

RHODE ISLAND GOVERNMENT REGISTER
PUBLIC NOTICE OF PROPOSED RULEMAKING

**DEPARTMENT OF BUSINESS REGULATION (INCLUDES THE OFFICE OF THE
HEALTH INSURANCE COMMISSIONER)**

Title of Rule: Minimum Requirements for Departmental Approval of
Volatile Solvent-Based Hydrocarbon Extraction Operations

Rule Identifier: 230-RICR-80-05-4

Rulemaking Action: Proposed Adoption

Important Dates:

Date of Public Notice: March 7, 2022

Hearing Date: March 28, 2022

End of Public Comment: April 7, 2022

Rulemaking Authority:

R.I. Gen. Laws § 21-28.6-1

et seq.

Summary of Rulemaking Action:

This proposed adoption is intended to accommodate innovation in the cannabis industry as it relates to more efficient extraction methods using volatile solvent-based hydrocarbon extraction. The regulation sets forth the minimum standards for Volatile Solvent-Based Hydrocarbon Extraction of Marijuana and a two-phase application process for obtaining the Department's required approval to begin this type of extraction operations. Pursuant to R.I. Gen. Laws Chapter 21-28.6, only Compassion Center licensees are currently eligible to apply for approval under this regulation. Cultivators are currently excluded from this extraction method pursuant to R.I. Gen. Laws § 21-28.6-16(h).

The following is a summary of the substantive provisions of the proposed regulation:

§ 4.4 – Sets forth the general requirements for Volatile Solvent-Based Hydrocarbon Extraction. Establishes general minimum standards for eligible licensees regarding which extraction systems may be used, by whom, and in which manner. Identifies related active RIDOH regulation addressing testing standards for medical marijuana products manufactured using solvent-based hydrocarbon extraction processes.

§ 4.5 – Identifies and explains: two-phase application procedure (Pre-Approval Phase & Final Approval Phase); application requirements to obtain pre-approval and outline application procedure; applicants required to disclose material changes to pre-approved applications; and requirements to obtain DBR final approval.

§ 4.6 – Identifies minimum standards for Standard Operating Procedures required in Pre-Approval Phase.

§ 4.7 – Articulates applicants' obligation to remain compliant with other applicable legal requirements.

A hearing on this regulation will be held virtually via Zoom on Monday, March 28, 2022, at 1pm. You can access the hearing here:
<https://us02web.zoom.us/j/83972864234?pwd=L05zRU5lUy8vdElibW5RaWpLejhMQT09>

Telephone: US: 877 853 5247 (Toll Free) or 888 788 0099 (Toll Free) or 833 548 0276 (Toll Free) or 833 548 0282 (Toll Free)

Webinar ID: 839 7286 4234 Passcode: 781627

Additional Information and Public Comments:

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed adoption until April 7, 2022 by contacting the appropriate party at the address listed below:

Diane Paravisini

Department of Business Regulation (includes the Office of the Health Insurance Commissioner)

1511 Pontiac Avenue, Bldg. 68-69

Cranston, RI 02920

diane.paravisini@dbr.ri.gov

Public Hearing:

A public hearing, in accordance with R.I. Gen. Laws § 42-35-2.5, to consider the proposed adoption shall be held at which time and place all persons interested therein will be heard. This hearing is subject to R.I. Gen. Laws Chapter 42-46, Open Meetings.

Public Hearing Information:

Date: March 28, 2022

Time: 1:00 P.M.

Location: Zoom Webinar ID: 839 7286 4234

Passcode: 781627

877 853 5247 (Toll Free)

Cranston, RI, 02920

The seating capacity of the room will be enforced and, therefore, the number of persons participating in the hearing may be limited at any given time by the hearing officer in order to comply with safety and fire codes.

The place of the public hearing is accessible to individuals with disabilities. If communication assistance (readers/interpreters/captioners) is needed, or any other accommodation to ensure equal participation, please call 401-462-9551 or RI Relay 711 at least three (3) business days prior to the meeting so arrangements can be made to provide such assistance at no cost to the person requesting. For questions regarding available parking, please contact the agency staffperson listed above.

Regulatory Analysis Summary and Supporting Documentation:

Benefits: Adoption of this proposed regulation will allow eligible licensees the ability to expand the medical marijuana product offerings they're able to produce for patients while complying with reasonable yet robust minimum application and operational standards. Further, because solvent-based hydrocarbon extraction is permitted in most other states with cannabis programs (medical and/or adult use) this regulation serves to modernize the medical marijuana regulations. Lastly, because solvent-based hydrocarbon extraction has the potential to increase extraction efficiency from other extraction methods (e.g., CO2) the production costs for certain medical marijuana products should, in theory, decrease which may result in lower costs for patients.

Costs: The regulation does not impose any mandatory costs on the licensees eligible to apply to conduct this type of extraction. Rather the regulation provides eligible licensees with an option to expand into hydrocarbon extraction. While there would be upfront costs to set up the system, all those costs would be entered into voluntarily by the licensees and not because of any regulatory mandate.

Any small business impact resulting from the adoption of this regulation is positive. In the development of the proposed amendment consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

For full regulatory analysis or supporting documentation contact the agency staffperson listed above.