

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
1511 Pontiac Avenue, Building 68-1
Cranston, Rhode Island 02920

**STATEMENT OF FINDINGS FOR EMERGENCY ADOPTION OF DEPARTMENT OF
BUSINESS REGULATION MEDICAL MARIJUANA PROGRAM EMERGENCY
REGULATION 1 - LICENSED CULTIVATORS**

Pursuant to R.I. Gen. Laws § 42-35-2.10, an agency may, if it finds that immediate promulgation of an emergency rule is necessary because of imminent peril to the public health, safety, or welfare and if it publishes reasons for such finding in a record with the secretary of state and on its agency website, adopt an emergency rule without prior notice or hearing, or upon any abbreviated notice and hearing that it finds practicable. The rule so adopted may be effective for a period not exceeding one hundred twenty (120) days renewable once for a period not exceeding sixty (60) days. *Id.* Furthermore, R.I. Gen. Laws § 42-35-4(e)(2) provides that an emergency rule under § 42-35-2.10 becomes effective upon signature by the agency head and the Governor, or the Governor's designee.

This Regulation is to become effective immediately upon signature by the Director (the "Director") of the Department of Business Regulation (the "Department") and the Governor, or the Governor's designee.

The Department has determined that conditions exist that necessitate the adoption of this Regulation on an emergency basis to be effective upon signature by the Director and the Governor, or the Governor's designee. The Department finds that there is imminent peril to the public health, safety or welfare in that amendments to the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, R.I. Gen. Laws § 21-28.6-1 *et seq.*, pursuant to Rhode Island Public Laws 2016, ch. 142, Article 14 (as so amended, the "Act"), that are due to take effect on December 31, 2016, will result in the elimination of an element of the supply of medical marijuana to compassion centers for dispensing to qualified patients and caregivers. Therefore, this Emergency Regulation is required, *inter alia*, in order to: (i) protect public health and welfare from a shortfall of medical marijuana, (ii) prevent business interruption to compassion centers, and (iii) ensure that regulatory amendments that are enacted are consistent with the Act.

In accordance with the provisions of R.I. Gen. Laws § 42-35-2.10, the Director of the Department hereby approves emergency promulgation, filing and publication of the attached Department of Business Regulation Medical Marijuana Program Emergency Regulation 1 – Licensed Cultivators. Pursuant to R.I. Gen. Laws § 42-35-4(e)(2), this Emergency Regulation shall take effect upon the signature of the Director and the Governor, or the Governor's designee. In accordance with § 42-35-2.10, this Emergency Regulation shall remain in effect for a period equal to one hundred twenty (120) days from such effective date and any renewal thereof for a period not exceeding sixty (60) days, or, if sooner, until repeal of this Emergency Regulation pursuant to regulations subsequently promulgated by the Department.

While this Emergency Regulation is in effect, Medical Marijuana Program Regulations will be adopted by the Department pursuant to the Act. The Department reserves its right to consider all comments submitted in the rule-making process in any further Regulations. Any future Regulations will be proposed consistent with the requirements of R.I. Gen. Laws § 42-35-1 *et seq.* This Medical Marijuana Program Emergency Regulation 1 is available for inspection at the Rhode Island Department of Business Regulation, 1511 Pontiac Avenue, Building 68-1, Cranston, RI 02920 or on the Department's website: <http://www.dbr.state.ri.us/rules/> and will also be available on the Rhode Island Secretary of State's website: <http://sos.ri.gov/rules/>.

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DEPARTMENT OF BUSINESS REGULATION MEDICAL MARIJUANA PROGRAM
EMERGENCY REGULATION 1 - LICENSED CULTIVATORS

Section 1 *General Provisions*

- A. **Scope and Purpose of Emergency Regulations.** The scope and purpose of these emergency regulations is to set forth temporary regulatory parameters for licensed cultivators and to initiate the application process for cultivator licenses to enable the state and the industry to be prepared to address patient need as the medical marijuana market shifts with the December 31, 2016 prohibition on patient and caregiver sale of excess marijuana to the compassion centers. No later than one hundred and eighty (180) days from the effective date of these emergency regulations, medical marijuana program regulations will be introduced subject to the full public comment process, which, upon adoption, will supersede these emergency regulations.
- B. **Definitions and References.**
1. "Act" shall refer to Chapter 21-28.6 of the Rhode Island General Laws entitled "The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act," as amended, including amendment by the 2016 Public Laws, Chapter 142 (Budget Article 14).
 2. "DBR" shall refer to the Rhode Island Department of Business Regulation or its successor agency. R.I. Gen. Laws § 21-28.6-3(6).
 3. "DOH" shall refer to the Rhode Island Department of Health or its successor agency. R.I. Gen. Laws § 21-28.6-3(7).
 4. "RISP" shall refer to the Rhode Island Department of Public Safety, Division of State Police, or its successor agency. R.I. Gen. Laws § 21-28.6-3(8).
 5. "DOH Regulations" shall refer to the Rules and Regulations Related to the Medical Marijuana Program administered by DOH, as the same may be amended from time to time.
 6. "DOH Testing Regulations" shall refer to the testing requirements, standards, and procedures for conduct of testing through "approved third party testing providers" to be promulgated by DOH, as the same may be amended from time to time after adoption. The DOH Testing Regulations will apply to licensed cultivators, registered compassion centers, and approved third party testing providers performing independent testing on the medical marijuana and marijuana products of the compassion centers and licensed cultivators for tetrahydrocannabinol (THC) and cannabidiol (CBD) concentrations and traces of contaminants such as pesticides and for any other results mandated by DOH, and will obligate compassion centers and, if applicable, licensed cultivators to ensure testing compliance and "testing compliance tracking." Specific authority for said regulations is found at R.I. Gen. Laws § 21-28.6-12(f)(10) and § 21-28.6-16(f). The DOH Testing Regulations may require compassion centers and/or licensed cultivators to pay the costs associated with testing their product.
 7. "Marijuana and marijuana products" shall refer to marijuana, as defined in the Rhode Island Uniform Controlled Substances Act, R.I. Gen. Laws § 21-28-1.02(26), and is deemed to specifically include the following subcategories:

- a. "Mature marijuana plant," which shall refer to a marijuana plant that has flowers or buds that are readily observable by an unaided visual examination. R.I. Gen. Laws § 21-28.6-3(14).
 - b. "Seedling," which shall refer to a marijuana plant with no observable flowers or buds. R.I. Gen. Laws § 21-28.6-3(20).
 - c. "Plant," which shall refer collectively to both and/or independently to either "mature marijuana plants" and "seedlings," as the context requires.
 - d. "Unusable marijuana," which shall refer to marijuana seeds, stalks, seedlings, and unusable roots. R.I. Gen. Laws § 21-28.6-3(21).
 - e. "Usable marijuana," which shall refer to the dried leaves and flowers of the marijuana plant, and any mixture or preparation thereof, but does not include the seeds, stalks, and roots of the plant. R.I. Gen. Laws § 21-28.6-3(22).
 - f. "Dried usable marijuana," which shall refer to the leaves and flowers of the marijuana plant in the state after the wet harvested leaves and flowers of the marijuana plant have undergone the drying process. See R.I. Gen. Laws § 21-28.6-3(9).
 - g. "Wet marijuana," which shall refer to the harvested leaves and flowers of the marijuana plant before they have reached a dry usable state. R.I. Gen. Laws § 21-28.6-3(23).
 - h. "Marijuana infused products" as may be further defined by DOH Regulations.
8. "Medical Marijuana Program Tracking System" shall refer to any system(s) designated by DBR and DOH designed and used to record and track all "seed to sale" activities and transactions with unique identifiers. The Medical Marijuana Program Tracking System may also be used for registration, licensing, and tagging applications, renewals, change of information, and communications, as well as to record and/or report any other additional information directed by DBR or DOH.
 9. "Seed to sale" shall refer to all medical marijuana program regulated activities and transactions from point of origin to the point of sale. Seed to sale activities and transactions include but are not limited to: all cultivation, harvest, processing, manufacturing, and packaging and labeling; all purchases, acquisitions or third party supply of marijuana; all sales and dispensing transactions, any other transfers of marijuana as permitted by the Act and any and all applicable regulations promulgated thereto; any instances of destruction of marijuana; and testing compliance tracking.
 10. All other terms used herein shall have the same meanings as set forth in the Act, including particularly the definitions under R.I. Gen. Laws § 21-28.6-3, and as may be further defined within any and all applicable regulations promulgated thereto.

C. **Limitations on Scope of the Rhode Island Medical Marijuana Program.**

1. The scope of these regulations is limited to authorized activities under the Rhode Island Medical Marijuana Program and does not extend to any acquisition, possession, cultivation, manufacture, delivery, transfer, transportation, or sale for non-medical purposes. See R.I. Gen. Laws § 21-28.6-3(15)(defining "medical use") and R.I. Gen. Laws § 21-28.6-2(5)(legislative findings making distinction between medical and non-medical use).
2. The protections and immunities for participation in the Rhode Island Medical Marijuana Program set forth in R.I. Gen. Laws §§ 21-28.6-4 (patient and caregivers), 21-28.6-

12(h)(compassion centers), and 21-28.6-16(m)(cultivators) do not apply to any activities beyond the borders of the state of Rhode Island.

- D. **DBR General Rulemaking Authority.** R.I. Gen. Laws § 42-14-17 provides that DBR may promulgate such rules and regulations as are necessary and proper to carry out the duties assigned to it by any provision of law.
- E. **Procedural Rules.** Enforcement hearings shall be handled in accordance with Department of Business Regulation Central Management Regulation 2 entitled Rules of Procedure for Administrative Hearings and the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 *et seq.*
- F. **Acceptance of Electronic Records and Signatures.** In accordance with the Uniform Electronic Transactions Act (UETA), R.I. Gen. Laws § 42-127.1-1 *et seq.*, DBR may determine whether, and the extent to which, it will accept electronic records, documents, notifications, and signatures from other persons or entities where the Act or DBR administered regulations refer to written records, documents, notifications, and signatures.

Section 2 ***Licensed Cultivator Application and Licensing Provisions***

- A. **Authority.** R.I. Gen. Laws § 21-28.6-16(b)(1) authorizes DBR to promulgate regulations regarding the form and content of licensing and renewal applications for licensed cultivators.

B. **Licensed Cultivator Application and License Timeline.**

1. Licensed cultivator applications may be submitted to DBR for consideration upon the effective date of these regulations and through April 30, 2017. The application period will be re-opened each subsequent year during the months of January, February, and March, provided that DBR may modify the re-opening period based on patient and program need. With respect to application periods commencing after April 30, 2017, DBR reserves the right to issue regulations limiting the number and/or classes of new licenses available for application based on the projected needs of the Rhode Island Medical Marijuana Program population. See R.I. Gen. Laws § 21-28.6-16 (location and possession restrictions, regulation of licensing and oversight requirements).
2. Upon notification of approval of an application from DBR, the approved applicant must take reasonable and documented efforts to complete the prerequisites for issuance of the license which steps are detailed in Section 2(E). If such efforts take longer than nine (9) months, the approved applicant must show good cause to DBR why additional time should be granted and the application approval should not be rescinded.
3. Once the license has been issued, the licensed cultivator must take reasonable and documented efforts to launch licensed cultivator activities, which for purposes of this paragraph shall mean actual medical marijuana cultivation, processing, packaging, manufacturing, and/or other medical marijuana activities requiring a cultivator license pursuant to the Act. If such efforts take longer than six (6) months, the licensed cultivator must show good cause to DBR why the license should not be revoked for non-use.

C. **Classes of Cultivator Licenses.**

1. Cultivator licenses shall be divided into the following categories:

License Class	Size of Facility*
Class A	0 – 5000 sq. ft.
Class B	5,001 – 10,000 sq. ft.
Class C	10,001 – 15,000 sq. ft.

Class D	15,001 – 20,000 sq. ft.
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* For facilities over 20,000 sq. ft., please contact DBR prior to submitting the application.

2. For the period of one (1) year from the effective date of these regulations, only Class A and B applications will be accepted. An applicant who is considering eventually applying to operate a larger facility may detail any such plan on the application.
3. Facility size shall be determined as a total of any area where marijuana will be cultivated, stored, processed, packaged, and/or manufactured.
4. An authorized officer of the applicant shall certify the square footage calculation.

D. Application for Cultivator License.

1. DBR will evaluate applicants based upon the information provided by applicants in their application forms/submissions and otherwise obtained during the application process.
2. Each application for a licensed cultivator shall be on such forms and through such submission mechanisms as designated by DBR.
3. All applications shall be accompanied by a non-refundable application fee of five-thousand dollars (\$5000).
4. Pursuant to R.I. Gen. Laws § 21-28.6-16(i), cultivators shall only be licensed at a single location registered with DBR and RISP, must abide by all local ordinances, including zoning ordinances, and may be subject to any additional grow location restrictions promulgated by DBR. In accordance with R.I. Gen. Laws § 21-28.6-16(i):
 - a. Only one cultivator license will be issued per structural building.
 - b. The application must contain the following minimum information:
 - (1) The proposed physical location of the licensed cultivator (by plat and lot number, mailing address, etc.), if a precise location has been determined. If a precise physical location has not been determined, a description of the general location(s) where it may be sited, if approved, and the expected schedule for purchasing or leasing said location(s).
 - (2) Approximate calculation of the square footage of the proposed facility.
 - (3) Evidence of the location's compliance or preliminary determination of compatibility with the local zoning laws.
 - (4) Evidence that the physical location is not located within one thousand feet (1,000') of the property line of a preexisting public or private school.
 - (5) A draft diagram of the proposed facility, including where within the facility the medical marijuana will be cultivated, stored, processed, packaged, and/or manufactured, and where security alarms and cameras and surveillance recording storage will be located, and showing the location of the facility relative to streets and other public areas.
 - (6) A description of objective parameters (such as distances from streets and public areas) and/or proposed measures (such as black-out window shades) that ensure that marijuana at the premises shall not be visible from the street or other public areas.

- (7) Evidence of either ownership of property or agreement by owner of property to allow the operation of a licensed cultivator on the property, if property has already been purchased or leased at the time of the application.
5. The application shall also provide the following minimum information:
- The applicant's legal and any d/b/a name(s), certificate of incorporation or organization in Rhode Island or certificate of authority to transact business in Rhode Island, articles of incorporation or organization, and bylaws or operating agreement.
 - A business plan, including scope of activities, budget and resource narratives, and timeline for initiating operations.
 - The legal name, current address, and date of birth of each officer and director or member/manager of the applicant.
 - A list of all persons or business entities (legal names and current addresses) that currently have or are expected to have direct or indirect authority over the management or policies of applicant. If the applicant proposes to have a management agreement in place, it shall also include a copy of the management agreement or management agreement proposal.
 - A list of all persons or business entities (legal names and current addresses) having any ownership interest in the applicant entity, whether direct or indirect.
 - If the cultivator premises and/or other operational assets will be owned or leased by a person or entity other than the applicant, the legal name and current address of any such person or entity and a list of all persons or entities (legal names and current addresses) having any ownership interest in such entity, whether direct or indirect.
 - The legal names and current addresses of all creditors holding a security interest in the premises and/or other assets to be used in the cultivator operations, if any.
 - Tax Affidavit in accordance with R.I. Gen. Laws § 5-76-1 *et seq.*
 - All other information required by DBR as described in the application form, including for example experience and regulatory history of the applicant and its key personnel.
6. Only applications which DBR has determined to be complete (i.e., adequately address all application requirements above) shall be eligible for review. An applicant who submits an incomplete application shall receive written notification from DBR regarding the specific deficiencies and shall be allowed to resubmit additional material to address these deficiencies within a reasonable timeframe without additional application fees.

E. Prerequisites to Issuance of Cultivator License and Commencement of Operations.

- If an applicant seeking to operate as a licensed cultivator is notified that its application has been approved by DBR, it shall complete the below steps before a cultivator license will be issued.
- Annual Cultivator License Fees.** The annual license fee shall be determined by the below table and must be paid in full before a license will be issued.

License Class	Annual License Fee
Class A	\$20,000.00
Class B	\$35,000.00
Class C	\$50,000.00
Class D	\$80,000.00

3. Final Information and Documentation to be Supplied. The applicant must provide any updates to previously submitted application information and the following additional items to DBR:
 - a. A sufficient description of the final physical location of the cultivator premises (by plat and lot number, mailing address, etc.).
 - b. Evidence of complete compliance of the facility with the local zoning laws in the form of a letter from an authorized zoning official of the municipality and certification by an authorized officer of the applicant as to compliance with any other applicable local ordinances.
 - c. Unless already provided at time of initial application, evidence that the physical location for the cultivator premises is not located within one thousand feet (1,000') of the property line of a preexisting public or private school.
 - d. A current Certificate of Occupancy (or equivalent document) to demonstrate compliance of the cultivator facility with the relevant provisions of Chapters 28.1 and 27.3 of Title 23 of the R.I. General Laws [Fire Safety Code and State Building Code, respectively].
 - e. Evidence of either ownership of property or agreement by owner of property to allow the operation of a licensed cultivator on the property.
 - f. A final diagram of the facility, including where marijuana will be cultivated, stored, processed, packaged, and manufactured, and where security alarms and cameras and surveillance recording storage will be located.
 - g. The legal name, current address, and date of birth of any person who will be an employee or agent of the cultivator at its inception.
4. DBR Pre-License Inspection. Before a cultivator license will be issued, a DBR inspection is required. Approved applicants should contact DBR to coordinate said inspection. Nothing in this paragraph should be construed as limiting inspections at an earlier time in addition to the final pre-license inspection.
5. Divestiture of Prohibited Material Financial Interest and Control.
 - a. A licensed cultivator may not have any material financial interest or control in another licensed cultivator or in a compassion center and vice versa. See R.I. Gen. Laws § 21-28.6-12(c)(1)(iii)(limiting a compassion center to one additional location to cultivate its marijuana); R.I. Gen. Laws § 21-28.6-12(b)(1)(ii)(DBR minimum oversight over compassion centers); R.I. Gen. Laws § 21-28.6-16(i)(cultivator to be licensed at one location only); R.I. Gen. Laws § 21-28.6-16(b)(2)(DBR minimum oversight over cultivators); R.I. Gen. Laws § 21-28.6-3(4)(i) and R.I. Gen. Laws § 21-28.6-3(12)(separately defining “compassion center” and “licensed cultivator,” respectively).
 - b. R.I. Gen. Laws § 21-28.6-16(f) authorizes regulations regarding testing of medical marijuana and marijuana product cultivated and/or manufactured by licensed cultivators, which will include ensuring the independence of third party testing providers. Accordingly, a licensed cultivator may not have any material financial interest or control in a Rhode Island DOH-approved third party testing provider and vice versa.
 - c. “Material financial interest or control” shall mean: i) any ownership interest, regardless of the size of the holding, and including any ownership interest through a subsidiary or affiliate; ii)

trusteeship, mortgage, guarantor, endorser or surety relationship, or loan relationship, except that loan relationship for the purposes of this definition shall exclude accounts payable and accounts receivable on account of a medical marijuana purchase order; iii) any other beneficial financial interest such that the holder bears the risk of loss (other than as an insurer) or has an opportunity to gain profit from the operation or sale of the regulated medical marijuana business; iv) operational control, such as through interlocking directors or officers or a management agreement.

- d. Therefore, if a licensed cultivator application is approved and any prohibited material financial interest or control has been identified by DBR or is otherwise known to the licensed cultivator applicant, such interest or control must be divested prior to issuance of the cultivator license. The plan of divestiture shall be filed with DBR.
 - e. If applicable, before issuance of the cultivator license, the cultivator applicant entity and its officers, directors or managers/members, and any other person with an ownership or controlling interest must relinquish any caregiver registrations or cooperative cultivation licenses held in order to comply with R.I. Gen. Laws § 21-28.6-16(a).
6. Registry Identification Card Requirements. Before issuance of the cultivator license, all officers, directors or managers/members, employees, and agents must apply for a registry identification card and submit to a national criminal background check as provided in Section 3. Such individuals may be hired, appointed, or retained prior to receiving a registry identification card, but may not begin engagement in medical marijuana cultivation, storage, processing, packaging, manufacturing, transport, or other medical marijuana activities requiring a licensed cultivator license pursuant to the Act until receipt of the card.

F. **Changes in Location, Floor Plan, Ownership and Control of Licensed Cultivator; Continuing Duty to Update Application Information; Discontinuation of or Failure to Launch Licensed Cultivator Activities.**

1. A cultivator license shall not be assigned or otherwise transferred to other persons or locations, unless pre-approved in accordance with the below paragraphs.
2. A licensed cultivator shall provide DBR with a written notice of any change described below at least sixty (60) calendar days prior to the proposed effective date of the change:
 - a. A change in ownership of the licensed cultivator.
 - b. Change in the membership of a board of directors, board of trustees, or managers/members.
 - c. Change in corporate officer.
 - d. Merger, dissolution, or entity conversion.
 - e. Entering into a management agreement, changing management companies, and/or material changes to an existing management agreement.
 - f. Changes in the approved licensed cultivator premises for cultivation and/or sale of medical marijuana.
3. Unless the licensed cultivator provides timely notification of the above changes and receives prior DBR approval or waiver of the requirement of prior notice and approval (for example a non-material change in ownership or emergency situation as determined by DBR), the license shall be void and returned to DBR.

4. As to any proposed change of ownership or to a management agreement that will effect a change of majority control and/or decision-making authority with respect to the operation of the licensed cultivator or as to any proposed change in an approved licensed cultivator premises location, DBR may require the licensed cultivator to follow the process for a new application, which may include a new application fee. Additionally, any increase in the size of the facility that causes the facility to be reclassified based on the license fee structure set forth in Section 2(E)(2) shall require payment of the difference between the paid fee and the fee applicable to the new classification of the facility. DBR, in its sole discretion, may prorate the fee increase or may offer a rebate for a size decrease.
 5. For updates in information other than the categories requiring sixty (60) calendar days prior notice, the licensed cultivator has a continuing obligation to update, amend and/or correct any information requested and/or submitted in the application process within ten (10) business days after any change in the information submitted and/or any material change in circumstances related to the application. This includes timely notification and divestiture if by operation of law a prohibited interest as defined in Section 2(E)(5) is acquired.
 6. If the licensed cultivator proposes to alter the final floor plan previously submitted and approved, the licensed cultivator must first submit a renovation plan for DBR approval sixty (60) calendar days prior to commencement of construction. The renovation plan must specifically address quality control procedures for the protection of medical marijuana and medical marijuana products from any contamination during the construction process.
 7. The cultivator license shall be void and returned to DBR if the licensed cultivator discontinues its operation, unless the discontinuance is on a temporary basis approved by DBR.
- G. **Annual Renewal.** Cultivator licenses shall be issued for one year terms. Annual renewals shall be submitted on such forms and include such information as prescribed by DBR.

Section 3 ***Licensed Cultivator Cardholder Registry Identification Card Provisions***

A. **Cultivator Cardholder Definitions.**

1. "Licensed cultivator cardholder" includes all officers, directors or managers/members, employees, and agents who have been issued a registry identification for their association with the licensed cultivator.
2. "Agent" of a licensed cultivator shall include, but not be limited to, "testing agents."
3. "Testing agent" shall mean an employee of an approved third party testing provider who performs independent testing of medical marijuana and/or marijuana products of the licensed cultivator in accordance with the DOH Testing Regulations, once adopted.

B. **Registry Identification Card Requirement, Eligibility, Annual Fee and Application.**

1. All officers, directors or managers/members, employees, and agents of the licensed cultivator must apply for cultivator registry identification cards.
2. Each licensed cultivator shall maintain a current list of all licensed cultivator cardholders associated with the licensed cultivator.
3. Licensed cultivator cardholders shall be at least twenty-one (21) years old.

4. There shall be a one hundred dollars (\$100.00) non-returnable, non-refundable annual fee for a licensed cultivator registry identification card, including each initial application and subsequent annual renewal.
5. Applications pursuant to this section shall be on such forms and through such submission mechanisms as directed by DBR.

C. Criminal Background Checks.

1. Pursuant to R.I. Gen. Laws § 21-28.6-16(k), the cultivator applicant is subject to a national criminal background check. This shall include all officers, directors or managers/members, employees, and agents of the licensed cultivator (hereinafter also referred to in this section as “applicants”).
2. Pursuant to R.I. Gen. Laws § 21-28.6-16(k)(2), disqualifying information is defined as a felony drug offense conviction or a plea of nolo contendere for a felony drug offense with a sentence of probation.
3. Pursuant to R.I. Gen. Laws § 21-28.6-16(k), the national criminal identification records check shall include fingerprints submitted to the Federal Bureau of Investigation. Application for said records check may be made to the Bureau of Criminal Identification of the Department of Attorney General, RISP, or the local police department.
4. Pursuant to R.I. Gen. Laws § 21-28.6-16(k) and § 21-28.6-16(k)(2), upon the discovery of any disqualifying information, the office that conducted the records check (the Bureau of Criminal Identification of the Department of Attorney General, RISP, or the local police department) shall issue a letter to the applicant disqualifying the applicant and informing the applicant of the nature of the disqualifying information.
5. Pursuant to R.I. Gen. Laws § 21-28.6-16(k) and § 21-28.6-16(k)(2), upon discovery of any disqualifying information, the office that conducted the records check (the Bureau of Criminal Identification of the Department of Attorney General, RISP, or the local police department) shall notify DBR, in writing of the fact that disqualifying information has been discovered thus disqualifying the applicant.
6. Pursuant to R.I. Gen. Laws § 21-28.6-16(k)(1), in those situations in which no felony drug offense conviction or plea of nolo contendere for a felony drug offense with probation has been found, the office that conducted the records check (the Bureau of Criminal Identification of the Department of Attorney General, RISP, or the local police department) shall inform the applicant and DBR, in writing, of this fact.
7. Pursuant to R.I. Gen. Laws § 21-28.6-16(k)(2), the applicant shall be responsible for any expense associated with the national criminal background check with fingerprints.
8. DBR will not require a person subject to a national criminal background check under this subsection to undergo such a check more than once every two (2) years, unless a more frequent time frame is mandated and/or agreed to as part of a license disciplinary action.

D. Issuance of the Cultivator Cardholder Registry Identification Card.

1. Once the licensed cultivator cardholder application is approved by DBR, each approved officer, director or manager/member, employee, or agent of the licensed cultivator is responsible for getting a registry identification card from DOH.
2. The registry identification card shall contain:
 - a. The name, address and date of birth of the person.

- b. The legal name of the licensed cultivator that the individual is affiliated with.
- c. The category of the person's affiliation: officer, director or manager/member, employee, or agent.
- d. The date of issuance and expiration date of the registry identification card.
- e. A random registry identification number.
- f. A photograph.

E. **Expiration and Renewal of Cultivator Cardholder Registry Identification Cards.** Cultivator cardholder registry identification cards shall expire one year after issuance. Renewal applications shall be on such forms and through such submission mechanisms as directed by DBR.

F. **Change in Name or Address; Lost Cards.**

1. In accordance with R.I. Gen. Laws § 21-28.6-16(l)(1), a licensed cultivator cardholder shall notify DBR of any change in his or her name or address within ten (10) business days of such change. A licensed cultivator cardholder who fails to notify DBR of any of these changes may be subject to a fine up to one hundred fifty dollars (\$150).
2. In accordance with R.I. Gen. Laws § 21-28.6-16(l)(2), changes in name and/or address require the licensed cultivator cardholder to remit a ten dollar (\$10.00) fee to DBR. Upon receipt of the notice and fee, DBR will prompt DOH to issue an updated registry identification card. The licensed cultivator cardholder shall be responsible for getting the updated registry identification card from DOH.
3. In accordance with R.I. Gen. Laws § 21-28.6-16(l)(3), if a licensed cultivator cardholder loses his or her registry identification card (which would particularly include a card suspected to be stolen), he or she shall notify DBR and submit a ten dollar (\$10.00) fee within ten (10) business days of losing the registry identification card. Upon receipt of the notice and fee, DBR will prompt DOH to issue a replacement registry identification card. The licensed cultivator cardholder shall be responsible for getting the replacement registry identification card from DOH.

G. **Duty to Notify DBR of Disqualifying Criminal Information.** In accordance with R.I. Gen. Laws § 21-28.6-16(l)(3), a licensed cultivator cardholder shall notify DBR of any disqualifying criminal convictions as defined in § 21-28.6-16(k)(2). Such notification must be made in writing within three (3) business days.

H. **Termination of Cultivator Cardholder Registry Identification Card.**

1. If a licensed cultivator cardholder violates R.I. Gen. Laws § 21-28.6-16 (entitled "Licensed Cultivator") or any DBR or DOH regulations which apply to licensed cultivators and licensed cultivator cardholders, his or her registry identification card may be suspended/revoked or subject to a fine as determined by DBR pursuant to § 21-28.6-16(e).
2. When a licensed cultivator cardholder ceases work with a licensed cultivator, whether voluntarily or involuntarily or upon the licensed cultivator closing, his or her registry identification card shall be null and void. In that situation, the licensed cultivator and/or the licensed cultivator cardholder shall notify DBR and the registry identification card shall be returned to DBR within ten (10) business days. No hearing shall be necessary to render the card null and void in this situation.

Section 4 ***Licensed Cultivator Operational Provisions***

- A. **State Medical Marijuana Program Tracking System.** Upon direction by the DBR, each licensed cultivator shall be required to utilize the state approved Medical Marijuana Program Tracking System to document and monitor compliance with the Act and any and all regulations promulgated thereto, including but not limited to seed to sale tracking, inventory supply tracking, adherence to restrictions on third party supply and sources of marijuana and marijuana products and transfers thereof off the licensed premises, and all testing compliance tracking. Licensed cultivators may be required to pay costs associated with use of the Medical Marijuana Program Tracking System which may be assessed on an annual, monthly, per use, or per volume basis and payable to the state or to its approved vendor.
- B. **Limitation on Sales and Transfers; Contract Requirements.**
1. Pursuant to R.I. Gen. Laws § 21-28.6-16(e), licensed cultivators shall only sell medical marijuana and marijuana products to Rhode Island registered compassion centers. As part of such sales transactions, the licensed cultivator may transfer and transport medical marijuana and medical marijuana products to a registered compassion center. A license cultivator may only receive medical marijuana and marijuana products from a Rhode Island registered compassion center if the receipt is pursuant to a written contract or purchase order for the cultivator to process the medical marijuana into a product to be furnished back to the compassion center.
 2. Pursuant to R.I. Gen. Laws § 21-28.6-16(e), all marijuana and marijuana products possessed by a cultivator in excess of the permitted "uncommitted inventory" as defined and delineated in Section 4(C)(3) must be under "formal agreement" to be purchased by a compassion center.
 3. "Formal agreement" requirements shall be as follows: An executed written contract or purchase order shall be required for all sales from a licensed cultivator to a compassion center and shall contain the following minimum terms: a) date of execution/placement of the contract/purchase order, b) description and amount of product to be sold; c) the total and per unit price of the product to be sold; d) the specific date or date range not spanning more than (30) calendar days for fulfillment of the order and delivery or pickup; e) the payment due date, as specifically agreed between the parties, but if no date is specifically agreed to, payment shall be made within sixty (60) calendar days of delivery or pickup. Contracts/purchase orders pursuant to this paragraph may not be modified but may be cancelled or voided by the creation of a new replacement contract/purchase order.
 4. In furtherance of the intent of R.I. Gen. Laws § 21-28.6-16(e) and pursuant to its minimum oversight rulemaking authority under R.I. Gen. Laws § 21-28.6-16(b)(2), DBR deems the sale and/or transfer of marijuana or marijuana products, with or without consideration, to any other party that is not a Rhode Island registered compassion center, including any transfer between licensed cultivators, to be prohibited.
 5. Any transfer to or from a third party testing provider shall be in accordance with the DOH Testing Regulations, once adopted.
 6. Unless specifically permitted by this section, no other licensed cultivator sales or transfers of marijuana or marijuana products are permitted.
- C. **Inventory Limitations.**
1. **Marijuana Plant Inventory.**
 - a. Prior to the implementation of the Medical Marijuana Tracking System, Class A cultivator licensees may not possess more than two hundred and fifty (250) mature marijuana plants and two hundred and fifty (250) seedlings which must be properly tagged and tracked in accordance with acceptable alternative tagging and tracking under Section 4(D).

- b. Prior to the implementation of the Medical Marijuana Tracking System, Class B cultivator licensees will be limited to five hundred (500) mature marijuana plants and five hundred (500) seedlings which must be properly tagged and tracked in accordance with acceptable alternative tagging and tracking under Section 4(D).
 - c. After implementation of the Medical Marijuana Tracking System, licensed cultivators will not be subject to a numerical possession limit for marijuana plants, provided every plant is properly tagged and tracked in the Medical Marijuana Tracking System.
2. Wet Marijuana Inventory. Licensed cultivators will not be subject to a numerical possession limit for the amount of wet marijuana provided the cultivator complies with the following:
- a. All wet marijuana is tagged and tracked in accordance with the cultivator tagging and tracking requirements provided in Section 4(D).
 - b. All wet marijuana must be stored in an environment conducive to the drying process and may not be stored in an environment that artificially prolongs the drying process or preserves marijuana in an unusable wet state.
3. Usable Marijuana Inventory.
- a. Pursuant to its authority under R.I. Gen. Laws § 21-28.6-16(d), DBR establishes limits on the amount of “uncommitted inventory” of usable marijuana a licensed cultivator may possess based on licensed facility size as provided in the below table. “Uncommitted inventory” shall refer to marijuana and marijuana product *not* under formal agreement to be purchased by a compassion center.

license class by size per Section 2(C)	pounds of dried usable marijuana	OR	equivalent # 10 mg edible units*	OR	equivalent grams of concentrate*	OR any combination thereof that does not equate to more than the maximum limit of dried usable marijuana in pounds
Class A	5 max	OR	6,640 max	OR	616 max	OR”
Class B	10 max	OR	13,280 max	OR	1,232 max	OR”
Class C	15 max	OR	19,920 max	OR	1,848 max	OR”
Class D	20 max	OR	26,560 max	OR	2,464 max	OR”

- b. *To any extent these equivalency conversions are inconsistent with the DOH Regulations, the DOH Regulations shall be controlling.
- c. In accordance with R.I. Gen. Laws § 21-28.6-16(e), all marijuana and marijuana product that exceeds the amount of uncommitted inventory permitted by the above chart must be under formal agreement to be purchased by a compassion center. If such excess marijuana is not under formal agreement to be purchased, the cultivator will have thirty (30) calendar days to sell the excess to a compassion center or destroy the excess in accordance with Section 4(1)(9).
- d. Formal agreement requirements are set forth in Section 4(B).

D. Medical Marijuana and Marijuana Product Tagging for Cultivators.

- 1. Pursuant to R.I. Gen. Laws § 21-28.6-15(a) and § 21-28.6-16(d), every marijuana plant possessed by a licensed cultivator must be accompanied by a medical marijuana tag.

2. Generating and properly using tags with unique identifiers through the Medical Marijuana Program Tracking System, payment of the annual license fee, and compliance with the requirements of this subsection shall be deemed to satisfy the requirements of R.I. Gen. Laws § 21-28.6-16(d).
3. If a licensed cultivator begins to operate prior to the implementation of the Marijuana Program Tracking System, DBR will advise the cultivator of acceptable alternative inventory tagging and tracking systems and protocols. In such a case, any references to the Medical Marijuana Program Tracking System in this section regarding medical marijuana tagging shall be deemed to include the acceptable alternatives.
4. Cultivators must ensure that medical marijuana is marked with the unique identifier tags generated by the Medical Marijuana Program Tracking System through each stage of production the cultivator is undertaking, from seed propagation through packaging, as may be applicable.
5. Unique identifier tags generated by the Medical Marijuana Program Tracking System shall contain the following information and/or technical functions:
 - a. DBR license number.
 - b. Unique identifier(s) (such as barcodes and/or numerical/alphabetical codes) that track marijuana product through each stage of production.
 - c. Licensed premises location.
 - d. Any other information or technical functions DBR deems appropriate (such as radio frequency identification).
6. Once properly generated from the Medical Marijuana Program Tracking System, the unique identifier tags shall not be altered or duplicated.
7. Unique identifier tags shall be placed in a manner so as to clearly display their association with a particular plant, plant material, or product, such as affixed to the plant itself, on the growing receptacle, or in the growing medium, by labeling drying racks and other receptacles that wet marijuana dries on, by affixing the tag to the stalk for drying on the stalk, on a label affixed to a storage/transport package and/or retail-ready package, and other reasonable means.
8. The unique identifier tags may not be transferred or assigned except when affixed to marijuana plants, wet marijuana, or usable marijuana which is being sold/transferred/transported in accordance with Sections 4(B) and 4(I)(3).
9. Return of unique identifier tags by a licensed cultivator upon revocation or abandonment of the license shall be specifically governed by DBR order or agreement and/or coordinated efforts with law enforcement. Disposal of unique identifier tags by a licensed cultivator as may be required by DBR, such as in the regular course of tagging if different stages will require different tag forms or such as recall of tags due to new technology, shall be handled in accordance with further instructions provided by DBR.
10. In addition to any and all other disciplinary actions and civil and criminal penalties authorized by the Act and these regulations, in the event that a licensed cultivator fails to comply with the unique identifier tags provisions for licensed cultivators set forth above, the licensed cultivator is subject to a fine between twenty-five dollars (\$25) and five-thousand dollars (\$5,000) per mature marijuana plant that does not have the required unique identifier tag. See R.I. Gen. Laws § 21-28.6-15(b)(4)(untagged plants exceeding limits set by R.I. Gen. Laws § 21-28.6-16 subject to minimum of the tag fee that would be paid by a cardholder (\$25), leaving discretion to DBR to establish a

maximum penalty); R.I. Gen. Laws § 21-28.6-16 (authorizing DBR to limit the number of plants for licensed cultivator).

E. **Inventory Control**

1. Upon direction by DBR, each licensed cultivator shall utilize the state approved Medical Marijuana Program Tracking System for all inventory tracking from seed to sale as further defined herein.
2. If the licensed cultivator is notified by DBR that the Medical Marijuana Program Tracking System is not available, the licensed cultivator will be provided with direction as to alternative inventory control measures, which may include but are not necessarily limited to the licensed cultivator being directed to:
 - a. Conduct an initial comprehensive inventory of all medical marijuana, including usable marijuana available for sale, marijuana plants and seedlings, unusable marijuana, and wet marijuana, as of a date certain set by DBR.
 - b. Conduct subsequent comprehensive inventories at intervals not to exceed twenty-four (24) months from the date of the previous comprehensive inventory.
 - c. Conduct a monthly inventory review of stored, usable marijuana, seedlings, plants, and wet marijuana.
3. Upon request, DBR may require the licensed cultivator to conduct and provide the results of alternative inventory control measures outlined above, regardless of the availability and use of the Medical Marijuana Program Tracking System.

F. **Minimum Security Requirements.**

1. **Authority.** R.I. Gen. Laws § 21-28.6-16(b)(4) authorizes DBR to promulgate regulations regarding the minimum security requirements for licensed cultivators.
2. **General Security Requirements.**
 - a. Each licensed cultivator shall implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana.
 - b. Use or carry of firearms on the premises and/or perimeter of the licensed cultivator is a prohibited form of security, except by security guards licensed by the Office of the Rhode Island Attorney General pursuant to R.I. Gen. Laws § 5-5.1-13 and who are under written contract to provide security services to the licensed cultivator and by law enforcement personnel during duty.
 - c. The outside perimeter of the licensed cultivator shall have adequate lighting to deter theft which may include motion activated lighting acceptable to DBR.
 - d. Within any area where marijuana and marijuana products are grown, cultivated, stored, weighed, packaged, processed, or manufactured, any person that does not have a valid licensed cultivator registry identification card shall be considered a visitor and must be escorted at all times by a licensed cultivator registry identification card holder. The licensed cultivator must maintain a visitor log for any such activity as detailed in Section 4(F)(6)(c).

- e. Each licensed cultivator shall ensure that the storage of marijuana and any marijuana products is in a locked area, meaning that at all points of ingress and egress, the licensed cultivator shall ensure the use of a working commercial-grade door lock.

3. **Security Alarm Requirements.**

- a. Each licensed cultivator shall have a fully operational security alarm system at the premises that will provide suitable protection against theft and diversion, including alarms at all outside perimeter entry points and outside perimeter windows.
- b. A fully operational security alarm system may include a combination of hard-wired systems and systems interconnected with a radio frequency method such as cellular or private radio signals that emit or transmit a remote or local audible, visual, or electronic signal; motion detectors, pressure switches, duress alarms (a silent system signal generated by the entry of a designated code into the arming station to indicate that the user is disarming under duress); panic alarms (an audible system signal to indicate an emergency situation); and hold-up alarms (a silent system signal to indicate that a robbery is in progress).
- c. A fully operational security alarm system shall at a minimum provide for immediate automatic or electronic notification to alert municipal and/or state law enforcement agencies or public safety personnel to an unauthorized breach or attempted unauthorized breach of security at the licensed cultivator premises and to any loss-of-electrical support backup system to the security alarm system.
- d. Each licensed cultivator shall establish a protocol for the testing and maintenance of the security alarm system, which shall at a minimum provide for a maintenance inspection/test of the alarm system for each authorized location at intervals not to exceed thirty (30) calendar days from the previous inspection/test and prompt completion of all necessary repairs to ensure the proper operation of the alarm system.
- e. If the licensed cultivator premises suffers a failure of the security alarm system, due to loss of electrical support, mechanical function, or otherwise, that is expected to exceed an eight (8) hour period, in addition to the notice requirements provided in Sections 4(F)(3)(c) and 4(F)(7), the licensed cultivator must also close the licensed cultivator premises until the security alarm system has been restored to full operation, or, if approved by DBR, provide alternative security measures.

4. **Video Surveillance Requirements.** Each licensed cultivator must have a fully operational video surveillance and camera recording system with appropriate protocols, which shall, at a minimum, comply with the below requirements:

- a. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, video monitors, and digital archiving devices capable of playback quality sufficient to identify and monitor all individuals (including sufficient clarity of facial features) and activities in the monitored areas.
- b. The recording system must record in digital format.
- c. The date and time must be embedded on the recording without significantly obscuring the picture. Time is to be measured in Eastern Standard Time.

- d. All video surveillance systems must be equipped with a failure notification system that provides prompt notification of any surveillance interruption and/or the complete failure of the surveillance system. Said notification must be routed to licensed cultivator personnel specifically designated by management and to DBR.
 - e. All video surveillance equipment shall have sufficient battery backup to support a minimum of four (4) hours of recording in the event of a power outage.
 - f. Video recordings must be archived in a format and maintained in a manner that ensures authentication of the recording as legitimately-captured video and guarantees that no alteration of the recorded image has taken place.
 - g. Remote access to a continuous live feed video on a real time basis must be available at all times to licensed cultivator personnel specifically designated by management and to DBR. Additionally, all video surveillance records and recordings must be made available upon request to DBR.
 - h. The system must include a color printer or similar equipment capable of printing still photos of a quality sufficient to identify individuals and activities in the monitored areas.
 - i. Camera coverage is required for all areas where marijuana and marijuana products are grown, cultivated, stored, weighed, packaged, processed, or manufactured, including all areas of ingress and egress thereto, security rooms (as defined below), all points of ingress and egress to the exterior of the licensed cultivator, and any computer or other digital access points.
 - j. Camera views of required coverage areas shall be continuously recorded twenty (24) hours a day, (7) seven days per week.
 - k. All surveillance recordings must be kept for a minimum of sixty (60) calendar days.
 - l. Surveillance recording equipment and all video surveillance records and recordings must be housed in a designated, locked and secured room or other enclosure with access limited to licensed cultivator personnel specifically authorized by management (the "security room"). The licensed cultivator must keep on site a current list of all authorized employees and service personnel who have access to the security room and a video surveillance equipment maintenance activity log.
 - m. If the licensed cultivator suffers a failure of the surveillance system, due to loss of electrical support, mechanical function, or otherwise, that is expected to exceed an eight (8) hour period, in addition to the notice requirements provided in Sections 4(F)(4)(d) and Section 4(F)(7), the licensed cultivator must also close the licensed cultivator premises until the video surveillance system has been restored to full operation, or, if approved by DBR, provide alternative premises monitoring.
5. **Emergency Plan.** The licensed cultivator shall develop and maintain an emergency plan with procedures to be followed to prevent and, if not prevented, to adequately address and mitigate consequences of theft or burglary or attempts thereof, fire, natural disasters, and other emergencies, including cybersecurity and data breach procedures to prevent a compromise of the integrity of the Medical Marijuana Program Tracking System. The plan shall include training for employees on crime prevention and personal safety techniques.

6. **Security-Related Record-Keeping.** The licensed cultivator shall maintain the following documentation on-site and with digital back-up for a period of at least twenty-four (24) months after the event:
- a. Inventory records including, at a minimum, the date the inventory was conducted, a summary of the inventory findings and the name, signature and title of the individual who conducted the inventory.
 - b. All records of maintenance, inspections, and tests of the security alarm and video surveillance systems and of servicing, modifications, or upgrades performed on said systems. These records shall include, at a minimum, the date of the action, a summary of the action(s) performed and the purpose therefor, and the name, signature and title of the individual who performed the action(s).
 - c. Visitor logs which shall include the name of each visitor, the date and time of the beginning and end of the visit, the reason for the visit (i.e. maintenance, authorized pickup, etc.), the name of the escorting licensed cultivator registry identification cardholder.
 - d. Emergency notification reports as required by Section 4(F)(7).
7. **Emergency Notifications and Reports.** Licensed cultivators shall provide notification of emergency events to DBR and municipal and/or state law enforcement as outlined below.
- a. Immediately upon discovery of the event, the licensed cultivator shall provide telephone notification to the appropriate municipal and/or state law enforcement authorities regarding any of the following “emergency events:”
 - (1) Theft or burglary or an attempt thereof.
 - (2) Any fire.
 - (3) A natural disaster that results in the destruction of or damage to medical marijuana or marijuana products.
 - (4) A failure of the security alarm system or video surveillance system, due to loss of electrical support, mechanical function, or otherwise, that is expected to exceed an eight (8) hour period.
 - (5) A security alarm activation.
 - (6) Any other event which requires response by law enforcement or public safety personnel.
 - b. The licensed cultivator shall provide e-mail notification to DBR immediately upon discovery of any data breach or cybersecurity threat to the Medical Marijuana Program Tracking System, and within twenty-four (24) hours of discovery of any other emergency event as defined above. A follow-up telephone notification to DBR shall be provided no later than the next business day.
 - c. The licensed cultivator shall submit a follow-up written report to DBR within five (5) business days for each emergency event. The written report shall include, at a minimum, a description of the event(s), identification of known or suspected cause(s) for the event(s), any corrective action(s) taken to prevent a recurrence, and the name, title, and signature of the individual preparing the report.

- d. Any notification and report of an emergency event required to be made to DBR pursuant to these regulations shall be made using the mailing address, telephone number, and/or e-mail address provided by DBR to approved licensees.
- e. Upon written direction to the licensed cultivator, DBR may require that the written and telephone notifications and reporting must be replaced or supplemented by notifications and reporting through the Medical Marijuana Program Tracking System or any other electronic system or means DBR mandates the licensed cultivator to utilize.

G. **Record-Keeping and Reporting**

1. **Authority.** R.I. Gen. Laws § 21-28.6-16(b)(3) authorizes DBR to promulgate regulations regarding the minimum record-keeping requirements for licensed cultivators.
2. **Operations Manual.** Each licensed cultivator shall develop, implement, and maintain on the premises an operations manual which addresses, at a minimum, the following subject areas and requirements:
 - a. Procedures for the organization, administration, command, and control of the licensed cultivator (including but not limited to organizational chart, chain of command protocols, etc.).
 - b. Procedures to ensure accurate record keeping, including protocols to ensure that all acquisitions and authorized sales of marijuana are logged into the Medical Marijuana Program Tracking System on a real time basis and procedures on proper training and use of the Medical Marijuana Program Tracking System and any other tracking system used by the licensed cultivator.
 - c. Records retention policies.
 - d. Ethics and compliance policies.
 - e. Alcohol and drug free work place policy.
 - f. If applicable, medical marijuana manufacturing protocols, safety measures, and training information.
 - g. Odor control and mitigation plan.
3. **Personnel Records.** Each licensed cultivator shall maintain a personnel record for each employee or agent for a period of at least six (6) months after termination of the individual's affiliation with the license cultivator. Said personnel record shall contain the following minimum documentation and information:
 - a. An application for employment or offers to provide services as an agent.
 - b. An employment or engagement description detailing duties, responsibilities, authority, qualifications and supervision.
 - c. If applicable, a copy of any employment or engagement.
 - d. A record of any disciplinary action taken.

- e. Documentation of all required training, which shall include a signed statement from the individual indicating the date, time and place he or she received said training, topics discussed, and the name and title of presenters.

4. **Additional Records to be Maintained.** In addition to all other specific record-keeping requirements of the Act, and any and all regulations promulgated thereto, the licensed cultivator shall maintain the following records for a minimum of five (5) years:

- a. All contracts and purchase orders with compassion centers, including documentation of any cancelled contracts or purchased orders and any contracts and purchase orders voided by replacement contracts.
- b. Invoices and any supporting documentation of all marijuana purchases, acquisitions, sales, transfers, and payments.
- c. Contracts pertaining to the security alarm and security camera systems.
- d. Contracts with vendors, including any approved third party testing providers.
- e. All records normally retained for tax purposes.

5. **Storage of Records.** Records pertaining to transactions occurring within the last six (6) months shall be stored on the registered premises. Records dating further back may be stored off the premises with DBR's approval.

6. **Responsibility for Loss of Records and Data.** The licensed cultivator shall exercise due diligence and reasonable care in preserving and maintaining all required records to guard against loss of records and data, including cybersecurity of electronically-maintained records.

H. **Product Packaging and Labeling Requirements.**

1. **Authority and Applicability.**

- a. These product packaging and labeling requirements for compassion centers are promulgated pursuant to R.I. Gen. Laws § 21-28.6-16(g). These requirements were developed jointly with DOH.
- b. Licensed cultivators shall have sixty (60) calendar days from the effective date of these regulations to comply with these requirements.
- c. Any container or packaging containing usable marijuana or marijuana product, including both retail-retail ready packaging and product otherwise packaged for the purpose of storage and/or authorized transport, must:
 - (1) Protect the product from contamination.
 - (2) Not impart any toxic or deleterious substance to the usable marijuana or marijuana product.
 - (3) Contain the Inventory tracking ID number assigned by the Medical Marijuana Program Tracking System or, if prior to the Medical Marijuana Program Tracking System's implementation, an inventory tracking ID number generated from an alternative inventory tracking system approved by DBR.
 - (4) Be labeled with the quantity of the product.

- d. The remainder of these product packaging and labeling requirements only apply to retail-ready product packaging and labeling. Such requirements only apply to a licensed cultivator if the licensed cultivator is engaged in retail-ready product packaging and/or labeling services as part of the services provided for sale of a retail-ready product to a compassion center pursuant to a written contract/purchase order.
 - e. Compliance with these product packaging and labeling requirements shall include the requirement that the licensed cultivator confirms before retail-ready packaging/labeling that the product complies with the DOH Testing Regulations, once adopted.
2. Packaging and labeling shall not:
- a. Make any false or misleading statements including particularly any statements regarding health or physical benefits to the consumer and the composition and profiles that are advertised/indicated in the label.
 - b. Resemble the trademarked, characteristic or product-specialized packaging of any commercially available snack, baked good, or beverage.
 - c. Contain any statement, artwork, or design that could reasonably mislead any reasonably prudent person to believe that the package contains anything other than medical marijuana or marijuana product.
 - d. Contain any seal, flag, crest, coat of arms, or other insignia that could reasonably mislead any reasonably prudent person to believe that the product has been endorsed or manufactured by the State of Rhode Island or any agency thereof or municipality within.
3. Packaging for retail-ready medical marijuana and marijuana products shall be opaque, light-resistant, and tamper-evident.
4. Packaging and labeling shall not be designed such that it would be attractive to children. This requires the packing and labeling be in black and white only, have no animal characters, and does not contain the word “candy.”
5. Retail-ready medical marijuana and marijuana products must be packaged in manner that is “child-resistant,” which for purposes of these regulations shall mean that the packaging is designed and constructed to be significantly difficult for children under five years of age to open. Specifically:
- a. Solid or liquid marijuana products may be packaged in plastic four mil or greater in thickness and be heat sealed with no easy-open tab, dimple, corner, or flap.
 - b. Liquid marijuana products may also be packaged in a bottle and sealed using a metal crown cork style bottle cap.
6. For solid edible marijuana products with more than one serving size in the outer package, each serving must be packaged individually and placed in a child-resistant outer package.
7. For liquid edible marijuana products with more than one serving in the package, a measuring cap or dropper must be included in the package with the product.
8. All retail-ready medical marijuana and marijuana products must include a label affixed to the package containing the following information, prominently displayed and in a clear and legible English language font:

- a. The business or trade name of the selling compassion center.
 - b. Inventory tracking ID number assigned by the Medical Marijuana Program Tracking System or, if prior to the Medical Marijuana Program Tracking System's implementation, an inventory tracking ID number generated from an alternative inventory tracking system approved by DBR.
 - c. Date of final packaging, and, if applicable, the recommended expiration or "use by" date.
 - d. Total and per-serving weight in ounces and grams or volume as appropriate.
 - e. Total and per-serving estimated amount of tetrahydrocannabinol (THC) and cannabidiol (CBD).
 - f. For edible marijuana products, a list of all ingredients used.
 - g. A statement that discloses all pesticides applied to the marijuana plants and growing medium during production and processing.
 - h. If solvents were used, statement that discloses the type of extraction method, including any solvents, gases, or other chemicals or compounds used to produce or that are added to the extract.
 - i. Any applicable instructions for use and safe storage.
9. All retail-ready medical marijuana and marijuana products must include a label affixed to the package containing the following warnings, prominently displayed and in a clear and legible English language font:
- a. "Warning: Marijuana has intoxicating effects and may be habit forming and addictive. The intoxicating effects of marijuana may be delayed by up to two hours."
 - b. "Warning: Do not operate a vehicle or machinery under its influence."
 - c. "Warning: There may be health risks associated with consumption of marijuana."
 - d. "Warning: For use only by adults twenty-one and older. Keep out of reach of children."
 - e. "Warning: Marijuana should not be used by women that are pregnant or breast feeding."
 - f. "Warning: Do not take this product across state lines."
 - g. "Warning: For medical use by a registered patient only. Not for resale."
 - h. "Warning: This product is not certified to be free of contaminants."
 - i. For product to be smoked, "Warning: Smoking is hazardous to your health."
 - j. If applicable, a warning regarding use or contact with any nuts or other known allergens as defined in the federal Food Allergen Labeling and Consumer Protection Act of 2004, as administered by the federal Food and Drug Administration.

I. **Other Licensed Cultivator Operation Requirements**

1. **Authority.** R.I. Gen. Laws § 21-28.6-16(b)(2) authorizes DBR to promulgate regulations regarding the minimum oversight requirements for licensed cultivators. The requirements set forth in this section are promulgated in accordance with that statutory duty of general regulatory supervision over the licensed cultivators.
2. **Use on Premises Prohibited.** Use of marijuana or marijuana products on the premises of the licensed cultivator is strictly prohibited.
3. **Transportation of Medical Marijuana to and from Licensed Cultivators.**
 - a. "Authorized transports" of marijuana and marijuana products to and from licensed cultivators are limited to transports to and from compassion centers for transactions authorized in Section 4(B).
 - b. "Registered/licensed facility" shall refer to either a licensed cultivator or registered compassion center that is party to an "authorized transport," as the context requires.
 - c. "Authorized transport vehicle" means a vehicle meeting the following criteria:
 - (1) The vehicle bears no markings that indicate that the vehicle is being used to transport marijuana nor indicates the name of the registered/licensed facility.
 - (2) The vehicle is equipped with a global positioning system monitoring device that is monitored by the originating registered/licensed facility during an authorized transport.
 - (3) The vehicle has a locked storage compartment within which the marijuana and marijuana product being transported is secured.
 - d. "Detailed transport manifest" refers to a manifest which DBR may be required to be generated through and/or maintained in the Medical Marijuana Program Tracking System and that shall include the following minimum information:
 - (1) Departure date and approximate time of departure.
 - (2) Names, location addresses, and registration/license numbers of the originating and receiving registered/licensed facilities.
 - (3) Product name or descriptions and quantities (by weight or unit) of each product to be delivered to each specific destination location(s).
 - (4) Arrival date and approximate time of arrival.
 - (5) Delivery vehicle make and model and license plate number.
 - (6) Names, registry identification card numbers, and signatures of the delivery persons.
 - e. The originating registered/licensed facility shall ensure that all delivery times and routes are randomized.
 - f. Authorized transports may only be made by cardholders affiliated with the particular registered/licensed facility that is the source or recipient party to an authorized transaction. A

minimum of two such cardholders must be on each authorized transport. At least one cardholder shall remain in the authorized transport vehicle at all times.

- g. During all authorized transports, the delivery persons must have on their persons their licensed cultivator or compassion center registry identification cards and the detailed transport manifest.
- h. Any authorized transport vehicle carrying marijuana and marijuana products shall travel directly from the originating registered/licensed facility to the receiving registered/licensed facility. In case of an emergency stop, a detailed written account must be maintained describing the reason for the event, the duration, the location, any activities occurring during the stop, and any personnel exiting the vehicle during the stop.
- i. Authorized transports shall be conducted in such a manner as to ensure that marijuana and marijuana products are secured and safe at all times during transport, which includes, but is not limited to, the requirements that marijuana is not visible from outside the authorized transport vehicle at that any ingestible marijuana products that are perishable are adequately refrigerated, if necessary.
- j. Prior to leaving the originating registered/licensed facility for an authorized transport to another registered/licensed facility, the originating registered/licensed facility must weigh, inventory, and account for on video all marijuana and marijuana product to be transported.
- k. For authorized transports to and from a compassion center, the transport manifest shall be accompanied by a copy of any contract/purchase order for which the transport is being made and documentation of the actual payment date, if prepaid.
- l. The detailed transport manifest shall be prepared by the originating registered/licensed facility and transmitted in advance to the receiving facility. Both facilities shall retain copies of detailed transport manifests as part of their record retention responsibilities.
- m. Within eight (8) hours of after arrival at the destination registered/licensed facility, the receiving party shall re-weigh, re-inventory, and account on video for all marijuana and marijuana product transported.
- n. Both the originating and recipient registered/licensed facilities shall timely adjust their records to reflect in its records the completed authorized transport of marijuana, including logging such information in the Medical Marijuana Program Tracking System. All records and entries in the Medical Marijuana Program Tracking System shall be easily reconciled, by product name and quantity, with the applicable detailed transport manifest. Any unusual discrepancies in the quantity described in the detailed transport manifest and the quantities received shall be reported to DBR and municipal and/or state law enforcement within (24) hours.
- o. Any vehicle accidents, diversions, or losses during authorized transports of marijuana shall be reported to DBR and law enforcement as an "emergency event" pursuant to Section 4(F)(7).
- p. Transportation to or from a third party testing provider shall be in accordance with the DOH Testing Regulations, once adopted.

4. **Manufacturing and Extraction**

- a. Pursuant to R.I. Gen. Laws § 21-28.6-16(h), licensed cultivators are not permitted to manufacture marijuana using a solvent extraction process that includes the use of a compressed, flammable gas as a solvent.

- b. Any other manufacturing method using a solvent extraction process must be approved by DBR. If the manufacturing method uses a flammable/combustible material or heat source, the method must also be approved by the State Fire Marshall and/or local fire department.
- c. Only registered cultivator employees and agents may manufacture marijuana products on the premises.
- d. The licensed cultivator must maintain written standard operating procedures for each manufacturing process, including step-by-step instructions.
- e. The licensed cultivator must ensure that for each manufacturing process, all safety and sanitary equipment appropriate for that manufacturing process, including any personal protective equipment, is provided to any authorized cultivator cardholder who will be involved in that manufacturing process.
- f. All medical marijuana product manufacturing areas must be adequately lit during manufacturing, cleaning, or other use.
- g. All work surfaces on which medical marijuana products are manufactured shall be non-porous, non-absorbent, and easily cleanable.
- h. No eating or smoking shall be permitted in the manufacturing area.
- i. The licensed cultivator must provide a training manual and instructional training on each manufacturing process to any authorized cultivator cardholder who will be involved in that manufacturing process.

5. Required Employee and Agent Training.

Each employee and agent of the licensed cultivator shall receive, at the time of his or her initial appointment and every year thereafter, at a minimum, training in the following:

- a. The proper use of security measures and controls that have been adopted and instruction on the licensed cultivator's emergency plan.
- b. The use of the Medical Marijuana Program Tracking System and any other tracking systems used by the licensed cultivator for persons responsible for using the system.

6. Minimum Sanitation and Workplace Safety Conditions.

- a. The licensed cultivator facility shall be maintained in a safe, sanitary, and clean manner, with all operations in the cultivation, receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging, and storing of medical marijuana and marijuana products conducted in accordance with adequate sanitation principles, as further detailed below.
- b. The facility must meet the following minimum specifications:
 - (1) Adequate supply of potable hot and cold water.

- (2) Non-porous, non-absorbent and easily cleanable floors, walls, and ceilings in areas where marijuana is cultivated, manufactured, and stored.
 - (3) Lavatory facilities that are readily-accessible to employees and that comply with the Rhode Island State Plumbing Code Regulation.
 - (4) Adequate hand-washing area(s): hand washing sinks with effective hand-cleaning and sanitizing preparations (such as soap dispensers) and disposable towels or an air dryer for hands.
 - (5) Adequate screening or other protection against the entry of pests and environmental contaminants.
- c. All mechanical and electrical equipment shall be maintained in a safe operating condition.
 - d. Waste disposal equipment shall be adequate and removal schedules timely so as to minimize the risk of contamination to medical marijuana and marijuana products, including the risk of the waste becoming an attractant, harborage, or breeding place for pests.
 - e. All waste (including all liquid, chemical, hazardous, pesticide, manufacturing solvent and chemical waste) must be stored, secured, and managed in accordance with all applicable federal, state, and local statutes, regulations, ordinances, or other legal requirements. Specific instructions for safe destruction of any marijuana required to be destroyed and proper disposal of medical marijuana waste are provided in Section 4(l)(9).
 - f. Floors, walls, and ceilings shall be kept clean and in good repair, free from dust, debris, mold, mildew, and other contaminants and potentially hazardous materials.
 - g. Lavatory facilities and hand washing areas shall be kept clean and sanitary and in working condition at all times.
 - h. Toxic cleaning compounds, sanitizing agents, and other chemicals shall be identified, held, stored and disposed of in a manner that protects against contamination of medical marijuana and marijuana products and in a manner that is in accordance with any applicable local, state, or federal law, rule, regulation, or ordinance.
 - i. The licensed cultivator shall comply with all relevant statutes, regulations, and requirements administered by the Federal Occupational Safety and Health Administration (OSHA), including but not necessarily limited to standards for toxic and flammable compounds and air contaminants.
 - j. All persons working in direct contact with medical marijuana and marijuana products shall conform to hygienic practices while on duty, including but not limited to maintaining adequate personal cleanliness and washing hands thoroughly in an adequate hand-washing area before starting work and at any other time when the hands may have become soiled or contaminated.
 - k. Any person whose medical condition, as determined by medical examination or as observed by a supervisor, poses or reasonably appears to pose a risk of contamination of medical marijuana and/or medical marijuana products shall be excluded from medical marijuana operations until the condition is cleared. Medical conditions posing a risk of contamination include open lesions, including boils, sores, or infected wounds, or any other abnormal source of microbial infection.
 - l. The licensed cultivator shall not permit the entry of any animal into the premises. Service animals (as defined in the Americans with Disabilities Act) are exempted from this prohibition.

7. **Odor Control and Mitigation.**

- a. Cultivation area(s) shall have ventilation and filtration systems installed that prevent medical marijuana plant odors from exiting the interior of the structure to an extent that would significantly alter the environmental odor outside, while addressing the potential for mold.
- b. The ventilation and filtration system, along with any plumbing improvements, shall be installed in compliance with all applicable codes and ordinances, including obtaining any necessary permits, and inspected by the municipality.
- c. Measures to assure compliance with this section shall be documented in an odor control and mitigation plan acceptable to DBR.

8. **Pesticide Use and Records.**

- a. The cultivation process shall use best practices to limit contamination of medical marijuana and marijuana products, including but not limited to mold, mildew, fungus, bacterial diseases, rot, pests, pesticides, and any other contaminant identified as posing potential harm.
- b. The use of pesticides on marijuana plants in Rhode Island by licensed cultivator will not be considered a violation of these regulations provided that the product must satisfy all of the following criteria:
 - (1) The product must be a “minimum risk pesticide” under 40 C.F.R. § 152.25(f), as the same may be amended from time to time.
 - (2) The product must be labelled for use on “all plants,” “other plants,” bedding plants, unspecified plants, or unspecified crops.
 - (3) The label must not prohibit indoor or greenhouse use, as applicable.
 - (4) All active ingredients must be eligible for food use as determined by the federal Environmental Protection Agency (EPA). See EPA’s *Active Ingredients Eligible for Minimum Risk Pesticide Products* (last updated December 2015), as the same may be updated and/or amended from time to time.¹
 - (5) All inert/other ingredients must be eligible for food use. See EPA’s *Inert Ingredients Eligible for FIFRA 25(b) Pesticide Products* (last updated December 2015), as the same may be updated and/or amended from time to time.²
 - (6) The product must be registered for sale in Rhode Island. To verify a product’s registration in Rhode Island, please consult the online National Pesticide Information Retrieval System through the Center for Environmental and Regulatory Information Systems.³

¹ <https://www.epa.gov/sites/production/files/2015-12/documents/minrisk-active-ingredients-tolerances-2015-12-15.pdf>

² https://www.epa.gov/sites/production/files/2016-07/documents/section25b_inerts.pdf

³ http://npirspublic.ceris.purdue.edu/state/state_menu.aspx?state=RI

- c. No application of pesticides shall be made after the vegetative stage of growth of the cannabis plant.
- d. Licensed cultivators must keep detailed records of any pesticide products used and application regiments, including video recording during pesticide applications which must cease if there is a failure or disruption of the video surveillance system.

9. **Safe Disposal of Medical Marijuana Waste and Safe Destruction of Usable Medical Marijuana**

- a. Marijuana and marijuana product waste (including all liquid, chemical, hazardous, pesticide, manufacturing solvent and chemical waste containing any traces of marijuana) must be stored, secured, and managed in accordance with all applicable federal, state, and local statutes, regulations, ordinances, or other legal requirements.
- b. Prior to disposal, marijuana and marijuana product waste must be made unusable and any marijuana plant material made indistinguishable from other plant material. This may be accomplished by grinding and incorporating the marijuana plant waste with other non-consumable solid waste or other ground materials so the resulting mixture is at least fifty percent non-marijuana waste by volume. Other methods to render marijuana waste unusable must be approved by DBR before implementing. Marijuana waste rendered unusable following an approved method may be delivered to a licensed solid waste disposal facility in Rhode Island for final disposition or disposed of in an alternative manner approved by DBR.
- c. Destruction of marijuana and marijuana materials other than waste generated in the regular course of processing and/or manufacturing (such as destruction of whole plants, wet, or usable marijuana that are found to be in excess of statutory possession limits or destruction of a contaminated batch of medical marijuana product) shall be in a manner acceptable to DBR, which may include consultation with law enforcement.
- d. Destruction of marijuana and marijuana materials upon revocation or abandonment of the license shall be specifically governed by DBR order or agreement and/or coordinated efforts with law enforcement.
- e. Licensed cultivators must maintain accurate and comprehensive records regarding waste material that accounts for, reconciles, and evidences all waste activity related to the disposal of marijuana and marijuana products (including any waste material produced through the trimming or pruning of a marijuana plant prior to harvest). DBR may mandate storage of any such records or summaries of such records to be through the Medical Marijuana Program Tracking System or any other electronic system DBR designates.

J. **Inspections and Audits; Enforcement Actions.**

- 1. Pursuant to R.I. Gen. Laws § 21-28.6-16(j), licensed cultivators are subject to reasonable inspection by DBR. Accordingly, DBR and its authorized representatives have authority to enter a licensed cultivator premises at reasonable times and to inspect in a reasonable manner, the premises and all equipment, materials, containers, and other things therein, including without limitation all records, files, financials, sales, transport, pricing, and employee data, research, papers, processes, controls and to inventory any stock of marijuana, labels, containers, paraphernalia and other materials and products.

2. DBR may review and audit the books and records of a licensed cultivator to ascertain compliance with the Act and any regulations promulgated pursuant thereto. The licensed cultivator must make such books and records immediately available for reviewing and copying by DBR. DBR may retain an independent auditor to act as its agent for purposes of this section, the cost of which shall be borne by the licensed cultivator.
3. Nothing herein shall be interpreted to limit the real time access of DBR and DOH to information stored in the Medical Marijuana Program Tracking System consistent with the Act.
4. Pursuant to R.I. Gen. Laws § 21-28.6-16(e), if a licensed cultivator violates R.I. Gen. Laws § 21-28.6-16 (entitled "Licensed Cultivator") or any DBR or DOH regulations that apply to licensed cultivators and licensed cultivator cardholders, DBR may suspend/revoke a cultivator license and/or impose an administrative penalty, as determined by DBR. Pursuant to R.I. Gen. Laws § 21-28.6-16(l)(5), if a licensed cultivator violates any other provision of the Act or any regulations promulgated pursuant thereto, the cultivator license may be suspended/revoked.
5. If an officer, director or manager/member, employee, or agent affiliated with a licensed cultivator violates the Act or any regulation promulgated pursuant thereto when acting in their capacity as an officer, director or manager/member, employee, or agent of the licensed cultivator, the licensed cultivator may be subject to suspension/revocation and/or administrative penalties for failure to exercise adequate supervision.

Section 5 ***Severability***

If any provision of these regulations, or the application thereof to any person or circumstance, is held to be invalid, such invalidity shall not affect other provisions or application of these regulations which can be given effect without the invalid provision or application, and to this end the provisions are declared to be severable.

Section 6 ***Effective Date***

These regulations have been promulgated as emergency regulations pursuant to and in accordance with the requirements of R.I. Gen. Laws § 42-35-2.10. These emergency regulations became effective upon and as of the date of signature by the director of DBR and the governor or the governor's designee. These regulations shall remain in force and effect until the earlier to occur of: (a) expiration of the period equal to one hundred twenty (120) days from such effective date, and any renewal thereof for a period not exceeding sixty (60) days; and (b) repeal of these regulations pursuant to regulations subsequently promulgated by DBR.