All marijuana possessed by a
2 cultivator in excess of the possession limit established pursuant to subsection (d) shall be under formal
3 agreement to be purchased by a compassion center. If such excess marijuana is not under formal agreement
4 to be purchased, the cultivator will have a period of time, specified in regulations promulgated by the
5 department of business regulation, to sell or destroy that excess marijuana. The department may suspend
6 and/or revoke the cultivator's license and the license of any officer, director, employee, or agent of such
7 cultivator and/or impose an administrative penalty in accordance with such regulations promulgated by the
8 department for any violation of this section or the regulations. In addition, any violation of this section or
9 the regulations promulgated pursuant to this subsection and subsection (d) shall cause a licensed cultivator
10 to lose the protections described in subsection (m) and may subject the licensed cultivator to arrest and
11 prosecution under Chapter 28 of title 21 (the Rhode Island Controlled Substances Act).

12 (f) Cultivators shall be subject to any regulations promulgated by the department of health or
13 department of business regulation that specify how marijuana must be tested for items, including, but not
14 limited to, potency, cannabinoid profile, and contaminants;

15 (g) Cultivators shall be subject to any product labeling requirements promulgated by the department
16 of business regulation and the department of health;

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

20 (i) Cultivators shall only be licensed to grow, cultivate or manufacture marijuana at a single
21 location, registered with the department of business regulation and the department of public safety unless
22 the cultivators license is held by a compassion center which was approved by the department of health or
23 renewed by the department of business regulation prior to January 1, 2018 in accordance with regulations
24 promulgated by the department of business regulation. The department of business regulation may
25 promulgate regulations governing where cultivators are allowed to grow. Cultivators must abide by all local
26 ordinances, including zoning ordinances.

1 (j) Inspection. Cultivators shall be subject to reasonable inspection by the department of business
2 regulation or the department of health for the purposes of enforcing regulations promulgated pursuant to
3 this chapter and all applicable Rhode Island general laws.

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

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

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

21 (3) The cultivator applicant shall be responsible for any expense associated with the national
22 criminal records check.

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

24 (1) A licensed cultivator shall notify and request approval from the department of business
25 regulation of any change in his or her name or address within ten (10) days of such change. A cultivator

1 who fails to notify the department of business regulation of any of these changes is responsible for a civil
2 infraction, punishable by a fine of no more than one hundred fifty dollars (\$150).

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

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

9 (4) A licensed cultivator shall notify the department of business regulation of any disqualifying
10 criminal convictions as defined in subdivision (k)(2). The department of business regulation may choose to
11 suspend and/or revoke his or her license after such notification.

12 (5) If a licensed cultivator violates any provision of this chapter or regulations promulgated
13 hereunder as determined by the department of business regulation, his or her license may be suspended
14 and/or revoked.

15 (m) Immunity:

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

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

25 (3) No principal officers, board members, agents, volunteers, or employees of a licensed cultivator
26 shall be subject to arrest, prosecution, search, seizure, or penalty in any manner, or denied any right or

1 privilege, including, but not limited to, civil penalty or disciplinary action by a business, occupational, or
2 professional licensing board or entity, solely for working for or with a licensed cultivator to engage in acts
3 permitted by this section.

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

9 **21-28.6-17. Revenue.** -- Effective July 1, 2016, all fees collected by the departments of health and
10 business regulation from applicants, registered patients, primary caregivers, authorized purchasers,
11 compassion centers, licensed cultivators and cooperative cultivations shall be placed in restricted receipt
12 accounts to support the state's medical marijuana program.

13 SECTION 2. This article shall be effective upon passage.

Revenue Impact of New Compassion Center Legislation

	No. of	Fee	Revenue Impact
Existing Compassion Ctr License Fees (rr)	3	\$ 20,000	\$ 60,000
Existing Compassion Ctr Satellite Fees (rr)	3	\$ 25,000	\$ 75,000
New Retail Applications (rr)	3	\$ 5,000	\$ 15,000
New Compassion Center License Fees (rr)	3	\$ 25,000	\$ 75,000
Cultivator Licenses from Existing Ctrs (rr)	3	\$ 80,000	\$ 240,000
1 Quarter New Center Surcharge Collections (gr)	3	\$ 57,000	\$ 171,000
Sales Tax Collections from New Center Sales (gr)	4,275,000	7.0%	\$ 299,250
Double Caregiver License Fee (regulations) (rr) 1/2 year impact	2,760	\$ 100	\$ 138,000
Reciprocity - surcharge & sales tax (gr)			\$ 808,972
Less: Indirect cost recovery			\$ (60,300)
Less: Additional DBR Expenditures - 1.0 New FTE			\$ (275,849)
Net New General Revenue			\$ 1,546,074

Restricted receipts \$ 603,000
 10% Indirect Cost Recovery \$ 60,300

