

FACT SHEET
Cannabis Legalization & Regulation Legislation
March 1, 2022

Legal Cannabis

- As of October 1, 2022 legalizes the sale of 1 ounce or less of cannabis for Rhode Islanders age 21 and up; 10 oz. for personal use in primary residence. Possession legalized upon passage.
- Allows home grow: Maximum of 3 mature and 3 immature cannabis plants per residential dwelling unit.
- By written request, expungement for marijuana-related misdemeanor and felony possession only convictions for amounts that have been decriminalized.

Regulatory Structure

Cannabis Control Commission

- Regulation, licensing and enforcement in an independent, 3-member Cannabis Control Commission.
- Commission includes chair (Governor's appointee) and 1 appointee each from lists submitted to Governor by Speaker and Senate President for consideration.
- Commission responsible for establishing rules and regulations, awarding licenses, and implementation of law.
- Control of medical cannabis transferred from DBR to Commission within 6 months of final rules and regulations being issued.

Cannabis Advisory Board

- Commission assisted by Cannabis Advisory Board comprised of voting membership (11), which includes 5 Governor appointees and 3 each from Speaker and Senate President.
- 1 of Governor's appointees to Advisory Board is Chair and Equity Officer; cannabis testing, cultivation, and retail industries will be represented by 1 member each; other appointed members will be discretionary appointed by Speaker (3), Senate President (3) and Governor (1), provided they have been impacted by past drug policies or represent the fields of drug policy, criminal justice, substance abuse treatment, public health, or homelessness.
- Board's non-voting membership (8) includes representatives of Commerce, DLT, RIDOH, RIDE, Public Safety, DBR, EOHHS, and URI Pharmacy.
- The Board will advise and make recommendations to the Commission, including relative to the administration of the Social Equity Assistance Fund.

Cannabis Office

- Cannabis Office at DBR will serve as the administrative arm of the Commission.

Taxes & Medical Transition

- Tax structure will include the state sales tax (7%), a state cannabis excise tax of 10%, and a local cannabis excise tax of 3%. The local tax would be remitted to the municipality (where the point of sale occurred). Medical cannabis tax structure remains in place.
- Compassion centers allowed to sell recreational marijuana, provided they obtain hybrid retail license as of October 1, 2022.

Social Equity

- A primary goal of this legislation is to reduce barriers to participation in the cannabis industry for people adversely impacted by cannabis prohibition.
- The Social Equity Assistance Fund, funded through licensing fees and penalties, will be used to provide assistance to applicants from communities disproportionately impacted by prohibition of cannabis.
- The Cannabis Control Commission will administer the Social Equity Assistance Fund in consultation with Cannabis Advisory Board.
- Each of RI's 6 zones will reserve a license opportunity for at least 1 co-op license and 1 social equity license.
- Co-op and social equity licenses must be maintained for those purposes (cannot be transferred to non-cooperative or non-social equity applicants).

License Types & Fees

- Different types of licenses depending on role in supply chain: Cultivator, Cannabis Product Manufacturer (Wholesaler), Testing, Employee/Handler, Retail, Hybrid Retail (medical and recreational)
- Hybrid retail license fees (of \$125,000) will provide seed funding for Social Equity Assistance Fund.
- Entities will be limited to possessing one license. However, investors can invest in more than one cannabis business.
- 2-year moratorium on cultivators' licenses begins upon issuance of final rules and regulations; Commission to issue impact report prior to expiration or moratorium.

Retail Licenses

- 33 total (24 new; 9 potential hybrid retails).
- New licenses distributed based on "1:1:2" formula (1 co-op, 1 social equity, 2 other) in each of RI's 6 zones.
- First licenses will issue after final rules and regulations.
- Initial license fee (\$30,000) to finance Social Equity Assistance Fund.

Local Control

- City and town councils may by resolution place question on November 22 ballot to opt out of issuing of licenses in city/town.
- If a city or town opts out, it will be ineligible for local cannabis tax revenue.
- To be eligible for revenue, municipalities cannot allow selective uses (ex: cannot ban retail but allow cultivation).