From: Jennifer Martin
To: Inquiry, CCC
Subject: Public Comment on Draft Regulations
Date: Wednesday, January 8, 2025 5:05:59 PM
Attachments: Screenshot 2025-01-08 at 11.55.23 AM.png

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Hello,

Thank you for your hard work in creating these regulations.

First, I'd like to suggest, due to the extensive application requirements that only qualify someone for random selection, that a "cure period" be included, allowing applicants to repair deficiencies in their documentation, instead of being entirely rejected for an application that might only have minimal deficiencies. Regulatory agencies are very different from state to state when it comes to the "invisible bar" that is created that qualifies some applicants while not qualifying others. A cure period allows a more level playing field for applicants who might not have multi-state cannabis application experience.

Second, securing a properly zoned location, with an approval letter from the municipality, is a costly loss for any qualified applicant who does not win the lottery. I understand that it's also important for winners to be able to become operational, but under the current scenario, only the wealthiest applicants will be able to afford to risk a $7500 non-refundable application fee AND pay for a properly zoned location until they know the outcome of the lottery. Since most applicants will not win, hundreds of thousands of dollars will be lost by those who take the financial risk to enter and do not obtain a license.

My last comment is a question. On page 5 of this regulation [risos-apa-production-public.s3.amazonaws.com], the use of "forms" is mentioned for the application process:

> **1.3.1 Application Requirements for Cannabis Establishment Licensees**
>
> A. Each application for a cannabis establishment license shall be on such forms and through such submission mechanisms as designated by the Commission and shall include, but not be limited to, the following:

Forms from other states who recently held lotteries (DE, MD and MN, as examples), were very limiting in the length and scope of answers that could be given for explaining topics such as facility security, recordkeeping, inventory control and many other topics. Since the forms did not come out until a few weeks before applications were being submitted, preliminary work on application content could not be done. Such work would be wasted because the forms contained specific questions that were not previously mentioned in the application guidance materials and answers often had to be limited to 800 words or less.

Can the public be made aware of the content of the forms much sooner in DE, such that sufficient time will be available to prepare application materials? Or if not, can the

Commission specify the word count limit per topic, or anything that can help applicants get a jump on preparation that will definitely be usable when the forms are published? In MN in particular, the application requirements published on the forms just a few weeks before the very narrow application window opened for social equity applicants, were VERY extensive and unreachable for inexperienced applicants, effectively making lottery qualification for social equity applicants unreachable unless they could afford expensive cannabis licensing consultants or attorneys.

Thank you for your time,

Jennifer Martin

--
Founder/Owner
Cultivation Sector Consulting LLC
CannabisCultivationConsulting.com [cannabiscultivationconsulting.com]
CannabisLicensing.Support [cannabislicensing.support]
NewYorkCannabisLicensing.com [newyorkcannabislicensing.com]

150 Mahiai Place
Makawao, HI 96768
510-418-0454



"There is a simplicity that comes before complexity that is worthless, but there is a simplicity beyond complexity that is priceless."

From: Juan Aguirre
To: Inquiry, CCC
Subject: Public Comment: Rhode Island CCC Adult Use Regulations Proposed
Date: Friday, January 10, 2025 6:30:53 PM

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Hello Rhode Island Cannabis Control Commission (CCC),

I am a social equity retail licensee owner-operator. I am submitting public comment for the proposed Rhode Island CCC regulations.

Proposed Regulatory Change:

Please update the regulations to allow social equity applicants to submit an application and proposed address without needing site control, such as a lease or deed. At the very most, social equity applicants should only need to provide a letter of intent (LOI) to lease, sublease, our purchase a proposed site.

Reason for Proposed Regulatory Change:
When site control is required as part of the provisional application process, social equity licensees are often taken advantage of in the pre-licensure and application process by greedy landlords who seek to take non-refundable deposits from applicants. These landlords oftentimes enter into these agreements with numerous applicants for a single location. The landlords know the applicants need site control in order to apply, and oftentimes force low-income and marginalized applicants to pay a grand total of $5,000-$20,000 in non-refundable deposits and/or monthly holding fees.

Although regulations cannot be created to only allow one applicant to apply per location, i.e. Company B cannot be prevented from applying with an LOI for Location A simply because Company A has already entered into an LOI for location A conditional upon awarding of the license, the incentive for price gouging on the landlord's side can be eliminated if the requirement for site control is eliminated entirely.

Historical Precedent in Proposed Regulatory Change:

Missouri's first two micro business social equity lotteries allowed applicants to apply with a proposed address without having site control, this affording social equity applicants with the flexibility to change locations after succeeding in the lottery. By eliminating the need for site control, the pressure on social equity applicants to enter into predatory letters of intent (LOI) to lease or purchase property at inflated values by landlords will also be eliminated. Furthermore, numerous municipalities may not have finalized their zoning regulations by the time the application window closes, thus further necessitating the need to eliminate the need for site control since an applicant's proposed site may not fall in the green zone (zone where cannabis retailers are allowed to operate) within the municipality they proposed their site to

operate out of.

The need for site control creates an undue financial burden by the government upon people that have already been disproportionately impacted by the government's criminalization of cannabis.

Furthermore, the authorized contact person on an application should not be allowed to be the authorized contact person for any other application. In Missouri's first two social equity application rounds, hundreds of companies listed the same authorized point of contact, and the only reasonable conclusion that can be drawn from this fact is that one parent company submitted all of these different straw applicants in order to stack the lottery in their favor. For Missouri's 3rd and final social equity lottery, they will be implement a one application limit per applicant, one application limit per person, and one application limit per authorized contact person, i.e. no individual or entity may be listed on more than one application as a principal/owner OR as an authorized contact person.

I applaud the fee waiver that has been proposed for a social equity applicant's first application submission. This eliminates the financial burden most social equity applicants face when entering into a lottery there is completely up to chance. I would suggest that the $7,500 non-refundable application fee that is required to be submitted by a social equity applicant for their 2nd, 3rd, and/or 4th application be changed to a $5,000 refundable application fee. There is precedent in a refundable application fee system for social equity applicants: Missouri set a $1,500 refundable application fee for their first two micro business social equity lotteries.

Best,

Juan Aguirre, BSN, RN

From: Suzanne King
To: Inquiry, CCC
Subject: New locations
Date: Friday, January 10, 2025 7:50:07 AM

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The East Bay should not be linked in with Newport and East Providence. I believe most people in the East Bay are purchasing marijuana from Massachusetts dispensaries because they are closer. A dispensary in the East Bay area would greatly increase Rhode Island revenue.

From: Juan Aguirre
To: Inquiry, CCC
Subject: Re: Public Comment: Rhode Island CCC Adult Use Regulations Proposed
Date: Saturday, January 11, 2025 8:42:54 PM

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Dear Rhode Island CCC,

I am emailing you my second public comment regarding the proposed CCC adult use regulations.

Please also do not require applicants to pay for and create a corporate entity such as an LLC. In the 2023 social equity criteria lottery second round application period for dispensary licenses, The State of Illinois did not require applicants to create an entity until after they won a license in the lottery. Missouri also did not require applicants to create a corporate entity prior to submitting an application for the micro business social equity license.

By removing the need for creating a corporate entity, and instead only requiring applicants to provide a proposed entity name, the CCC can remove the financial burden of paying $150 to file articles of organization to incorporate an LLC for a company that may never actually engage in business. Most applicants create entirely new LLCs when submitting a cannabis application. Thus, if the applicant is unsuccessful in the lottery, the corporate entity is likely to be abandoned and dissolved.

On Fri, Jan 10, 2025 at 5:30 PM Juan Aguirre <juanaguirrebsnrn@gmail.com> wrote:

> Hello Rhode Island Cannabis Control Commission (CCC),
>
> I am a social equity retail licensee owner-operator. I am submitting public comment for the proposed Rhode Island CCC regulations.
>
> Proposed Regulatory Change:
>
> Please update the regulations to allow social equity applicants to submit an application and proposed address without needing site control, such as a lease or deed. At the very most, social equity applicants should only need to provide a letter of intent (LOI) to lease, sublease, our purchase a proposed site.
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> Reason for Proposed Regulatory Change:
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refundable deposits and/or monthly holding fees.

Although regulations cannot be created to only allow one applicant to apply per location, i.e. Company B cannot be prevented from applying with an LOI for Location A simply because Company A has already entered into an LOI for location A conditional upon awarding of the license, the incentive for price gouging on the landlord's side can be eliminated if the requirement for site control is eliminated entirely.

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The need for site control creates an undue financial burden by the government upon people that have already been disproportionately impacted by the government's criminalization of cannabis.

Furthermore, the authorized contact person on an application should not be allowed to be the authorized contact person for any other application. In Missouri's first two social equity application rounds, hundreds of companies listed the same authorized point of contact, and the only reasonable conclusion that can be drawn from this fact is that one parent company submitted all of these different straw applicants in order to stack the lottery in their favor. For Missouri's 3rd and final social equity lottery, they will be implement a one application limit per applicant, one application limit per person, and one application limit per authorized contact person, i.e. no individual or entity may be listed on more than one application as a principal/owner OR as an authorized contact person.

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Best,

Juan Aguirre, BSN, RN

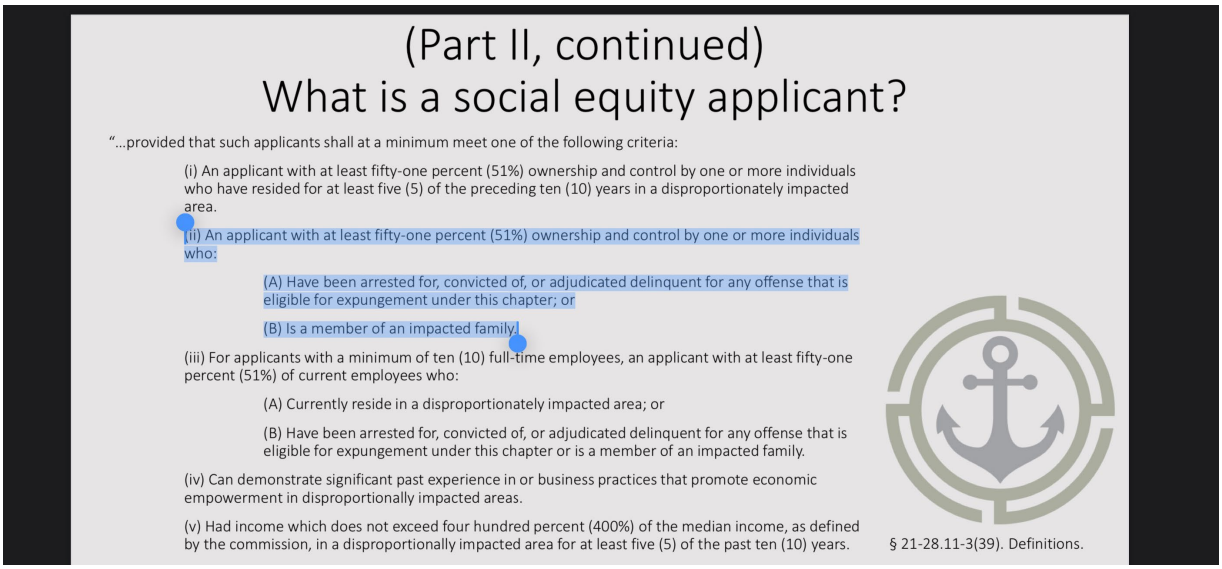
From: Juan Aguirre
To: Inquiry, CCC
Subject: Re: Public Comment: Rhode Island CCC Adult Use Regulations Proposed
Date: Sunday, January 12, 2025 4:24:18 PM
Attachments: IMG_2614.png

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As a 3rd and final public comment, the definition of social equity eligible arrests/convictions should also include cannabis paraphernalia charges.

Could you please advise if the proposed regulations include paraphernalia charges as eligible arrest/convictions for social equity status?



On Sat, Jan 11, 2025 at 7:42 PM Juan Aguirre <juanaguirrebsnrn@gmail.com> wrote:

> Dear Rhode Island CCC,
>
> I am emailing you my second public comment regarding the proposed CCC adult use regulations.
>
> Please also do not require applicants to pay for and create a corporate entity such as an LLC. In the 2023 social equity criteria lottery second round application period for dispensary licenses, The State of Illinois did not require applicants to create an entity until after they won a license in the lottery. Missouri also did not require applicants to create a corporate entity prior to submitting an application for the micro business social equity license.
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to file articles of organization to incorporate an LLC for a company that may never actually engage in business. Most applicants create entirely new LLCs when submitting a cannabis application. Thus, if the applicant is unsuccessful in the lottery, the corporate entity is likely to be abandoned and dissolved.

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>
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>
> Missouri's first two micro business social equity lotteries allowed applicants to apply with a proposed address without having site control, this affording social equity applicants with the flexibility to change locations after succeeding in the lottery. By eliminating the need for site control, the pressure on social equity applicants to enter into predatory letters of intent (LOI) to lease or purchase property at inflated values by landlords will also be eliminated. Furthermore, numerous municipalities may not have finalized their zoning regulations by the time the application window closes, thus further necessitating the need to eliminate the need for site control since an applicant's proposed site may not fall in the green zone (zone where cannabis retailers are allowed to operate) within the municipality they proposed their site to operate out of.
>
> The need for site control creates an undue financial burden by the government upon people that have already been disproportionately impacted by the government's criminalization of cannabis.

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Best,

Juan Aguirre, BSN, RN

From: Sarah Zlydaszek
To: Inquiry, CCC
Subject: Public Comment on the Regulations
Date: Monday, January 13, 2025 3:29:05 PM

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Good day!

First of all, I thank you for all the work you're doing. This is a daunting task, and I can't even fathom what the commission is going through in trying to craft these regulations.

A little about me...I have recently inherited a commercial property in Newport on JT Connell Memorial Road. The building was the first cultivation location for Greenleaf Compassion Center before cannabis was mainstream, and there is currently a small cultivator there now. I've been familiarizing myself with cannabis law while learning how to be a landlord while learning about closing an estate, etc.. Lots of learning.

In any case, I'm writing to share a few observations with you based on my reading of section 1.3 General Requirements.

1) As a commercial property owner, I've had interest in the property as a potential site for cannabis retail. As you may expect, property in Newport is hard to come by and nothing is without challenges--namely traffic and parking. The property is not downtown, which is another plus. In any case, as I read the regulations, applicants are expected to have pre-approval from their town or city as part of the application. What I'm experiencing is that the 'what if I don't win the license' is making potential applicants wary to move forward with a proper lease, which I can totally understand, which then delays the town permission portion of the program. I would speculate that Newport will only allow one dispensary, which feels like a race against the clock. I can only imagine how litigious everything has to be, but in line with the idea of reserving social-equity and worker's co-op licenses, it seems like a merit-based license is doable in the same way that a college admits applicants. If you could at least issue a provisional license, the applicant would then--with certainty--be able to put the other wheels in motion.

2) I was recently approached by a group that is attempting to buy Greenleaf now that they are in receivership. This sale, of course, is motivated by the fact that there's already a retail license with Greenleaf, thus fast-tracking the process. To this, I'd hope that the DBR or the CCC intervene in some way. While the CCC is attempting to roll out new regs, a retail license to new ownership is not something that should be "grandfathered in" as part of this sale. It just seems unfair that big money people can swoop in and try to cut the line as it were.

Anyway, that's my two cents--not incredibly productive but an honest, boots-on-the-ground observation. Thanks for everything that you're doing and for taking public comments.

Sincerely,

Sarah Zlydaszek

From: Kathy Sullivan
To: Inquiry, CCC
Date: Wednesday, January 15, 2025 1:57:00 PM

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Dear Cannabis Control Commission Members,

I am writing to you as a member of the Prevention Advisory Council Cannabis Workgroup, dedicated to promoting public health and safety through prevention and education initiatives. As the cannabis industry continues to grow in our state, it is crucial to ensure that retailers are equipped with the knowledge and skills necessary to operate responsibly and in compliance with state regulations. To this end, we strongly recommend the implementation of mandatory training for all cannabis retail employees and license holders.

A standardized, state-mandated cannabis retailer training program would offer the following benefits:

1. **Compliance** with State Laws and Regulations: Training ensures that all retail staff are knowledgeable about the latest state laws, policies, and licensing requirements, reducing the risk of non-compliance and potential legal issues.

2. **Prevention of Underage Sales**: Employees trained to verify identification and recognize fraudulent IDs can significantly mitigate the risk of underage cannabis access.

3. **Promotion of Responsible Use**: Training can equip staff with the tools to educate consumers about safe and responsible cannabis use, including appropriate dosage, potential interactions, and risks associated with misuse.

4. E**nhanced Public Safety**: By addressing impaired driving and other safety risks, trained retailers can contribute to a safer community environment.

5. **Industry Professionalism:** A mandatory training program reinforces a standard of excellence and accountability within the cannabis industry, fostering public trust and respect.

The content of the training program could include, but is not limited to:

· State laws and regulations governing cannabis sales

· Verifying customer age and identification

· Product knowledge, including THC and CBD content, dosage, and potential effects

· Identifying signs of overconsumption and educating consumers on safe use

· Strategies for preventing diversion of cannabis to unauthorized individuals

To ensure accessibility and consistency, the training could be offered online or in person, with mandatory certifications required for all current and new employees before commencing work in a cannabis retail establishment.

States like Massachusetts and Vermont have successfully implemented similar programs, demonstrating the effectiveness of standardized training in enhancing the safe operation of cannabis businesses. These states required this training but cost are incurred by the retailers. Adopting this approach in our state would position us as a leader in promoting public health, safety, and industry accountability.

We would be grateful for the opportunity to further discuss this proposal and are eager to participate in conversations to support the development or implementation of such a program. Thank you for your consideration of this important initiative.

I would also like to ask the lower **THC potency** products be developed and made available to customers.

I would also ask that there be consideration given to **limiting the signage on highway**s promoting the use of cannabis products on billboards. Many families and community members are concerned about the message this sends to youth.

Thanks!

Kathy Sullivan

Kathy Sullivan
Director

Kent Prevention Coalition
Coastline EAP

Phone: 401 519 5863
931 Jefferson Blvd. Suite 1001
Warwick, RI 02806
www.riprevention.org
[riprevention.org]

Kent County Prevention Coalition
Member of Rhode Island Regional Coalitions

MEMORANDUM

TO: RI Cannabis Control Commission

RE: Proposed regulations – public comment

DATE: 1/22/25

FROM: Kristen Westmoreland

The following are points I wish to make in response to the proposed cannabis regulations. Thank you for your attention and diligence on this matter.

1. There should be mandated annual training of all cannabis sellers and managers similar to the Responsible Beverage Server training required of alcohol servers. Though the alcohol training is required every three years, I would argue that the cannabis industry is new, innovative and dynamic, so training should happen annually. Other NE states are already using an online platform and requiring annual training. License renewal should be contingent on proof of all personnel having trained in the approved course. Areas to be included in the training should include, at the least:
    a. State laws
    b. Customer age verification skills training
    c. Product knowledge – THC and CBD content, dosage and potential negative effects on the body and brain
    d. High risk groups and data related to use and attitudes
    e. Identifying signs of overconsumption and how to educate consumers on safe use strategies
    f. Strategies to prevent diversion of cannabis to unauthorized users
2. Strengthen product packaging requirements – use of only neutral colors so that products will not be appealing to children. Thank you for including a large universal warning symbol.
3. Strengthen the distance of retail and other cannabis establishments from schools to include any other organization that services underage people.

From: Sumner Bruns
To: Inquiry, CCC
Subject: Suggestions for lottery
Date: Thursday, January 23, 2025 7:24:53 AM

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I am a social equity applicant and dispensary lottery winner in MD and am interested in expanding into Rhode Island.
I would suggest RI look very carefully at the Maryland lottery process and duplicates it. The whole process was very well done in Maryland except for the license fee was very expensive for SE applicants.

I like your idea of making it free for SE applications and 7500 for businesses.

Look forward to hearing more about the process. If you have any questions from a SE applicants' perspective in MD please feel free to contact me.

Lane Bruns
443-995-3885

From: Amber Lengacher
To: Inquiry, CCC
Subject: Comments on Proposed Adult Use Cannabis License Application Rules
Date: Thursday, January 23, 2025 3:48:11 PM

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Hi, there,

Thank you for reviewing this comment.

Specifically, this comment is in regards to 560-RICR-10-10-1, Cannabis Establishment Applications, Licensing and Renewals/

In 1.3.1, Application Requirements for Cannabis Establishment Licensees, I would suggest removing A.5 (the property control requirements). Instead, in the lottery phase, you could have applicants select their specified geographic region, but not require them to control a specific property and obtain zoning approval, floorplans, and more.

I really appreciate Rhode Island's dedication to social equity and creating a cannabis industry there that represents everyone and offers equal opportunity for all. Unfortunately, requiring property control for lotteries is a huge barrier to entry for a lot of folks in cannabis and results in tens of thousands of dollars of additional application costs. Allowing applicants--especially social equity applicants--to apply conditionally in the lottery without property and then giving the winners 90 days or so to obtain property after selection offers a more equitable solution.

When states require property with lottery submissions, it results in property stacking. Brokers round up all the eligible properties and sub lease them to multiple applicants at a premium. This doesn't benefit the state, the industry, or the consumer. Also, if there is litigation around the lottery procedures or results, you could save applicants month's of property costs while they await the final outcome of that litigation.

Applicants shouldn't have to invest everything into a lottery ticket.

Please consider revising this requirement. I do not believe it is in statute but if I missed it somewhere, I do apologize.

Thank you for your time and attention to this program and to the consumers of Rhode Island!

--
Amber D. Lengacher
Founder/CEO of Purple Circle LLC
407-452-4665
www.purplecircleservices.com [purplecircleservices.com]
LinkedIn Profile [linkedin.com]

The Circle you're already a part of...

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Narragansett Indigenous Cannabis Enterprises, LLC

NICE, LLC
95 Hilltop Drive
Charlestown, Rhode Island 02813
Email: nicellc2019@yahoo.com
Phone: (401) 330-9985

Date: January 24, 2025

Kimberly Ahern, Chairperson
RI Cannabis Control Commission
560 Jefferson Boulevard
Warwick, Rhode Island 02886

Re: Public Comment – Proposed Regulations of Cannabis Establishments

Dear Chairperson Ahern,

CONGRATULATIONS!! We, at NICE, LLC, are also proud and pleased of the work the Cannabis Control Commission (CCC) has been able to accomplish in the time frame since Friday, August 9, 2024, when the Commission's newly appointed administrator, Michele Reddish, sent out her letter of introduction and request to each cannabis establishment for **Information to be Collected** to help build an inclusive and equitable cannabis industry in Rhode Island, to the completion of the proposed regulations of today's January 24, 2025, Public Hearing. This is based on the overall time it has taken since the lawmakers legalized the recreational cannabis market in 2022.

After careful review of the proposed regulations there is only one comment, we (NICE, LLC) would like the CCC to consider. It is noted in **green** under the:

560-RICR-10-10-1
560 – CANNABIS CONTROL COMMISSION
CHAPTER 10 – CANNABIS
SUBCHAPTER 10 – REGULATION OF CANNABIS ESTABLISHMENTS
PART 1 – CANNABIS ESTABLISHMENT APPLICATIONS, LICENSING AND RENEWALS

1.5 Social Equity Retail License Application, Licensing and Renewals

L. Annual Renewal of Social Equity Retail License

5. An annual nonrefundable license fee according to the schedule below shall be submitted with all social equity retail license renewal applications:

Year of Licensure License Fee
Year 1 No Fee
Year 2 ~~$7,500~~ **No Fee**
Year 3 ~~$15,000~~ **No Fee**
Year 4 ~~$22,500~~ **No Fee**
Year 5 and all subsequent years ~~$30,000~~ **No Fee**

NICE, LLC received its cultivator's license, MMP CV0021, on September 20, 2019. Then and all subsequent years to date our annual Micro license fee has been $5,000.00. For each of those years we recorded a loss NOT including the total $30,000.00 for licensing fees. This is not what we included in our original application's Business Plan Pro-Forma/Projected Profit/Income. Without going into lengthy reasons why these loses were incurred (that we are all too familiar with) this is only one of the reasons for our request to waive the License Fee for every year a Social Equity entity stays in business is being requested. In the end, who benefits from these fees paid?

Thank you again for the exemplary job the Commission and your staff has been able to accomplish toward finalizing the establishment of "fair and equitable" regulations for our industry.

Sincerely,
Mary

Mary T. Banfield
NICE, LLC Managing Member

E copy: NICE, LLC Owners/Members;
Ross G. Banfield
Kerry T. Gorman
Hombre Harris
Peter Squatrito, OCR Chief of Inspections
Claire Richards, Executive Counsel
Stuart Procter, CCC Advisory Board Member



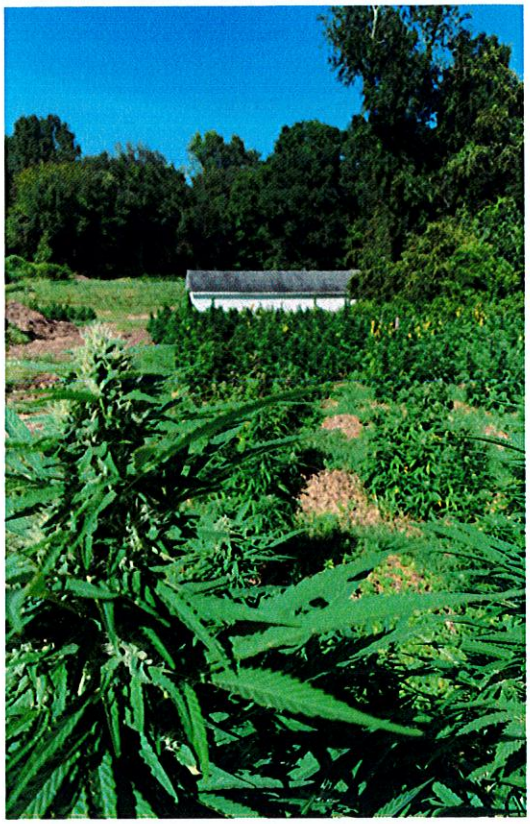
LOVEWELL FARMS

RHODE ISLAND CANNABIS CONTROL COMMISSION JAN 24 2025 PUBLIC COMMENT

lovewellfarms.com

WHO IS LOVEWELL FARMS?

Lovewell Farms is Rhode Island's only USDA-Organic Hemp Farm. Licensed as both a Grower and Handler as a part of the state's Industrial Hemp Program (IHP GH 005), we have been growing hemp outdoors with regenerative agriculture since 2019. Using responsible and sustainable growing practices, we are able to cultivate the highest quality product, while also creating a positive impact on the ecosystem with a low carbon footprint. Our farm is the only one in Rhode Island that has been growing cannabis outdoors for six consecutive years. Education and advocacy are both central company values.





WHAT DOES LOVEWELL FARMS SELL?

Lovewell Farms is licensed as a CBD Consumable Retailer (LCR 0010) and Distributor (LCD 0007). We sell USDA-Organic Hemp Flower and Herbal Smoking Blends, and we also use our Full-Spectrum CBD Distillate to make a variety of products including Gummies, Vape Cartridges, Tinctures, Chapsticks and Salves. We sell our products at events and farmers markets, and over fifty different retail stores throughout the region. More recently, we have been working with cultivators and dispensaries to determine the best way to incorporate (and market) our products in their places of business. We now sell to adult use dispensaries in at least four states throughout New England.



Mission

At Lovewell Farms, our mission is to help support our community through innovative, responsible and equitable business practices. From seed to shelf, we are committed to farming organic hemp and producing high-quality CBD that is accessible to all.

CONSCIOUSLY CRAFTED
LOVEWELL FARMS
IN RHODE ISLAND

WHO WE ARE

Meet the Team

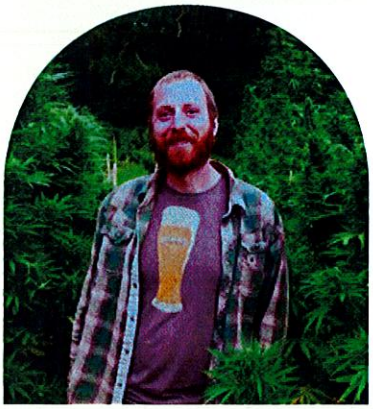


Mike Simpson

Co-Founder, Director of Marketing

mike@lovewellfarms.com

Mike was the Deputy Director of Regulate Rhode Island, a Marijuana Policy Project-funded initiative, that worked to regulate cannabis in the state. In 2019, he received an MA in History from Brown University. He now teaches at Johnson & Wales University.

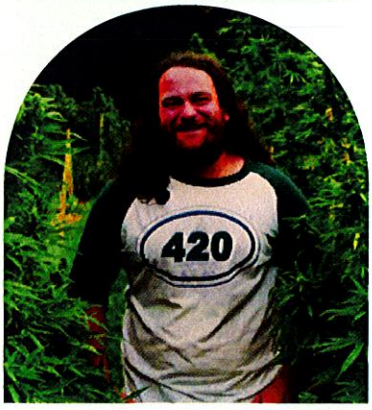


Ryan Plante

Co-Owner, Director of Cultivation

ryan@lovewellfarms.com

Ryan has a degree from the Horticultural Sciences program at the University of Rhode Island, with a focus on medicinal plants and wildlife conservation. For five years, he cultivated in the Rhode Island medical marijuana industry with Summit Dispensary.



Devin Stimson

Co-Owner, Director of Manufacturing

devin@lovewellfarms.com

Devin, a Berklee-trained musician, has over a decade of experience in music and instrument repair, alongside years in Rhode Island's medical cannabis industry. Rising from trimmer to harvest manager, he is now Lovewell Farms' Director of Manufacturing.

WHAT LOVEWELL FARMS WOULD Like to See IN 2025 CANNABIS REGULATIONS

✓ Address Social Equity Loopholes.

We support the recommended amendments proposed by the Cannabis Policy Coalition that address critical loopholes in the current regulations. For example, **removing social equity qualifications (iii) and (iv)** to prevent exploitation by corporations which could use these provisions to qualify unfairly. Removing these loopholes ensures social equity licenses remain focused on genuinely impacted individuals and communities rather than enabling corporate domination. Additionally, we oppose Commissioner Jacquard's suggestion for a two-tiered application system based on "merit," as it risks favoring well-resourced applicants and perpetuating inequities, contradicting the intent of the Cannabis Act.

✓ Add Outdoor Cultivator Licenses.

According to a Colorado State University study, greenhouse gas emissions from indoor grows can be as high as 5,184 kg of CO_2 per kg of dried flower, primarily driven by the electricity demands of lighting, heating, and ventilation systems. By comparison, emissions from outdoor and greenhouse cultivation are far lower, at 326.6 kg of CO_2 per kg, on the higher end. This means **indoor operations can produce 15 times the carbon footprint of outdoor. As a state committed to achieving carbon neutrality by 2050, Rhode Island cannot afford to ignore the environmental impact of its cannabis industry.** By including outdoor cultivation licenses in Rhode Island's cannabis regulations, the state can align cannabis policy with its broader environmental commitments, foster sustainability, and maintain competitiveness with other New England states that already embrace outdoor cannabis cultivation. **Allowing outdoor and greenhouse cultivation** is not just a matter of environmental responsibility—it's an opportunity to demonstrate leadership in sustainable cannabis practices while supporting local farmers and reducing barriers to entry in the market.

WHAT LOVEWELL FARMS WOULD
Like to See
IN 2025 CANNABIS REGULATIONS

Table 1. Outdoor License and Application Fees by State

St.	Pop.*	License Name**	App. $$	License $$
VT	.64	Tier 6 Outdoor Cultivator (37,500 sq. ft)	$1,000	$34,000
RI	1.09	No Outdoor License Available	N/A	N/A
ME	1.39	Tier 4 Outdoor Cannabis Cultivation (20,000 sq. ft)	$500	$15,000
CT	3.61	No Outdoor License Available	N/A	N/A
MA	7.00	Tier 11 Outdoor Marijuana Cultivator (100,000 sq. ft)	$1,500	$25,000
NJ	9.3	Tier 6 Cannabis Cultivator (150,000 sq. ft)	$5,000	$50,000
NY	20.2	Tier 5 Outdoor Cultivator (50,000 sq. ft)	$1,000	$50,000

***All population numbers are in millions.**
****Chosen license example is largest option available.**

WHAT LOVEWELL FARMS WOULD Like to See IN 2025 CANNABIS REGULATIONS

✓ Lower License and Application Fees.

Lowering license and application fees is crucial for ensuring equity in Rhode Island's cannabis industry. With fees currently set at $7,500 for applications and $30,000 for retail licenses—among the highest in the region—many small, local entrepreneurs are effectively priced out of the market, leaving room for national corporations with multimillion-dollar budgets to dominate. By comparison, neighboring states have adopted far more accessible fee structures: Maine charges just $250 for applications and $2,500 for licenses, and Massachusetts charges $1,500 for applications and $10,000 for licenses. These lower fees make it possible for small businesses and individuals from disproportionately impacted communities to participate. **Rhode Island should follow these examples and reduce fees to ensure its cannabis industry promotes equity**, supports local entrepreneurs, and aligns with the social equity goals of the Cannabis Act.

✓ Education and Wellness Grants.

Education grants to nonprofits and institutions of higher education are essential for promoting harm reduction and teaching consumers how to safely use cannabis. The Social Equity Assistance Program and Fund should **explicitly allocate funding to support education initiatives that address safe consumption practices, responsible use, and harm reduction strategies.** These grants could fund community workshops, public awareness campaigns, and college-level courses aimed at educating the public about the risks and benefits of cannabis use, as well as preventing misuse or overconsumption. By prioritizing harm reduction and education within the fund, Rhode Island can ensure consumers are empowered with knowledge, reduce stigma, and create a safer, more informed cannabis marketplace. Such initiatives are particularly important for fostering equitable access to education and resources in disproportionately impacted communities.

WHAT LOVEWELL FARMS WOULD Like to See IN 2025 CANNABIS REGULATIONS

Table 2. License and Application Fees by State

St.	Pop.*	License Name	App. $$	License $$
VT	.64	Cannabis Retailer	$1,000	$10,000
RI	1.09	Cannabis Retail Sales	$7,500	$30,000
		Compassion Center	$10,000	$500,000
ME	1.39	Cannabis Retail Store	$250	$2,500
CT	3.61	Adult-Use Cannabis Retailer	$500	$25,000
MA	7.00	Marijuana Establishment	$1,500	$10,000
NJ	9.3	Cannabis Dispensary	$400	$10,000
NY	20.2	Cannabis Dispensary	$1,000	$7,000

***All population numbers are in millions.**



Lasondra Pontarelli
Ancora Partners- Member
130 Madison Avenue
Cranston, RI 02920

David Rozen
Ancora Partners- Member
187 Shadow Brook Drive
Warwick, RI 02886

January 24, 2023

RI Cannabis Control Commission
RE: Public Comment

Dear Commissioners:

We are writing you in response to the recently released procedures related to obtaining a Cannabis license in Rhode Island. We are writing as both concerned citizens as well as partners who have been deeply involved in this process since the medical lottery days.

What surprised us most in reviewing the procedures you recently published, is that you've doubled down on the lottery. This Commission may be the only individuals in the State who believe this method was successful enough to repeat.

To make matters worse, the fee has been lowered to get more applicants!? This will undoubtedly degrade the quality of the applicant base. Case in point, Connecticut had a much lower fee and over 15,000 applicants.

Ms, Ahern was quoted in September by the Cannabis Business Times as saying "People that signed up for [a compassion center] were signed up for a $500,000 license," she said. "That's not the case in the Cannabis Act. The licensing fee is $30,000, so that's going to bring [the barrier to entry] down quite a bit and, I think, just increase the likelihood of more applications." Is that the goal? More applications? Not high quality applications and operators?

Ms. Ahern in other interviews also mentions the lottery is designed to avoid litigation and subsequent delays, however Minnesota's lottery has been famously delayed from lawsuits regarding how decisions were made to not allow applicants into the lottery. I see no reason that

wouldn't happen here; unless of course the barriers to enter the lottery were so low that almost no one gets kicked out. This also seems possible given the requirements that applicants have a business plan, a security plan, etc. with no qualifiers. It doesn't have to be a sound, financially stable, or credible business plan?

The bottom line is that the lottery process is bad for the State as the likelihood of all applicants being ready to open is close to zero (*the $500k fee didn't flush out those who couldn't open in the medical process). Only a qualified panel can determine suitability; a lottery can never accomplish that. Only a merit based process will maximize the opportunity for success for the State.

But our concerns with the lottery don't end there…

The Lottery System Undermines the State's Intent of Geographic Dispersion

The original intent behind splitting the state into zones was to ensure that cannabis businesses were geographically distributed to serve communities across Rhode Island equitably. A lottery system could easily lead to an overly concentrated number of stores in certain areas. In fact, given the zoning restrictions within the cities in Zone 4, there will be more applications in Warwick than other cities. As a result, it is possible, indeed probable that Warwick has 4 dispensaries… all on the same street. This possibility not only goes against the purpose of the zoning, creates an unbalanced market; and at worse, may be at odds the intent of the existing law. If 4 licenses end up in Warwick, but there are indeed qualified (and perhaps more qualified) applicants in other cities within that zone; this may be a "failure of administrative purpose" and a potential violation of the legal process in terms of fairness and equity. As a result, the idea that a lottery somehow exonerates the commission from legal challenges is fool worthy at best.

If we have to live with a lottery, the lottery should at least honor the zoning process to preserve the original plan for equitable distribution. Each city within a zone that opted into adult use cannabis should be assured a license to the degree there are qualified applicants in that city.

Arguably, the most critical issue with the lottery system is the avoidance of decision-making. The commission's use of a lottery instead of making individualized decisions about the licenses signals a lack of leadership. Leadership involves making tough decisions that benefit the state in the long run, not sidestepping responsibility to avoid any backlash.

Good governance and regulatory frameworks are built on making thoughtful, data-driven decisions, not on throwing decisions into a lottery that could very easily be seen as arbitrary. By allowing a lottery system, the commission avoids taking responsibility for ensuring a balanced and thoughtful distribution of licenses, which undermines the trust of both applicants and the public.

The $30k fee is aimed at ensuring a large pool of applicants, but this comes at the expense of quality. By setting such a low fee, the commission has created an environment where:

Inexperienced or underfunded applicants may be drawn into the lottery, potentially leading to never opening, or poorly run, or unsustainable businesses. The state clearly will not be attracting the most qualified operators who have the resources and expertise to run compliant, well-located, and well-managed dispensaries.

States that have done similar things (like Massachusetts, New Jersey, or others) have seen the results of prioritizing quantity over quality, often resulting in applicants who aren't able to open or operate successfully, which could waste taxpayer money and damage the reputation of the cannabis industry in Rhode Island.

Other states have faced similar challenges with lottery systems. New Jersey, for example, implemented a lottery for adult-use cannabis licenses but later faced criticism as many of the winners struggled to navigate the complexities of licensing and operating dispensaries, resulting in delays, failures, and missed opportunities.

A significant risk of a lottery system is that it rewards applicants who may not have the infrastructure, experience, or financial capability to open a legal cannabis business.

In Michigan, for instance, the state ran into trouble when it opened up lotteries without properly vetting applicants. Many winning applicants had to withdraw due to financial issues, inability to meet local zoning or security requirements, or were simply unable to handle the administrative burden.

This type of outcome harms the state's tax revenues and potentially increases the illegal market, as consumers are left without legal options or face higher costs at the few stores that manage to open.

Suggestions for Improvement

To make the system better and align with the state's original vision of equitable distribution, you could propose the following:

- **Zonal Lotteries**: Instead of a single statewide lottery, have separate lotteries for each zone to maintain geographic equity.
- **Stricter Application Requirements**: Increase the entry fee and add more rigorous vetting to ensure that only qualified, financially stable applicants are entering the lottery.
- **Post the Capital**: Open a bank account and fully fund the amount needed to build out the project.
- **Timelines for License Activation**: Set clear timelines for winners to get their businesses operational, with penalties for those who fail to do so within an acceptable timeframe. This would reduce the likelihood of applicants hoarding licenses without using them.

Conclusion

We have a full building permit, security plan, building desings, 100% of the capital for buildout and ramp up; I strongly believe we would be the absolute most qualified applicant in the State…

yet our chances of obtaining a license has been relegated to a game of chance in which odds are that we lose to a less qualified, worse located applicant. I cannot fathom how that is good for the State.

The lottery system, as it stands, makes it possible that a few regions become oversaturated with cannabis businesses while others remain underserved. By abandoning the original zoning concept and opting for a lottery, the commission risks undermining the state's goals of equitable distribution and sustainable market growth.

Leadership is about making tough choices, and a lottery system doesn't take that responsibility seriously. If Rhode Island truly wants a thriving, well-regulated cannabis market, the system needs to be rethought to a merit based system to encourage qualified operators, fair access, and thoughtful decision-making.



David Rozen

Lasondra Pontarelli
Lasondra Pontarelli (Jan 24, 2025 12:42 EST)

Lasondra Ponterelli

CCC Statement

Final Audit Report 2025-01-24

Created:	2025-01-24
By:	David Rozen (david@ancoraadvisors.net)
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2025-01-24 - 5:42:25 PM GMT

State of Rhode Island
Office of Lieutenant Governor Sabina Matos

January 27, 2025

Cannabis Control Commission
560 Jefferson Boulevard
Warwick, RI 02886

RE: 560-RICR-10-10-1: Cannabis Establishment Applications, Licensing and Renewals

Dear Members of the Rhode Island Cannabis Control Commission,

I am writing today regarding the Cannabis Control Commission's proposed regulations for the retail sale of adult use cannabis in Rhode Island. I wish to express my gratitude for the Commission's dedicated efforts in crafting these proposals, which are the culmination of a tremendous amount of research and community engagement. The Rhode Island Cannabis Act of 2022 entrusted the Commission with a great deal of responsibility in developing and implementing the legalization of cannabis; the commissioners and their staff have risen to that challenge admirably. These regulations adroitly thread the needle on protecting the health and safety of our communities while maximizing the economic benefits of cannabis legalization.

One of the most important of those economic benefits is the inclusion of worker-ownership in our cannabis law. The Cannabis Act reserves six of the new retail licenses for worker-owned cooperatives. We are the first in the nation to make a specific carveout for worker-ownership in our retail licenses, which should be a point of pride for our state. The benefits of worker-ownership are concrete and significant: a study based on longitudinal research by the U.S. Bureau of Labor Statistics found that employee-owners enjoyed not only 33% higher income from wages but 92% higher median household wealth. Integrating worker-ownership into recreational cannabis retail will ensure that the Rhode Islanders who will perform the skilled labor of cultivating, processing, and selling cannabis can enjoy those benefits and can partake in the profits of this new industry.

While I have nothing but praise for the regulations the Commission has proposed, I wish to draw attention to several significant shortcomings in the statutory requirements to apply for one of the retail cannabis licenses reserved for workers' cooperatives. The Cannabis Act does not provide the Commission the authority to offer additional requirements to qualify for a reserved license beyond the requirement that the business be incorporated under RIGL §7-6.2. However, in a worker's cooperative, the company's board is elected by its workers, yet no such requirement exists in the law. There is not even a requirement that one must be a worker at the business to be considered a member of the cooperative. Worse yet: under this statute, there is no ceiling for outside investors' capital returns. My understanding is that these loose requirements make it possible for an entity which has chartered as a "cooperative" under the current law to pay out 100% of its net surplus to non-worker investors, 100% of the time, while still qualifying for these

preferential reserved licenses. It is my belief that such an entity receiving one of the licenses reserved for a cooperative would be a disappointing outcome which would allow a large company to scoop up profits that should have been reserved for Rhode Island workers.

After extensive discussion with the Commission's staff, I am confident that the Commission has exercised the full extent of its regulatory authority in crafting these proposed regulations. However, I feel that these significant loopholes should be of great concern to all public officials who hope to integrate worker-ownership into our adult use recreational cannabis market. I hope that, during this public comment period, we can have an open discussion about the best path forward to close these loopholes. If we do so, I believe that we have an opportunity to become a national role model.

When our administration signed the Cannabis Act in 2022, we became the first in the nation to make a specific carveout for worker-ownership in our retail licenses. Just as the Commission looked to other states for guidance when developing regulations for our unreserved licenses, future states will look to us as an example. What we do at this critical moment not only affects Rhode Islanders but will inspire or dissuade later states who consider reserving licenses for worker-ownership. I am deeply grateful to the Commission for the excellent work you have done thus far in putting forwarded these proposed regulations, and I look forward to continuing to work with you on these important issues.

Respectfully,



Sabina Matos
Lieutenant Governor of Rhode Island

Garside, Katelyn (CCC - Contractor)

From: Ray White <RWhite@slatercenter.com>
Sent: Monday, January 27, 2025 3:01 PM
To: Inquiry, CCC
Subject: Written Comments, Proposed Cannabis Regulations

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This message came from outside your organization.
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To Whom It May Concern:

The Thomas C. Slater Compassion Center, Inc., has operated as a license cannabis facility in Rhode Island since 2013. We are pleased to provide the following written comment on proposed rule 560-RICR-10-10-1 **(Part 1 – Cannabis Establishment Applications, Licensing and Renewals)**.

Section 1.3.5(B)(1)(b)
We ask that the Commission remove this line in its entirety.
A $100 annual fee for an application and identification card is excessive. It does not seem to reflect the actual cost of materials or staff time needed for processing. We are unaware of other nearby states with this fee requirement. For an hourly staff member, this $100 annual fee is nearly equal to a day's pay. If the Commission does not opt to remove this onerous fee, perhaps it will consider a significantly reduced fee that represents actual costs.

Section 1.3.5(C)(2)(a)
We ask that the Commission consider removing the words "address and date of birth" from this line.
The requirement for a person's home address and date of birth is extraordinarily obtrusive. Customers and would be able to see this information, which is an excessive invasion of one's privacy. We fully understand the Commission's need for this information to be held privately, but requiring a person to wear a badge that displays this information to others presents a host of issues including potential security threats. We are unaware of any licensed entities that have a similar identification requirement that includes public display of such private information.

Section 1.3.5(C)(3)
We ask that the Commission consider removing this line in its entirety.
Requiring an identification card to be worn at all times while at the licensed facility is overreach. If a customer or patient requests the identity or name of an employee, we always provide them with that information. We always seek to maintain the safety of our employees and are extremely sensitive to having them expose their personal information to the public.

The Thomas C. Slater Compassion Center, Inc., is pleased to provide the following written comment on proposed rule 560-RICR-10-10-1 **(Part 2 – Operational Requirements for Cannabis Establishments)**.

Section 2.4.5(A)(2)

We ask that the Commission consider removing the words "stars" and "hearts."

Our facility from time to time will offer baked goods around specific holidays like Valentine's Day, which have included heart-shaped cookies. We understand the intent to prohibit products that are appealing to minors, but feel the language addressing human shapes, animal shapes, cartoon characters, and other shapes that are especially attractive to children is appropriate. We do not believe hearts or stars fall under this standard and would impede a traditional product offering that customers enjoy. We do not believe that edibles that come in certain geometric shapes, such as hearts or star-shaped cookies, are any more or less appealing to children than cookies that are round or square.

Section 2.4.5(A)(4)

We ask that the Commission consider removing the word "bright."

There are a number of infused products that have been sold at hybrid compassion centers for over a decade that could be considered "bright" under this standard. This includes edible products like drops or chews that are yellow, red or green. The term "bright" is subjective and could lead to inspectors negating products that have been sold safely and compliantly for many years. We feel the designation prohibiting items that are "neon color" is much more clearly defined and appropriate for the intended purpose of not being appealing to minors.

Section 2.7.2 (E) General Labeling Requirements

We have concerns about the excessive product labeling requirements described in this section. While we understand and wholeheartedly support the need for transparency and consumer protection, the scope and volume of information proposed to be included on required labeling greatly exceeds what is reasonably necessary to achieve these goals. There also is little evidence that requiring excessive information improves consumer decision-making or public safety.

In addition, excessive labeling requirements create several challenges, including:

1. *Consumer Confusion: Overloading product labels with excessive information can overwhelm or confuse consumers rather than inform them. Overly detailed labels dilute the most important information. Consumers are less like to read and/or understand critical details when confronted with an overload of text. Clear, concise, and relevant details are more effective in helping consumers make informed decisions. In addition, overly specific or redundant labeling can inadvertently mislead consumers by implying risks or issues that do not exist.*
2. *Increased Costs: The production of labels that meet these extensive requirements often results in higher costs for businesses, which are ultimately passed on to consumers. Printing extensive information requires additional materials, ink, and energy, contributing to unnecessary environmental costs.*
3. *Environmental Impact: Larger labels and additional packaging requirements contribute to unnecessary waste and undermine efforts to minimize environmental impact.*

Regulatory focus should be on ensuring the inclusion of critical, clear, and actionable information that genuinely aids consumer decision-making, rather than overwhelming them with less relevant data. We respectfully believe that focusing on consumer education as to cannabis products, usage and personal and public safety concerns would be far more helpful than piling a lot of information into 6pt type on a label.

Section 2.7.2 (E)(5)(A)

We ask that the Commission consider removing or revising the following labeling requirements:

- The cannabinoid profile as provided by a licensed cannabis testing laboratory.

The full cannabinoid profile provided by state-authorized laboratories includes a complete breakdown of more than a dozen cannabinoids that can be found in cannabis plants and products, the vast majority of which are of unknown, insignificant and/or confusing to most consumers. It would be difficult if not impossible to include the entire cannabinoid profile on a package label, given the limited space available. Instead, we believe the

regulations should continue to require the breakdown of THC and CBD, which are the most commonly associated with cannabis. If additional cannabinoids are added to a product for a specific effect (i.e., CBN to promote sleep), we agree that should also be noted on the label. We also are willing and able to provide the entire cannabinoid profile to anyone upon request.

Section 2.7.2 (E)(6)(A)

We ask that the Commission consider revising the following labeling requirements:

- A Commission-selected universal warning symbol must appear on the front or most predominantly displayed area of the package, no smaller in size than one (1) inch by one (1) inch.
    a. Vape cartridges must include the Commission-selected universal warning symbol in a manner that is clear and conspicuous either printed directly on the cartridge or attached to the cartridge as a sticker;

As written, this would require the universal symbol on vape cartridges to be 1 inch by 1 inch. We instead request that this say the universal symbol on vape cartridges and other products, such as syringes or other thinly packaged products (i.e. honey sticks), be of a size that the universal symbol is displayed in a clear and conspicuous manner.

Section 2.7.2 (E)(10)

We ask that the Commission consider revising the following labeling requirements:

- 10. For cannabis products containing both raw flower and manufactured cannabis, both the harvest date of the earliest material harvested and the date the manufacturing batch was created.

While this appears to narrowly apply to a limited number of products such as infused prerolls, we believe the date that the manufacturing batch was created is irrelevant because it comes after the harvest date, which establishes the expiration date of the product. Also, there is no obvious benefit in adding the manufacturing date, which could lead to confusion and would be additional wording on an already crowded label.

Section 2.7.2 (F)(1)

We ask that the Commission consider revising the following labeling requirements:

- Cannabinoid profile must be stated per serving/application unit and per package in milligrams (mgs), and in a font larger than size 6, bolded, underlined and in red, so as to stand from surrounding text to the consumer;

The full cannabinoid profile provided by state-authorized laboratories includes a complete breakdown of more than a dozen cannabinoids that can be found in cannabis plants and products, the vast majority of which are of unknown, insignificant and/or confusing to most Medical patients and Adult-Use customers. It would be difficult if not impossible to include the entire cannabinoid profile per serving/application unit on a package label, given the limited space available.

Instead, we believe the regulations should continue to require the breakdown of THC and CBD per serving/application unit, which are the most commonly associated with cannabis. If additional cannabinoids are listed on the label as having a significant contribute to the effect of the product (i.e., CBN to promote sleep), we agree that this should also be on the label broken down by per serving/application unit.

Section 2.7.2 (G)(8)

We ask that the Commission consider revising the following labeling requirements:

- 8. The date the retail-ready cannabis product received a passing result for all enforced testing requirements from a licensed testing facility;

This information seems unnecessary for the average consumer and could lead to confusion with all the other requirements, including dates of harvest, etc. This information is also irrelevant to the average consumer and can be provided by the dispensary to anyone upon request.

Section 2.7.2 (G)(9)

We ask that the Commission consider revising the following labeling requirements:

- 9. The business(es) or tradename(s) and license number(s) of the licensed testing facility that performed the testing on the retail-ready cannabis product.

This information is also irrelevant to the average consumer and can be provided by the dispensary to anyone upon request.

Section 2.7.4 (A)(2)

We ask that the Commission consider revising the following labeling requirements:

- Requirements for Small Containers

  A. If the immediate container holding the retail-ready cannabis product is too small to fit all of the label information required by this section, the following minimum information, in accordance with this section, is required to be placed on a label that is securely affixed to the immediate container

  2.) Cannabinoid profile

The full cannabinoid profile provided by state-authorized laboratories includes a complete breakdown of more than a dozen cannabinoids that can be found in cannabis plants and products, the vast majority of which are of unknown, insignificant and/or confusing to most Medical patients and Adult-Use customers. It would be difficult if not impossible to include the entire cannabinoid profile per serving/application unit on a package label, given the limited space available.

Instead, we believe the regulations should continue to require the breakdown of THC and CBD per serving/application unit, which are the most commonly associated with cannabis. If additional cannabinoids are listed on the label as having a significant contribute to the effect of the product (i.e., CBN to promote sleep), we agree that this should also be on the label broken down by per serving/application unit.

Section 2.7.5(A)(2)(h)

We are generally concerned with the subjective nature of the Commission's ability to determine if a product's logo or graphic or description has "misleading statements, including any statements regarding health and physical benefits to the consumer."

We understand and accept that no products should include graphics or logos or descriptions that make outright claims of curative effects like curing cancer or other diseases. However, we believe that some products that provide proven effects from use, such as assisting with sleep or assisting with pain relief, are appropriate and necessary on packaging. We suggest as a compromise that the prohibition on this line could read "Include any false or misleading statements, including any statements regarding unproven curative benefits to the consumer."

Section 2.8(B)(4)(a)

We are generally concerned with the subjective nature of the Commission's ability to determine if advertising suggests or implies "that cannabis has curative or therapeutic effects."

Again, we understand and accept that no advertising should include information that makes outright claims of curative effects like curing cancer or other diseases. However, we believe that some products that provide proven therapeutic effects from use, such as assisting with sleep or assisting with pain relief, are appropriate and necessary in advertising. We suggest as a compromise that the prohibition on this line could read "Suggest or imply that cannabis has curative effects."

Section 2.10(E)(2)

We ask that the Commission change the dispensing limit a cannabis establishment can provide quality control samples to any individual commercial cardholder of the licensed facility from one ounce of dried cannabis or its equivalent per month, to once ounce of dried cannabis or its equivalent "per day."

Quality control samples are essential to ensuring that employees of our facility are familiar with the full product menu. They need to best understand the various effects and characteristics of each product so that customers can be best informed about what they are purchasing. Under the proposed language, quality control samples would only be permitted in the amount of one ounce (or equivalent) per employee per month. This is incredibly restrictive given the size of our menu and product line. By changing the restriction from one month to one day, we can ensure that quality control samples for all of our in-house products will be available to sample for our

individual commercial cardholders – providing vital product knowledge and insight to our customers. This also falls within the state guidelines for maximum purchase allowed per day for adult-use customers.

Section 2.10(E)(4)

We ask that the Commission remove this paragraph entirely in concert with the suggested change above to Section 2.10(E)(2).

Section 2.10(F)(2)

We ask that the Commission change the dispensing limit which states that a cannabis establishment can provide trade samples to any individual commercial cardholder of the licensed facility from one ounce of dried cannabis or its equivalent per month, to once ounce of dried cannabis or its equivalent "per day."

Trade control samples are essential to ensuring that employees of our facility are familiar with the full product menu. They need to best understand the various effects and characteristics of each product so that customers can be best informed about what they are purchasing. Under the proposed language, trade samples would only be permitted in the amount of one ounce (or equivalent) per employee per month. This is incredibly restrictive given the size of our menu and product line. By changing the restriction from one month to one day, we can ensure that trade samples for products derived from outside license vendors will be available to sample for our individual commercial cardholders – providing vital product knowledge and insight to our customers. This also falls within the state guidelines for maximum purchase allowed per day for adult-use customers.

Section 2.10(F)(3)

We ask that the Commission remove this paragraph entirely in concert with the suggested change above to Section 2.10(F)(2).

Section 2.11(E)(3)(a)

We ask that the Commission add a sentence at the end of this paragraph that states: "The provision requiring a patient to possess a present a valid government issued identification matching the issuing state and the name on their medical cannabis card will take effect one year from the effective date of these regulations."

At present, a number of Rhode Island resident medical cannabis patients have sought designation or approval from states other than Rhode Island in order to obtain their medicine at our facility. This reflects an ongoing issue with many doctors in Rhode Island who will not complete the necessary recommendation certification because of the status of cannabis as a Schedule I drug. We estimate that nearly half of our medical cannabis sales come from out-of-state patients who utilize recognition from another state while residing in Rhode Island. We remain hopeful that efforts to federally reclassify cannabis from Schedule I will ease the concerns of local doctors in recommending medical cannabis as part of the Department of Health's medical cannabis registration program. This change will repatriate our residents who have sought state approval elsewhere. Until then, we have deep concern about the immediate impact on this significant number of patients if the matching residency to the issuing state provision is immediately implemented. We know that patients will be unable to purchase the medicine they need. We also project a steep drop in medical cannabis revenue to our facility (and other hybrid retailers) if this takes immediate effect. That drop in revenue and will impact licensed cultivators as well whose products are used to serve this population. The move will also result in a drop in sales tax revenue for the state. By providing a grace period of one year on this change, the Commission will provide us time to educate our patients on this change so they can seek potential entrance into the Rhode Island medical cannabis registration program. Implementation of this provision will have an immediate detrimental impact on the health and wellbeing of patients, and will be extremely disruptive to business operations, revenues, revenues to licensed cultivators, and decreased state tax revenue. We respectfully ask that a grace period be given to prepare for this change.

Section 2.18(A)(3)

We ask to remove this paragraph in its entirety.

Requiring employees of our facility to verify that any individual in a pickup vehicle must be at least 21 years of age is logistically impractical, an impediment to customer service, and a violation of the privacy of individuals. No sales

take place through our pickup service without verification that the purchaser is at least 21 years of age or a valid medical cannabis patient. We know that people who utilize the drive-thru service do so because it is often faster and easier than placing orders inside of our facility. Checking identification of others in a vehicle would add unnecessary delay to our service. We also know that many of our patient cardholders often have people who assist them in their care, many times minors or young adults, who have absolutely nothing to do with the person simply picking up their medicine. There are no similar requirements at a pharmacy, and there should be no similar intrusion at a compassion center.

Requiring ID from all passengers infringes on individual privacy rights without justification. If the law only mandates that the person making a purchase must meet specific criteria (e.g., legal age to purchase cannabis), extending the ID check to others in the vehicle introduces unnecessary and unwarranted intrusion, especially given that other people inside a vehicle have a reasonable expectation of autonomy.

There is no legal or logical rationale for requiring those not purchasing cannabis to prove their identity or age. There also is no evidence that requiring passenger ID checks would reduce or deter the illegal distribution of cannabis to minors.

Checking every passenger's ID creates delays and burdens customer service to other patients/customers enforcement unnecessarily. It also could inhibit a medical patient's ability to obtain medical cannabis needed for his/her medical conditions. Also, many passengers, such as tourists or those not legally required to carry ID, might not have it readily available. This creates logistical issues and could lead to unnecessary complications and delays in service.

Broad ID checks open the door to discriminatory practices. Employees might target specific individuals or groups under the guise of enforcing this rule, leading to uneven application of the regulation, i.e., profiling based on race, ethnicity or socioeconomic status. Overreaching ID checks also can lead to resentment and mistrust by those who may view this as an intrusive or authoritarian measure.

Section 2.20(B)(1)

We ask that the words "and manufacturers" be deleted.

There is no definition in the regulation for vertically integrated manufacturers. Proposed product manufacturers are required to purchase cannabis from licensed cultivators and cannot be "vertically integrated." Because of the significant cost and safety requirement associated with hydrocarbon extraction, it should only remain as an option for vertically integrated compassion centers who pay an excessive annual license fee of $500,000 per year. Affording this option to smaller license categories poses a potential safety risk to the community and does not recognize the disproportionate licensing fee paid by compassion centers for this manufacturing option.

Sincerely,

Ray White

Raymond S. White
Chief Operating Officer
Thomas C. Slater Compassion Center, Inc.
1 Corliss Street
Providence, RI 02904-9776
(401) 274-1000, ext. 102
rwhite@slatercenter.com

From: Sumner Bruns
To: Inquiry, CCC
Subject: Comments on Proposed Cannabis Regs
Date: Tuesday, January 28, 2025 11:38:14 AM

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Hello,

I kindly request that the Rhode Island Cannabis Commission publicly reports the number of applications received each day in each zone, so the applicants have an understanding of what probability they have of winning.

The state of KY did this, made a daily update to number of applications submitted and it was very helpful, plus it prevented the state from getting sued by the Freedom of Information Act.

Thank you,
Lane Bruns

Kevin Hoffman
Firebrand LLC
486 Dry Bridge Rd Site B North Kingstown, RI 02852

Date: 2/3/2025

Rhode Island Cannabis Control Commission
Attn: Public Comment
50 Service Avenue, Suite 3
Warwick, RI 02886

Dear Members of the Rhode Island Cannabis Control Commission,

I am writing to submit a public comment regarding the proposed annual license fees for cultivators. It is my hope that this letter provides clarity and brings attention to the financial challenges faced by small business owners, particularly cultivators, in Rhode Island.

First, I want to make one last attempt to help you better understand the math behind these proposed fees, with the hope that you can make a more reasonable, small-business-friendly decision. The current fee structure is, frankly, illogical. A 10% discount off of something that doesn't make sense is not a solution. I am asking for an explanation of how these numbers were calculated and how they can be justified.

Based on data from the Rhode Island Office of Cannabis Regulation (OCR), the following points highlight the discrepancies in the proposed fees:

- **7 retail cannabis stores** in Rhode Island generated a total of **$118,321,880** in gross sales in 2024.
- The **average retail sales** across these 7 stores were **$16,903,125** per store.
- **60 cultivator licenses** combined for **$44,047,275** in sales in 2024.
- The **average gross sales** of a cultivator were **$734,121** in 2024.
- This means that the **average gross sales of a cultivator** are **4.3%** of what a retail store generates annually.
- In fact, the **average retail store** in Rhode Island generates **23 times more** in sales than a cultivator each year.

Given these figures, here are some key comparisons:

- The **proposed annual license fee** for a **new retail store** is **$30,000**.
- The **proposed annual license fee** for a **Class B cultivator** is **$31,500**.
- For comparison, an equivalent license in **Massachusetts** costs just **$2,500** per year.

So, we are expected to accept that a **cultivator**, which generates only **4.3%** of the annual sales of a retail store, should pay a **higher license fee** than a retail store that generates **23 times more in sales**? Does this seem reasonable to you?

I am asking for a clear explanation of how these fees were calculated and how such a fee structure can be justified. To me—and I'm certain to many others in the industry—it feels as though the state is taking advantage of small businesses without providing any logical or fair basis for such decisions.

I, along with the majority of cultivators in Rhode Island, feel as though we are being unfairly burdened by an extremely lop-sided and small-business-unfriendly environment. Honestly, opening a business in Rhode Island has been one of the worst decisions I've made, and I am not alone in feeling this way. We are all acutely aware of how financially difficult it is to operate in Rhode Island's cannabis market, which has been shaped by the state over the past seven years.

Your stated goals are to be "small-business friendly," but the current proposal is decidedly **small-business unfriendly**. How can it be justified to charge cultivators more than a license for a business that makes 23 times more in sales each year?

Furthermore, your goal to be **competitive with other states** is also in question. Why is Rhode Island charging over **10 times** what Massachusetts charges for an equivalent-sized license? I have heard some of you justify this by saying we are a "limited license state," but with 60 licenses already issued, this doesn't seem like much of a limit in a small state like Rhode Island.

I hope you will reconsider these proposed fees, as they represent a significant financial burden with no clear rationale. A more equitable approach, such as a fee structure based on square footage (e.g., $1 per square foot), would be much more reasonable. For example, a **micro license** could be $2,500, a **Class A license** $5,000, and a **Class B license** $10,000. Even doubling these numbers would still be more fair than the arbitrary figures currently proposed.

If the proposed **$31,500** fee for a Class B cultivator license goes through, it will be a shameful decision. We are doing our best to operate in a difficult, small-business-unfriendly market, and the state should be supporting us, not further burdening us with unreasonable fees.

Thank you for your time and consideration. I look forward to your response.

Sincerely,
Kevin Hoffman
Co founder
Firebrand LLC

401-924-0050

Testimony to Members of the Cannabis Control Commission Regarding their Proposed Regulations

February 3, 2025

Dear Members,

I am writing to you today to express my concern for the disbursement of the taxes collected from cannabis sales. My understanding is that these taxes will be deposited into the General Fund. I believe these funds should be deposited and used for the Social Equity Assistance Fund to serve and improve our services to young people, the underserved and marginalized communities.

The War on Drugs and the incarceration of people found carrying small amounts of marijuana has negatively impacted our local families and communities in a way that has prevented individuals and families the opportunities that people without a criminal record have. The impact of which has been compounded over generations.

These funds should be used to provide education and training for individuals that have been incarcerated for marijuana related “crimes”. They should also be used for assisting parents and children in at-risk communities by providing educational programs and services that will assist these families with mental health, early childhood education, skills training, and any other services that will provide opportunities for education advancement and economic opportunities for the people and communities impacted by the War on Drugs.

If these funds are used to enrich communities impacted by the War on Drugs we will see brighter futures for our youth, more engagement in our community, a lessened need for police intervention and an overall improvement in the quality of life for people that have been targets of discrimination and over policing.

Please consider recommending that a portion of the taxes collected from cannabis sales go to the Social Equity Assistance Fund and other social services instead of depositing them directly into the general fund.

I appreciate your time and consideration.

Sincerely,

Lisa Jones

Resident of Providence and registered voter

KELLY, SOUZA, PARMENTER & RESNICK, P.C.
think TENACIOUS

Michael D. Resnick, Esq.
mresnick@ksprlawpc.com

February 3, 2025

VIA ELECTRONIC MAIL AND FIRST-CLASS MAIL

Kim Ahern, Chair
Cannabis Control Commission
560 Jefferson Boulevard
Suite 200
Warwick, RI 02886
cccinquiry@ccc.ri.gov

RE: 560-RICR-10-10-1.3.2(A)(2)(a) (As Proposed)
Jason Calderon, Comment re: Prohibited Financial Interests and Relationships

Dear Ms. Ahern:

We appreciate the opportunity to comment regarding the CCC's newly proposed regulation, 560-RICR-10-10-1 – Cannabis Establishment, Applications, Licensing, and Renewals (the "Licensing Regulation") This comment letter ("Comment") is submitted on behalf of Jason Calderon, a Principal of Bonsai Buds, LLC, which itself is a current holder of a Class A Hybrid Cultivation license and one of the longest-tenured cannabis cultivators in the state of Rhode Island. Over the last year, the Rhode Island cannabis market generated $162,195,560 in combined retail and wholesale sales.[1] Assuming that the CCC releases 24 new dispensary licenses as planned, the new licensees will require leadership and guidance from people like Mr. Calderon who have substantial experience with Rhode Island's cannabis industry.

Accordingly, this Comment is submitted to make the CCC aware of a potential unintended consequence of Section 1.3.2(A)(2) of the Licensing Regulation, which reads in pertinent part as follows:

[1] https://dbr.ri.gov/office-cannabis-regulation/data

2. All cannabis establishment licensees shall comply with the requirements in R.I. Gen. Laws § 21-28.11-19, entitled "Multiple licenses restricted."

    a. In accordance with R.I. Gen. Laws § 21-28.11-19(d), one person may invest in multiple licensed cannabis establishments provided that:

        (1) The person is not a majority owner in more than one (1) cannabis cultivator, cannabis product manufacturer, cannabis retailer, or compassion center; and

        (2) The investment does not qualify the person as a controlling person in more than one (1) cannabis establishment.

560-RICR-10-10-1.3.2(A)(2).

As you know, Section 21-28.11-3(21) of the Rhode Island Cannabis Act, R.I. Gen. Laws §§ 21-28.11-1 et seq. (the "Cannabis Act") defines a "controlling person" as an "officer, board member or other individual who has a financial or voting interest *of ten (10%) or greater in a cannabis establishment*."[2] R.I. Gen. Laws § 21-28.11-3(21) (emphasis added).

As proposed, Section 1.3.2(A)(2) would preclude anyone who has an ownership stake of 10% or more in an existing licensee from having any involvement with a second licensee. In other words, someone like Mr. Calderon, who has eight (8) years of experience managing and operating a cannabis cultivator in Rhode Island, would have no ability to assist with the management or day-to-day operations of a newly licensed cannabis retailer unless he reduces his ownership interest in Bonsai Buds, LLC below the 10% threshold.

Such a result would be detrimental to the Rhode Island cannabis industry as a whole, as it disincentivize individuals with substantial experience from meaningfully participating in the next phase of the next phase of the industry once the 24 new cultivators' licenses have been awarded. While we acknowledge the CCC's apparent concern about monopolization, we suggest that Section 1.3.2(A)(2) should be revised as follows:

2. All cannabis establishment licensees shall comply with the requirements in R.I. Gen. Laws § 21-28.11-19, entitled "Multiple licenses restricted."

    a. In accordance with R.I. Gen. Laws § 21-28.11-19(d), one person may invest in multiple licensed cannabis establishments provided that:

        (1) The person is not a majority owner in more than one (1) cannabis cultivator, cannabis product manufacturer, cannabis retailer, or compassion center; and

        (2) The investment does not qualify the person as a controlling person in more than ~~one (1)~~ two (2) cannabis establishments.

[2] The Licensing Regulation expressly incorporates the definition of "controlling person" set forth in Section 21-28.11-3(21) of the Cannabis Act. 560-RICR-10-10-1.2(A) ("In addition to the terms defined in R.I. Gen. Laws 21-28.11-3 . . . the following terms shall have the following meanings . . . .").

By revising Section 1.3.2(A)(2) as set forth above, we believe that the CCC can prevent monopolization while at the same time permitting individuals with substantial industry experience to be active participants in the future of the Rhode island cannabis industry.

Any concern over monopolization and/or vertical integration is obviated by the robust Proposed Regulations, as well as Rhode Island's interest in providing adult-use and medicinal cannabis consumers with knowledgeable retail agents and managers at the point of sale who can provide detailed information about the cultivation process and the product being offered. Further, these individuals, who possess substantial experience and knowledge, also have a proven track record of following Rhode Island's existing statutory and regulatory regime and otherwise performing pursuant to program requirements.

We suggest that these individuals are excellent candidates to be in *control* of a retail operation, which involves many of the same issues concerning security and preventing product diversion and requires experience with Rhode Island's seed-to-sale tracking software, packaging requirements, product testing protocols, and ensuring that product is not subject to contamination or otherwise compromised.

We thank you for the opportunity to comment and look forward to reviewing the final version of the Proposed Regulations after the public comment period has ended.

Sincerely,



Michael D. Resnick, Esq.

cc: Sean P. Klammer, Esq. (via e-mail only)
Mr. Jason Calderon (via e-mail only)

From: Karen Ballou
To: Inquiry, CCC
Subject: Public comment for new Cannabis regulations
Date: Tuesday, February 4, 2025 9:05:58 AM

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Karen Ballou
CultivatingRI LLC
Date: 2/3/2025

To the Rhode Island Cannabis Control Commission Attn: Kim Ahear & Michelle Reddish

Dear Members of the Rhode Island Cannabis Control Commission,

I am writing to submit a public comment regarding the proposed annual license fees for cultivators which is insulting & criminal

It is my hope that this letter provides clarity and brings attention to the financial challenges faced by small business owners, particularly cultivators, in Rhode Island. I have said this time and time again the cost of running these facilities on a yearly basic is Astronomical. I hold a Class A License. it cost me over 900,00 per year for my running cost not to mention with is paid to the IRS thought the Schedule 280 E fees which tac's on another 100,000 per year in taxes that we have to pay. with that being said if I'm making sales that are a million a yr there is absolute NO profit to be made. So when at the end of the yr when you are putting out your insulting numbers for the cultivators please remember there is **NO profit** in those numbers. Maybe you should look at our books so we can prove to you and the CCC that out of 60 cultivators only about 5 are pulling a profit.

We, and I mean all of the cultivators are looking for an explanation of how these numbers were calculated and how they can be justified. The numbers DONT LIE and why you all think that a 10% decrease in our license fee is sufficient and we should all be happy and grateful.
Here is some data from the Rhode Island Office of Cannabis Regulation (OCR), the following points highlight the discrepancies in the proposed fees: **THIS IS YOUR DATA NOT OURS!**
• 7 retail cannabis stores in Rhode Island generated a total of $118,321,880 in gross sales in 2024.
• The average retail sales across these 7 stores were $16,903,125 per store.
• 60 cultivator licenses combined for $44,047,275 in sales in 2024.
• The average gross sales of a cultivator were $734,121 in 2024.
• This means that the average gross sales of a cultivator are 4.3% of what a retail store generates annually.
• In fact, the average retail store in Rhode Island generates 23 times more in sales than a cultivator each year.
Given these figures, here are some key comparisons:
• The proposed annual license fee for a new retail store is $30,000.
• The proposed annual license fee for a Class B cultivator is $31,500.
• For comparison, an equivalent license in Massachusetts costs just $2,500 per year.

So, we are expected to accept that a cultivator, which generates only 4.3% of the annual sales of a retail store, should pay a higher license fee than a retail store that generates 23 times more in sales? Does this seem reasonable to you? IS THIS SOMETHING THAT THE MEDIA AND OUR COMMUNITY SHOULD KNOW ABOUT?
ALL OF US CULTIVATORS ARE asking for a clear explanation of how these fees were calculated and how such a fee structure can be justified. We are all at our breaking point and at this time we want answers. We are not going to lay down anymore and take the crumbs that the state hands out to us

I, along with the majority of cultivators in Rhode Island, feel as though we are being unfairly taken advantage of by an extremely lop-sided and small-business-unfriendly. **We constantly hear This state being small business friendly that is so far from the truth and you all know it and we have all yet to see it. What we do see is who every gives the most money in campaign donations & ridiculous license fees of 625,000.00 is the winner, it is very obvious that this is a pay to play state! I'm/we are all hoping that the next Governor that takes over is more open to all small business in the state of Rhode Island not just the cannabis industry**

Your stated goals are to be “small-business friendly,” but the current proposal is decidedly small-business unfriendly. How can it be justified to charge cultivators more than a license for a business that makes 23 times more in sales each year?
Furthermore, your goal to be competitive with other states is also in question. Why is Rhode Island charging over 10 timeswhat Massachusetts charges for an equivalent-sized license? I have heard some of you justify this by saying we are a “limited license state,” but with 60 licenses already issued, this doesn’t seem like much of a limit in a small state like Rhode Island.
I hope you will reconsider these proposed fees, as they represent a significant financial burden with no clear rationale. A more equitable approach, such as a fee structure based on square footage (e.g., $1 per square foot), would be much more reasonable. For example, a micro license could be $2,500, a Class A license $5,000, and a Class B license $10,000. Even doubling these numbers would still be more fair than the arbitrary figures currently proposed.
If the proposed $31,500 fee for a Class B cultivator license goes through, it will be a shameful decision. We are doing our best to

operate in a difficult, small-business-unfriendly market, and the state should be supporting us, not further burdening us with unreasonable fees.

Lets also take a second to talk about transparency. THERE IS ABSOLUTY NONE. We have been asking the CCC/DBR for years now about the Regulations & applications for new stores and we never get answers.

Karen Ballou
CultivatingRI LLC
CFO
401-641-5600

From: Scott Scofield
To: Inquiry, CCC
Subject: Public comment
Date: Tuesday, February 4, 2025 11:57:23 AM

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Scott Scofield. Cannapharm RI LLC 770 Main St. W., Warwick, RI.02893
Date: 2/3/2025
Rhode Island Cannabis Control Commission
Attn: Public Comment
50 Service Avenue, Suite 3
Warwick, RI 02886
Dear Members of the Rhode Island Cannabis Control Commission,
I am writing to submit a public comment regarding the proposed annual license fees for cultivators. It is my hope that this letter provides clarity and brings attention to the financial challenges faced by small business owners, particularly cultivators, in Rhode Island.
First, I want to make one last attempt to help you better understand the math behind these proposed fees, with the hope that you can make a more reasonable, small-business-friendly decision. The current fee structure is, frankly, illogical. A 10% discount off of something that doesn't make sense is not a solution. I am asking for an explanation of how these numbers were calculated and how they can be justified.
Based on data from the Rhode Island Office of Cannabis Regulation (OCR), the following points highlight the discrepancies in the proposed fees:
• 7 retail cannabis stores in Rhode Island generated a total of $118,321,880 in gross sales in 2024.
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Given these figures, here are some key comparisons:
• The proposed annual license fee for a new retail store is $30,000.
• The proposed annual license fee for a Class B cultivator is $31,500.
• For comparison, an equivalent license in Massachusettscosts just $2,500 per year.
So, we are expected to accept that a cultivator, which generates only 4.3% of the annual sales of a retail store, should pay a higher license fee than a retail store that generates 23 times more in sales? Does this seem reasonable to you?
I am asking for a clear explanation of how these fees were calculated and how such a fee structure can be justified. To me—and I'm certain to many others in the industry—it feels as though the state is taking advantage of small businesses without providing any logical or fair basis for such decisions.

I, along with the majority of cultivators in Rhode Island, feel as though we are being unfairly burdened by an extremely lop-sided and small-business-unfriendly environment. Honestly, opening a business in Rhode Island has been one of the worst decisions I've made, and I am not alone in feeling this way. We are all acutely aware of how financially difficult it is to operate in Rhode Island's cannabis market, which has been shaped by the state over the past seven years.

Your stated goals are to be "small-business friendly," but the current proposal is decidedly small-business unfriendly. How can it be justified to charge cultivators more than a license for a business that makes 23 times more in sales each year?

Furthermore, your goal to be competitive with other states is also in question. Why is Rhode Island charging over 10 timeswhat Massachusetts charges for an equivalent-sized license? I have heard some of you justify this by saying we are a "limited license state," but with 60 licenses already issued, this doesn't seem like much of a limit in a small state like Rhode Island.

I hope you will reconsider these proposed fees, as they represent a significant financial burden with no clear rationale. A more equitable approach, such as a fee structure based on square footage (e.g., $1 per square foot), would be much more reasonable. For example, a micro license could be $2,500, a Class A license $5,000, and a Class B license $10,000. Even doubling these numbers would still be more fair than the arbitrary figures currently proposed.

If the proposed $31,500 fee for a Class B cultivator license goes through, it will be a shameful decision. We are doing our best to operate in a difficult, small-business-unfriendly market, and the state should be supporting us, not further burdening us with unreasonable fees.

Thank you for your time and consideration. I look forward to your response.

Sent from my iPhone

560-RICR-10-10-2 OPERATIONAL REQUIREMENTS FOR CANNABIS ESTABLISHMENTS

APPROVE:

2.11.E3a “Sales to out-of-state patients”.

Patients with out of state medical marijuana cards must possess and present a valid government issued ID that matches the issuing state and the name on the medical marijuana card.

This makes sense seeing that out of state doctors don’t have to follow RI DOH regulations due to the fact there’s no way of monitoring them. These doctors can and do issue cards without medical records or even meeting the patient. These patients then have the same right to discounts and various types of cannabis that might help the legit patients that are following the RI law and maintaining the patient/physician relationship with up-to-date medical records as the DOH regs state.

560-RICR-10-10-1 CANNABIS ESTABLISHMENT APPLICATIONS, LICENSING AND RENEWALS

APPROVE:

1.3.6 “Criminal background checks”

Caregivers are currently required to get a new background check every 2 years. This will instead require mandatory reporting of any and all criminal convictions within ten days, as well as an attestation be included in renewal applications.

This will help both the state and caregivers. Sometimes, it over burdens the person doing the background checks because there's a line (there's other occupations that require background checks). This will help ease on the amount of foot traffic in the State Departments. This will also help the caregivers and patients by not having to take time out of their day to find where they can get a background check.

.

560-RICR-10-15-1 CAREGIVER REGISTRATION, MEDICAL HOME GROWS AND PERSONAL CULTIVATION

DO NOT APPROVE:

1.3.2.F3 "Renewal applications must be received by the Commission prior to the expiration of the registry identification card".

This is something that is NOT controlled by the caregiver. Their license is tied to the patient's application and renewal. If the patient renews their application late, the caregiver cannot do anything about it. You would be penalizing a person who has no control over the card and their patient might forget their appointment, have financial issues, health issues or even have difficulties with submitting their application online in a timely manner.

560-RICR-10-05-1 ADMINISTRATION, PROCEDURES AND ENFORCEMENT

DO NOT APPROVE:

1.4.C.4 "If any patient cardholder or primary caregiver cardholder is found to have cannabis plants without a valid medical cannabis home-grow certificate, the Commission shall impose an administrative penalty."

There are multiple reasons for patients not letting the government know they are growing. It can be paranoia because people now know that they grow, it can be that they've been in trouble with the law (in the past), it can be that they are afraid of a house invasion (one person knows and tells another person). There should be no penalty on patients if they are within the plant count of 12 mature and 12 immature. They might be computer illiterate or have no access to the internet and not have the means to obtain a medical cannabis home-grow certificate. Not to mention that adult use already allows growing 3 plants without a certificate. To penalize a patient would put more financial burden that they do not need. This is their medicine.

DO NOT APPROVE:

1.4.C.5b "Revocation of medical cannabis home-grow certificates" includes grounds for revocation to include, but not limited to: 1) Failure to maintain or timely renew the required underlying qualifying patient or primary caregiver registration and 7) Failing to maintain or produce cultivation records…"

I don't believe this provision is fair to patients. As a patient myself, I'm not good at maintaining or remembering to maintain records. This feels like a lack of trust with the government and patients. My medical condition (multiple sclerosis and strokes) has left me with numbness in both hands and I'm sure other patients with neuropathy, etc. have issues with writing and/or typing to keep records. As it is, my wife is typing everything out for me on this written testimony.

From: Sumner Bruns
To: Inquiry, CCC
Subject: Comments on draft regs
Date: Thursday, February 6, 2025 6:38:12 PM

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Specifically **560-RICR-10-10-1.5(K)(1):**

All approved social equity applicants, social equity provisionally approved applicants and social equity retail licensees have a continuing obligation to at all times be organized, structured, and operated as required to maintain qualified social equity status in accordance with the Cannabis Act and these rules including §1.11 of this Part.

Isn't the intend of RI to ensure that the social equity applicants succeed and ultimately create an opportunity for wealth? A small business owner's greatest opportunity for financial success is having the ability to exit their company. By all accounts, both practical and literal, this proposed subsection completely prevents a social equity licensee from finally monetizing his/her hard work thru and exit. Especially because the cannabis business is so volatile, you don't want to potentially put an albatross around the SE applicant's neck. If they can sell profitability why prevent that?

Please reconsider this section/ maybe delete it all together and let the SE applicant decide when it is best to sell for them. Perhaps the RI CC could weigh in and give them advice or prevent a predatory sale.

Thanks
Lane Bruns
443-995-3885

Dear members of the CCC,

I'm Dr Andre Dev here representing the Cooperative Cannabis Network of RI
I've been working to fundraise for and help with the early development of cannabis coops.
I have a few broad comments about how I think you should be approaching these coop licenses as well as some technical thoughts that I'll expound on.

First, I want to talk a little about the spirit and intentions behind how Worker Coops became a part of the legalization bill as someone who worked with ReclaimRI when it was in the legislature. The intention was to innovate a way to ensure the goals of social equity could be met by the new cannabis industry in the face of legal challenges of which the members of this commission are intimately aware.
Worker coops are a way to ensure that the wealth created by this industry that the state is now sanctioning will remain in the states and municipalities where these businesses are.

By avoiding licensing that specifies race or place of residence and instead focusing on the business model, coops create a more legally robust way to move the industry towards equity and this was very much the intention when coops were added to the law.

We should think of coops as innovation in the field of social equity not as something separate. As such I would ask that the commission treat coops that qualify as social equity eligible as much as social equity candidates as possible including waived fees ect.

Second, for both social equity and coops licensees who struggle with access to capital I want to point out a discrepancy between the statute and the regulations regarding "controlling interests". These groups, applying for licenses in different zones, will, in solidarity, want the ability to pool scarce resources. The contradiction is the following:

> RIGL § 21-28.11-19(d)
> (d) Nothing in this chapter shall be construed to prohibit one person from investing in multiple licensed entities under this chapter; provided no one person or entity shall be a majority owner in more than one licensed entity.
>
> Vs.
>
> 1.3.1 Application Requirements for Cannabis Establishment Licensees
> (7) If any key person/interest holder identified in § 1.3.1(A)(6) of this Part has a material financial interest or control in another cannabis establishment that is in conflict with any provision the Cannabis Act, the Medical Marijuana Act and/or these regulations as determined by the Commission, that key person/interest holder must disclose that interest in the application and include a plan of divesture in accordance with § 1.3.2 of this Part.
> &
> 1.3.2 Disclosure and Divestiture of Prohibited Financial Interests and Relationships

(2) All cannabis establishment licensees shall comply with the requirements in R.I. Gen. Laws § 21-28.11-19, entitled “Multiple licenses restricted.”
(a). In accordance with R.I. Gen. Laws § 21-28.11-19(d), one person may invest in multiple licensed cannabis establishments provided that:
(1) The person is not a majority owner in more than one (1) cannabis cultivator, cannabis product manufacturer, cannabis retailer, or compassion center; and (2) The investment does not qualify the person as a controlling person in more than one (1) cannabis establishment.
&
1.8 Compassion Center Application, Licensing and Renewals

(F)(1)(f) With respect to the disclosure and divesture requirements in § 1.3.2 of this part, except as provided in § 21-28.11-19(d), a compassion center and interest holders/key persons thereof may not have any “material financial interest or control” in another Rhode Island cannabis establishment licensee or vice versa. R.I. Gen. Laws §§ 21-28.6-12(b)(1)(ii), 21-28.6-12(d)(5)(v), 21-28.11-19.

Clarity we are lacking:

1. What is the definition of "investor"? Can they have ANY decision making power in the entity they are invested in?
2. What is the definition of "controlling person"? There is a definition of "Material financial interest or control” in the regs, but that definition does not make sense as it applies to 1.3.2 or § 21-28.11-19(d), as applying that definition would invalidate § 21-28.11-19(d). There is a definition in the statute of:

(35) “Ownership and control” means ownership of at least fifty-one percent (51%) of the cannabis establishment, and control over the management and day-to-day operations of the cannabis establishment, and an interest in the capital, assets, and profits and losses of the cannabis establishment proportionate to percentage of ownership.

(21) “Controlling person” means an officer, board member or other individual who has a financial or voting interest of ten percent (10%) or greater in a cannabis establishment.

That still is in conflict with § 21-28.11-19(d), however, as that allows provision allows up to 51%, and this says 10%. This is a conflict in the statute. As a result, cannons of statutory construction would hold that the specific trumps the general, and I think there's a VERY argument that the 10% does not apply to § 21-28.11-19(d) so long as there isn't any control.

My advice is to either

1. Defer to the statute

2. Make an exception for non-voting interest (this will largely only apply to coops, but a non voting interest is not the same as a controlling interest)
3. Create True Party of Interest legislation similar to New York State.

This is a delicate thing because we want to ensure that these licenses are taken up by genuinely democratically run worker coops, rather than exploitative or out-of-state interests, but we need to make sure that these gorups also have the best chance at access to capital.
I'd advise looking that the testimony of individuals on ways to prevent bad actors from taking advantage of your time.

Lastly, I would also consider some extra guidance on reporting requirements for social equity and coop licenses, I've worked with working class individuals who might have family/friends who want to contribute but not necessarily want to be in the newspaper. These types of business will tend to have more and smaller donors/investors and this makes reporting requirements especially onerous on them, when our objective should be to make it easier on them.

From: nicole jardin
To: Inquiry, CCC
Subject: New Regulation proposals
Date: Thursday, February 6, 2025 1:04:59 PM

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Report Suspicious

Hi,

I wanted to reach out about the proposed regulations, two items I wanted to address were the cultivator licensing fees and fines and the 90 day allowance for updated packing.

We own a family owned cultivation with no millionaire backing us and we are far from rich. Our entire life savings was put into our facility, we have been up and running since 2019 and we have yet to get out of the red. The licensing fee of $20,000 a year, $120,000 since we started, is absolutely not helping our situation. This year I had to take out a loan to cover it. I am emailing you today to beg for help.

At the last CCC meeting I was sick to my stomach when people said how much Massachusetts is charging cultivators, why are we paying so much more? There was a proposal by someone who spoke at the meeting that RI should follow the Massachusetts fee structure. That would be amazing and help us to not go out of business and lose everything we worked so hard for. There were also comments about charging cultivators $1.00/ square foot which also seems very fair.

I do love the social equity/co-op ideas and I understand why they do not have to pay fees for the first few years. However, as a family owned and financed business, should we not receive some consideration as well. We are not, and never, have been rich, we saved our whole lives, worked everyday, and are raising two children who we have to tell all the time that there is not enough money for them to do the extras, we assure them someday soon we might be able to. The only people who have the power to make that happen right now is the CCC. So please lower cultivator fees and lower fines imposed on us for incidental issues since those are over the top as well.

We were fined $9,000 for an honest mistake and not anything that was intentional, a mistake that happened while my family was dealing with a bad case of covid. I was told the fees were non-negotiable as much as the DBR claimed they understood and sympathized with us. Non-negotiable fees, really??? Again just a family trying to survive the industry. Astronomical fees with no understanding or consideration of circumstances are killing us.

Lastly, the new packing requirements seem reasonable, however 90 days to be in compliance seems too short a time. Not only for the retailers to move products already on their shelves but for cultivators who have 10,000+ packages already made and paid for. I would suggest 180 would be much more reasonable. Packing is not cheap and most come from overseas so the cost and the time it takes to get them makes this an even more reasonable

request.

I appreciate you taking the time to read this and hope that Rhode Island CCC will try to make the industry successful for everyone involved.

Thank you,

Nicole

560-RICR-10-10-2 OPERATIONAL REQUIREMENTS FOR CANNABIS ESTABLISHMENTS

AGREE:

2.11.E3a “Sales to out-of-state patients”.

Patients with out of state medical marijuana cards must possess and present a valid government issued ID that matches the issuing state and the name on the medical marijuana card.

This is well overdue and will put legitimacy into the RI medical marijuana program and keep the bad actors out. As of today, anyone can get a CA medical marijuana card without any documented medical records, they don’t have to keep a patient/physician relationship, and they don’t have to follow the DOH guidelines. This hurts businesses like ours that have to be monitored by third-party physicians per the DOH. It also hurts the real patients that are following all of the guidelines set forth by the DOH. In addition, patients sometimes cannot get the medicine they need because it is sold out.

560-RICR-10-10-1 CANNABIS ESTABLISHMENT APPLICATIONS, LICENSING AND RENEWALS

AGREE:

1.3.6 “Criminal background checks”

Caregivers are currently required to get a new background check every 2 years. This will instead require mandatory reporting of any and all criminal convictions within ten days, as well as an attestation be included in renewal applications.

This will lessen the burden of having to pay $45 every two years. However, does this also pertain to Authorized Purchasers? If not, it should include them. The authorized

purchaser is very important to patients that are home bound or have difficulties with transportation to the dispensaries.

560-RICR-10-15-1 CAREGIVER REGISTRATION, MEDICAL HOME GROWS AND PERSONAL CULTIVATION

DISAGREE:

1.3.2.F3 “Renewal applications must be received by the Commission prior to the expiration of the registry identification card”.

This is something that is NOT controlled by the caregiver. Their license is tied to the patient’s application and renewal. If the patient renews their application late, the caregiver cannot do anything about it. You would be penalizing a person who has no control over the card and their patient might forget their appointment, have financial issues, health issues or even have difficulties with submitting their application online in a timely manner.

560-RICR-10-05-1 ADMINISTRATION, PROCEDURES AND ENFORCEMENT

DISAGREE:

1.4.C.4 “If any patient cardholder or primary caregiver cardholder is found to have cannabis plants without a valid medical cannabis home-grow certificate, the Commission shall impose an administrative penalty.”

Patients should be excluded from this provision. They might be computer illiterate and not have the means to obtain a medical cannabis home-grow certificate. Not to mention

that adult use already allows growing 3 plants without a certificate. To penalize a patient would put more financial burden that they do not need. This is their medicine.

DISAGREE

1.4.C.5b “Revocation of medical cannabis home-grow certificates” includes grounds for revocation to include, but not limited to: 1) Failure to maintain or timely renew the required underlying qualifying patient or primary caregiver registration and 7) Failing to maintain or produce cultivation records…”

Patients should be excluded from this provision. This puts another burden onto patients to where the adult use does not require to maintain or produce cultivation records. Additionally, what is the definition of “timely renew patient or caregiver registration”? Some patients are not timely with their doctors’ appointments due to their chronic medical condition or due to lack of transportation. This can delay their card being renewed.

From: Mike Bell
To: Inquiry, CCC
Subject: Cannabis Regulations
Date: Friday, February 7, 2025 1:13:55 PM

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Report Suspicious

Dear Honorable members of the board,

I thank you for the opportunity to offer input on the forthcoming regulations for the adult-use cannabis industry in Rhode island. I would like to offer a few comments regarding the application/licensing process.

Section 1.3.1 (A)(2)(a) of the regulations states, "Applicant's experience running a business, including the applicant's experience running a cannabis business, as applicable."

Given the fact that Rhode Island's cannabis industry is a newly regulated market, and as such, no applicant can be expected to have prior experience running a cannabis business within the state. Requiring such experience inherently favors out-of-state companies with prior cannabis experience, which undermines the intent of creating an equitable and inclusive local industry. This requirement may unintentionally disadvantage local entrepreneurs and small businesses that lack direct experience in the cannabis field, but possess the skills necessary to succeed in business more generally.

I respectfully request that this provision be revised to remove the following language "... including the applicant's experience running a cannabis business, …" or be revised to make it clear that prior experience in the cannabis industry is not a prerequisite to be deemed a qualified applicant.

Section 1.4(H)(5), of the regulations states, "If more than two (2) years has elapsed since the original selection process set forth in § 1.4(H)(3) of this Part, the Commission may announce a new application period as set forth in § 1.4(B)(1) of this Part." This language also appears in three additional sections.

The two-year time frame before restarting the application/selection process is excessively long and creates an undue burden on qualified applicants. Many applicants will have already incurred significant costs, including the purchase or lease

of real estate, and other business-related expenses to prepare for the licensure process. If applicants previously deemed “qualified” is the pool from which any subsequent licenses will be awarded the two year time frame places an unreasonable financial strain on these applicants.

To mitigate these concerns, I propose reducing the time frame for restarting the application process to one year.

Thank you for your consideration.

Best regards,
--
Mike Bell
112 Sheldon Street
Providence, RI 02906
401-595-3516

February 7th, 2025

Dear Members of the Rhode Island Cannabis Control Commission,

Reclaim RI writes to share our perspective on the draft regulations governing applications, licensing, and renewals (560-RICR-10-10-1), and to highlight the critical role of worker cooperatives in achieving the social equity goals of the Rhode Island Cannabis Act. We urge the Commission to recognize cooperative retail licenses as an intended vehicle to effectuate a locally-based industry where workers can economically thrive; and, to that end, to implement specific measures that protect the cooperative license model from exploitation.

Reclaim RI is a volunteer-based progressive organization fighting for social and economic justice in Rhode Island. While currently focusing most of our resources on housing justice, we were previously active coalition members in the fight for just and equitable cannabis legalization. During the legalization campaign in 2021-2022, Reclaim RI, along with its coalition partners, originally proposed the legislative license set-aside for worker-owned cooperatives. In doing so, we were thinking *specifically* about the cooperative model's unique guarantee to workers in the industry, both those working today and far into the future: that they have a protected right to wield power over important decisions at their workplace, and to bring home the profits that couldn't have been earned without them.

We're thrilled about the set-aside for worker cooperative retail licenses, which we see as a groundbreaking opportunity to bring new consumer attention, institutional support, and wealth-building jobs to Rhode Island's cooperative economy.

Furthermore, cooperative licenses provide a unique opportunity for Rhode Island to deliver on the Cannabis Act's promises of "social equity," alongside the six social equity licenses. As described, when cooperative principles are actually implemented, co-ops ensure that profits are broadly shared among workers and that decision-making is democratic, fostering accountability to the people who contribute to the business's success. This model is particularly impactful for social equity-certified individuals who aim to build cooperatives that not only benefit themselves and their several business partners, but workers who come from their communities for generations to come.

Research shows that worker cooperatives provide more egalitarian pay structures and higher marks on employee satisfaction than non-cooperative employers. According to the first national survey of cooperative worker-owners, conducted by the Democracy at Work Institute in 2017 across 1,147 individuals in 82 cooperatives, co-op members saw, on average, an hourly wage

increase from their previous job of $3.52, and an accumulation of $10,000 in equity in their internal capital accounts. When asked about their perceptions at work, the majority said that their job security, job satisfaction, and quality of their supervision and training was somewhat or much better than their previous job.[1]

However, benefits like these, including significant annual payouts to budtenders and unprecedented career pathways via participation in corporate governance, will only be realized in Rhode Island's cannabis market if safeguards are in place to ensure that these licenses are awarded to businesses that operate within cooperative principles. Without appropriate protections, we see a risk that the cooperative licenses could be co-opted by entities that prioritize profits for a few over shared ownership and worker empowerment.

The risk that entities will find and leverage loopholes to comply as a "cooperative" under the Rhode Island worker cooperative statute is particularly and uniquely concerning in the context of cannabis licensing, since there's a reasonable incentive for license applicant entities to pursue a license via what they may expect to be a less competitive lottery process.

Given this concern, we recommend that the Cannabis Control Commission study the seven cooperative principles, as defined by the International Cooperative Alliance, and implement additional requirements for cooperative license applicants to ensure that they intend to implement these seven principles to the best extent possible, even where certain commitments are not required for compliance by the RI worker cooperative statute.

Additionally, we recommend that the Commission extend all benefits provided throughout the licensing process for social equity license applicants– including automatic fee waivers, expedited review timelines, and grace periods in hitting licensing milestones– to cooperative license applicants.

Worker cooperatives are a proven model for building community wealth, empowering workers, and addressing systemic inequities. By prioritizing this model and protecting it from exploitation, Rhode Island has the opportunity to set a national example for how cannabis legalization can advance true social equity.

We appreciate the Commission's commitment to an equitable cannabis industry and look forward to continuing to support this work. Please don't hesitate to reach out if we can be a resource or provide further input.

Sincerely,
Reclaim RI
Tyler Brown, Treasurer
organize@reclaimri.com

[1] https://www.fiftybyfifty.org/2021/06/workers-at-cooperatives-report-high-job-satisfaction-and-community-engagement/?utm_source=chatgpt.com

The seven cooperative principles, as defined by the International Cooperative Alliance, are[2]:	*The Commission should vet cooperative license applicants (above & beyond compliance with RI worker cooperative statute) to ensure:*
1. Voluntary and Open Membership	That all future workers at cooperative dispensaries face transparent criteria and reasonable timelines (<2 years) for onboarding to membership.
2. Democratic Member Control	That the Board of Directors is elected directly by the membership to ensure that key decision-makers are ultimately accountable to the members.
3. Member Economic Participation	That the cooperative's capital structure and financial projections reflect a best effort to maintain at least a majority of shareholder returns for common shareholders (i.e. members); and reserve key decisions on surplus/loss allocations to a member-elected Board of Directors.
4. Autonomy and Independence	That any contracts entered into with external parties do not infringe on the foundational rights of democratic member control and member economic participation, in the present or future.
5. Education, Training, & Information	That cooperative licensees budget for continuous investment in cooperative training, to ensure that future worker-owners are equipped to effectively participate in corporate governance and member engagement.
6. Cooperation among Cooperatives	
7. Concern for Community	

[2] https://ica.coop/en/cooperatives/cooperative-identity

SOUTHSIDE COMMUNITY LAND TRUST

February 7, 2025

Dear Members of the Rhode Island Cannabis Control Commission,

For 43 years, SCLT has fulfilled our mission to support Rhode Islanders to have ownership and power over food systems that offer culturally familiar, locally produced, affordable, and healthy food by working toward equitable access to land and markets, providing education, and fostering opportunities to grow food in environmentally sustainable ways. We do this through community-centered programs that include Youth Programming, Agricultural Apprenticeships, Farmer Support, Land Access, Produce Aggregation, VeggieRx Produce Prescription, and Community Farms & Gardens. In 2024, we fed more than 25,000 Rhode Islanders with fresh, locally grown, and culturally familiar produce. More than 95% of recipients are low-income and live in low food access areas and receive their produce for free because of our programs.

SCLT has a history of supporting agricultural operations through producer-cooperative business activity. This organizational structure allows small, agricultural businesses - who have high skills and commitment but low access to capital - the opportunity to access markets they otherwise couldn't access. We object to the elimination of cooperative cultivation licenses because we know this organizational model works to advance social equity and economic empowerment goals.

While we understand that current cultivation levels in Rhode Island exceed sales at RI retail outlets, we have seen the agricultural businesses that we work with carve out space in competitive markets, create access to products, and deliver benefits to their communities even in the face of market conditions that would indicate the impossibility of such accomplishments. This opportunity through cooperative cultivation licenses should not be cut off to low resource producers because of current market conditions.

We propose the continuation of cooperative cultivation licenses available specifically for social equity cultivation applicants or continue as originally written in RICA. Additionally, we support the development of a social equity fund that will make capital available for cultivators.

We also support the section of the regulations that extend all benefits provided throughout the licensing process for social equity license applicants– including automatic fee waivers, expedited review timelines, and grace periods in hitting licensing milestones.

Respectfully,



Margaret DeVos
Executive Director

Talaria, LLC
536 Atwells Ave.
Providence RI 02909

February 7th, 2025

Chairperson Kim Ahern
Commissioner Layi Oduyingbo
Commissioner Robert Jacquard
Administrator Michelle Reddish
Cannabis Control Commission
560 Jefferson Blvd.
Warwick RI, 02886

RE: Proposed Rules and Regulations for Adult Use Cannabis

Dear Commissioners, and CCC Staff,

We sincerely appreciate the dedication, effort, and thoughtful consideration that you and your staff have invested in developing these new regulations. Your commitment to establishing a well-regulated adult-use cannabis industry is essential, and we recognize the complexity of this undertaking.

We are especially grateful that the Commission has remained focused on its mission to create a competitive market in line with neighboring states, support Rhode Island's small businesses, increase per capita income, and build a sustainable cannabis industry. These priorities are essential to ensuring the long-term success and stability of the market.

Below, we have outlined a number of questions and requests regarding the proposed regulations for your review and consideration.

560-RICR-10-05-1 Administration, Procedures and Enforcement

Hemp Derived THC Enforcement

We would like to know if there is a strategy for enforcement of the hemp regulations. Section 1.5 of the regulations establishes the Commission's authority to investigate and enforce compliance among cannabis-related businesses. Specifically, Section 1.5(A)(3) states that the Commission may "initiate an investigation and take action against any person who is required to be licensed, but is not licensed." Given this provision, we request clarification on whether the Commission

intends to use this authority to address non-compliance among hemp retailers selling THC products that exceed the allowable limits.

Currently, many liquor stores and hemp retail license holders in Rhode Island are selling 5mg THC single-serving drinks in multipacks and cases. This appears to be in direct violation of existing hemp regulations, which limit hemp-derived THC products to 1mg per serving and 5mg per package. Despite repeated discussions with the Department of Business Regulation (DBR) about enforcement, these products remain widely available. Allowing such sales outside of licensed cannabis dispensaries undermines the regulated cannabis industry by offering consumers a tax-free alternative to dispensary products, which are subject to a 20% cannabis tax and rigorous compliance and safety requirements.

We urge the Commission to clarify whether it will enforce Section 1.5(A)(3) to ensure compliance among hemp retailers that are effectively selling unlicensed cannabis products. Since hemp and cannabis are chemically identical when processed into THC, we urge the CCC to either enforce restrictions on hemp THC sales or allow licensed cannabis businesses to sell to hemp retailers under equivalent conditions. Without this parity, the current regulations create an unfair competitive advantage for hemp businesses while placing unnecessary restrictions on the licensed cannabis industry.

Administrative Penalties

In Section 1.18 administrative penalties are addressed. We sincerely appreciate and agree with your decision to consider mitigating circumstances and eliminating minimum fines. We appreciate your knowledge of the fact that many of the cannabis cultivators in this state are very small businesses, many with less than 10 employees who cannot afford large fines.

560-RICR-10-10-1 CANNABIS ESTABLISHMENT APPLICATIONS, LICENSING AND RENEWALS

Industry Representation on the Advisory Board

Section 1.3B precludes any interest holder or owner of any cannabis license from being a member of the cannabis advisory board. The cannabis act included specific provisions for representation of dispensaries, cultivators and labs. Excluding owners and interest holders would lessen industry representation in the commission rulemaking process. We would request that there be industry representation.

Clarification on ownership of multiple licenses

Section 1.3.2(A)(2) lays out rules about investing and ownership of multiple licenses. However, section 1.3.1(A)(7) states that anyone with a “material financial interest” and is “in conflict" with the cannabis act or medical marijuana act, must disclose that interest and have a divesture plan.

What does it mean to be “in conflict” with the cannabis act or medical marijuana act, and does 1.3.1(A)(7) preclude someone from having a “material financial interest” in more than one license? If someone currently has a “material financial interest” in a license, are they eligible to be on a retail cannabis dispensary application without a plan for divesture?

Zoning

Section 1.3.1A5b requires applicants to have evidence of full compliance with local zoning laws in the form of a certificate or letter certifying compliance and receipt of all final zoning approvals. We are happy to see this provision included so that any applicant that is awarded a license can open in a timely manner. While we understand that it is impossible at this time to give a timeline for the application being promulgated and awarded, it would be immensely helpful to have some clarity on how long we will have to complete the application and obtain zoning. Some municipalities require a special use permit, and that process can be lengthy.

Long Term Social Equity Compliance

Section 1.5K1 says that all social equity license holders have a continuing obligation to maintain qualified social equity status. I have a couple of questions regarding this. Once you are social equity status are you continually qualified or do you have to re-apply yearly or on some other time frame. If you qualify through the provision that requires you to live in a disproportionately impacted area, and win a license that would require you to move to an area that was not disproportionately impacted, how would that work? The same question could be asked about the provision that qualifies someone if they work in a disproportionately impacted area, if after winning license you work in a non-disproportionately impacted area, how would that work?

Awarding Process for Manufacturer Licenses and New Cultivation

We were surprised to see that there were no provisions about a lottery to award new potential manufacturing licenses or any potential new cultivation licenses. In the CCC’s statements they have spoken about how a lottery with a high bar to entry would shield the CCC from potential lawsuits when awarding new dispensaries. Why is the same not true for these license types?

Section 1.10.4A discusses the ability to open the application window for new cultivators. However, it does not reference an updated market study. We would like to implore you to conduct a market study before any new manufacturer or cultivation licenses are awarded. There is currently an excess amount of cultivation licenses that also have the potential to manufacture.

Many of us have not had the opportunity to expand to our full potential because of fierce competition due to a lack of retail locations to sell to. We would like the opportunity to utilize the already licensed space before the commission adds anymore.

Section 1.10.4C3 states that any adult cannabis cultivation wanting to open a facility larger than ten thousand square feet must contact the commission prior to submitting an application. It is my understanding of the cannabis act that no cultivations may be larger than ten thousand square feet of canopy. Can you please clarify when and if any facilities can be over ten thousand square feet of canopy, how this would apply, and if it would apply to current cultivators.

Compassion Center Cultivation Expansion

There was no place in the new regulation that I could find any limitation on expansion of compassion center's cultivation facilities. As cultivators we are limited by square footage of canopy, and I think it would be fair for the compassion centers to also have some limits as they already have a competitive advantage by being vertically integrated.

Cultivation Licensing Fees

We appreciate the 10% reduction in licensing fees laid out in section 1.10.3A. However, the reduction still does not address the unfairness of the fees based on cost per square foot. It simply does not make sense that a Micro-license is paying $1.8 a square foot, while a Class A pays $3.6 per square foot and a Class B $3.15 a square foot. We would like to see more equity in these fees, especially as a class A cultivator. In addition, we would like to see a further overall reduction in fees.

560-RICR-10-10-2 OPERATIONAL REQUIREMENTS FOR CANNABIS ESTABLISHMENTS

Definition of Cannabinoid Profile

In Section 2.2A2 Cannabinoid Profile is defined as, "the complete breakdown of the commonly known and tested phytocannabinoids present in cannabis product, as well as the amount of each cannabinoid the product contains expressed in milligrams per gram, or as otherwise determined by the Commission.

Furthermore, in Section 2.7.2E4 it says, "all packages containing retail ready cannabis products must be clearly labeled with the following information: the cannabinoid profile as provided by a licensed cannabis testing laboratory". Below is an image of the cannabinoid profile report that we receive from the testing laboratories.

SOP-2.4: CANNABINOID PROFILE BY UHPLC-DAD // ANALYST: JOSHUA VANVOORHIS, DATE: JAN 11, 2025

ANALYTE	LIMIT	AMT	AMT	LOD/LOQ (mg/g)	REGULATED	ANALYTE	LIMIT	AMT	AMT	LOD/LOQ (mg/g)	REGULATED
CBC		ND	ND	0.416/2.35	X	CBN		ND	ND	0.415/2.35	X
CBCA		< LOQ	< LOQ	0.416/2.35	X	Δ^8-THC		ND	ND	0.539/2.35	X
CBD		ND	ND	0.285/2.35	✓	Δ^9-THC		0.271 %	2.71 mg/g	0.821/2.35	✓
CBDA		< LOQ	< LOQ	0.229/2.35	✓	THCA		28.9 %	289 mg/g	0.342/2.35	✓
CBDV		ND	ND	0.404/2.35	X	THCV		ND	ND	0.240/2.35	X
CBDVA		ND	ND	0.376/2.35	X	THCVA		< LOQ	< LOQ	0.376/2.35	X
CBG		0.296 %	2.96 mg/g	0.357/2.35	X	TOTAL THC **		25.6 %	256 mg/g		✓
CBGA		1.22 %	12.2 mg/g	0.211/2.35	X	TOTAL CBD **		< LOQ	< LOQ		✓

** TOTAL THC = DELTA-8-THC + DELTA-9-THC + (THCA X 0.877)
** TOTAL CBD = CBD + (CBDA X 0.877)

We would like to request clarity on which of the above cannabinoids need to be listed on the container (not under the QR code). If all of the above 14 cannabinoids need to be listed and the THC symbol has to be 1"x1" it will be almost impossible to fit all the information on most packaging. For example, a single preroll tube would not be able to include all the information and a secondary container would be required. In fact, many products will need a secondary container, increasing the already high cost of packaging and waste. If, however, some of this testing information could be put behind a QR code it would significantly decrease the amount of space it would take up on each package.

Additionally, it is stated in the proposed regulations that the amount of each cannabinoid should be listed in mg/g. However, customers are used to seeing flower expressed as a percentage. We would like to request the option to use a percentage number instead.

One of the stated goals of the Commission is to make the Rhode Island Cannabis industry more competitive with our neighboring states. In our previous public comment we have talked about changing from listing total THC to listing THCa and Delta 9 THC independently. This change would make comparing items between Massachusetts and Rhode Island more of a 1:1 comparison.

In our opinion it would be best if Total Active Cannabinoids (TAC) and THCa were listed on the package with the remainder of the cannabinoids allowed to be included in the QR code.

Mixing of cultivars and strains

Section 2.2A3c(2) defines a batch of dried cannabis as: "A batch of dried cannabis shall not exceed twenty (20) pounds for the purpose of sampling for required testing and shall not consist of more than one strain, cultivar, or genetic composition".

The language that prohibits licensees from including more than one strain or cultivar in a batch is a new regulation. Previously we have been able to mix strains to create larger batches, to decrease overall testing costs, or to get a unique composition of cannabinoids and terpenes in each product. This new regulation makes sense for flower; however, it does not make sense for preroll material or concentrates or any other product categories. We would like to request the ability to continue to mix strains in products other than flower.

Definition of RSO

Section 2.2A25: ""RSO" means Rick Simpson Oil" My understanding of RSO is that it involves specific parts of the cannabis plant as well as using ethanol exclusively as the solvent. This is not what is being currently sold as RSO. I would like to see further clarification on what can be or cannot be classified as RSO.

Packaging requirements

We are requesting more clarity on the requirements for childproof packaging. Below is a list of definitions for "immediate container" and "outer packaging". There is no definition listed in the regulations for "Exit Packaging".

§2.2A14" "Immediate container" means the container or other form of packaging immediately in contact with the cannabis product."

§2.2A16 " "Outer packaging" or "secondary container" means the form of packaging in which an immediate container is placed."

The regulations state the following:

§2.6D6 any package containing retail-ready cannabis product must: "Be child resistant"

§2.7.4C "If the immediate container or secondary container are not child-resistant, both containers must be placed into a child-resistant exit package in compliance with §2.6(E) upon sale."

§ 2.6E "Exit Package
1. Except for retail-ready cannabis-infused products, upon Commission approval, any other retail-ready cannabis product placed into a container that is not child-resistant shall be placed into a child-resistant exit package at the point of sale.

2. The exit package is not required to be labeled pursuant to § 2.7 of this Part if the package(s) within the exit package containing the retail-ready cannabis product comply with all packaging and labeling requirements pursuant to §§ 2.6 & 2.7 of this Part."

The distinction between outer packaging and an exit package is unclear to us. Our understanding of an Exit package is a child proof bag that the retail dispensary puts a variety of products in before a customer leaves the store. Our understanding of secondary packaging would be packaging that holds only one product.

It is unclear to us what layers of packaging are required to be childproof. For example, many brands currently place small childproof jars of concentrate in simple boxes. We have also seen non-childproof immediate containers placed into an outer package that is childproof. To require all layers of packaging to be childproof would place an undue burden on small business cultivators and manufacturers causing them to redesign many of their current packaging containers, increase cost, and produce more waste.

The language pertaining to the Exit bag is also confusing. What retail-ready cannabis products would be eligible to be "placed into a container that is not child-resistant and shall be placed into a child-resistant exit package at the point of sale"? If an Exit bag is used does any item in it need to be childproof?

We would appreciate clarification on what layers need to be childproof, and what the definition of exit bag is.

Packaging Rule Changes regarding color and transparency

SS 2.6D

We are pleased to see that in the proposed regulations there is no longer a color restriction (other than neon and fluorescent), as well as the ability to place things into a transparent container. We agree with the desire to keep these products out of the hands of children but allowing us this freedom will make us more competitive with neighboring states.

Tamper Evidence

§2.6D3

We believe that currently, without the requirement of tamper evidence the product inside is secure. Until it leaves the dispensary it is always on camera. Adding a tamper evident seal or sticker would increase waste in our already wasteful industry.

Liquid Edibles

§ 2.6F5c Retail Ready Edible Cannabis-Infused Products in Liquid Form "If containing multiple serving units must include a measuring device such as a measuring cap, cup or dropper with the package containing the retail-ready cannabis product. Hash marks on the package do not qualify as a measuring device."

We would like to see the ability to use hash marks on the package as a measuring device. Again, it would reduce waste. Perhaps there could be measuring devices available for those who want them at the point of sale.

THC Limits in Topicals and Tincture

Section 2.6H2 limits topicals to 100mg per unit.

We do not believe that there should be a 100mg limit for topicals because there are no psychoactive qualities to THC cream and increasing the THC in the cream can help to relieve more pain and swelling.

In addition, we would like to note that the hemp regulations have recently changed regarding hemp derived THC limits in Tinctures. CBD manufacturers are now allowed to have up to 100mg of THC in their tincture products. This is a large amount of THC. In fact, it is the limit allowed to be sold in a multipack of edibles available at dispensaries. We would urgently request that you revisit this recent change to the regulations for CBD manufacturers. Allowing such sales outside of licensed cannabis dispensaries undermines the regulated cannabis industry by offering consumers a highly concentrated tax-free alternative to dispensary products, which are subject to a 20% cannabis tax and rigorous compliance and safety requirements.

Universal Warning Symbol Size

Section 2.7.2E5 states that the THC Universal Warning Symbol can be no smaller than 1”x1”. In Massachusetts the required size of the THC warning is only .25”x.25”. Reducing the size would allow more room for warnings and cannabinoid profiles especially on the single preroll tubes which are used extensively throughout the industry. We would request that the symbol be reduced to .5”x.5” on any package the size of a single preroll or smaller. Furthermore, we would request that the largest THC Universal Warning Symbol can be no smaller than 1”x1” and shall not be required to be larger than 1.5”x1.5” regardless of the size of the logo.

In Section 2.7.5A1 the regulations state that “any logo or graphic that appears on retail ready packaging must not be larger than the Universal Symbol”. In adult use markets, branding and packaging becomes more important as the market matures. Limiting the size of the logo or graphic in comparison to the Universal Warning Symbol would make brands less distinctive and make us less competitive with our neighboring competitors.

In addition, further clarification is needed as to what a graphic is defined as and how it will be measured. Is the restriction simply on the logo, and graphics included in the logo, or would it include any design on the packaging? Would any patterns be allowed? Would a sunburst in the background be included in the size of the logo or graphic when compared to the Universal Warning? If you have a glossy background repeating logo does that count when compared to the Universal Warning? We would recommend that the logo or graphic only consist of the name and graphic included in the logo.

2.7.3A states that each edible serving can be stamped or wrapped with the Universal Symbol. We agree with the additional ability to wrap a serving with the warning and appreciate this change.

Hybrid Cannabis Retailers and New Manufacturing License Restrictions

Thank you for including Section 2.11B which states that "cannabis product manufacturers may only purchase or receive cannabis for processing from licensed cannabis cultivators and transfer or sell cannabis products to entities licensed pursuant to the cannabis act and the medical marijuana act" and Section 2.11C1 which states that "Compassion centers, hybrid cannabis retailers and other retail cannabis establishments shall not sell or transfer cannabis or cannabis products to any other compassion center, hybrid cannabis retailer, or other retail cannabis establishment, or vice versa."

These sections combined will ensure that the cultivators will have an opportunity to develop a robust market with the new retail stores.

Remediation

The remediation regulations and requirements (Section 2.26G) are similar to those that are currently in place. The proposed regulations state "A cannabis establishment may request from the Commission an opportunity to remediate the batch before requesting the batch be retested. The Commission shall review and determine in its sole discretion whether the request to remediate will be approved." However, in the DBR Metrc Combined Implementation Guidance amended on May 12, 2023, the DBR changed the requirements regarding "requesting the opportunity for remediation". It states that, "A licensee is required to request permission for a retest in writing from OCR pursuant to 230- RICR-80-05-1.11(D)(2). For failed heavy metals, microbiological, water activity and residual solvent failures, no request is required at this time." In other words, it is no longer required to request in approval in writing for remediation of heavy metals, microbiological, water activity and residual solvent failures. We would request that this guidance be incorporated into the proposed regulations.

We would also like to request that when a retest is needed, that batch only be retested for the failed section. For example, if a batch fails for microbial contamination, after remediation only the microbials would need to be retested. This would decrease high testing costs on cultivators when remediation is required.

Furthermore, in section 2.7.2G3 It states that, "whether the product has been remediated and the remediation used, if applicable, may be included" on the label. We agree with this decision because some facilities have a "remediation" machine on site. If cannabis product is run through those machines prior to testing it is currently not considered remediation, and is not listed in

METRC as “remediated”, despite the cannabis going through the exact same process. Therefore, if remediation labeling was required, it would give an unfair advantage to facilities that can afford extremely expensive “remediation” machines. In addition, there is no way for a testing lab to verify if product has or has not been run through one of these “remediation” machines. For these reasons, we agree with the decision to include remediation on the label as optional.

Packaging Waste

There was no mention of how to handle packaging waste. We would love to see a waste diversion program or recycling program be developed to increase sustainability in this new market.

Conclusion

Thank you for taking the time to consider our comments and the concerns we’ve raised. We know that crafting these regulations is a complex task, and we appreciate the effort that has gone into balancing industry growth, consumer safety, and compliance. By addressing these issues, the Commission can help create a fair and sustainable cannabis market that supports small businesses and ensures clear guidelines for everyone involved. We look forward to working together and appreciate the opportunity to be part of this process.

Sincerely,

Adina Birnbaum, Sasha Gorski, Valentine Gorski
Talaria, LLC

From: Joshua Hendriks
To: Inquiry, CCC
Subject: Proposed Adult Use Cannabis Rules - Comment
Date: Friday, February 7, 2025 12:59:55 PM
Attachments: image001.png
Importance: High

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Good afternoon,

I hope this email finds you well. My name is Joshua Hendriks and I am reaching out to you from Tenax Strategies to offer comments on the CCC's proposed Adult-Use Cannabis Rules. Tenax Strategies is a boutique government affairs, state application, and post-operational compliance firm specializing in the legal cannabis industry, and we have experience working with clients in many legal cannabis markets across the county.

Specifically, as it relates to rule 1.3.1(A)(5)(b), I would like to push back on the requirement for municipal/zoning approval prior to license application. Typically, when regulatory bodies are propping up a licensing procedure, they do so in two phases: preliminary and final. During preliminary licensure, operators are allowed to apply for state licenses without municipal/zoning approval on the condition the operators find a municipality to host them and work with said municipality to ensure compliance with local ordinances and zoning code. Once Operators have the preliminary license, local approvals, and their site has been built out, regulators typically perform a final inspection before awarding a final operating license.

Requiring municipal/zoning approval prior to license application is a financial cost to the operator and increases their risk. Kindly reconsider this requirement before the final passage of the rules.

If you have any questions or would like to discuss further, don't hesitate to reach out. Thank you for your time and attention to this matter.

Sincerely,

Joshua Hendriks

Joshua Hendriks
Senior Account Executive
TENAX STRATEGIES

617-459-6671
joshua@tenaxstrategies.com
tenaxstrategies.com/cannabis
100 Franklin Street, Suite 404
Boston, MA 02110

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February 7th, 2025

UFCW Local 328's Comments on Proposed Regulations for Adult Use Cannabis - 560-RICR-10-10-1

UFCW Local 328 currently represents workers employed in multiple Rhode Island cannabis establishments, and continues to work in coalition to support workers and social equity entrepreneurs preparing to apply for cooperative retail licenses. As such, we are invested in making sure that new licenses are accessible to working-class Rhode Islanders, and that the economic impact of new dispensaries live up to the Rhode Island Cannabis Act's promises of "social equity."

We greatly appreciate the opportunity to comment on these proposed regulations, and it is in this spirit that we make the following recommendations.

§ 1.12 Social Equity Assistance Program and Fund

- **We commend the Commission for deploying the Social Equity Assistance Fund to social equity applicants in the form of grants for start-up business expenses.** This is one of the most direct and impactful ways that the State can support under resourced entrepreneurs.

  We also commend the Commission for making Social Equity Assistance Fund grants available to all license applicants who qualify as "social equity applicants," regardless of which license type they applied to. This will empower entrepreneurs who were impacted by the War on Drugs to select the license type that they feel most aligns with their business interests, particularly paving the way for social equity entrepreneurs to launch worker cooperatives that continue returning wealth to their communities in the long term via the mechanisms of democratic governance and employee profit-sharing.

- **We suggest that the sooner Social Equity Assistance Fund grants are disbursed, the more effective they will be in setting social equity businesses up for economic success.** For this reason, we recommend that, in these regulations, the Commission specify the timeline of the Social Equity Assistance Fund grant program in relation to the license application and lottery process. Specifically, applications for Social Equity grants should be submitted simultaneously to license applications, and awards should be announced upon (or very soon after) provisional licensing. It's especially important that these resources are in place so that social equity licensees are able to enter the market on equal timing and financial footing with other stores. We know that delayed market entry

is a significant disadvantage that social equity cannabis licensees have faced in other states.

§ 1.5 Social Equity Retail License Application, Licensing and Renewals

- The current definition of a "social equity applicant" under the Rhode Island Cannabis Act allows for eligibility criteria that could benefit businesses or individuals who were not personally impacted by the social and economic impacts of the war on drugs. In § 21-28.11-3.(39) of the Rhode Island Cannabis Act, the Cannabis Control Commission is delegated authority to "identify factors and other considerations to be evaluated in certifying applicants as social equity applicants, provided that such applicants shall *at a minimum meet one* of the following criteria" (emphasis added).

  To maintain the integrity of the social equity program, we encourage the Commission to focus on the criteria outlined in the Rhode Island Cannabis Act that prioritize direct ownership and control by individuals who have been disproportionately affected by cannabis prohibition. In certifying applicants as "social equity," the Commission should de-prioritize the two following qualifying criteria, maintaining that social equity-certified applicants meet at least one of the first three criteria listed in § 21-28.11-3.(39).

  - § 21-28.11-3.(39)(iv): Applicants with at least ten (10) full-time employees, where at least fifty-one percent (51%) qualify as social equity individuals.
    - This criterion could allow large corporations based outside of Rhode Island to qualify as "social equity" simply by hiring a majority social equity workforce, without offering above-average wages, benefits, or protections to those workers.
  - § 21-28.11-3.(39)(v): Applicants that can demonstrate "significant past experience in or business practices that promote economic empowerment" in a disproportionately impacted area.
    - This language is vague and open to broad interpretation, creating a loophole for well-resourced businesses or individuals to qualify without ensuring direct benefits to social equity applicants.

§ 1.6 Licensed Workers' Cooperative Cannabis Retail Sales Application, Licensing and Renewals

- **Union cooperatives are an innovative model for building community-based wealth for social equity applicants, future dispensary workers, and our local economies.** The Rhode Island Cannabis Justice Coalition, which actively helped to draft and pass the

RI Cannabis Act we have today, included a set-aside for worker cooperative licenses *in order to ensure the broad distribution of wealth-building opportunities to RI cannabis workers.* UFCW Local 328 can attest to this motivation as fellow organizers in the legalization campaign.

We believe that it's the responsibility of the Commission to work proactively to ensure that the social equity opportunity created by the cooperative licenses is actually realized. The Commission must prevent exploitation of cooperative licenses by entities who don't intend to share these ownership benefits with workers, and therefore will not implement the intentions of the Cannabis Act. Cooperative retail licenses should go to worker-owned businesses that are genuinely democratic, sustainable, and accountable to their workers.

We recommend that the Commission require extra documentation for cooperative applicants during the initial application period to demonstrate that they intend to behave as a cooperative in good faith. These commitments should go beyond the requirements already set out in the Rhode Island worker cooperative statute (RI Gen L § 7-6.2-6.), so as to close loopholes in this statute which would theoretically allow an entity to be legally defined as a "workers' cooperative" without practicing the highest standards of patronage-based profit-sharing and democratic worker governance and control.

Cooperative license applicants should demonstrate the following in their applications. These recommendations are based on gaps between the Rhode Island worker cooperative statute and the "Worker Cooperative Definition" document provided by the Democracy at Work Initiative (DAWI) and the US Federation of Worker Cooperatives (USFWC).[1]

a. Bylaws that define "member" as a person actively contributing labor or personal services to the organization in return for compensation.
    i. From DAWI/USFWC: "This provision provides a definition of worker that is broad enough to include non-traditional employment relationships such as independent contractors. On the other hand, it excludes certain groups by requiring (1) that the worker be paid, which excludes individuals in a volunteer relationship with the organization and (2) that the worker be actively contributing labor or personal services, which excludes former employees." This specification would prevent investors, individuals working for organizations with management service agreements in place, and other non-workers from striking deals that allow them to be "members," and therefore enjoy the ongoing rights of membership, including the right to constitute the majority of the Board of

[1] https://www.usworker.coop/wp-content/uploads/2018/02/Worker-Cooperative-Definition-2015.pdf

Directors.

b. Bylaws that preserve the right to elect the Board of Directors for the membership.
    i. This provision ensures that the Board of Directors remains fundamentally accountable to the membership, and that seats are not allocated via appointments made by non-member individuals or entities.
c. Bylaws which vest the power to make determinations about how to allocate net surplus/loss to the Board of Directors.
    i. From DAWI/USFWC: "Any prescriptive language about the relationship between a co-op and its investors would likely exclude authentic worker cooperatives from the definition." In our estimation, it may also unproductively constrain worker cooperative applicants in raising the large amount of capital necessary to open a dispensary. They go on: "On the other hand, it is important to have language that prevents capital interests from extracting value from the cooperative and its members. This provision attempts to strike that balance by requiring that all decisions about return on capital are made by the worker member class, or the Board."
d. Bylaws which establish an accessible, objective, and reasonable path to membership for all part- and full-time employees.
    i. While the Rhode Island worker cooperative statute requires that all part- and full-time employees are eventually offered membership in the cooperative, it does not specify a reasonable timeline or transparent process. The Commission should exercise reasonable judgment to ensure that cooperative applicants don't put onerous and lengthy onboarding processes in place (e.g. a 10-year candidacy period) which in effect prevent workers from taking the opportunity to become members.
e. Profit-sharing plan which indicates patronage payments to members on a reasonable timeline.
    i. Similar to (c) above, any quantitative requirements governing investor returns may render cooperatives ill-equipped to raise large amounts of capital. However, a core principle of cooperatives is the subordination of capital to labor, meaning in effect that at least a majority of capital returns are allocated to workers based on their proportion of labor contributed to the cooperative, rather than to investors based on their proportion of capital contributed to the cooperative. The Commission should require financial projections and plans that reflect an intention to maximize patronage-based profit-sharing with members in the long-term.
f. A plan to continuously invest in cooperative governance training.
    i. Governance training is essential for members of worker cooperatives to ensure that democratic ownership translates into effective decision-

making, transparency, and long-term sustainability. Unlike traditional businesses, where authority is centralized, cooperatives require members to actively participate in governance, including financial oversight, strategic planning, and conflict resolution. Without proper training, co-op members may struggle to navigate these responsibilities, leaving decision-making power concentrated in the hands of a few or exposing the business to mismanagement.

- **Given the power of worker cooperatives to implement "social equity," the Commission should make all benefits throughout the licensing process that are available to social equity license applicants available to cooperatives license applicants.** Specifically, we ask that the Commission:

    a. Commit to reviewing cooperative license applications within the same expedited timeline as SE applications (90 days).
    a. Automatically waive application fees for cooperative license applicants.
    b. Provide the same flexible post-license timeline for cooperative licensees as social equity licensees (12 months to prove progress towards a final license instead of 9 months; 6 months after final licensing w to begin retail operations instead of 3 months).
    c. Provide any municipal zoning support to cooperative applicants/licensees as is made available social equity applicants/licenses.

We appreciate your consideration of these recommendations.

By Email: cccinquiry@ccc.ri.gov

February 7, 2025

Kim Ahern, Chair
Cannabis Control Commission
560 Jefferson Boulevard, Suite 200
Warwick, RI 02886

Dear Chairperson Ahern and Members of the Cannabis Control Commission:

We would like to thank the Cannabis Control Commission for the thoughtfulness that the members and staff have put into the draft regulations. They are a promising start to the Adult Use Program.

Below are recommendations for changes to strengthen and clarify the regulations, adopt sustainable practices, make the regulations consistent with other states, and eliminate undue burden on operators.

560-RICR-10-05-1 Administration and Procedures

1.5 Commission Investigations and Enforcement

In Section 1.5, we recommend inserting "written" before complaint to ensure accountability and prevent harassment of cannabis establishment operators.

Section 1.5(C)(2)(e) proposes to allow the Commission to take action against cannabis establishments for any violation whatsoever in any other market in which the cannabis establishment operates, regardless of the nature of the violation. Even worse, if any cannabis-related license, permit or registration is denied, with no limit on nature or scope, the Commission can take action against an operator. Under this language, the denial of a zoning permit to operate a cannabis establishment in Connecticut renders an operator subject to enforcement action in Rhode Island. We recommend that a nexus to operations in Rhode Island be required before a cannabis establishment in one state can be punished for the actions of a cannabis establishment in another state. It's analogous to allowing enforcement action against a Warwick McDonald's restaurant for the violation of the Manhattan zoning code by a New York McDonald's.

Similarly, Section 1.5(C)(2)(m) allows the Commission unfettered discretion to decide that "any conduct reflecting adversely upon the licensee's or cardholder's fitness to engage in the cannabis industry" allows enforcement action to be taken against the licensee. There are no standards, guidelines or safeguards for operators provided. The section is so vague that operators, their employees or agents are left without any direction as to the actions or conduct prohibited that would subject them to enforcement action.

Section 1.18(C) imposes fines for violations of untagged or untracked plants, cannabis or cannabis products of up to $5,000 per unit per day. This is a very steep fine for actions that may result from inadvertent human error that results in an inventory discrepancy. We recommend an escalating

scale of enforcement that takes into account whether there was an intent to defraud or divert or gross negligence in complying with inventory standard operating procedures before issuing crippling monetary sanctions.

560-RICR-10-10-1 Cannabis Establishment Applications, Licensing and Renewals

Section 1.3.3(A)(4)(i) requires sixty day prior notice to any floor plan change, which could prove limiting to business responsiveness. While the intent may be to only apply the requirement to relatively major updates (use of the term "construction"), it is not clear and as currently phrased, could be interpreted that something as simple as moving a display case would trigger this. We recommend adding a clarifying term such as "major" or "significant."

Section 1.3.3(A)(4)(n) requires operators to give 60 days advanced notice of enforcement or discipline in other jurisdictions, which is literally impossible. We recommend changing this requirement to remove it from the 60 days notice section and require notice within 5 business days.

Section 1.3.5(C)(2)(a) mandates display of an employees' date of birth on a badge required to be worn and therefore visible to customers (and other employees), which creates a safety hazard for employees. Unnecessary personal identifying information causes identity theft and stalking risk without sufficient justification. Going through the application process the Commission is aware that all employees are over 21 years of age. For any employees with identical names, photos and random ID numbers differentiate them sufficiently. We recommend elimination of this requirement.

1.3 General Requirements for all Cannabis Establishment Licensees

Section 1.3(B) prohibits members of the Cannabis Advisory Board from applying for or having any ownership interest or being an interest holder of any of the licenses issued by the Commission. "Interest holder" is defined broadly and includes "[a]ll officers, directors, members, managers or agents of the applicant/licensee, and any other entities described in § 1.2(A)(12)(a)…" This section appears to be in direct conflict with the express provisions of the Rhode Island Cannabis Act, § 21-28.11-6(b)(2), which requires members of the advisory board to be appointed by the Speaker of the House, including someone who represents the cannabis cultivation industry, and members to be appointed by the President of the Senate, one of whom shall represent the cannabis retail industry.

Aside from the conflict between the state law and proposed regulations, it is important for the cannabis industry to be represented on the advisory board as a key stakeholder to assist the Commission in developing policy that reflects an informed approach to addressing the latest issues in the cannabis industry.

560-RICR-10-10-2 Operational Requirements For Cannabis Establishments

2.2 Definitions

In Section 2.2(A)(2), the definition of "cannabinoid profile" should be limited to the major cannabinoids, with discretion left up to operators to highlight minor cannabinoids, as requiring the entire cannabinoid profile of "commonly known and tested phytocannabinoids" is open to

interpretation as to what cannabinoids are specifically "commonly known and tested" (a characterization that will be fluid as cannabis science evolves) and with 100 known cannabinoids,[1] far too voluminous to print. We therefore recommend the following substitute definition:

> "Cannabinoid Profile" for the purposes of these regulations means the amounts of delta-nine-tetrahydrocannabinol, cannabidiol, tetrahydrocannabinolic acid and cannabidiolic acid in a cannabis product, expressed in milligrams per gram, or as otherwise determined by the Commission. Amounts of other Cannabinoids may be disclosed by the cannabis establishment or as otherwise determined by the Commission.

Section 2.2(A)(34) defines "THC" to include tetrahydrocannabinol acid (THCA). This will result in a double-counting of THCA in the formula for "Total potential THC" in Section 35 and therefore produce an inaccurate result for total potential THC. We recommend removal of THCA from the definition of THC.

2.4.2 Cannabis Products Designated for Retail Sale

The language in section 2.4.2(C)(1) reads: "[t]he Commission will not designate any product as retail ready if: 1. The Commission has received information, data or research that such product is not safe for inhalation, application or ingestion…" We recommend rather than identifying specific routes or methods of consumption, that the Commission use more flexible language that will accommodate future innovation without requiring a change to the regulations:

> The Commission has received information, data or research that such product is not safe <u>for use as intended</u> ~~inhalation, application or ingestion~~…"

The language in subsection 2 states "[a]nything about the product targets or is appealing to minors." This language is vague, subjective and difficult to interpret. We recommend the following clarifying changes:

> Anything about the product targets or is <u>specifically</u> appealing to minors<u>, such as use of cartoon characters, toys, mascots, or other depictions commonly used to market products to minors</u>

2.4.3 Cannabis Concentrates intended to be inhaled, vaporized or aerosolized

Section 2.4.3(A)(1) prohibits inclusion of "[f]lavoring or coloring has been added except for flavors or coloring that are derived solely from cannabis and/or hemp and have been procured in accordance with applicable Rhode Island laws[…]" This prohibition could be interpreted to prohibit any botanically-derived terpenes not derived from cannabis or hemp. Such an approach would seem contrary to science, as terpenes exist in both cannabis and hemp, but other natural products as well. Limonene, Myrcene, Caryophyllene, Linalool and other terpenes can be found in other plant sources, such as citrus fruits, lavender or black pepper. The notion that they are less safe because they are not derived from cannabis or hemp would not withstand scientific scrutiny.

[1] National Center for Complementary and Integrative Health, "Cannabis (Marijuana) and Cannabinoids: What You Need to Know (https://www.nccih.nih.gov/health/cannabis-marijuana-and-cannabinoids-what-you-need-to-know).

Nonetheless, if there is a concern around safety for botanically-derived terpenes, adding a requirement that a cannabis establishment be required to maintain a Certificate of Analysis for botanical terpenes should address such concern.

We therefore recommend instead that the language be amended as follows:

> "Flavoring or coloring has been added except for: flavors or coloring that are derived solely from cannabis and/or hemp and have been procured in accordance with applicable Rhode Island laws; or botanically-derived terpenes for which a cannabis establishment must maintain a Certificate of Analysis to be made available upon written request.

2.4.3(A)(2) prohibits "unapproved additives" "such as" nicotine, but provides no guidance to operators as to which substances are prohibited. As such the operators have no information on which to base business decisions as to what additives are prohibited based on the plain language of the regulation. We recommend the section be deleted or clarification be provided so that operators know what is and is not "unapproved additives."

2.4.5 Infused Cannabis Products

The section prohibits the Commission from designating a product as "retail-ready cannabis" if the product meets certain conditions. We recommend the following changes to the language to provide greater clarity.

In section 2.4.5(A)(1), the Commission prohibits colors that appeal to minors but also prohibits bright and neon colors, which is presumably due to the Commission's belief that bright or neon colors appeal to minors, as there would be no reason to prohibit bright or neon colors for adults. The two sections should be consolidated, so that companies are on notice that these are the colors to be avoided, by eliminating subsection 4.

> Appeals to minors, whether by shape, bright or neon colors, and/or placement on a stick for consumption;

In section 2.4.5(A)(2), there is a prohibition against using geometric shapes. This is an incredibly broad prohibition that could be interpreted to ban circles, ovals, ellipses, crescents, curvilinear triangles, quatrefoils, parallelograms, squares, rectangles, trapezoids, trapeziums, triangles, diamonds, rhombus, pentagons, hexagons, heptagons, octagons, nonagons, decagons and any combination thereof, preventing a company from engaging in normal graphic design for packaging without any explanation for the basis of the ban, as they are not deemed by its plain language to be shapes that appeal to minors or there would be no reason to identify them separately. We therefore recommend the following deletion to clarify the intent of this provision:

> The product is not ~~of a geometric shape or is~~ in a shape that appeals to minors, including any human shape, stars, hearts, animal shapes, cartoon characters or any other shape that is especially attractive or enticing to children as determined by the Commission;

In section 2.4.5(A)(5), the language "has a resemblance to" is unduly broad and vague. While we support a prohibition against mimicking packaging of branded consumer products, the "resemblance" language could be interpreted to prohibit commonly used color schemes (blue and

green, for example), simply because a branded consumer product also uses similar colors. We therefore recommend the following deletion to clarify the intent of this provision:

> Imitates ~~or has a resemblance to~~ any existing branded consumer products, including foods, snacks, candies and beverages that do not contain cannabis; or

2.4.6 Cannabis Products Designated for Medical Use Only

Section 2.4.6(A)(2) does not include edibles in the products eligible for treatment as medical use only. We encourage that Commission to reconsider allowing edibles as a medical use only product, as patients increasingly desire edibles[2] as a safer alternative to smoking when using cannabis to treat their conditions.

2.6 Packaging Requirements for Retail-Ready Cannabis Products

In Section 2.6(B), the Commission allows 90 days for compliance with the new regulations. While we appreciate the Commission's recognition that regulatory change can render materials that were compliant when purchased obsolete, we respectfully recommend that the time be expanded to 120 days to allow businesses sufficient time to run through all such materials as that is more consistent with the time frame running through an existing package order would take.

Section 2.6(E) mandates the use of exit bags. In an era where many governmental entities are banning the use of unnecessary bags, the Commission has gone in the opposite direction and is forcing cannabis establishments to contribute unnecessarily to waste production. Rhode Island itself passed the Plastic Waste Reduction Act, effective January 1, 2024, to ban single use plastic bags. We recommend the elimination of the exit bag requirement, as it is a relic of early cannabis state laws from a decade ago and is not consistent with nationwide efforts to lessen the environmental impact of the industry.

In Section 2.6(F)(3), we recommend adding a variance of 10% +/- for potency in both serving size and package limits, as cannabis is a plant with inherent variability. Creating a hard limit, where an edible will be unusable if it goes even a small fraction over the top (and is not permitted on the medical market) creates waste and imposes a tremendous cost on operators. We recommend the following additional language: "Cannabis products tested for potency shall be subject to a potency variance of no greater than +/- 10%."

In Section 2.6(F)(5)(c), the proposed regulations require "a measuring device such as a measuring cap, cup or dropper with the package containing the retail-ready cannabis product" if it contains multiple servings and states that "[h]ash marks on the package do not qualify as a measuring device." This requirement will be incredibly costly and limiting for operators to implement, as well as contribute to the production of unnecessary waste. We recommend that hashmarks be permitted to denote multiple servings, as they provide the appropriate indication to consumers without requiring awkward and wasteful extra components.

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[2] Cannabis Use Preferences and Decision-making Among a Cross-sectional Cohort of Medical Cannabis Patients with Chronic Pain, Boehnke, Kevin F. et al., The Journal of Pain, Volume 20, Issue 11, 1362 – 1372.

Section 2.6(G)(1) provides for a "consumer testing certificate" for cartridges and other devices, but no further information is provided as to what is being tested and what the desired standards to be met are. Without this information, operators are left with insufficient information to be compliant. We recommend deletion of this section until further information can be developed.

In Section 2.6(H)(2), the topical potency is capped at 100mg, which is low for topicals. We recommend matching the maximum set forth for tinctures at 500mg, which will provide a more efficacious and cost-efficient topical product without the potential for over consumption which underlies the 100mg cap of ingestible/edible products.

2.7.1 Labeling Requirements for Retail-Ready Cannabis Products, Authority and Applicability

Section 2.7.1(B) allows 90 days for cannabis establishments to come into compliance with the regulations. Consistent with our earlier comment, we recommend an adjustment to 120 days as that is more consistent with the time it takes to get through stock of pre-existing labels, which have portions that are pre-printed.

2.7.2 General Labeling Requirements

Section 2.7.2(B)(1) calls for language to be at least size 6 font. This is a large font considering the amount of language required to be on any given label under the proposed label. We recommend a reduction in font size to size 4 font in this section.

Section 2.7.2(E)(2) requires that "[t]he business or tradename and license number of the cannabis establishment selling the product;" which is another relic of early adopting cannabis legalization states. Other products sold in pharmacies or liquor stores are not required to print the retail location selling the product on their label, because the information is identified in a receipt. There is even less of a reason to do so in the cannabis industry, because products are tracked in the seed -to-sale software and readily identifiable through that system. There is so much information required to be on a cannabis label that patients and consumers find the labels difficult to read. Deleting section E.2 would serve as a commonsense adjustment to eliminate redundant information and make the label easier to read.

Section 2.7.2(E)(5) requires the printing of a mini-universal symbol on each vape cartridge. This is a costly and time-consuming requirement, made worse by the lack of universality in symbols across the different states (so it cannot be universally etched into the cartridges by the manufacturer). We recommend deletion of the mini label requirement if the ASTM symbol is not adopted as the universal symbol or an alternate symbol.

In Section 2.7.2(F)(1), there is a requirement that cannabinoid profile be printed in red. The switch in colors is difficult and costly for operators and is not required in any other jurisdiction of which we are aware. We recommend that if the purpose is to distinguish the text, requiring it to be printed in bold is more cost-effective while still emphasizing the information to the consumer or patient.

Section 2.7.2(G)(3) requires a cannabis establishment to disclose whether a product has been remediated and what method of remediation has been used. This requirement is unduly burdensome and lends support to fearmongering not supported by science that remediated cannabis is somehow harmful to patients or consumers, despite the fact that the state would not

permit the cannabis to be sold unless it could pass stringent testing regulations. Other mainstream products, such as food and pharmaceuticals, that go through processing are not required to disclose the details of such processing to their customers and it is unclear for what purpose the cannabis industry is required to do so.

Section 2.7.2(G)(4) uses terminology not commonly used in the cannabis industry: "For processed cannabis products, the processing technique or solvent(s) used to produce the product[.]" For the purposes of clarity, we recommend the following change:

> For processed cannabis products, the extraction method ~~processing technique or solvent(s)~~ used to produce the product

In Section 2.7.2(G)(8) and (9), information is required on the label that is already contained in a certificate of analysis. We recommend replacing those sections with the option to provide a link or QR code to the certificate of analysis.

2.7.3 Imprinting of the Universal Symbol

We recommend that the Cannabis Control Commission either adopt the ASTM International Intoxicating Cannabinoid Product Symbol (IICPS) or allow it as an alternative. The IICPS has been adopted by many states, including Montana, New Jersey, South Dakota and Vermont, and being considered by others. Making a global warning symbol for cannabis rather than the patchwork of different "universal" symbols adopted by various states is more protective of public health and safety.

2.7.4 Requirements for Small Containers

As previously stated, the current definition of "cannabinoid profile" is untenably inclusive for labels, even on larger containers, but the problem becomes much more difficult for smaller containers.

2.7.5 Prohibitions

Section 2.7.5(A)(1) requires proportional sizing of the universal warning symbol, resulting in the symbol being required to be unusually large in comparison to other markets. The change would require a complete redesign of packaging and present costly compliance challenges. While wanting the universal symbol to be visible is understandable, the minimum size requirement should serve that function without requiring operators to completely redesign their packaging. We therefore recommend deletion of the proportional sizing requirement. We further recommend an exception on size be created for small containers due to the challenges presented by both the minimum size requirement and the proportionality requirement (if it is maintained).

Section (A)(2)(a) prohibits graphics on packaging from using animal characters, characterizing them as automatically targeting individuals under the age of twenty-one years of age. The prohibition is unduly broad. While cartoonish animal characters may appeal to minors, there are plenty of products that are age-restricted that are associated with sophisticated stylized animal characters, such as the dog used in Birddog Whiskey (https://birddogwhiskey.com/) and the Mustang used in the Ford line of cars (https://www.ford.com/cars/mustang/). We recommend that the broad prohibition against use of animal characters be eliminated to allow the Commission to determine,

in its discretion, if the proposed use of an animal graphic is "reasonably targeted" at minors based on design and context.

2.7.6 Warnings

Similar to our earlier comment, we recommend that the font required in Section (A)(3) be proportionately reduced to size 6 font, due to the sheer volume of information required to be disclosed.

Under Section 2.7.6(A)(5), a requirement to have warning text surrounded by a yellow box is mandated, which is a requirement not in any other jurisdiction of which we are aware. Printing such warnings in multiple colors adds complexity that will be challenging for operators. We recommend switching to a bold black box outline as eye-catching, but more cost-efficient.

In Section 2.7.6(B), the word "Warning" is required to proceed each individual sentence in a multiple sentence warning, which is redundant and takes up precious space. When presented together, a single "Warning" in the beginning will alert consumers and patients as to the information to follow.

2.8 Advertising

Including the passive website of a cannabis establishment as advertising is inconsistent with the definition of "Advertising" in Section 2.2. as a "means the act or practice of calling public attention to one's product or service."

a. Online media, ~~including cannabis establishment websites,~~ video advertisements, social media, and pop-up advertisements;

Characterizing a cannabis establishment website as advertising is unduly restrictive, as an individual must proactively visit the website to access the information within it, which is different from every other form of media included as advertising in this list, as they actively reach out to consumers and invite them to consider products.

We agree that cannabis websites should remain age-gated and suggest that a separate section be created to ensure that websites have adequate age verification mechanisms:

> A cannabis establishment's website must have a mechanism to verify that each visitor is either 21 years of age or older or a qualified patient before allowing the visitor to access the cannabis establishment website.

In Section (B)(5), there is a rather harsh requirement in which a cannabis establishment is burdened with taking "immediate" action when another entity uses its intellectual property. The language does not even require that the cannabis establishment have notice that its intellectual property has been used, but nevertheless makes it responsible for taking action without any opportunity for investigation and verification. We recommend the following changes to ensure that cannabis establishments are not responsible for violations of which they are not aware and that they are given an opportunity to investigate and verify the use of their intellectual property:

~~In the event~~ Upon notice that a third party has used a cannabis establishment's brand, trademark, brand name, location, or other distinguishing characteristics in an advertisement that does not comply with § 2.8 of this Part or any other statute, rule or regulation, the cannabis establishment must investigate and ~~immediately~~ notify the Commission within 48 hours of verification of unlawful use under this section and issue a cease-and-desist notice to such third party.

Section 2.8(B)(4)(h) prohibits advertising to reference content about "any other substance," which is too broad and vague to inform operators how to comply. We recommend clarifying the term to be "any other highly regulated substance or controlled substance."

2.9 Cannabis Seed-to-Sale Tracking System

In Section (B)(1), we recommend inserting the term "At least" before "One" to provide greater flexibility and increased compliance.

At least ~~O~~one owner and one compliance manager identified as administrators of the licensee's system;

2.10 Tagging of Plants and Cannabis Inventory

Section (E)(2) & (3) appear to be different angles on an identical requirement, with (2) providing the additional specificity that the amount is per month. It is confusing to have both present. If they are meant to be different, we recommend that the sections be reworded to make the difference more clear. Otherwise, we recommend the deletion of (3) as redundant.

2.11 Permitted and Prohibited Sources of Cannabis; Contract Requirements; Sales and Transfers

Section 2.11(C) prohibits compassion centers from selling cannabis or cannabis products to other compassion centers, licensed hybrid cannabis retailers, and/or other type of retail cannabis establishment. As the market matures, such an artificial restraint on trade should be eliminated to allow companies to trade freely with each other in compliance with applicable law and regulations.

Section 2.11(E)(3)(b) requires on top of the verification already required under the regulations that out-of-state patients complete an "intake form." This additional redundant process seems unduly burdensome and impracticable on both the business and patient without providing any additional benefit to either. We recommend deleting this requirement.

Section 2.11(E)(3)(e) requires cannabis establishments to distribute information regarding the governing state and federal laws. This section should either be deleted or the information that the Commission wishes to be distributed should be created by the Commission so as to be consistent across all license types, and perhaps made available through a link or QR code on a receipt.

We recommend that the language in 2.11(E)(4) be revised, as the term "residences" may create complicated nuance (e.g., is a temporary residence a "residence" for the purposes of this section). If the Commission wishes to limit where the deliveries may be received, such limitations should be

expressly identified to put both businesses and consumers or patients on notice of such restrictions.

> Sales for delivery ~~to~~ within Rhode Island ~~residences~~ are deemed permitted provided that such sales comply with § 2.17 of this Part.

2.12 Inventory Control

We recommend that physical separation occur at point of sale or left to operator discretion, as there is no purpose to keep identical products physically separated earlier in the supply chain and it creates burdens on operators in terms of space limitations imposed by various code requirements. We therefore recommend the following clarification:

> Cannabis products designated as "Medical Use Only" shall be kept separate and apart from all other cannabis products at point of sale and shall only be sold to medical patients, caregivers or authorized purchasers.

2.13 Minimum Security Requirements

Section 2.13 (B)(4) includes a sentence requiring that "Any visitor that regularly gains access to the cannabis establishment may be required by the Commission to obtain a commercial identification card." This requirement is very vague and does not provide any direction to operators as to the circumstances under which the Commission may determine a visitor may be required to obtain a commercial identification card. Where an operator is not given sufficient information to determine how to comply with the requirement, it should be deleted or revised to provide more information on which to base compliance.

Similarly, Section 2.13(B)(6) requires licensed cannabis retailers to "make reasonable efforts to limit the number of customers present in relation to the number of licensed establishment commercial cardholders to assure adequate monitoring and control of point of sale area activities." This requirement is vague. Occupancy load requirements are already established in the Rhode Island Building Code, so it is unclear what additional limits are being imposed by this section. No guidance is provided so as to enable compliance by the operators or ensure consistent enforcement by Commission staff. We therefore recommend deletion of this section as occupancy is already addressed by state regulation.

Section 2.13(D)(1)(c) requires time to be measured in Eastern Standard Time year-round, but Rhode Island follows Daylight Savings Time from March to November. To avoid confusion, we recommend changing the language to something more flexible referencing the Eastern Time Zone.

Section 2.13(E)(2) requires continuous recording 24 hours, 7 days a week. We recommend motion-activated cameras in grow rooms with the lights out, as doing so would also reduce the amount of footage required in retention saving digital space and costs for operators.

Section 2.13(I)(2) requires that "immediately upon discovery of the event, or as a soon as possible following a conclusion of a security incident, the licensed cannabis establishment shall provide telephone notification to the appropriate municipal and/or state law enforcement authorities and first responders regarding any of the following "emergency events[.]" We recommend that

"immediately" be replaced with "Within 48 hours" so as to allow cannabis establishments the opportunity to conduct investigations and verify facts associated with incidents, to avoid confusion and support providing accurate reports to the appropriate authorities. We also recommend that the notification be performed by email, so that all parties have a record of when the communication was transmitted and what was contained in the transmission.

Similarly, in Section 2.13(I)(2)(e) the emergent reporting of "any alarm activation" would require the reporting of known false alarms, which will become administratively burdensome to the Commission and operator alike. We suggest rephrasing to "legitimate alarm activation" or words to that effect.

We recommend the same change in Section 2.13(I)(2) be made to the immediate notification requirement in Section 2.13(I)(3). We further recommend that the follow-up telephone notification be deleted, as such notification is redundant to the written notification already required and burdensome on operators who are already coping with the aftermath of an emergency event.

We recommend that the follow-up report required in Section 2.13(I)(4) be pushed out further in time to at least 1 week later, to allow for further time to investigate and reduce the burden of duplicative reports on an operator while they are dealing with an emergency event.

Section 2.14(B)(3)(a)(10) requires sanitation records to be kept in the operations manual, which is very unusual. We recommend re-evaluation of this requirement and revision of the language if the intent is to require a sanitation plan.

Section 2.16(C)(6) appears to contemplate 3 copies of the manifest (originating location needs to have one on the person of the driver and back with the product, and then receiving location), but only two of those are then discussed as being signed and retained. This creates a compliance risk of the wrong copies being saved. We suggest the originating location have the manifest either on the driver's person or with the product.

The blanket prohibition in Section 2.19(C) may be too inflexible to keep up with innovation in the industry, particularly with regard to minor cannabinoids. To protect public safety, we suggest giving the Commission oversight by adding "unless approved by the Commission" to the end of this subsection.

While we appreciate the expansion of the batch limit reflected in Section 2.26(C) to 20lbs, this is still half the 40 lb batch size approved in Connecticut and under consideration in Massachusetts, making Rhode Island less competitive than its neighboring states right out of the gate, without any demonstrable gains in public health and safety. The best practices, according to the scientific community, are to employ comprehensive sanitary requirements throughout the cultivation and product manufacturing process, with testing serving as a safety net.

2.16 Transportation of Cannabis Products

Section 2.16(C)(4) requires 2 authorized agents to be in a transportation vehicle. Massachusetts imposed a similar requirement, which made transportation financially difficult for small operators,

while even law enforcement officials who had initially recognized the two-agent requirement later recognized that it was not necessary for public safety and supported its rescission. [3]

2.17 Home Delivery – Licensed Cannabis Retailers Only

Section 2.16(C)(5) calls for the delivery of products to patients under certain circumstances. While we do not object to the requirement, we recommend that it be limited to operators that generally offer delivery, rather than force an operator who is not already engaged in delivery to undertake it.

> For compassion centers and hybrid cannabis retailers only: If a cannabis establishment licensee offers delivery services as a routine part of its operations and a patient requires a cannabis product that is available at the retail location, but is not offered for delivery, the cannabis establishment licensee must make that product available for delivery to that patient upon their request, provided that the requested product is in stock, and may not charge a delivery fee in excess of ten dollars ($10.00) per delivery to Rhode Island registered patients.

2.21 Required Patient Outreach Activities –Compassion Centers and Hybrid Cannabis Retailers Only

To reduce waste and administrative burden on operators, we recommend requiring that cannabis establishments make a frequently asked questions sheet available, rather than compelling operators to provide it to new registered qualifying patients. That way a patient may take the sheets if they would like it rather than have it forced upon them, only to dispose of it.

Thank you for your consideration of these recommendations. We appreciate the hard work and research that went into crafting such thorough regulations. Please do not hesitate to reach out if you have any questions regarding these recommendations or if you require further information.

[3] December 14, 2023 Meeting Minutes of the Massachusetts Cannabis Control Commissioner, reflecting that Newton Police Chief John Carmichael, Chair of the Massachusetts Police Chiefs Controlled Substances Committee, wrote a letter supporting the elimination of the two-agent rule; https://www.masslive.com/cannabis/2024/03/a-big-change-is-coming-to-massachusetts-cannabis-delivery-companies-cant-wait.html.

AMERICAN CIVIL LIBERTIES UNION
Rhode Island

128 Dorrance Street, Suite 400
Providence, RI 02903
Phone: (401) 831-7171
Fax: (401) 831-7175
www.riaclu.org
info@riaclu.org

COMMENTS ON PROPOSED CANNABIS CONTROL COMMISSION REGULATIONS
[560-RICR-10-15-1; 560-RICR-10-10-2; 560-RICR-10-05-1; 560-RICR-10-10-1]
February 7, 2025

As longtime supporters of Rhode Island's medical marijuana program and the legalization of recreational marijuana, the ACLU of Rhode Island appreciates the Commission's work and thanks the Commission for the opportunity to comment on these proposed regulations. We wish to offer some suggestions for revisions that we believe will make the regulations more equitable and also address some ambiguities. While these comments do not address every question we had in reviewing these detailed proposals, we hope they are helpful to the Commission's deliberations and review.

Medical Cannabis Program and Personal Cultivation [560-RICR-10-15-1]

1. **1.3.2(A):** This section requires a national criminal background check for all registered primary caregivers prior to the issuance of a registry identification card or medical home-grow certificate. As we have often pointed out, broad-based criminal checks can inappropriately bar otherwise qualified people from licensing they seek. In that regard, we note that this provision does not contain any reference to the "fair chance licensing" statute that the General Assembly enacted in 2020, and thus creates a potential for unfair license denials. That statute, R.I.G.L. 28-5.1-14(m), specifies that its provisions apply to all licensing decisions by state agencies unless explicitly exempted. We therefore urge that this section be clarified to reference that statute and ensure that criminal record check reviews will be conducted in accordance with its protections. We note that "fair chance" language is reflected in the subchapters of two of the other regulations being considered (560-RICR-10-05-1, 1.28(A); 560-RICR-10-10-1, 1.3.6(g)), and this section should be amended to do the same.

Regulation of Cannabis Establishments [560-RICR-10-10-2]

1. **2.13(B)(4):** We urge a clarification of this provision, which states that "any person who does not have a valid commercial identification card issued for the cannabis establishment premises who enters any area where cannabis and cannabis products are grown, cultivated, stored, weighed, packaged, processed, manufactured, or ***sold*** shall be considered a 'visitor' and must be escorted at all times by a commercial card holder." Similarly, 2.13(B)(6) requires the retailers to "make reasonable efforts to limit

the number of customers present in relation to the number of licensed establishment commercial cardholders to assure adequate monitoring and control of point of sale area activities." Read together, it appears that every customer entering a cannabis establishment must be "escorted" the entire time they are there. We assume this is not the intent of this language, but ask that the Commission clarify it to more clearly reflect to whom this provision applies.

2. **2.8(B)(2)(a)(i).** This provision requires that any "cannabis establishment websites and online media advertisements shall only be accessible to those twenty-one (21) years of age or older." Although we do not oppose other provisions in this section designed to ensure that cannabis advertising does not target young people, we are very concerned about any requirement that websites or advertising engage in age verification protocols. They raise significant privacy issues by requiring the collection of personal information and unduly burden the First Amendment rights of establishments and consumers alike. We urge deletion of this provision.

   In a similar vein, we urge that **Section 2.8(C)** be amended to require establishments to provide "verifiable" audience composition data where advertising is done only where such information is readily available. A mandate for such information in all circumstances could unduly hamper legitimate advertising to adults. The restrictions contained in Section 2.8(B)(4)(b-e) should be sufficient to serve the Commission's legitimate goal of restricting advertising aimed at young people.

3. **2.13(D)(1)(g):** This provision requires that "all video surveillance records and recordings must be made available to the Commission upon request." We ask that this provision be amended to require the Commission to specify a reason for seeking these recordings in order to avoid arbitrary "fishing expeditions."

4. **2.13(I)(3):** This section requires licensed cannabis establishments to notify the Commission of "any data breach or cybersecurity threat to the cannabis seed-to-sale tracking system." As it is currently written, this provision does not require notification to any person whose personal data may have been involved in the breach. We ask that this provision be amended to reflect the Rhode Island Identity Theft Protection Act of 2015 (RIGL §11-49.3-4) to include notification to the individuals impacted by any breach and information related to the breach.

Administration, Procedures And Enforcement [560-RICR-10-05-1]

1. **1.4(A)(6):** This section allows the Commission to "coordinate with law enforcement to conduct inspections to evaluate compliance with the Cannabis Act, the Medical Marijuana Act, and any regulations." We would urge the inclusion of some minimal standards to govern when the Commission can involve law enforcement in these inspections.

2. **1.5(C)(2)(m):** After citing numerous other types of conduct that might warrant action against a licensee, this provision states that, "any conduct reflecting adversely upon the licensee's or cardholder's fitness to engage in the cannabis industry" could also warrant Commission action. We are concerned about the breadth of this catch-all provision and would urge the Commission to consider clarifying and narrowing its scope to avoid arbitrary enforcement actions.

3. **1.17(a) and (k):** Both of these sections provide that, "in compliance with the Open Meetings Act," hearings may be held remotely. If these sections are also intended to encompass public ***meetings*** under the OMA, we believe that is inappropriate. Under that Act, only two state entities – the University of Rhode Island Board of Trustees and the Rhode Island Life Science Hub Board of Directors – are allowed to conduct remote meetings. If any ***hearings*** are covered by the OMA, we believe the same restriction would apply: while remote participation by parties, witnesses, and the public might be allowable, the Commission itself would not be allowed to meet remotely. We would urge that this be clarified.

4. **1.18(D)(6):** This provision grants the Commission the ability to "provide information to law enforcement in order to verify the validity of medical cannabis home-grow registration data, cardholder registration and compliance with the Medical Marijuana Act." Because this provision does not include any measurable standards which would warrant law enforcement involvement, we urge that it be amended to incorporate the minimal standards for law enforcement involvement that appear in the Commission's proposed regulations governing personal cultivation. *See* 560-RICR-10-15-1; Section 1.5(A)(1) and (A)(2).

Regulation of Cannabis Establishments, [560-RICR-10-10-1]

1. **1.3.5(B)(1)(c):** This section states that the Commission "may waive commercial cannabis identification card application fees for approved social equity applicants." While we do not argue that the Commission should have this discretion, we believe it should be amended to automatically waive the card application fees for social equity applicants, similar to 1.5(E)(1) which states that "the Commission shall waive the license application fee for approved social equity applicants who apply for the initial six (6) social equity retail licenses." While we understand that pursuant to 1.12.8(A), the Commission is under no obligation to issue any requested waiver, any application fee can stand as an unnecessary barrier to entry for potential social equity applicants and, therefore, should be waived.

2. **1.3.5(C)(2)(a):** This provision states that all required individuals involved in the operation of a cannabis retailer must possess a commercial identification card that includes "the name, address and date of birth of the person." Pursuant to 1.3.5(C)(4), this "card must be worn by the cardholder at all times while at the licensed facility."

While we understand the necessity of maintaining a secure premises for a retail establishment, we worry that mandating an identification card to include such personal information as the person's address and birthdate raises significant privacy concerns. We believe that data should not be printed on the ID card itself.

3. **1.3.6(F):** This section lists numerous "presumptively disqualifying crimes" which would disqualify candidates for new licenses. This non-exhaustive list includes "the conviction of or pleading guilty or nolo contendere to ***any felony charge*** or crime of (including conspiracy and/or attempt to commit) an act constituting a crime of forgery, embezzlement… obstruction of justice, perjury, false swearing…" etc. This section proceeds to reference the Fair Chance Licensing Act, which provides at RIGL §28-5.1-14(d), that "no person shall be disqualified to pursue in any occupation… for which an occupational license… is required to be issued by the state or any of its agencies or any state licensing board or commission, solely or in part, because of a prior conviction of a crime or crimes unless the underlying crime or crimes substantially relate to the occupation to which the license applies." We struggle to see how the Commission's broad definition of presumptively disqualifying crimes fits within that law's goals.

4. **1.4(F)(2) and 1.5(F)(2):** Under these provisions, "applications which the Commission has determined to be complete" are considered "for further evaluation and review." Additionally, "incomplete applications" are not considered. **Section 1.12.5(B)** states that "the Commission may request additional information in connection with any resource application, and **in its sole discretion** may permit the resubmission of any resource application rejected as being incomplete or deficient." In light of the important interests at stake in these applications, we believe that, as a matter of course, applicants whose applications are considered "incomplete" should be notified of this fact and given the opportunity to correct any deficiencies before their applications are completely rejected. We do not consider it fair for the Commission to exercise unbounded discretion in deciding whether an applicant should be granted this accommodation. However minor or large the deficiency may be, applicants should be given a chance to correct the problem.

We appreciate your attention to our views, and trust that you will give them your careful consideration. If the suggestions we have made are not adopted, we request, pursuant to R.I.G.L. §42-35-2.6(1), a statement of the reasons for not accepting the arguments we have made.

Submitted by:
Madalyn McGunagle, Policy Associate
American Civil Liberties Union of Rhode Island

February 7, 2025

To: State of RI Cannabis Control Commission
From: Management from Greenleaf Compassion Center
Subject: Written Comments Regarding Proposed Cannabis Rules & Regulations for Consideration, Respectfully.

To Whom it may concern,
The following comments targeted at specific parts and areas of the proposed regulations was put together by the Greenleaf Mgmt Team in an attempt to respectively bring some clarity, some balance for the medical patients, possibly some explanation to the reasoning of, and some potential operational challenges we see that these could create and bring up upon issuance.

560 – Cannabis Control Commission
Chapter 10
Part 1

Section 1.3.5

C.1. With the job market as it is regarding finding & hiring good staff, if an applicant for an I.D. badge is approved and then clearly "issued" on the online licensing portal, why couldn't we print that approval and use that as a temporary I.D. until the actual card is sent and received via the mail, since we can no longer pick them up when ready. This process has taken up to 3 weeks in the past, it has gotten better. But new employees usually cannot wait for this period without pay, and there is only so much they can do until they have a badge. This creates hardship for both the employee and establishment. The state of RI DMV, DOH, and I am sure other state agencies utilize paper I.D. issuance as a temporary form of I.D. that is valid and mandated to accept as proof of licensure until the real I.D. comes in the mail.

F. 2. Having to return the I.D. badge of the former employee seems to be an added unnecessary step, that is redundant to the current processes of sending in monthly, a list of employees no longer working, with attestation of destroying the cards. What can be done with this card? Why does it need to be sent back? It just seems like more work for the licensees and quite frankly the CCC

Section 1.7

This section nor any section of chapter 10 and part 1, do not mention any other type of potential license types or classes of license that could be operated in the cannabis -related industry in RI, for instance on premises consumption lounges, various manufacturing licenses, storage facilities and potentially delivery. I know this is not a complete list, but it would be good of some reference to potential new license types that support industry growth, most importantly new employment opportunities.

I.3.a. As I know you have heard from almost every single licensee in the State of RI regarding the license fees and how off balance, they are comparatively to anywhere else in the country, the current fee for a compassion center of $500,000, plus and additional annual fee of $125,000 to be a hybrid retailer, is quite frankly crippling. This fee was once below $50,000, then it was $80,000 in the 2017/2018-time frame. Then it was raised to a staggering, $500,000. Then once recreational

laws passed, it was raised even higher, to essentially $625,000 per year. Since recreational sales have begun, our average sales tax rates between both medical and recreational purchases have gone from roughly 12% to 16%. This number will only get closer to 20% of total sales as we have seen a decrease in RI medical patients from roughly 18,000 in 2022 to about 7,500 today. Other mature markets have proven that medical patients will continue to go down as the recreational market grows. The fees no longer need to support the various oversight departments within the RI DOH, CCC, DBR on so on with monthly sales of over $10,000,000 with an average tax rate of 16%, which is roughly $1,600,000 per month and will only go up as more retail stores are opened. A retail store will pay $30,000 in an annual license to sell recreationally, and not to a quickly diminishing medical patient base, zero incentive to focus on patients. The largest cultivation, and the ability to manufacture, is $31,500 for license to sell to both medical and recreational compassion centers and soon to be retail stores for no additional fee. That is a total of $61,500. It seems like the compassion centers, who by the new regulations, explicitly will not be able to wholesale, are paying an exuberant amount annually for their license. What's the incentive to operate? As more licenses open an operate, I see it financially devasting potential to the viability of Greenleaf and other small compassion centers that do not have the foot traffic anymore with the competition from the MA market & new retail store in RI further diminishing foot traffic. We have seen this pattern also in saturated mature markets with annual fees, license costs and taxes forcing legacy establishments out of business.

Section 1.9

C.1. f.g.h.i. These physical mandates are outdated now, every hybrid retailer's initial set up for these mandates have been taken down and removed and approved by the DBR. These physical mandates are another burden and further ergonomic challenges to a rapidly dwindling medical group of patients and should be updated to reflect current market conditions.

Chapter 10
Part 2

Section 2.2

25. RSO, with some question regarding what is or isn't actually RSO, and some inquiries from DBR about the sale of this, I feel it prudent to further clarify and establish a true definition, if for nothing else because it is medical product that patients truly request and need in some of their most challenging times, and should be mandated to be as specific as possible so as to not mislead patients or add confusion for a product as important as this for helping with radiation and chemo therapy.

Section 2.7

E.5. the mandated size of the universal warning of 1"x1" is limiting to the package and sizes. It in some cases takes up a good majority of the label.

F.1. as mentioned by many people at the open hearing and I am sure by many in written form, having the full cannabinoid profile printed, is immensely challenging, along with all other requirements, is completely unnecessary on a printed label. I respect the labs, the RI DOH, and whoever else petitioned for this, and we are full support of the current regulations to have them available upon request, and/or to put on a Commission approved QR code, this alone would be helpful to the difficulty of getting all this information on a sticker. This would include my next issue with F.9. having the testing facility license & name on each container. This all can be included on a QR code that links to the full panel testing, cannabinoid profiles, testing facility and all of that very

important information, without stickers that are quite frankly to small to read anyway for most people. It just seems unnecessary.

Section 2.7.6

No more rotating warnings?

Section 2.8

B.3.a. Online marketing and most especially social media, have restrictions on the use of cannabis plants, images of the leaf, regardless of if a universal symbol with is the red around and through it, as well as using the word cannabis. For ages 21+ and medical patients, should be enough. Current advertising attempts through these channels are denying these crucial advertising opportunities, because put simply the universal symbol and the word cannabis must be on each of the advertisements, and they go against their "community guidelines"

B.4.d. In advertising colors are important to make things pop, putting restrictions on colors is very limiting.

Section 2.10

B. Having to add all this information on the tags, is redundant, and requires more valuable time and resources of the establishment. The point of these Metrc tags was to provide this very information with the scan of the bar code, and all this information is in the barcode of the assigned Metrc tag. Having to rewrite it or somehow print it out on these tags will be a burden. Especially on plants in the early stages, there already is difficulty in attaching the plant tag at such an early stage without damaging them. They offer various handheld solutions, for immediate information on a display screen that is mandated to be on the tag.

D.3. & 4. The limits of dispensing more the 1oz samples to individuals per month, this seems very low and intended as punishment, not as a protective measure. Any establishment not allowed to dispense more the 1 oz per day, again seems low and intended to be a punishment. With establishments that have more than 30 or 31 employees, they wouldn't be able to give each employee a 1oz sample per month, nor would the same establishment with more than 28 employees be able to give each of them a 1gram pre roll in a day. Again, this is very limiting. Retail, most importantly, retail with consumable goods, that vary as much as cannabis does in a number of ways, from product to product, harvest to harvest, processes to processes, it is vital that staff understands the differences can explain the differences as well as getting the feedback from staff is crucial when changing any of these variables for the sake of R&D to improve and get an edge on competition.

F.3. Again, for the sake of the above reasoning, it seems low.

Section 2.11

A.2.a. It would be nice to have an opportunity to sell to potential stores if our brands are desired, and with the fees and licenses that we pay $500,000 $125,000 to be excluded from potential sales is again a burden for a business.

C.1. Same as above.

E.a. I would strongly ask to rethink this moratorium on the way we handle reciprocity, although the RI DOH no longer charges for the annual medical card, the doctors that will sign the forms required are all above $100 to $125 per year. Conversely, telehealth doctors from out of state are charging half of that. We see less and less medical patients each month, and it is more and more difficult for patients to renew online via the RI Licensing Portal, whether because of age or lack of internet access, and "I.T." ability. Costs are a huge factor.

E. Clarification on the amount that can be dispensed to medical patients, as is currently now, patients can only get 70g of flower or its equivalent every rolling 15 days, these are the most in need and yet the recreational customers can get 28g per day. This is very unfair to the patients and should be clarified if changed. I just have not seen any references to that.

Section 2.12

C. This one also seems like a punishment and an effort to push towards removing the ability to see the products that you are purchasing. This is a strong competitive advantage for us to be able to display the flower and product, and not being able to sell it at the end for a discount, that customers and patients really love, is again disheartening and a burden as it becomes waste and then more of cost to small business to properly dispose, destroy and move through the seed to sale systems properly. This is only affecting customer experience and costs to the establishment, I do no see any other reasoning, aside from claiming its potentially harmful to the public as it just dries out.

Section 2.13

B.6. At the end of this regulation, it does not quantify what the word "adequate" means in regard to the number of customers present in relation to the number of licensed establishments commercial cardholders to assure "adequate" monitoring and control of point of sales areas. This is ambiguous and is an overreach of the regulations, as we currently have Certificate of Occupancy, state fire per person capacity limits posted.

E.1. With the way technology is today, and the amount of work that is done remotely through out this industry, considering the time it takes to maintain all of the required seed to sales systems, paper work and operations, and the fact that all of this software is cloud based and remotely accessed, it is completely unreasonable to assume that any computer or other points of access to the seed to sale tracking system must be in view of a monitored camera system, when all log ins by personnel, actions and work done is time stamped, logged and recorded within all of the seed to sale, pos and software used in this industry. Again, this is creating an unnecessary burden on the cost of doing business.

Section 2.14

B.10 Please define sanitation records and what is expected to be kept here? Bathroom checklists? cleaning schedule? Grease Trap cleaning. This is overly ambiguous

Section 2.16

C.11. After all of the weighing and intake to have to initial every item, when you have to sign for the physical paperwork of the entire order that is has been received as well as

C.4. The requirement to have 2 authorized cardholders in the transport vehicle, while has been a requirement, this has been adjusted in MA, depending on the limits. As this again is another financial burden to an establishment.

Section 2.17

B.4. This can be limiting to the growth of any delivery program and the ability to be efficient as demand for the service increases.

C.4. To incentivize delivery, specials for delivery only are important to help with growth, and to spur activity.

Section 2.18

A.3. Ensuring that all individuals in a vehicle are 21 puts an enormous amount of burden on the staff of an establishment and is an overreach on our part. The burden to sell to 21 and over is enough, the responsibility to ensure that any product gets into the hands of minors should not be put on an establishment. We have customers/patients that get curb side pickup because they are parents and need the convenience. If we are selling to a person that is 21 and over, and they prove their age and identity, what else is there? They can walk in and make a purchase with the same people in a car that we don't check, in a house that we can't see when we deliver. How can we enforce this? This is an overreach that is unreasonable for establishments to bear the responsibility of.

A.7. This is the same as above it the person who makes a person is verified; we have no constitutional right to ID or demand it from the other passengers who are not making a purchase. We don't have a warrant and have no lawful reason to demand and I.D. aside from this regulation, A.7. This has the potential to open civil liberty issues, and the ACLU will be all over this at some point. You just need 1 complaint.

February 7th, 2025

Dear Members of the Rhode Island Cannabis Control Commission,

The worker cooperative members of the Rhode Island Worker Cooperative Alliance (RIWCA) writes to share our perspective on the draft regulations governing applications, licensing, and renewals (560-RICR-10-10-1), and to highlight the critical role of worker cooperatives in achieving the social equity goals of the Rhode Island Cannabis Act. We urge the Commission to recognize cooperative retail licenses as an intended vehicle to effectuate a locally-based industry where workers can economically thrive; and, to that end, to implement specific measures that protect the cooperative license model from exploitation.

RIWCA is a statewide network of cooperative businesses and advocates dedicated to fostering a thriving worker cooperative ecosystem in Rhode Island. Our mission is to build a democratic local economy by facilitating the creation, growth, and viability of worker cooperatives in Rhode Island. To pursue this mission, we provide support for worker-owned cooperatives, foster opportunities for individuals who are interested in workplace democracy, and promote workplace democracy in our region among policymakers and the public.

We're thrilled about the set-aside for worker cooperative retail licenses, which we see as a groundbreaking opportunity to bring new consumer attention, institutional support, and wealth-building jobs to Rhode Island's cooperative economy.

Furthermore, cooperative licenses provide a unique opportunity for Rhode Island to deliver on the Cannabis Act's promises of "social equity," alongside the six social equity licenses. When cooperative principles are implemented, co-ops ensure that profits are broadly shared among workers and that decision-making is democratic, fostering accountability to the people who contribute to the business's success. This model is particularly impactful for social equity individuals who aim to build co-ops that not only benefit themselves and their several business partners, but workers who come from their communities for generations to come.

Research shows that worker cooperatives provide more egalitarian pay structures and higher marks on employee satisfaction than non-cooperative employers. According to the first national survey of cooperative worker-owners, conducted by the Democracy at Work Institute in 2017 across 1,147 individuals in 82 cooperatives, co-op members saw, on average, an hourly wage increase from their previous job of $3.52, and an accumulation of $10,000 in equity in their internal capital accounts. When asked about their perceptions at work, the majority said that their job security, job satisfaction, and quality of their supervision and training was somewhat or much better than their previous job.[1]

Worker cooperatives also carry the benefits of guaranteeing local ownership– as the owners of the business actually work at the establishment on a regular basis. In other states, MSOs have secured large

[1] https://www.fiftybyfifty.org/2021/06/workers-at-cooperatives-report-high-job-satisfaction-and-community-engagement/?utm_source=chatgpt.com

majorities of the retail market share– 76% in Pennsylvania, 89% in New York, and 91% in New Jersey.[2] While many of these dispensaries appear to consumers to be locally-owned, the MSO model means that the majority of the profits are actually flowing out of the state. Legislators' decisions to uplift the worker cooperative model in the RI Cannabis Act is an innovative policy attempt to circumvent consolidation in Rhode Island's developing market where it doesn't benefit our workers, consumers, or local communities.

However, benefits like these– including significant annual payouts to budtenders, unprecedented career pathways via participation in corporate governance, and greater incentives to reinvest in the local community– will only be realized if safeguards are in place to ensure that these licenses are awarded to businesses that operate within cooperative principles. Without appropriate protections, we see a risk that the cooperative licenses could be co-opted by entities that prioritize profits for a few over shared ownership and worker empowerment.

The risk that entities will find and leverage loopholes to comply as a "cooperative" under the Rhode Island worker cooperative statute is particularly and uniquely concerning in the context of cannabis licensing, since there's a reasonable incentive for license applicant entities to pursue a license via what they may expect to be a less competitive lottery process.

Given this concern, we recommend that the Cannabis Control Commission study the seven cooperative principles, as defined by the International Cooperative Alliance, and implement additional requirements for cooperative license applicants to ensure that they intend to implement these seven principles to the best extent possible, even where certain commitments are not required for compliance by the RI worker cooperative statute.

Additionally, we recommend that the Commission extend all benefits provided throughout the licensing process for social equity license applicants– including automatic fee waivers, expedited review timelines, and grace periods in hitting licensing milestones– to cooperative license applicants.

Worker cooperatives are a proven model for building community wealth, empowering workers, and addressing systemic inequities. By prioritizing this model and protecting it from exploitation, Rhode Island has the opportunity to set a national example for how cannabis legalization can advance true social equity.

We appreciate the Commission's commitment to an equitable cannabis industry and look forward to continuing to support this work. Please don't hesitate to reach out if we can be a resource or provide further input.

Sincerely,
Rhode Island Worker Cooperative Alliance
https://riworkercoop.org/

[2] https://newfrontierdata.com/cannabis-insights/msos-establishing-themselves-with-strength-in-legal-cannabis-markets/?utm_source=chatgpt.com

The seven cooperative principles, as defined by the International Cooperative Alliance, are[3]*:*	*The Commission should vet cooperative license applicants (above & beyond compliance with RI worker cooperative statute) to ensure:*
1. Voluntary and Open Membership	That all future workers at cooperative dispensaries face transparent criteria and reasonable timelines (<2 years) for onboarding to membership.
2. Democratic Member Control	That the Board of Directors is elected directly by the membership to ensure that key decision-makers are ultimately accountable to the members.
3. Member Economic Participation	That the cooperative's capital structure and financial projections reflect a best effort to maintain at least a majority of shareholder returns for common shareholders (i.e. members); and reserve key decisions on surplus/loss allocations to a member-elected Board of Directors.
4. Autonomy and Independence	That any contracts entered into with external parties do not infringe on the foundational rights of democratic member control and member economic participation, in the present or future.
5. Education, Training, & Information	That cooperative licensees budget for continuous investment in cooperative training, to ensure that future worker-owners are equipped to effectively participate in corporate governance and member engagement.
6. Cooperation among Cooperatives	
7. Concern for Community	

[3] https://ica.coop/en/cooperatives/cooperative-identity

CANNABIS
POLICY COALITION

February 7th, 2025
Proposed Regulations
Cannabis Control Commission

Good Afternoon Chairperson Ahern, Commissioner Jacquard, and Commissioner Oduyingbo,

Thank you for taking your time to put a lot of thought and effort into your proposed regulations. Your proposals are a step in the right direction to get us to our goal of leading the nation when it comes to cannabis equity.

1.5 Social Equity License Application, Licensing, and Renewal

- Under B.2.A, we appreciate that you alluded in the language that the amount of social equity licences could expand. We hope to see that happen.
- Under E.1, we appreciate that you all have taken Cannabis Policy Coalition's suggestion of using your power to waive licensing fees for Social Equity applicants within their first year. However, we would recommend that you waive them for at least 5-years instead of incrementally increasing the fee. It takes most businesses at least 5-years to make it out of the red and into the black. For a social equity license holder that did not take advantage of the loopholes, it may take them even longer to make it into the black. It's also important to note that while you all did lower the licensing fee so that all retailers will pay what the recreational retailers were paying, we are still among the highest licensing fees in New England. While Rhode Islanders are paying $30,000 annually Maine is paying $2,500 and Massachusetts $10,000 so we still have some work to do if we want Rhode Island to be an attractive place for cannabis businesses to start; seeing that we rank 50th in that nation for any business to start let alone a cannabis business.
- Under E.2, We believe all social equity licenseholder fees should be waived, not just the initial 6.
- Under F-2, if the commission does not waive this fee (which again, we believe they should), those fees should be refundable for social equity licenses holder at any and all point in time.
- Under H.5, we like that this provisional period is comparable to the retail license. We also like that the commission uses "may announce a new application period set forth…" We hope that this stipulation means that you will allow more time for social equity licensees who have met the majority of qualifications to operate their cannabis establishment but may have fell short due to the historic obstacles individuals who have been impacted by cannabis related laws face.

1.6 Licensed Worker Cooperative Cannabis Retail Sales Application, Licensing, and Renewal

- We encourage the commission to permit co-ops that fully meet the requirements to be a social equity licensee to be beneficiaries of the social equity assistance fund.

- We are aligned with Co-Op Rhody in the fact that It's the commission's responsibility to ensure that the co-op licenses are going to folks acting in good faith, ensuring that the cannabis cooperative licenses are not taken advantage of by folks who parade as genuine cooperative business.

1.11 Social Equity Applicant Status Certification

- Under 5.A-C, we encourage the commission to add a stipulation that of those 51% or more of employees that do come from a disproportionately impacted area, their wage must be comparable or exceed the Rhode Island living wage for adults with at least two children, $44.21/hour, to decrease the likelihood of this loop hole from being taken advantage of by business owners who don't come from the same communities that their employees come from yet still get to reap the benefits of being a social equity license holder.
- Under 6.A.1-2, though you all added two stipulations, a quick Google search of "businesses that focus on economic empowerment," listed Coco-Cola, Cisco, and Visa. This still can be taken advantage of by nefarious characters so while our coalition works towards complete removal of these clauses in the statute, we hope you all find a way to prioritize qualifications 1,2,3,4, and 7, above 5 and 6 when awarding these licenses. If it doesn't leave the CCC susceptible to litigation, we'd recommend tacking on a fee to this clause.
- Under 1.12.1.C and D, we recommend changing that language to "The commission in its discretion with counsel from the Social Equity Subcommittee may decide…" and "The commission in its discretion with counsel from the Social Equity Subcommittee shall determine...." While the current Cannabis Control Commission is moving this industry in the right direction, there should be parameters in place to check and balance the power of the CCC as it relates to the Social Equity Assistance Fund. We believe this will better protect the Social Equity Assistance Fund from ever being misappropriated as the industry grows and commission seats change.

1.12.6 Approved Application Resource Type Requirements

- Under 4.A-C, we support the fact that you all are giving grants to the social equity applicants and not loans. You also ensure that the grants can be used for a wide variety of reasons which is critical for any start up business. This is incredibly important. While we would advise you to reconsider your list of non-eligible qualifiers particularly, 1-4, we do like that you included "presumptively" suggesting that this will be looked at on a case by case basis so depending on the consensus of the commission, awarding grants for inventory, stocks, investor payments, and real estate could still be considered.

CANNABIS
POLICY COALITION

These proposed regulations are showing that you all are listening to the voices of the grassroots while also listening to cannabis business owners existing in this space that have been waiting for more cannabis licenses for years. You all are tasked with creating the rules for a novel industry so we commend the thought you have put into it. Above anything else, there needs to be a regenerative source of funding for the Social Equity Assistance Fund because as it stands, the fund can only obtain money by hefty licensing fees and imposing harsh financial penalties on cannabis business owners. In our opinion, that's not equity nor will that ensure an adequate amount of money in the Social Equity Assistance Fund. As a coalition we will continue to advocate that a portion of the cannabis taxes go into the Social Equity Assistance Fund. We will continue to ask activists across the country what their states are doing and relay that to you if we find anything of note. Other thoughts we have are the Tobacco Master Settlement Agreement and a portion of your budget, if the Office of Cannabis Regulations is realized per Governor McKee's recommendations.

Thank you for taking the time to get the proposed regulations up and we are looking forward to seeing them finalized so that social equity and cooperative licenses can finally be awarded to the folks who have been waiting for them for so long.

Kind Regards,

CANNABIS
POLICY COALITION

Co-op Rhody
Providence, Rhode Island
www.cooprhody.org

February 7, 2025

RE: Workers' Cooperative Licenses and 560-RICR-10-10-1

Dear Commissioners:

Thank you for the opportunity to provide comments on 560-RICR-10-10-1. We commend the Commission's efforts to create a transparent and fair licensing process. This comment will describe some high priority edits to the final rule to enable worker cooperatives to compete and thrive in the new cannabis market. We believe that these changes are within the Commission's existing authority as granted in the Rhode Island Cannabis Act.[1]

Rhode Island's six worker cooperative licenses are a powerful opportunity to build community-based wealth for social equity applicants, future dispensary workers, and our local economies. The Commission should use its authority to ensure that cooperative licenses are won by businesses that genuinely prioritize profit-sharing and accountability for impacted workers; and equip these applicants with resources and advantages throughout the licensing process to build community-based wealth. Further, we implore the Commission to ensure that the six worker cooperative licenses created by the Rhode Island Cannabis Act (hereafter "the Act" or "the Cannabis Act") are accessible to under-capitalized workers and those affected by the War on Drugs and awarded to cooperative entities that meet the best standards for democratic profit-sharing and corporate control.

1. The Commission has the authority to make the requested changes.

The Cannabis Act was signed into law by Governor Dan McKee on May 25, 2022, legalizing and regulating the recreational use of cannabis for adults, age 21 or older.[2] Commenting on the bill's intent at signing, Governor McKee stated that the bill "successfully incorporates our priorities of making sure cannabis legalization is equitable, controlled, and safe."[3] One clear example of the Act's intent on achieving social equity is the automatic expungement of prior civil and criminal marijuana possession charges enabled by the Act.[4] Senator Joshua Miller, who sponsored the bill, highlighted the intent of the Act with respect to social equity: "[w]ith this bill, we are ending prohibition in a way that is safe, *keeps revenue in Rhode Island, and is as fair and equitable as we can possibly make it*. This bill has been years in the making, and is a collaborative effort to address concerns about protecting medical use, ensuring fair governance and recognizing

[1] *See generally* The Rhode Island Cannabis Act, R.I. GEN. LAWS § 28.11 (2022).
[2] *Governor McKee Signs Legislation Legalizing and Safely Regulating Recreational Cannabis in Rhode Island*, OFF. STATE OF R.I. WEBSITE: NEWSROOM (May 25, 2022), https://governor.ri.gov/press-releases/governor-mckee-signs-legislation-legalizing-and-safely-regulating-recreational.
[3] *Id.*
[4] *Id.*

that we *cannot make this transition without taking action to make whole the communities and individuals who have been punished for decades under prohibition*."[5] Another bill sponsor, Representative Scott A. Slater, expressed that social equity was a "top concern," stating that he and Senator Miller represented some of the communities disproportionately impacted by the prohibition on cannabis, which "resulted in generational poverty and mass incarceration."[6] Representative Slater went on to express his gratitude to the General Assembly in "recognizing the importance of expungement of criminal records and *equity in licensing*, because they are absolutely critical to ending prohibition fairly."[7]

The Act defines a "social equity applicant" as one that "has been disproportionately impacted by criminal enforcement of marijuana laws, including individuals convicted of nonviolent marijuana offenses, immediate family members of individuals convicted of nonviolent marijuana offenses and individuals who have resided in disproportionately impacted areas for at least five (5) of the last ten (10) years," among additional considerations, and who are able to meet at least one of eligibility criteria listed in the definition.[8] The Act further defines "disproportionately impacted areas."[9] The inclusion of social equity within the fabric of the Cannabis Act, as well as the purposes expressed by Senator Miller and Representative Slater, indicate a clear intent to incorporate social equity within the regulation, licensing, and control of adult-use cannabis.

The Commission has the authority to make the requested changes pursuant to powers delegated to it by the Cannabis Act, as well as supporting authority under the Rhode Island Administrative Procedure Act. The very purpose of the Cannabis Control Commission, as established by Section 21-28.11-4 of the Rhode Island General Laws, is to oversee the "regulation, licensing, and control" of adult-use and medical cannabis.[10] Specifically, the Commission has the power to award or deny license applications at its discretion, as well as the authority to "[d]etermine and establish the *process and methodology by which licenses shall be awarded* by the commission."[11] As such, the Act does not create an inherent right to be issued a license, and in the event that a license is denied, an appeal will not be sustained solely on the grounds that the qualifications for issuance of a license have been satisfied.[12] The Act is very clear on the Commission's authority to regulate the licensing process. As such, we believe that the Commission has authority to implement the recommendations outlined in detail below.

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[5] *Id.*
[6] *Id.*
[7] *Id.*
[8] The Rhode Island Cannabis Act, R.I. GEN. LAWS § 21-28.11-3(39) (2022).
[9] *See* The Rhode Island Cannabis Act, R.I. GEN. LAWS § 21-28.11-3(23) (2022).
[10] The Rhode Island Cannabis Act, R.I. GEN. LAWS § 21-28.11-4 (2022) ("The purpose of the commission is to oversee the *regulation, licensing and control* of adult use and medical cannabis and upon transfer of powers pursuant to the provisions of § 21-28.11-10.1, to exercise primary responsibility to oversee the regulation, licensing and control of all cannabis and marijuana use to include medical marijuana.") (emphasis added).
[11] The Rhode Island Cannabis Act, R.I. GEN. LAWS § 21-28.11-5(a) (2022) (emphasis added).
[12] The Rhode Island Cannabis Act, R.I. GEN. LAWS § 21-28.11-17 (2022).

2. The Commission should support social equity worker cooperative applicants by permitting certain worker cooperative applicants to access social equity license applicant benefits.

Worker cooperatives are a vehicle for social equity in that they ensure that the benefits of ownership are broadly distributed to all present and future workers.[13] Specifically, worker cooperatives distribute governance rights on a one-member-one-vote structure, which subordinates the power of capital, and provide financial rights on the basis of annual patronage. The Act's intent is to set aside six licenses for worker cooperatives, separate from social equity licenses and regular licenses, to ensure the broad distribution of wealth-building opportunities to Rhode Island cannabis workers.[14]

With the Act's intent in mind, we have identified areas where worker cooperative applicants also eligible for social equity certification are missing the opportunity to capitalize on key privileges afforded to social equity *license* applicants. While we commend the Commission for extending the Social Equity Funds to all social equity applicants, even those applying for cooperative and traditional retail licenses,[15] we believe certain privileges throughout the licensing process should extend to *all* social equity-certified applicants, given the numerous barriers to licensing for applicants. Extending these benefits would create a fairer process which acknowledges the uneven access to capital and other resources in the cannabis marketplace.

As indicated above, there are several advantages available to social equity license applicants that will not be available to applicants for worker cooperative licenses. Some advantages available to only social equity license applicants include:

(1) Automatically waived application and licensing fees;[16]

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[13] *See Cooperatives in Social Development*, UNITED NATIONS DEP'T OF ECON. AND SOC. AFFS.: SOC. INCLUSION, https://social.desa.un.org/issues/cooperatives/cooperatives-in-social-development (last visited Feb. 4, 2025) ("A Cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise."); *see also What is a Worker Cooperative?*, U.S. FED'N OF WORKER COOPS., https://www.usworker.coop/what-is-a-worker-cooperative/ (last visited Feb. 4, 2025) ("Worker cooperatives are values-driven businesses that put worker and community benefit at the core of their purpose. In contrast to traditional companies, worker members at worker cooperatives participate in the profits, oversight, and often management of the enterprise using democratic practices.").

[14] *See* The Rhode Island Cannabis Act, R.I. GEN. LAWS §§ 21-28.11-10.2–10.3 (2022) (reserving one retail license each for workers' cooperative applicants and social equity applicants for each geographic zone—adding up to a total of six out of the twenty-four available retail licenses for *both* workers' cooperative applicants and social equity applicants). *See also Cannabis Pilot Program*, CO-OP RHODY, https://cooprhody.org/cannabis/#:~:text=In%202022%2C%20thanks%20in%20large,held%20by%20worker%2Downed%20cooperatives, (last visited Feb. 4, 2025) ("The reservation of retail licenses for worker cooperatives creates an unprecedented opportunity: for a significant portion . . . of a $130+ million industry to be financially-controlled and democratically-governed by historically marginalized workers.").

[15] *See* The Rhode Island Cannabis Act, R.I. GEN. LAWS § 21-28.11-31 (2022).

[16] Cannabis Establishment Applications, Licensing, and Renewals, 560-10-10-1 R.I. CODE R. § 1.5(E) (proposed Jan. 8, 2025).

(2) A flexible post-license timeline (twelve (12) months to prove progress towards a final license instead of nine (9) months;[17] six (6) months after final licensing to begin retail operations instead of three (3) months);[18] and
(3) A ninety (90)-day, expedited timeline to review license applications.[19]

In addition to sharing in the same advantages enjoyed by social equity license applicants within the licensing process, worker cooperatives should also benefit from application prioritization and zoning support. To privilege the cooperative licensing process in similar ways to the social equity licensing process, we ask that the Commission please consider holding a co-op lottery prior to the traditional retail license lottery if the social equity license lottery is also held in advance. Further, one of the biggest challenges for applicants, both social equity and cooperative, is real estate—conditional leases are difficult to obtain and often require upfront capital or a guarantee of future financing; and special use municipal zoning is a difficult process with uncertain timelines. We ask that the Commission please consider: (1) deeming applications qualified for social equity and cooperative applicants, even without zoning permission achieved; and (2) directing resources that will aid in real estate acquisition. This support could include, for example, workshops that educate applicants on the zoning process and advise municipal zoning boards on best practices around timeline and transparency.[20]

We encourage the Commission to expand the licensing benefits available to social equity applicants to all bona fide cooperatives, as vehicles for community wealth building. If, however, the Commission believes that this would meaningfully dilute resources, we encourage the Commission to issue a final rule which permits access to the social equity applicant benefits to workers' cooperatives that have a majority of certified social equity candidates as founding members.

3. The Commission should use available resources to deploy grant funding as early as practicable to mitigate financial burdens felt by social equity applicants.

For social equity applicants, it is critical that grant funding from the Social Equity Fund be deployed as early as possible to mitigate the chance that social equity applicants will enter the market later than their competitors due to financing challenges. Applications to the Social Equity Fund should be submitted simultaneously with license applications, and awards made very soon after to provisional licensees and resource organizations.

4. The Commission should prevent exploitation of cooperative licenses by entities who do not intend to operate as bona fide worker cooperatives.

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[17] Cannabis Establishment Applications, Licensing, and Renewals, 560-10-10-1 R.I. CODE R. § 1.5(I)(2) (proposed Jan. 8, 2025).
[18] Cannabis Establishment Applications, Licensing, and Renewals, 560-10-10-1 R.I. CODE R. § 1.5(I)(3) (proposed Jan. 8, 2025).
[19] Cannabis Establishment Applications, Licensing, and Renewals, 560-10-10-1 R.I. CODE R. § 1.5(G)(3)(b) (proposed Jan. 8, 2025).
[20] *See Municipal Equity*, CANNABIS CONTROL COMMISSION, https://masscannabiscontrol.com/municipal-equity/#zoning (last visited Feb. 6, 2025).

The limited number of retail cannabis licenses makes these licenses extremely valuable. The value of these licenses, and potentially the reduced competition for licenses as compared to other retail license classes, may incentivize bad actors to exploit the flexibility in the RI Worker's Coop Statute. Without stricter safeguards, worker cooperative licenses risk exploitation by entities that do not align with the Cannabis Act's intent of ensuring the broad distribution of wealth-building opportunities to Rhode Island cannabis workers, as discussed above.

The U.S. Federation of Worker Cooperatives (hereafter "the USFWC") is a credible source for determining bona fide worker cooperatives because it is the national grassroots membership organization for worker cooperatives in the United States. 21 Founded in 2004, the USFWC remains the leading national organization dedicated to advancing worker ownership, now with 400 business and organizational members and having represented about 1,300 worker co-ops in the U.S. and their 15,000 workers.[22] USFWC specifically launched a pilot worker cooperative certification program in New York to support cannabis legalization, which helps worker cooperatives prove their status to qualify for the government programs that USFWC fought for to benefit the cannabis co-op industry.[23] Overall, they are a member-based organization that focuses on connecting worker cooperative members to benefits, to each other and to the larger cooperative and economic justice movements,[24] which aligns with the Commission's goals in developing the retail cannabis industry in Rhode Island.

We believe the Commission should implement a more comprehensive structure to prevent bad actors from exploiting cooperative licenses while ensuring they remain accessible to genuine worker-owned businesses. Key vulnerabilities in the RI Workers' Cooperative Statute—such as weak membership requirements, governance loopholes, and broad member definitions—must be addressed. In addition, strengthening certification rules by requiring documentation on membership structure, governance, profit-sharing, and training will help ensure cooperatives operate democratically and sustainably. If compliance proves too burdensome, the Commission could develop "safe harbor" bylaws or require cooperatives to meet IRS standards for cooperative operations, and by doing so, they will strengthen the community by retaining the opportunities of this field within.

The Commission should actively ensure that the social equity opportunity created by the cooperative licenses is realized. Worker cooperatives, as defined by the U.S. Federation of Worker Cooperatives, are values-driven businesses that put worker and community benefit at the core of their purpose.[25] However, the Rhode Island workers' cooperative statute ("RI Workers' Coop Statute"), while extremely flexible for business owners, allows for bad actors to impersonate bona fide worker cooperatives. There are several ways that a bad actor could exploit the flexibility of the RI Workers' Coop Statute. First, the RI Workers' Coop Statute does not adequately ensure broad-based membership— it does not require a minimum number of members in a worker

[21] *About Us,* U.S. FED'N OF WORKER COOPS., https://www.usworker.coop/about/ (last visited Feb. 5, 2025).
[22] *About Us,* U.S. FED'N OF WORKER COOPS., https://www.usworker.coop/about/ (last visited Feb. 5, 2025).
[23] U.S. FED'N OF WORKER COOPS, 2023 USFWC ANNUAL REPORT 5 (2023), https://institute.app.box.com/s/wbuix7ebu4syddjgut3fp3jbxyp49ns6.
[24] *About Us,* U.S. FED'N OF WORKER COOPS., https://www.usworker.coop/about/ (last visited Feb. 5, 2025).
[25] *What is a Worker Cooperative?*, U.S. FED'N OF WORKER COOPS., https://www.usworker.coop/what-is-a-worker-cooperative/ (last visited Feb. 4, 2025).

cooperative,[26] nor does it define reasonable probationary periods for new employees to become members.[27] As such, a single management-level employee could be the sole owner of a Rhode Island workers cooperative, who may not even live in Rhode Island. Second, RI Workers' Coop Statute does not require that the Board be elected by the membership, the only requirement is that the majority of the Board is members.[28] Finally, the RI Workers' Coop Statute does not define a member exclusively as a worker, but instead states that each worker shall be offered membership after probationary period as determined in the certificate of incorporation or the bylaws.[29]

The Commission, in issuing final rules, has the opportunity to create guardrails that prevent exploitation of cooperative licenses by entities that will not act as genuine cooperative entities. Cooperative retail licenses must go to worker-owned businesses that are genuinely democratic, sustainable, and accountable to their workers**.** As such, the proposed certification period should not only ensure compliance with the RI Worker Cooperative statute but also impose several additional conditions for eligibility that address best practices for cooperative policies not already required by RI Workers' Coop Statute. We believe that the Commission should require cooperative applicants to provide extra documentation during the initial application period to demonstrate that they intend to behave as a cooperative in good faith. This documentation should include bylaws that address:

(1) Membership Structure & Rights

- Define "member" as a person actively contributing labor to the cooperative entity.
- Establish a clear, fair, and accessible path to membership for all employees (maximum two years), with transparent and objective onboarding requirements.
- Vest important powers in members, including the right to elect the Board of Directors and participate in key decisions.

(2) Governance & Decision-Making

- Empower the Board of Directors to allocate net surplus/loss while ensuring member oversight.
- Maintain transparency in decision-making, including disclosures of capital partners and profit-sharing agreements.
- Prioritize labor over capital by allocating the majority of Net Income from Patronage Business to worker-members over time.

(3) Profit-Sharing & Financial Commitments

[26] *See* R.I. GEN. LAWS § 7-6.2-6 (2017) (describing the rights and responsibilities of members but failing to establish a minimum number of members).
[27] *See* R.I. GEN. LAWS § 7-6.2-6 (2017) (stating only that employees shall be offered membership upon completion of their probationary period without defining the length of the probationary period); *see also* R.I. GEN. LAWS § 7-6.2-2 (2017).
[28] R.I. GEN. LAWS § 7-6.2-9 (2017).
[29] *See* R.I. GEN. LAWS § 7-6.2-6(a) (2017); R.I. GEN. LAWS § 7-6.2-2(1) (2017).

- Implement a fair profit-sharing plan with timely patronage payments to members while retaining at least 51% of patronage surplus for worker-owners.
- Foster strong relationships with labor and cooperative partners, supported by letters of endorsement.

(4) Education & Training Investments

- Continuously invest in cooperative governance training and ensure leadership and members have experience with the cooperative model.
- Provide ongoing high-quality training, including access to union apprenticeships, to support worker development.

If this process proves too onerous for many worker cooperatives, we invite the Commission to work collaboratively with the worker cooperative community to develop "safe harbor" bylaws, which meet the above recommendations. Alternatively, the Commission could require that all worker cooperatives demonstrate that they meet the IRS definition for "operating on a cooperative basis," whether or not such cooperative elects to be taxed under Subchapter T.[30]

Thank you for the opportunity to comment. We look forward to working collaboratively with the Commission to ensure that our state's recreational cannabis roll-out can learn from the errors of other jurisdictions and use a targeted policy approach to support our shared goals of non-extractive community economic development, particularly in communities disproportionately impacted by the War on Drugs.

Sincerely,

Co-op Rhody

[30] The Internal Revenue Code Section 1381(a) governs the tax treatment of cooperatives under Subchapter T of the Internal Revenue Code. I.R.C. § 1381. While the Code does not define "operating on a cooperative basis," relevant caselaw and Revenue Rulings have found "operating on a cooperative basis" as "requiring the mutual joinder of interests in the risks and profits of the organization by members of the organization." *Lexis Explanation IRC Sec. 1381(a)*, LEXISNEXIS, https://plus.lexis.com/document?pddocfullpath=%2Fshared%2Fdocument%2Fanalytical-materials%2Furn%3AcontentItem%3A4PCH-PDG0-R03M-H0KH-00004-00&pdmfid=1530671&pdcontentcomponentid=303395&pdproductcontenttypeid=urn%3Apct%3A24&pdisdoclinkaccess=true&pdischatbotdoc=true&pdsearchmode=chatbot_citation&passagetext=&crid=d0951ad8-9093-4de2-aa42-858d48d12b1b#/document/62b3d328-c4a2-4f89-9449-6dbf44e41ba3 (last visited Feb. 5, 2025). In Columbus Fruit & Vegetable Coop. Ass'n v. United States, 7 Cl. Ct. 561, 563 (1985), the court defined a cooperative as "an organization established for the purpose of purchasing and marketing the products of its members, *i.e.,* shareholders, and/or procuring supplies for resale to the members, whose profits are distributed to the members (in the form of patronage dividends), not on the basis of the members' equity investment in the cooperative, but in proportion to their patronage of it, *i.e.,* the amount of business that each member transacts with it. In a workers' cooperative, the members jointly manufacture a product and share in the profits of the enterprise based on the amount of labor they contribute."

Rhode Island Cannabis Control Commission
560 Jefferson Boulevard
Warwick, RI 02886

February 7, 2025

Dear Rhode Island Cannabis Control Commission Members,

I am writing as a substance misuse prevention specialist with over 25 years of experience in advancing public health and safety. As the cannabis industry continues to expand in Rhode Island, it is essential that cannabis retailers are properly trained to ensure compliance with state regulations and to prioritize public health.

To support this goal, I strongly recommend implementing mandatory training for all cannabis retail employees and license holders. This training would ensure that those responsible for cannabis sales are well-informed about legal requirements, safety protocols, and the public health implications of their actions.

Additionally, I urge you to uphold the current regulations that require cannabis packaging to be neutral in color. Research from the tobacco and vaping industries shows that bright, eye-catching packaging significantly increases the likelihood of youth attraction and product experimentation. For example:

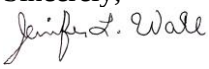
- A 2018 study published in *Tobacco Control* found that youth were more likely to be drawn to e-cigarette packaging featuring bright colors and cartoon-like designs.[1]
- Research on *News-Medical.net* highlights how candy- and fruit-flavored vaping products in colorful packaging appeal more to youth than to adults.[2]

These findings are consistent with concerns that colorful packaging may contribute to early use and experimentation. Research from Australia and the UK further supports this. For example:

- A 2019 study in *BMJ Open* found that plain packaging laws reduced the appeal of tobacco products to youth.[3]
- A 2020 study in *Tobacco Induced Diseases* showed that young people were significantly less likely to choose products with plain packaging compared to those with bright, branded designs.[4]

These studies underscore the importance of neutral packaging in reducing the appeal of cannabis products to youth, thus lowering the risk of early use and its associated harms. Thank you for considering these recommendations to ensure the continued success of Rhode Island's cannabis industry while prioritizing the health and safety of our youth and communities.

Sincerely,



Jennifer L. Wall
Certified Prevention Specialist
29 Fairview Avenue, Cumberland, RI 02864
JenniferW1017@yahoo.com

[1] National Center for Biotechnology Information. (2023). *Attractiveness of E-cigarette Packaging to Youth*. *Tobacco Control*, 27(6). Retrieved from PMC.NCBI.NLM.NIH.GOV
[2] News-Medical.net. (2023). *Youth Attraction to Candy-Flavored Vaping Products*. Retrieved from news- medical.net
[3] BMJ Open. (2019). *Plain Packaging and Its Effect on Tobacco Appeal Among Young People*. Retrieved from bmjopen.bmj.com
[4] Tobacco Induced Diseases. (2020). *The Impact of Plain Packaging on Youth Selection of Tobacco Products*. Retrieved from tobaccoinduceddiseases.org

WEBVTT

1
00:00:00.000 --> 00:00:01.130
Cannabis Control Commission: Are you? Still?

2
00:03:35.960 --> 00:03:41.710
Cannabis Control Commission: It's nice seeing you

3
00:06:53.505 --> 00:07:10.740
Cannabis Control Commission: alright. I think we're gonna get started already that you have signed in.

4
00:07:10.740 --> 00:07:34.870
Cannabis Control Commission: I want to start by introducing myself and everyone up here. My name is Nicole Deschlewski, and I am a law professor, and I study and teach and profess about race in the law and mass incarceration in particular. I'm also a librarian, so particularly apropos today that we were in the basement of a library, and I'm not associated in any formal way

5
00:07:34.870 --> 00:07:43.659
Cannabis Control Commission: with the Cannabis Control Commission. I just happen to really be excited about the social equity component of this. And I'm really happy to be here to, just.

6
00:07:43.660 --> 00:08:06.749
Cannabis Control Commission: you know, facilitate the conversation a little bit. I know it seems like we're up here, and you're back there, but I want you to sort of rethink that, like we're all in this together, we're just having a conversation today. So first, st I want to introduce Michelle reddish, the administrator of the Cannabis Office, Michelle, and then Carla Avelido, the policy and legal liaison.

7
00:08:06.790 --> 00:08:15.100
Cannabis Control Commission: everybody, and Caitlin Garcia, the Project Services coordinators and the Commissioner one of the commissioners

8
00:08:15.600 --> 00:08:44.130
Cannabis Control Commission: also in the room is the chair of the Cannabis Advisory Board, Ron Crossin, and I also want to make sure to give a shout out to any officials, local officials, state or city officials who are here. So I think, Senator Laurie, thank you for coming so much, Senator, and have I missed any other representatives or senators or town officials who would like to introduce themselves.

9
00:08:44.520 --> 00:09:01.470
Cannabis Control Commission: Okay, well, then, I haven't done a terrible job. So we're here today as an attempt to listen. So this is a focus group. So some of it is going to be listening for the people up here to listen to your thoughts.

10
00:09:01.470 --> 00:09:08.860
Cannabis Control Commission: Some of it is going to be having a conversation and brainstorming. We consider this an

active listening session.

11
00:09:08.860 --> 00:09:18.759
Cannabis Control Commission: So the people up here, if they're taking notes, it really is, they're listening to what you have to say and are doing the work of identifying blind spots.

12
00:09:19.106 --> 00:09:41.979
Cannabis Control Commission: The Ccc has been, and this was my joke which I wrote. It's been in the weeds, and it's possible that they're getting lost in sort of the detail of the lost stuff, which is really easy to do. And so it's important to talk to stakeholders and members of the community about what we may have missed or what may have gotten lost in those.

13
00:09:42.874 --> 00:10:01.719
Cannabis Control Commission: This is informational. The public comment period is now open. This is one of the many discussions with those who wish to become social equity applicants and licensees. So this isn't your only opportunity to have your voice heard. It'll be a series of conversations, and not just one.

14
00:10:01.890 --> 00:10:30.490
Cannabis Control Commission: The committee's proposed regulations have been unanimously voted on, and the Apa process has begun, which means the public comment period is open. Some of you might have comments related to the proposed regulations. But we want to make it clear that this is not that this is a focus group. It's a listening session. It is not meant for public comments on the regulations. Anything meant to be a public comment intended for the proposed regulations

15
00:10:30.490 --> 00:10:38.000
Cannabis Control Commission: must be made through the appropriate channel, or you can attend the public hearings scheduled for January 24th at one Pm.

16
00:10:38.605 --> 00:11:05.620
Cannabis Control Commission: However, given that we want to make sure we are abiding by the Apa and given that, we can't stop you from making comments. We are recording everything that happens here today. That's the recording device. So in case someone does make a comment, it's able to be put into the process and responded to when the public comment period closes. So that's why, you see, sort of the recording device here.

17
00:11:06.230 --> 00:11:08.838
Cannabis Control Commission: just briefly on the agenda.

18
00:11:09.380 --> 00:11:16.510
Cannabis Control Commission: again, this is brainstorming, and it's not the last opportunity to talk. But we're gonna start with

19
00:11:16.930 --> 00:11:28.760
Cannabis Control Commission: an icebreaker and everything grown because no one really likes those. But we're gonna do it, anyway, because any good brainstorming session starts with an icebreaker. And then we're, gonna you know, sort of set the context.

20
00:11:28.760 --> 00:11:52.109
Cannabis Control Commission: Make sure we're all sort of on the same page. Then we're going to try to do some identifying of barriers. So part of this is to figure out where are the problems so solutions can be brainstormed and created. So it's going to be to really discuss, like, what are the barriers here? And then we'll do some brainstorming and have a focused discussion on the Social Equity assistance fund

21
00:11:52.479 --> 00:12:17.510
Cannabis Control Commission: and then sort of close and come up with some next steps. There is paper and pens in each of your desks. Our hope is is that this will be your group that you work with on the brainstorming part again. That's another thing. People don't really love brainstorming. But we're gonna do it. We're gonna push on and and see if us together can come up with better solutions than us alone.

22
00:12:18.845 --> 00:12:19.720
Cannabis Control Commission: So

23
00:12:20.620 --> 00:12:30.286
Cannabis Control Commission: I want to start with a cheesy icebreaker. And allow the people up here, and then any of you who wish to to talk a little bit about

24
00:12:31.140 --> 00:12:34.199
Cannabis Control Commission: An answer to the following prompt.

25
00:12:35.098 --> 00:12:37.640
Cannabis Control Commission: So I'll start with Michelle.

26
00:12:39.160 --> 00:12:41.219
Cannabis Control Commission: You're ready.

27
00:12:42.350 --> 00:12:49.819
Cannabis Control Commission: So I am responding to describe your problem for the future. In one word or phrase.

28
00:12:50.260 --> 00:12:52.946
Cannabis Control Commission: I think, for me that would be

29
00:12:53.690 --> 00:13:22.319
Cannabis Control Commission: inclusion. I think the the point and the purpose and the the intent behind the Rhode Island Cannabis Act is to ensure that we include folks who have been disproportionately impacted by the war on drugs. And I think if we work together to hear, you know solutions and be able to work through problems. To get to that place, we can get to a place of inclusion. So inclusion is not.

30
00:13:23.880 --> 00:13:25.500
Cannabis Control Commission: thanks, Caitlin.

31
00:13:26.232 --> 00:13:43.890
Cannabis Control Commission: So I guess mine would be like all inclusive. So that's kind of more focusing on what we can offer you guys as social equity applicants. Kind of just encompassing everything that you might need and

32
00:13:45.280 --> 00:13:46.430
Cannabis Control Commission: refresher

33
00:13:46.680 --> 00:14:14.059
Cannabis Control Commission: mine would be justice. There's an opportunity to have a sense of justice to right some of the wrongs related to the criminalization of marijuana, especially as it's disproportionately impacted black and brown people. So I think in all of our initiatives as a commission, certainly. For me, but definitely for the entire team on the Ccc. There's

34
00:14:14.060 --> 00:14:24.659
Cannabis Control Commission: a real thought process of you know. How can we right the wrongs of what's happened in the past in terms of the law, in terms of any justice would be delivered.

35
00:14:24.680 --> 00:14:26.585
Cannabis Control Commission: Basis correct.

36
00:14:27.160 --> 00:14:34.429
Cannabis Control Commission: I think, couldn't find just one word that. But so I think my phrase would be accomplish the mission.

37
00:14:34.750 --> 00:14:35.770
Cannabis Control Commission: And

38
00:14:36.990 --> 00:15:01.140
Cannabis Control Commission: I think we we've all been like looking at this cannabis act for a long time now, and drafting the Regs for a while now as well, and particularly like relevant to this topic. Here the Social Equity provisions in the cannabis act and and it it is sort of like a landmark part of the act, and it's

39
00:15:01.260 --> 00:15:22.365
Cannabis Control Commission: hoping to accomplish a lot. And so I hope that we are able to do that as as an agency as a new agency kind of embarking on something that hasn't been done here before. And hasn't been done in in a lot of States, hasn't been done well in a lot of states, and so hopefully that we can, we can

40
00:15:22.820 --> 00:15:25.340
Cannabis Control Commission: do it, do it well, accomplish that.

41
00:15:26.151 --> 00:15:34.359
Cannabis Control Commission: Do any of you want to share sort of your one word? that describes your hopes for the

future of social equity.

42
00:15:34.830 --> 00:15:49.016
Cannabis Control Commission: Yeah, assets and to expand on that there's a lot of barriers, especially in Rhode Island, as we speak, to acquire licenses and thinking of those who have been the most marginal impacted by

43
00:15:49.590 --> 00:15:57.469
Cannabis Control Commission: by incarceration and trying to start businesses and build wealth of the asset.

44
00:15:57.810 --> 00:16:00.410
Cannabis Control Commission: Thank you. And what is your name? Nicole?

45
00:16:00.810 --> 00:16:01.680
Cannabis Control Commission: Cool.

46
00:16:02.205 --> 00:16:15.300
Cannabis Control Commission: How's it going, everybody? My name is Elijah Mclean. I work at the United Way of Rhode Island. I manage our government relations and the policy there, and I think my word for

47
00:16:15.520 --> 00:16:18.099
Cannabis Control Commission: the future would be 80

48
00:16:18.470 --> 00:16:39.130
Cannabis Control Commission: 2 words, technically economic mobility. I live right around the corner from Mother Earth, and it kind of pains me every time I drive by. And Slater, even though I'm personally dabbles in cannabis. I hate seeing the drive throughs, and it's like, it's so painful because I'm like every time I see it. I'm like they're making so much money. And there's individuals who can't do that. So the economic mobility piece.

49
00:16:39.910 --> 00:16:40.730
Cannabis Control Commission: okay.

50
00:16:41.010 --> 00:16:51.879
Cannabis Control Commission: Hi, my name's Sasha, and I'm with Teleria. We're one of the cultivators and mine kind of piggybacks off of yours, I would say prosperity like I really hope to see these social equity dispensaries

51
00:16:52.000 --> 00:16:53.130
Cannabis Control Commission: like thrive.

52
00:16:53.950 --> 00:16:54.870
Cannabis Control Commission: Thank you.

53
00:16:55.790 --> 00:17:13.790

Cannabis Control Commission: Ron cross and I would say, piggybacking on everything that's been said. I, I would say, is sustainable. It's 1 thing to get access into this economy, so to speak, and it's another to have it be a well functioning, sustainable system.

54
00:17:16.380 --> 00:17:25.400
Cannabis Control Commission: My name is Shawn Mark, Founder, but not the boss of Black Market, and it's 3 words

55
00:17:25.660 --> 00:17:28.910
Cannabis Control Commission: piggybacking off what Nicole said. Access to capital.

56
00:17:29.310 --> 00:17:37.749
Cannabis Control Commission: In order for this program to be successful, you have to be realistic about how we're gonna fund it

57
00:17:38.430 --> 00:17:43.379
Cannabis Control Commission: where the money's gonna come from, because unless guys tell me different.

58
00:17:44.210 --> 00:17:52.980
Cannabis Control Commission: I don't know if any of us have, you know, one and a half to 2 million dollars of capital to sink into this.

59
00:17:54.720 --> 00:17:56.929
Cannabis Control Commission: we'll be in trouble. So my hope is fine

60
00:18:01.790 --> 00:18:11.750
Cannabis Control Commission: in the back. Thank you. And I'm of the cannabis policy coalition, and I would say economic justice similar to what Nicole and Shawn has said already in election.

61
00:18:12.640 --> 00:18:13.660
Cannabis Control Commission: Thank you.

62
00:18:13.940 --> 00:18:21.139
Cannabis Control Commission: Hi. My name is Mark, and I will say transparency right? Because oftentimes.

63
00:18:21.954 --> 00:18:26.600
Cannabis Control Commission: You have what's in front of you? The information.

64
00:18:26.940 --> 00:18:45.489
Cannabis Control Commission: And it's not really what's required here to get to the finish line. And so we really want to know what it is that we need to get there really resilient, thoughtful people. But we don't want. I don't want to smoke in there if we don't have time to wait.

65

00:18:49.690 --> 00:18:53.860
Cannabis Control Commission: Hello! My name is Raphael Wexler. The the

66
00:18:54.170 --> 00:19:04.909
Cannabis Control Commission: easier said than done, but if there's a word I'd apply it would be unified. And and for over 4 years I've been involved with the rollout of legal cannabis in New York

67
00:19:05.070 --> 00:19:14.039
Cannabis Control Commission: and we can have all these great intentions, and we all these great ideas. But if if we're not all on the same page, progress stops

68
00:19:14.380 --> 00:19:16.250
Cannabis Control Commission: so it would be unified.

69
00:19:16.610 --> 00:19:17.520
Cannabis Control Commission: Thank you.

70
00:19:18.550 --> 00:19:34.240
Cannabis Control Commission: Yeah. Hi, Rory. Also I would say, opportunity, I think. You know this change in the law and opening a new industry such as this should provide an opportunity for everyone to participate. It's really what I do.

71
00:19:34.790 --> 00:19:38.070
Cannabis Control Commission: Is achieved with the new regulations and social.

72
00:19:42.530 --> 00:20:11.840
Cannabis Control Commission: hey? All I'm Kayla. I am a cannabis chef and entrepreneur in the space, I would say education. I think that as soon as people get access into cannabis, you know, business kind of takes over where education is really important in regards to like. Why we're doing this and why we're here, you know, money can't be everything. And also just like opportunity can't be everything. It's also being able to give education to people who may not understand cannabis.

73
00:20:11.840 --> 00:20:24.089
Cannabis Control Commission: or who, you know, may not be as comfortable with it, and you know, helping them understand what we're doing here and why we're doing it. So I would definitely say, education being on the forefront of that as well.

74
00:20:27.160 --> 00:20:27.860
Cannabis Control Commission: It was

75
00:20:28.850 --> 00:20:43.679
Cannabis Control Commission: oh, sorry! Oh, hi! Sorry, Andre dev! I am like a co-OP developer working on the Co-OP licenses. I would say, innovation.

76

00:20:44.114 --> 00:21:08.509
Cannabis Control Commission: I think we did all this stuff in this bill that is brand new, like limited licenses worker co-OP licenses. And it doesn't just give us a chance to maybe protect ourselves from the worst actors in this industry, but a chance to actually change it, because we have the sort of protection and freedom to make those kinds of changes that we want to see like better customer education.

77
00:21:09.810 --> 00:21:10.620
Cannabis Control Commission: Thank you.

78
00:21:11.290 --> 00:21:36.790
Cannabis Control Commission: I think that's everybody. I just wanted to say to thank the other 2 Commissioners, the Chair, Kim Ahern and Commissioner Robert Jacquard, who aren't here because that would change this from a conversation to an open meeting and a different type of meeting. So I want to turn it over to Commissioner

79
00:21:36.980 --> 00:21:37.730
Cannabis Control Commission: if you want

80
00:21:37.990 --> 00:21:50.950
Cannabis Control Commission: thanks. I'd also like to thank my Co. Commissioners and in terms of the purpose of this conversation. Certainly we don't want it to be an open meeting. We want it to be a discussion where we can

81
00:21:50.950 --> 00:22:12.630
Cannabis Control Commission: kind of hear everything. I would like to participate and even converse with you guys as well, and that's obviously different. When for those who have been to the Pcc. Meetings. It's important for me to be here. For those of you at the meetings. I don't know if you've noticed yet, but I am the only black Commissioner. It is important for me to hold

82
00:22:12.630 --> 00:22:35.790
Cannabis Control Commission: that role because I know that the lived experiences that I have, that my family members have that my black and brown friends have do not always align with the lived experiences of others. And I think it relates to everything that we're trying to do here with this industry, with the conversations that we're having here today. So I just hope that I can really hear what everyone has to say

83
00:22:35.790 --> 00:23:00.770
Cannabis Control Commission: and implement as much of it as possible, not just in the conversations, not just in the way that I handle my duties as a commissioner, but also in the conversations that I have with my fellow commissioners. So I want everyone. I I use the word transparency. I forget who mentioned it. Over here and I'm a lawyer by trade, like the rest of the Commissioners, and basically

84
00:23:00.770 --> 00:23:25.740
Cannabis Control Commission: everyone on the Ccc. But I use it with my staff. I like hide. I go places, and someone's like, What do you do for work, and I try as long as possible to hide that. I'm a lawyer. I don't know why I work so hard to become a lawyer, but I talk to my staff at the law firm. I work at all the time about transparency, transparency.

85
00:23:25.740 --> 00:23:32.510

Cannabis Control Commission: compliance transparencies with the judge transparency where we're going on a case if it's in litigation.

86
00:23:32.620 --> 00:23:44.750
Cannabis Control Commission: And the reason I talk about it is because I feel like we live in an era where it's easy to hide things. It's easier to hide motives and all those things. But I do feel confident that not just the Commissioners, but the entire Ccc.

87
00:23:44.750 --> 00:24:09.470
Cannabis Control Commission: Team are individuals who really want to be transparent with our actions and have basically just the best foot forward for Rhode Island, and what the cannabis industry can do for Rhode island. I wouldn't be saying it if I didn't believe that, but they helped me so much. Prepare for you guys, and prepare for what I have to do as a commissioner that I know the interest that the entire team has, so don't be shy in giving us advice. We'd love to learn

88
00:24:09.470 --> 00:24:15.839
Cannabis Control Commission: from you. But also know that we are invested in this and some of the

89
00:24:16.180 --> 00:24:33.069
Cannabis Control Commission: kinds of you know things that have to happen. Take time. Some of this we may understand as lawyers, and we see things in the Cannabis act that have to happen in a certain order. There's a lot that goes into this. But everyone really is invested for what's best for.

90
00:24:33.970 --> 00:24:42.159
Cannabis Control Commission: Thank you so much. I think you said a really great tone of, although we may most of us up here be lawyers. We're also human beings.

91
00:24:42.160 --> 00:25:04.220
Cannabis Control Commission: And so I might stop what you're saying and say, can you explain that to someone who isn't a lawyer? Because I think it can be easy to get lost in some of the words. And so we're going to kind of all go forward as humans as much as we can. And we'll start with that. Actually, Carla, I was really confused in the preparation for this.

92
00:25:04.547 --> 00:25:18.950
Cannabis Control Commission: Like to sort of understand the difference between the term social equity applicant and social equity licensee and so just to sort of kick off our 1st section, can you give us a little background. So we all are on the same page.

93
00:25:18.950 --> 00:25:34.610
Cannabis Control Commission: Yeah. And a lot of you. This might be repetition, because I see a lot of you that have been very engaged with both the Advisory Board and Commission, and and that's been awesome because you had public comment at almost every meeting. And your input has been

94
00:25:35.418 --> 00:25:54.960
Cannabis Control Commission: heard, and also informative of the drafting process. But for those of you that I don't

recognize here, which is many which is nice to see. So the Cannabis Act authorizes 24 new retail stores in across the State.

95
00:25:55.050 --> 00:26:19.797
Cannabis Control Commission: and that's broken up in different geographic zone which we can go into later. But 24 new stores of those 24. There's gonna there are 12 that are allocated to general retail licensing license. There are 6 worker cooperative licenses which were mentioned earlier. And then there are 6 social equity licenses for all 4 retail stores.

96
00:26:20.300 --> 00:26:30.429
Cannabis Control Commission: and the Cannabis Act is full of terminology that is confusing. It's repetitive, and then slightly different, a little bit. So I

97
00:26:30.700 --> 00:26:34.900
Cannabis Control Commission: want to acknowledge that because

98
00:26:35.270 --> 00:26:44.030
Cannabis Control Commission: that's a barrier to just a a lay person under like reading, how to be in compliance in a

99
00:26:44.330 --> 00:27:01.399
Cannabis Control Commission: complicated industry. So, for example, the difference between a social equity applicant and a social equity licensee. What is the difference? So when the Cannabis Act talks about social equity applicant, you can have social equity, applicant status.

100
00:27:01.660 --> 00:27:06.639
Cannabis Control Commission: and that is a person that is seeking

101
00:27:07.120 --> 00:27:15.339
Cannabis Control Commission: that status who def and the Cannabis Act defines it as somebody who's been disproportionately impacted by the criminal enforcement of cannabis laws.

102
00:27:15.810 --> 00:27:20.059
Cannabis Control Commission: That is a very broad definition.

103
00:27:20.140 --> 00:27:40.969
Cannabis Control Commission: and the Cannabis Act also has certain definitions as to how you can qualify as a social equity applicant, or how you can prove that you've been disproportionately impacted by the criminal enforcement of cannabis laws, either through a certain criminal conviction.

104
00:27:41.030 --> 00:27:59.380
Cannabis Control Commission: certain criminal convictions being a family member of someone who has been criminally convicted of cannabis laws, nonviolent offenses. And also you can be living in a or being living in a disproportionately impacted area

105
00:27:59.980 --> 00:28:14.109
Cannabis Control Commission: which opens up a whole other can of worms in the Cannabis Act, which a lot of people have been at these meetings, where the Commission undertook a lot of months of analysis of a lot of data to figure out where those

106
00:28:14.671 --> 00:28:41.168
Cannabis Control Commission: areas are in Rhode Island that are considered disproportionately impacted. So and we'll we'll go more into that. But so yeah, the the Cannabis act explains that there are numerous myriad of ways of getting that social equity applicant status. And then what do you do with that? So that's going to be like the 1st round of

107
00:28:41.970 --> 00:29:01.200
Cannabis Control Commission: Yes, applications that the public will see will be how to qualify as a social equity applicant and receive that status from after receiving that status. Whether you're you know you qualify or not. If you do that means that you can then move on to the next sort of the licensing round of

108
00:29:01.450 --> 00:29:06.169
Cannabis Control Commission: of applying for one of those 24 retail licenses.

109
00:29:06.350 --> 00:29:35.620
Cannabis Control Commission: There's been a lot of questions that we've had of like. Well, if your social equity, if I have social equity applicant status, does that mean? Can I only apply for a social equity license. And the way that we read the Cannabis act is no, we think that you can have social equity status and also apply for a worker. Co-OP license, a general license, retail cannabis, retail license, and or, of course, the social equity license.

110
00:29:35.700 --> 00:29:40.286
Cannabis Control Commission: So the benefits that you get from

111
00:29:41.460 --> 00:29:48.170
Cannabis Control Commission: One of those 3 can will, and and can vary, and that will be sort of fleshed out more over time.

112
00:29:48.810 --> 00:30:07.629
Cannabis Control Commission: But you can. But I just want to make that clear that that's so. A social equity applicant status is sort of like the initial application to demonstrate and prove to the to the Commission that you've been disproportionately impacted by the criminal enforcement of cannabis laws.

113
00:30:08.662 --> 00:30:10.550
Cannabis Control Commission: And then, once you

114
00:30:10.660 --> 00:30:22.748
Cannabis Control Commission: have that status, you then would apply to be a social equity licensee or a worker, co-OP licensee, or a cannabis retailer licensee. So hope I explain that

115

00:30:24.210 --> 00:30:41.889
Cannabis Control Commission: somewhat clearly. So that means that the 1st thing that's going to happen is there'll be some type of application process. Yes, where I apply to be a social equity applicant. Yes, and to get that sort of status right? And then, once I have a status, one choice is I could do nothing with it.

116
00:30:41.890 --> 00:30:54.220
Cannabis Control Commission: I can, just, you know, live my life. Knowing I have this data. Another option is then I can apply to be one of those 6 retailers.

117
00:30:54.220 --> 00:31:22.110
Cannabis Control Commission: Well, there's there's 24 total right? But I can apply to like fill the role of the social equity licensee. But I can also apply to be a retailer. That isn't 1 of those 6. Yep. And I can also apply to be a worker. Co-OP, that's correct. And so that's like, sort of a second process. Yeah. And and the applications you'll, I think, a lot of this.

118
00:31:22.983 --> 00:31:34.820
Cannabis Control Commission: Well, I mean you. You can see the regulations now. Obviously the regulation is not the application, and when the applications do go live. I think this process will be

119
00:31:35.170 --> 00:31:39.010
Cannabis Control Commission: clear. If it is abstract, it's hard to

120
00:31:39.810 --> 00:31:54.859
Cannabis Control Commission: trust me. We've all tried a bunch of times to communicate this and and it's challenging it. Really, it really is and so this like this group. This this event, this focus group is is our attempt at sort of fleshing out

121
00:31:55.030 --> 00:31:58.146
Cannabis Control Commission: those complications. And and the

122
00:31:59.670 --> 00:32:29.182
Cannabis Control Commission: yeah, those challenges. Yeah, yeah, I was going to say, could you talk a little about the review process so obviously like, you know, individual apply. And then what does that review process look like? Obviously, I imagine the Commission members are not the ones reviewing the applications. But you talk about that. And then maybe, like some of the makeup of the review process, maybe like the graphics behind that. Because I'm obviously, if you're the, there's 1 black or brown Commissioner that doesn't give good optics for how the review process may go.

123
00:32:29.590 --> 00:32:46.869
Cannabis Control Commission: yeah, just a little curious around that. And if you don't have that context, that's okay. I was thinking about that. Well, that's a great question. And as a cannabis office administrator, future cannabis office administrator. I leave the office that's going to be working to be able to review those applications. And so, as you know

124
00:32:47.000 --> 00:33:11.369
Cannabis Control Commission: I am as well a woman of color. And so we are definitely, you know, here to be able to review the applications and understand in depth what the applicant is bringing to the table to be able to determine whether or not they meet or don't meet that status. Now we will have to have some other pieces roped in to be able to

assist us, to just ensure that we can be operationally efficient. But by and large we're going to have and

125
00:33:11.370 --> 00:33:36.000
Cannabis Control Commission: work a process in the background to be able to review those applications and really not, are we fully there yet? No, we haven't worked out the nuances just yet on that. But the idea is that the team is working diligently. We have social equity working groups that meet consistently in the office to really be able to kind of flesh out what this process is going to look like. And we are working hard. And so this will be some lessons we want to gain from here to be able to implement and

126
00:33:36.000 --> 00:33:58.719
Cannabis Control Commission: maybe tweak kind of where we think we're going to land. But it's really too early to kind of really get into the nuances of what the process is going to look like, certainly, and working in it was more primarily like a comment. We give out a lot of grants and a lot of individuals apply. And we typically use like

127
00:33:58.720 --> 00:34:19.390
Cannabis Control Commission: equity scorecards and other things that will help us gauge the barometer of like need per se or impact that we were trying to have. And I just highly recommend that if there's like an equity scorecard of some sorts that could be public facing. So individuals again don't feel as if they're being persecuted already before even like before that review process. What I think, could be pretty helpful.

128
00:34:19.480 --> 00:34:21.850
Cannabis Control Commission: Thank you so much I appreciate absolutely.

129
00:34:21.940 --> 00:34:43.899
Cannabis Control Commission: Hi. My name is from the center for Southeast Asian. It's great to have these things. But in the community of colors, if you want to focus on that, you're going to have to. One, make sure your outreach strategies is really up to par. Because if you're gonna do the information session like this.

130
00:34:44.263 --> 00:34:50.140
Cannabis Control Commission: certain group is not but welcome. And they're not going to show it up. That's 1 and 2 is

131
00:34:50.491 --> 00:35:17.238
Cannabis Control Commission: if you want to get a fair equity is technical, assistant is key component of how you impact and reach those people and really understand. Because if you're gonna you want to weed out people and the fair way of things, you can put the language and spin it all you want. We're all, whether we're graduated from Ivy League or whatever we can put those language. And those people will not know how to even

132
00:35:17.590 --> 00:35:24.679
Cannabis Control Commission: focus on, and they lost in the transition, and they don't even focus on even approach of applying for it.

133
00:35:24.680 --> 00:35:54.009
Cannabis Control Commission: So our organization, as located in Providence and serve statewide a lot of applications that come in, whether it's Medicaid, whether it's health source, whether snap benefits, whatever people are gone, they're done, they're not focusing on it, because they don't know what you, and the requirement is so lengthy that it requires a

neutral party to help them fill out those applications in order to get there. And if that party does not exist.

134
00:35:54.390 --> 00:35:59.640
Cannabis Control Commission: those individuals that we want to make the word equity, it's just a punchline.

135
00:35:59.970 --> 00:36:01.938
Cannabis Control Commission: Sorry. Yeah, thank you.

136
00:36:02.690 --> 00:36:03.600
Cannabis Control Commission: Great

137
00:36:03.950 --> 00:36:12.289
Cannabis Control Commission: good. Hi, I'm Karen cultivating Ri, so I have a question if a person gains status for social equity

138
00:36:12.460 --> 00:36:36.199
Cannabis Control Commission: and they decide to apply for a retail store or Co-OP, do they also are they also get the benefits of like the social act equity store, like, you know, no application fee no license fee for the first.st What 3 years does that move over to? A retail store or co-OP?

139
00:36:37.709 --> 00:36:51.960
Cannabis Control Commission: Okay, I'm not sure. If I fully understood. Is, is it that? Are you wondering if you get social equity status? But you don't go for the social equity license? You go for one of the other 2. What type kind of benefits do you get? Is that what you're

140
00:36:51.960 --> 00:37:14.449
Cannabis Control Commission: so as far as less app like application fees for a social equity? They waive the application fee correct, and you also waive like I think it's the 1st 2 years, and then there's like a tier, a tier like structure, you know, license fees every year. So would that social equity person also qualify

141
00:37:14.470 --> 00:37:17.849
Cannabis Control Commission: social equity status in a retail or a co-OP.

142
00:37:18.690 --> 00:37:33.260
Cannabis Control Commission: Yeah, so it's a good question, and in the regulations it does state that the license application. It does state application fees for worker co-ops and for

143
00:37:33.855 --> 00:37:48.854
Cannabis Control Commission: you know the general general license. Fees as well. I believe we've built in that. There could be a an application for fee waivers for

144
00:37:49.740 --> 00:37:59.076
Cannabis Control Commission: the non social equity, I guess. License types for the application fee and for

145
00:37:59.790 --> 00:38:01.990
Cannabis Control Commission: yeah, for the for the application fee.

146
00:38:04.740 --> 00:38:15.669
Cannabis Control Commission: I see a hand over here, a hand over here and 2 over here. I kind of have a a similar question to that which is after you apply and receive social equity status.

147
00:38:15.800 --> 00:38:28.190
Cannabis Control Commission: Can you apply for the social equity retail and the regular retail licenses in the same zone? Or are you restricted to just applying for the social equity licenses

148
00:38:28.860 --> 00:38:40.750
Cannabis Control Commission: like, can you be part of that larger lottery? Because there's 2 licenses available that are regular retail and only one that's social equity? Right? So you're saying, can you have multiple license applications in?

149
00:38:40.770 --> 00:39:05.709
Cannabis Control Commission: Can you apply for multiple types of licenses in one zone? I don't think, you know, we will not be able to do that. So you're stuck with only applying for that one license in that zone. Yep, if you wanted to apply for a different type in a different zone. You could do that. But if it's 1 zone, you have to pick one type to apply for you.

150
00:39:05.740 --> 00:39:10.089
Cannabis Control Commission: and you applied in the 1st round for the 1st 6 licenses in that zone.

151
00:39:10.220 --> 00:39:11.920
Cannabis Control Commission: You didn't get awarded. It

152
00:39:12.020 --> 00:39:37.209
Cannabis Control Commission: would be able to apply for a regular retail license if you didn't get it. If you were not picked as one of the social equity in that zone, then you could then choose to apply for the general license. Yes, how we're hoping to do it is so that 1st it's social equity, so that if you do not get picked, you have the option of going to general license that speaks to the prioritization built into the Cannabis act.

153
00:39:37.210 --> 00:39:49.340
Cannabis Control Commission: So then the lottery is 1st going to happen just for social equity, and then after that you'll be able to decide whether or not you want to apply for those retail licenses. Or is that lottery all happening at the same time?

154
00:39:49.860 --> 00:40:14.260
Cannabis Control Commission: That that's a little bit of a nuance that we're still working through. We're actually, you know, work. That's part of the operationalizing of it piece. And we're kind of still tweaking it to just ensure that we align that. And as we have more, these more and more nuance will come out. And so we're kind of really in the phase, one of operationalizing. And so that's probably a little bit more along the lines of phase 2 wish as we develop things. And

155
00:40:14.260 --> 00:40:23.399
Cannabis Control Commission: as we get more answers to other pieces. Yeah, I mean, I know for me that it would like that would change my decision. On what type of license I wanted to apply for like.

156
00:40:23.400 --> 00:40:32.150
Cannabis Control Commission: Because if I if it's social equity and I'm only applying for one, maybe I would want to pay that $10,000 and apply for one of the 2 regular retail licenses. So that would.

157
00:40:33.320 --> 00:40:36.549
Cannabis Control Commission: So I thought that the Ccc. Meeting that

158
00:40:36.840 --> 00:40:46.549
Cannabis Control Commission: Kim said that the way that the law was written that it mandated that the 6 be chosen before any additional licenses could be given up.

159
00:40:47.190 --> 00:40:58.259
Cannabis Control Commission: Yes, it does, correct Carla. We, you know. So what needs to happen 1st is the social equity applicant status right? The status your status correct? Yes.

160
00:40:58.400 --> 00:41:21.110
Cannabis Control Commission: the status is, must. As long as that is clarified, that that is, that is just for the status. It is not for the actual application process. So the act.

161
00:41:21.600 --> 00:41:34.550
Cannabis Control Commission: So if I if I could just clarify so in the act. It says.

162
00:41:35.530 --> 00:41:51.220
Cannabis Control Commission: if the Commission determines that an applicant who applied for social equity applicant status is not eligible for social equity status, the applicant can be awarded 10 days. So you so you apply for social equity applicant status.

163
00:41:51.370 --> 00:42:03.760
Cannabis Control Commission: The Commission decides you don't meet that those requirements, for whatever reason that applicant. You have 10 days to appeal more or less to the Commission and say.

164
00:42:03.920 --> 00:42:15.861
Cannabis Control Commission: Nope, I I believe I I do qualify. Xyz. Reason again, that will be sorted out more as it gets left out and application process, and that'll all be noticed.

165
00:42:17.890 --> 00:42:46.069
Cannabis Control Commission: also. Then it says you have 10 days. Alternatively, the applicant can pay all fees and be considered as a non social equity applicant. So you move forward to, then the license of you don't have social equity,

applicant status. But then you can move forward and apply for perhaps a worker, co-OP license, but without social equity, status, or a retail general retail without social equity, applicant status that makes sense

166
00:42:46.070 --> 00:42:54.060
Cannabis Control Commission: terms of the application process. She said. 6 had to be selected before there would be the review of

167
00:42:54.080 --> 00:43:18.489
Cannabis Control Commission: any other applications. Well, I would. I'll go back and review, are you? Is that is that true? Or was I interpreting that? I don't remember her saying that? But it's something that we can right was that towards the end of the meeting, and you know we were in discussion. Oh, yeah, yeah, for sure. We'll take that down, and we'll bring that back to the office, and let's do that and make sure we can

168
00:43:18.490 --> 00:43:43.319
Cannabis Control Commission: thank you guys for having this meeting today. And my question goes back to like the qualifiers for being a social equity applicant. So I did review like a few the new lines, and without. I'm only saying it because it's relevant. So something our coalition advocates for is the removal

169
00:43:43.320 --> 00:43:47.555
Cannabis Control Commission: what will be in the proposed regulations now? It would be

170
00:43:48.000 --> 00:44:00.570
Cannabis Control Commission: 5 and 6, which are the slave masters. Clause, and the Jeff Bezos clause, and I do see that it's still in there, and I do wonder for the other qualifiers, 1, 2, 3, and 4 that would actually

171
00:44:00.700 --> 00:44:23.360
Cannabis Control Commission: that that people can't take advantage of, as it pertains to like 5 and 6 where folks that aren't from marginalized communities can take advantage of them. What is there an option to potentially weigh 1, 2, 3, and 4 higher than 1, 2, 3, 4, and 7 higher than 5 and 6 when considering social equity applicants.

172
00:44:23.450 --> 00:44:42.199
Cannabis Control Commission: So what I'll say to that, and what Zara is referring to just for those who don't know this act as well. She's referring to the definition of social equity applicant in the Cannabis Act that lists several ways to be able to

173
00:44:43.213 --> 00:45:05.209
Cannabis Control Commission: qualify, meet that definition and for example, like the Jeff Bezos provision, which has been colloquially named is an applicant that with a minimum of 10 full time employees with at least 51% of current employees who reside in a dia. So in a disproportionately impacted area, so

174
00:45:05.541 --> 00:45:19.149
Cannabis Control Commission: Jeff Bezos could open up a retail store in Central Falls census check in Central Falls and employ 10 people who are from there, or he could open up a store anywhere, really, actually, with 10 employees that are from

175
00:45:19.170 --> 00:45:29.670
Cannabis Control Commission: this particular census track in Central Falls is qualified as a disproportionately impacted area, and he could be eligible, perhaps, for a social equity status. That's

176
00:45:29.880 --> 00:45:33.240
Cannabis Control Commission: that's the Jeff based relationship in there. But

177
00:45:33.870 --> 00:45:37.230
Cannabis Control Commission: Not to get too in the weeds in this right now. But

178
00:45:38.330 --> 00:46:05.995
Cannabis Control Commission: the regulations on these definitions, we sought to expand them more so, for example, an applicant that can demonstrate significant past experience promoting economic empowerment. What does economic empowerment mean? We studied that. And we came up with, a definition to be able to that defines that

179
00:46:06.870 --> 00:46:14.974
Cannabis Control Commission: And what's 400% of the Median income like we went in there. And we we pulled that data. So

180
00:46:16.020 --> 00:46:31.080
Cannabis Control Commission: And the reason I say that more is because the cannabis act. Yeah, like there, there can be loopholes. There can be ways to exploit some of these definitions. And what we tried to do in the Regs is to

181
00:46:32.430 --> 00:46:33.090
Cannabis Control Commission: Okay.

182
00:46:33.430 --> 00:46:41.389
Cannabis Control Commission: try to limit that as much as possible. And when with to your point about like scoring.

183
00:46:41.859 --> 00:47:03.880
Cannabis Control Commission: I kick that over to the Commissioner. I mean, we. We studied that, and we studied a lot of litigation risks across the country. And the Commission. Yeah, yeah. So I mean, we've definitely looked at it. And there's a lot of conversation about just how specific you can get in terms of what type of

184
00:47:03.940 --> 00:47:13.329
Cannabis Control Commission: person, or, you know, can be an applicant, and the big thing that came up is using race as a factor right on the application.

185
00:47:13.330 --> 00:47:38.040
Cannabis Control Commission: And I, you know, from my perspective, I'm like, sure. Let's do it. The problem with doing just saying that and then turning off kind of the legal analysis side, is that a lot of the case law? A lot of this decision making that's happening across the country is that you can't do it. And if you try to do it. People are probably

186
00:47:38.040 --> 00:48:00.639
Cannabis Control Commission: for lack of a better way to say it, get cute with how they try to do it, and it just doesn't work. It causes delay that obviously everyone in this room wants no delay. In terms of rolling out this industry. And ultimately, that's something that I have seen, and I'm a lawyer, and the other commissioners, who are also lawyers.

187
00:48:00.640 --> 00:48:24.630
Cannabis Control Commission: have seen. I think there are also members, you know, within the Cannabis Advisory board that are lawyers. We have people on the Ccc. Staff that are lawyers. So it's something that honestly, from a lawyer's perspective, it's painfully obvious to cause legal problems if you get too specific. And you're basically saying, you know, a social equity applicant

188
00:48:24.630 --> 00:48:44.100
Cannabis Control Commission: has to be black or brown. I do think that if you said that there's ways where it is more focused on things that are even intended by the Legislature. But I think the General Assembly did a good job of

189
00:48:44.570 --> 00:49:10.699
Cannabis Control Commission: basically giving as much as they could to power as they could to the Commission to do as much as we could to help. You know the people and target the people. That we have a general consensus should be social equity applicants in some way. And I, personally don't think it just has to be race. I think that there is a disproportionate impact. But I think there's you know, there's

190
00:49:10.790 --> 00:49:33.520
Cannabis Control Commission: other factors other than just that, but it could be a factor, but the second that and it could be a strong factor in terms of determining with whether someone was actually, disproportionately impacted. But the problem is, once you make it a factor. There's just a lot of legal analysis that says it. You know, it's going to be challenged constitutionally, and it's going to cause delay.

191
00:49:33.720 --> 00:49:58.539
Cannabis Control Commission: Just to say, like I personally, I as a coalition, we never advocated for against inclusion of race. For the same reason that you're mentioning, because we don't want the Ccc. To be sued again by somebody saying that it's not fair, but it's more so. Is there a way to? Of the 7 of the 7 ways you can become a social equity applicant? Is there a way to

192
00:49:58.550 --> 00:50:04.830
Cannabis Control Commission: prioritize the the qualifiers that won't be taken advantage of by a Jeff Bezos

193
00:50:05.090 --> 00:50:16.706
Cannabis Control Commission: over over the other ones. So similar type of sort of litigation risks when you start sort of adding more

194
00:50:17.710 --> 00:50:30.159
Cannabis Control Commission: deference and and preference to certain quality qualifiers than others. Is. We've seen in other states, and like scoring systems and things like that that

195

00:50:30.310 --> 00:50:34.859
Cannabis Control Commission: it's like ripe for litigation, because people then

196
00:50:35.120 --> 00:50:49.627
Cannabis Control Commission: Sue and say, Hey, I, you know, was provision D, or you know this, and you know you scored Nicole's application higher than mine, but you know as it so it's it's very. It's it's a very

197
00:50:51.620 --> 00:51:02.300
Cannabis Control Commission: off a lot of litigation around scoring or having preference to certain types of qualifiers. So it sounds like you're trying to sort of balance

198
00:51:02.470 --> 00:51:24.280
Cannabis Control Commission: the sort of equity issue with the litigation issue. So I have 3 questions over here, and then we're going to move forward to the next part of the conversation. So Naomi Sean Nicole mine is surrounding the qualification for a license. When you say someone has been affected

199
00:51:24.730 --> 00:51:41.869
Cannabis Control Commission: by, you know the drugs, does it have to be the penal system in Rhode Island, because there's a lot of transplants here right like myself. So let's say, you know, I was Russian in Florida, and I came here. Would you still be considered and qualifying applicant?

200
00:51:42.996 --> 00:52:00.500
Cannabis Control Commission: So just for one quick clarification. That's not for the license that's for the social. Don't apologize. So no, it doesn't have to be specific to Rhode Island conviction. Okay.

201
00:52:02.610 --> 00:52:04.069
Cannabis Control Commission: Shawn. And then, Nicole.

202
00:52:04.538 --> 00:52:14.369
Cannabis Control Commission: Let me preface this by saying, real estate finance attorney by trade. This is not legal advice. But to answer your question. I read the regulations and my understanding

203
00:52:14.590 --> 00:52:15.729
Cannabis Control Commission: missionary team.

204
00:52:16.550 --> 00:52:20.970
Cannabis Control Commission: If I'm wrong about this, the social equity part of this.

205
00:52:21.650 --> 00:52:23.490
Cannabis Control Commission: I think this is where the confusion is.

206
00:52:24.100 --> 00:52:30.100
Cannabis Control Commission: We're just applying for status. It has nothing to do with the actual application

207
00:52:30.230 --> 00:52:43.110
Cannabis Control Commission: for once a given license. And so it is a prerequisite. If you want to apply for a social equity license, we have no intent on doing that.

208
00:52:43.530 --> 00:52:48.339
Cannabis Control Commission: You don't have to go for this social equity status. So

209
00:52:48.900 --> 00:52:57.019
Cannabis Control Commission: I know it. It probably came off as confusing during the last time you guys talked about it. But if we just emphasize that social equity status is.

210
00:52:57.160 --> 00:53:00.760
Cannabis Control Commission: it's prerequisite, can't even apply, if

211
00:53:01.390 --> 00:53:14.609
Cannabis Control Commission: or as a social equity applicant. If you don't have this status so, whether or not, they issue the 1st 6 licenses doesn't matter, because you're not actually applying for the licensing. You're just getting status.

212
00:53:15.940 --> 00:53:18.759
Cannabis Control Commission: or we sort of jump ahead to

213
00:53:18.950 --> 00:53:23.669
Cannabis Control Commission: applying. If you don't have the status, and you need to change the route that you can apply.

214
00:53:24.460 --> 00:53:50.230
Cannabis Control Commission: That's a very clear explanation, because of the different criterias or different buckets. My focus as far as living in disproportionate areas.

215
00:53:50.576 --> 00:54:04.439
Cannabis Control Commission: Given that, you know, gentrification is real red lighting is real. I am a native Rhode Islander, and I'm just thinking of where we are now versus where we were 5 to 10 years ago. So, my, my.

216
00:54:04.440 --> 00:54:21.479
Cannabis Control Commission: I guess my comment or question is more so focused on like residency, and how that would be analyzed, because even in politics people can usually just move to a place, and if that was Residency and run for office, so my mind goes towards if someone wants to apply for social equity status

217
00:54:21.480 --> 00:54:28.709
Cannabis Control Commission: potentially, they might be folks that do the same. So that's a barrier or a discrepancy, in a sense as well.

218
00:54:30.140 --> 00:54:34.580
Cannabis Control Commission: Yeah. And so in particular, with the disproportionately impacted area piece.

219
00:54:34.710 --> 00:54:45.879
Cannabis Control Commission: Yeah, so we study that a lot. And we found in the data that we were able to get at a census tract level.

220
00:54:46.615 --> 00:54:50.815
Cannabis Control Commission: We got census tracks that lit up for

221
00:54:51.500 --> 00:54:57.740
Cannabis Control Commission: snap. So the the eligibility criteria, the data that was crunched was

222
00:54:58.580 --> 00:55:22.521
Cannabis Control Commission: snap benefits, unemployment rate and poverty rate, and Madison Rivard from riders here epidemiologist was super helpful in this project, and we were able to narrow down census tracts in Nantucket, Pawtucket, Central Falls, Providence and Newport. So

223
00:55:23.190 --> 00:55:32.049
Cannabis Control Commission: The 5 out of the last 10 years is statutory, you know. That's in the law, and we

224
00:55:32.260 --> 00:55:37.980
Cannabis Control Commission: can't change that in regulation. That would be something that General Assembly would have to

225
00:55:38.420 --> 00:55:43.739
Cannabis Control Commission: change but we did our best as trying to find these

226
00:55:43.970 --> 00:56:09.440
Cannabis Control Commission: geographic areas that the Cannabis act was really trying to identify people in those disproportionately impacted areas. We were limited with the data that we had. You know, we had a lot of conversations at the Advisory Board level about that commission level about that and but we we feel really confident in in

227
00:56:09.770 --> 00:56:13.590
Cannabis Control Commission: what that data showed. And

228
00:56:15.320 --> 00:56:33.839
Cannabis Control Commission: yeah, thank you. Yes. Oh, and also you. The disproportionately impacted area. What we found was for Rhode Island. If somebody from another State wants to show that they're they've been disproportionately impacted and or lived in a dia for 5 the last 10 years in

229
00:56:34.950 --> 00:56:48.520

Cannabis Control Commission: Nebraska, like they would have to show that to us. You know they they that the onus is on them to to show us how and the data, you know, whatever they would have. But we did that work for Rhode Island residents.

230
00:56:48.700 --> 00:56:53.210
Cannabis Control Commission: Did you want to think in a question before we move on? I just wanted to piggyback on that a little bit. So

231
00:56:54.760 --> 00:57:02.640
Cannabis Control Commission: coming from a an interracial marriage, my, my dad is Nigerian black. My mom is Dutch, Danish, French

232
00:57:03.250 --> 00:57:06.819
Cannabis Control Commission: grew up in North Kingstown. My father grew up in Providence.

233
00:57:07.100 --> 00:57:15.410
Cannabis Control Commission: How do they? What what ways do am I considered privilege white because I grew up in Northeastep when my dad lived in Providence.

234
00:57:15.610 --> 00:57:20.230
Cannabis Control Commission: Am I poverty? Because my dad lived in Providence? You know what I'm saying like, what?

235
00:57:20.390 --> 00:57:22.339
Cannabis Control Commission: How does something like that play?

236
00:57:23.230 --> 00:57:29.109
Cannabis Control Commission: Because I now I've lost my dad and 2 brothers to the war on drugs in the last 4 years.

237
00:57:29.250 --> 00:57:31.019
Cannabis Control Commission: But I grew up in North Kingstown.

238
00:57:31.614 --> 00:57:35.570
Cannabis Control Commission: so am I more privileged because I grew up in North hoo sound.

239
00:57:35.730 --> 00:57:46.989
Cannabis Control Commission: But my brothers and my father are dead like. So that that's my question, like, you know what I'm saying, which which one do I do, I qualify under? Do I not qualify under?

240
00:57:47.180 --> 00:58:02.489
Cannabis Control Commission: You know what I'm saying? Like, it's a it's a unique situation. Yeah. And I grew up in a predominantly. All White Town is like the only minority family. There was no people for me to go talk to to get help for me. You know I had to just

241
00:58:02.970 --> 00:58:22.169
Cannabis Control Commission: kick ass and not leave any questions on the board like you can't not accept me because I've outworked everybody else, you know, and that's what I face versus, you know my cousins, and and had different circumstances where they grew up, you know, but they also had different resources that I didn't.

242
00:58:22.830 --> 00:58:29.299
Cannabis Control Commission: Do. You know what I'm saying? So it's it's a tricky thing. And and there's been no, I haven't heard any discussion on that.

243
00:58:29.430 --> 00:58:35.790
Cannabis Control Commission: You know, we we've said impacted areas. But what if you are in a split family? And one is, and one is.

244
00:58:36.430 --> 00:58:46.719
Cannabis Control Commission: Yeah. So the the disproportionately impacted areas. Kind of qualification qualification is to the applicant. It's not tied to your

245
00:58:46.990 --> 00:58:50.189
Cannabis Control Commission: parent or someone else. It's about

246
00:58:50.400 --> 00:58:57.920
Cannabis Control Commission: where you, as the applicant like lived for 5 or the last 10 years, and and I hear you like this law is

247
00:58:58.220 --> 00:59:13.630
Cannabis Control Commission: not perfect, and as much as it's, you know, has some really powerful language. The law kind of like what the echoes, what we were just saying, like equity versus first, st and and law sometimes

248
00:59:14.000 --> 00:59:15.000
Cannabis Control Commission: can't.

249
00:59:16.100 --> 00:59:21.350
Cannabis Control Commission: It's hard to go with this. Yeah, and and you your example

250
00:59:21.980 --> 00:59:43.909
Cannabis Control Commission: really kind of hits that on the head. I think that's actually a good place for us to sort of move to the next thing, because I think what you have identified is a barrier. And so the question and Caitlin, I was hoping maybe you could write on the board, since I'm all the way over here. One of the things that we wanted to get out of today is to make this a focus group.

251
00:59:44.448 --> 00:59:50.569
Cannabis Control Commission: And a listening session is to identify barriers, not from our perspective, but from yours.

252
00:59:50.610 --> 01:00:10.780
Cannabis Control Commission: So we're going to? I have 2 questions, although I would say, answer these questions in whatever way you're most comfortable. If you want to answer a question that's kind of different. I'm okay with that, too. But the question I want to start with was, what are the most significant barriers to entering the cannabis industry as a social equity applicant

253
01:00:10.780 --> 01:00:22.319
Cannabis Control Commission: based on what we know so far. Yeah, this is kind of an answer to that question, too. But just understanding, like what a disproportionately impacted area is and where those really are.

254
01:00:22.330 --> 01:00:31.169
Cannabis Control Commission: I think it's a barrier just like understanding how you qualify and who qualifies. And I know it was mentioned earlier. But like that.

255
01:00:31.490 --> 01:00:46.580
Cannabis Control Commission: 400 of the Median income like, is that something that you guys can share with us? So that we? And is it like specific to that census tract like, it's kind of hard for me to understand how I would qualify or not qualify.

256
01:00:48.080 --> 01:01:07.869
Cannabis Control Commission: Yeah, just do you want to jump in with that? Or do you want us to? Yeah, I mean, there are. There will be tools like, for example. Just so, you know we're we're creating right now. A searchable search engine where you can type in your address, and it will tell you if your address

257
01:01:08.400 --> 01:01:35.919
Cannabis Control Commission: is within a disproportionate dia disproportionately impacted area. So as the process moves along. Yeah, no, no. I think I think one of the things I mean, it's hard, because we're kind of in this this kind of put in one world and put another world. But yes, we have done a lot of work with a lot of state agencies to be able to build out hopefully an interactive tool that will really assist you in determining whether or not you are

258
01:01:35.920 --> 01:01:59.459
Cannabis Control Commission: or have, or the address that you're utilizing, it falls in. We've also worked with Madison, her team to establish what that Median income and how that data will all come together, and that information will likely most likely be posted on the website in a short time. As we begin to start to lay out some of the resources. So we are literally trying to build out what those resources will look like.

259
01:01:59.460 --> 01:02:23.870
Cannabis Control Commission: And really, just, there's some technology, you know, that we're checking in the background to make sure that that's good for prime time. So we don't want to put that out. And it, you know, crashes, or it's not ready for prime time. So just know we have a. We are hopeful that we have some tools and resources that will make this a little bit easier for y'all, that will answer some of those questions, and that we can begin to deliver, as we have more of these sessions, so more to come.

260
01:02:23.870 --> 01:02:46.620

Cannabis Control Commission: I hate to say that, but more to come when it comes to that, I would identify that as a barrier, which is this is an innovative process. And unfortunately, in that there's an asymmetry of information. And so I think that people are feeling that I think there's also sort of a spirit of distrust like, are we going to get it right? Whatever right is in any particular instance?

261
01:02:47.370 --> 01:03:00.970
Cannabis Control Commission: Yes. The regulations say that to submit an application. You should have a signed lease, agreement, and permission from the municipality for zoning. I think those are 2 of the biggest barriers and

262
01:03:01.720 --> 01:03:03.293
Cannabis Control Commission: solution wise.

263
01:03:04.210 --> 01:03:14.859
Cannabis Control Commission: one. I think we're we're not there yet. Requirement of a lease agreement. And what was your and municipal? Oh, the zoning!

264
01:03:15.250 --> 01:03:23.788
Cannabis Control Commission: Do you want to share out a little bit more about what? What you see as a barrier in that sure, it's it's just

265
01:03:24.390 --> 01:03:47.399
Cannabis Control Commission: really challenging and expensive to sign a lease before you're capitalized, and before you have a license and many municipalities don't have clear zoning rules. When it comes to cannabis you have to go through a special permission process which can be really lengthy. And again, if you don't have a license in hand or a lot of capital behind you, it's just tough, and the timeline is really uncertain which makes it

266
01:03:47.540 --> 01:03:48.760
Cannabis Control Commission: part 2,

267
01:03:49.350 --> 01:04:00.070
Cannabis Control Commission: be confident, going into the with the application process. Absolutely. Yeah. It's like a an unspecified timeline on the lease. It's like, how do you? How do you know how long to sign a lease for right? Yeah.

268
01:04:00.980 --> 01:04:09.309
Cannabis Control Commission: But just want to piggyback off of what Emma was saying, anybody that it's gone through zoning that process.

269
01:04:09.480 --> 01:04:14.559
Cannabis Control Commission: It's for regular stuff. Yeah, I want to use this building as a church. It needs to be a store.

270
01:04:14.670 --> 01:04:17.590
Cannabis Control Commission: The process takes a while and

271

01:04:18.030 --> 01:04:25.640
Cannabis Control Commission: to have to. I can understand the whole lease thing. But to have zoning in there depending on the municipality.

272
01:04:26.140 --> 01:04:30.909
Cannabis Control Commission: It took us 4 months to take a building that was already mixed use.

273
01:04:31.170 --> 01:04:41.950
Cannabis Control Commission: We kept it being shaped, and it still takes 4 months, so like to say canvas forget, and the I think, the more uncertain the timeline is.

274
01:04:42.320 --> 01:04:46.360
Cannabis Control Commission: the more risk there is in anything you're doing

275
01:04:46.660 --> 01:04:56.299
Cannabis Control Commission: so like. Not only is it a tremendous investment of time and resources. But there's just a risk that, and and then it won't go forward in some way. What if it doesn't get approved right?

276
01:04:56.633 --> 01:05:12.149
Cannabis Control Commission: So I would add that as a question, what if your zoning doesn't get approved? There are leases contingent upon approval? You just got to ask. You got to ask them. Some landlords are cool, and they will say, Yeah, we'll do it. Contingent on you getting approval.

277
01:05:12.150 --> 01:05:26.911
Cannabis Control Commission: There were 2 questions right over or 2. Yeah, that's what I'm doing. Okay, thank you. I, so yeah, I think telling the same points is about uncertainty. I want to like. Add to that. That also includes

278
01:05:27.290 --> 01:05:45.196
Cannabis Control Commission: raising capital, right? I've heard from tons of people like, oh, this is so cool! Oh, you don't have a license. Yet. All right. Call me when you have a license $100,000 later. Right? So like, you know, depending on the special permission process and the zoning and the building, and like 100 other things. So

279
01:05:45.530 --> 01:05:50.820
Cannabis Control Commission: yeah. And I would say, like, you know again, we're not at solutions. But the idea should be

280
01:05:52.130 --> 01:05:55.339
Cannabis Control Commission: not just like what these barriers are. But like

281
01:05:56.610 --> 01:06:09.598
Cannabis Control Commission: if you don't, if you're not very clear like, for instance, with the zoning thing, the people someone who already owns the real estate. Right? So saying, nothing is actually saying something. Does that make sense?

282
01:06:12.384 --> 01:06:25.420
Cannabis Control Commission: I guess my question is, I'm an attorney as well. I work at the Senate for justice.

283
01:06:25.650 --> 01:06:39.430
Cannabis Control Commission: but my question is, is there any like support or aid these applications? Applications? Anything like that

284
01:06:39.780 --> 01:06:42.352
Cannabis Control Commission: kind of just a question I have

285
01:06:43.750 --> 01:06:45.080
Cannabis Control Commission: that can be a big barrier.

286
01:06:47.620 --> 01:06:56.340
Cannabis Control Commission: So my name is Alex. I work for a background company. We do background with multiple other State regulations, but we have seen in the past 2, where

287
01:06:56.390 --> 01:07:25.889
Cannabis Control Commission: State regulators have put together like training sessions. I know Maryland just did it for their social equity, applicants, and licenses, and they put together throughout the different counties to make it more accessible to the applicants. But they put together kind of like a step by step, like what you're talking about. So other states do things like that. So that is something that, had you seen Maryland, Maryland, yeah. Didn't mass do that as well? I was actually just gonna like I went to umass law. And I did the community development clinic.

288
01:07:26.678 --> 01:07:33.650
Cannabis Control Commission: So we helped people who were applying for the mass social language assistance program.

289
01:07:33.980 --> 01:07:38.270
Cannabis Control Commission: whatever that's called I can't remember, but we help them, like.

290
01:07:38.780 --> 01:07:48.010
Cannabis Control Commission: you know, go over trademark right? Because say, they need to make a logo for their new business. Navigate the licensing issues.

291
01:07:49.270 --> 01:08:05.569
Cannabis Control Commission: and that was through the law school. I don't know if there's a plan to do that here. So Roger Williams currently has 2 clinics that I can think of that could potentially apply, although I don't know how exactly they make the decision.

292
01:08:05.640 --> 01:08:26.179
Cannabis Control Commission: One is the minority business clinic. I didn't name that and that is from Federal funds, so I'm not sure this would apply for that. But there is a business startup clinic, or a business clinic very similar to sort of

what you're talking about, which I think it. It's potential. I think there's also.

293
01:08:26.180 --> 01:08:40.339
Cannabis Control Commission: I mean, like you don't know this, but half of the lawyers, if not more of us in the room, are from Roger Williams. I think that there is definitely potential for a conversation going forward about it. And I mean, I know your organization also. So I I mean.

294
01:08:40.340 --> 01:08:51.670
Cannabis Control Commission: I think we should put that as a barrier. But we also might have that conversation as a solution. And you know, law schools aren't the only ways that clinics can happen. So thanks for putting that out

295
01:08:52.161 --> 01:09:20.850
Cannabis Control Commission: barrier. Yes, piggybacking off of Andre. Capital as well, and something I do want to applaud you guys on is like the complete remove, like the fee waivers, the 100% fee waivers and also affording grants to social equity. Applicants that aren't super restrictive. But something I'm now nervous is on is because the Social Equity Fund was partially supposed to be paid for by the grants. Now that we lower it down to 30,000, which I think that's great.

296
01:09:20.850 --> 01:09:41.350
Cannabis Control Commission: Are you all that's going to be even less money in the Social Equity Assistance fund. So are you all thinking of one keeping all of the licensing fees in the Social Equity Fund? Now that that's going to be within your power, but also to adding different revenue sources to ensure a robust bus fund that can have a a program that lasts a long time for folks.

297
01:09:41.944 --> 01:09:51.190
Cannabis Control Commission: So yeah, there's we've got a lot of had a lot of questions about whether so what?

298
01:09:51.319 --> 01:09:54.120
Cannabis Control Commission: What was your comment? Exactly as far as

299
01:09:54.470 --> 01:09:59.339
Cannabis Control Commission: great that we're, you know, 0 0 cost for an application

300
01:09:59.560 --> 01:10:08.209
Cannabis Control Commission: and the license fee for social equity. But then you said, that's going to be less money being funded into the Social Equity Fund.

301
01:10:09.530 --> 01:10:23.409
Cannabis Control Commission: yeah, so that the Cannabis Act allows for that and so the the funding stream for the fund you know that is statutory the moment and

302
01:10:23.890 --> 01:10:29.350
Cannabis Control Commission: the current fund is at 1.9 million dollars.

303
01:10:30.596 --> 01:10:32.609
Cannabis Control Commission: And as

304
01:10:33.050 --> 01:10:45.849
Cannabis Control Commission: we know, that's not a lot of money compared in in the sense of like you were you were. You were some numbers there, and it costs a lot of money to open

305
01:10:46.070 --> 01:10:52.749
Cannabis Control Commission: any business and definitely highly regulated one. And

306
01:10:53.340 --> 01:11:04.880
Cannabis Control Commission: yeah, that's just a fact. And some other States have so much more money in their statutes that are allocated to social equity funds. Ours is

307
01:11:05.160 --> 01:11:06.500
Cannabis Control Commission: not like that.

308
01:11:06.600 --> 01:11:21.419
Cannabis Control Commission: I thought that it was statutory until, like the rules and regulations have been finalized. I believe. So once it's finalized, I thought that the licensing fees that are being taken out of the fund it will be up to the Commission to decide whether or not they will stay in the fund.

309
01:11:22.530 --> 01:11:34.430
Cannabis Control Commission: We we can put, you know, funding sources of fund as a barrier. There alright. Other barriers.

310
01:11:38.520 --> 01:11:47.219
Cannabis Control Commission: Hi! My name is Andrea. I worked with a few people in the room. Different things, entrepreneur, cook.

311
01:11:47.350 --> 01:11:48.370
Cannabis Control Commission: etc.

312
01:11:49.427 --> 01:11:53.089
Cannabis Control Commission: Start a co-OP as well. My question is

313
01:11:53.290 --> 01:12:17.379
Cannabis Control Commission: for these very areas. How far back would you go, for example, right now I live in Connecticut. I think I've lived there maybe 5 or 6 years. Now I'm from Kentucket. I grew up here with my luxury. I work in Providence at any council.

314
01:12:17.630 --> 01:12:19.560

Cannabis Control Commission: We have a group at the table.

315
01:12:20.280 --> 01:12:24.439
Cannabis Control Commission: so my question is, how far back would you go for those?

316
01:12:25.380 --> 01:12:40.380
Cannabis Control Commission: So it can be any any of the any 5 of the last 10 years? But it has to amount to 5 of the past 5 full years of residency in one of those locations.

317
01:12:40.540 --> 01:12:48.959
Cannabis Control Commission: and is that for the individual or the group, like a percentage of your group. Yeah, right? That's a that's a great question that

318
01:12:49.470 --> 01:12:56.260
Cannabis Control Commission: well, first, st it's gonna say, funding sources for the Social Equity Assistance Fund. By the way. Just wanted to as far as

319
01:12:56.420 --> 01:13:01.160
Cannabis Control Commission: Barrier and

320
01:13:02.515 --> 01:13:24.044
Cannabis Control Commission: I'm sorry. I just blanked your dia. Can it be several people, and I think, and more to come on that, as far as an applications, you know, clear. But that could be a barrier

321
01:13:24.740 --> 01:13:33.519
Cannabis Control Commission: like dia, or or at least social equity qualifications for an applicant versus applicant entity.

322
01:13:34.269 --> 01:13:40.709
Cannabis Control Commission: Yes, just so many of those little regulations, people that are in this position. Yeah.

323
01:13:40.890 --> 01:13:41.910
Cannabis Control Commission: A nice day.

324
01:13:43.153 --> 01:13:54.089
Cannabis Control Commission: Hear the word transparency throw around like constantly. It's almost like, Can you pass this off?

325
01:13:54.726 --> 01:14:05.859
Cannabis Control Commission: So I hear a lot of concerns in here tonight about, you know, lease agreements and funding and zoning that's extremely important.

326

01:14:06.100 --> 01:14:14.450
Cannabis Control Commission: or a social equity, or any applicant to move forward. So the transparency really needs to be.

327
01:14:14.560 --> 01:14:26.000
Cannabis Control Commission: When do you expect the applications to be out? I know you can't give a hard date, but you have to give people a ballpark so they can stop the process today.

328
01:14:26.430 --> 01:14:30.989
Cannabis Control Commission: So transparency is part of letting us know

329
01:14:31.120 --> 01:14:56.000
Cannabis Control Commission: when we can stop this process. You know. Just you can't leave people in limbo. And then all of a sudden the applications come out, and now it's like a fight for a lease, and it's a fight for zoning. And now we're behind the 8 ball we saw what happened in Windsocket. They don't have funds. We saw what happened in what is it, Exeter? They don't have zoning. Let's not repeat the same mistakes.

330
01:14:56.000 --> 01:15:03.540
Cannabis Control Commission: Let's move forward and do it right and be truly transparent. Let people know when the applications are going to come out.

331
01:15:03.750 --> 01:15:15.639
Cannabis Control Commission: It's only fair. Everyone in this room. So I'm hearing transparency. But I'm again hearing, like just uncertainty generally. And the idea that well, someone must have that information.

332
01:15:16.128 --> 01:15:40.150
Cannabis Control Commission: And you know. Can we share it? Can we get it out, even if it's even if it's going to change? If there could just be more concrete information as a barrier in the back. What's your name, Sasha Sasha? Thank you. I would say that a barrier not in understanding like how to to qualify for social equity status. But when applying for that, license is

333
01:15:40.150 --> 01:15:48.519
Cannabis Control Commission: understanding, like in creating a business plan, the unique tax structures of cannabis. And

334
01:15:48.750 --> 01:15:53.490
Cannabis Control Commission: I know this is about social equity. But like, if you're a co-OP, how does that work, too?

335
01:15:55.900 --> 01:16:17.899
Cannabis Control Commission: Yeah, I I think that's a significant barrier. I think there's so much attention in this room right now on some of the state things that, like some of the larger Federal issues and tax issues, are sort of also out there looming. So absolutely sure. 2 1st is gonna be payment processing.

336
01:16:19.550 --> 01:16:25.940

Cannabis Control Commission: There's not a lot out there, and we have to be careful with banks and

337
01:16:26.240 --> 01:16:37.089
Cannabis Control Commission: so forth. But I don't think that. Can you talk a little bit about what the concern is sure. So in order to process payment and and what I've seen practice both

338
01:16:37.310 --> 01:16:39.199
Cannabis Control Commission: on paper and in real life.

339
01:16:39.400 --> 01:16:42.210
Cannabis Control Commission: These dispensaries are using

340
01:16:44.500 --> 01:16:53.740
Cannabis Control Commission: we call payment processing systems that act as atms right? So they make it appear as if you're taking out cash to pay.

341
01:16:54.600 --> 01:16:55.680
Cannabis Control Commission: So

342
01:16:56.570 --> 01:17:05.120
Cannabis Control Commission: are there any regulations, anything, any rules that need to be sort of set out here for which banks you can.

343
01:17:05.570 --> 01:17:21.760
Cannabis Control Commission: And again, which processing systems are going to be approved because in your business plan that has to be accounted for, how in the world gonna take payments like we can all open up cannabis spots. But if we don't know how to legally process payments.

344
01:17:22.440 --> 01:17:23.789
Cannabis Control Commission: we're gonna move forward

345
01:17:24.600 --> 01:17:35.170
Cannabis Control Commission: and then the next barrier. Hold on just a second. Do you want to respond? Yeah, so piggybacking on that very thing. So from my understanding, is only an acquiring bank

346
01:17:35.740 --> 01:17:38.349
Cannabis Control Commission: can do those processes legally.

347
01:17:38.650 --> 01:17:44.689
Cannabis Control Commission: The reporting that they do to the Federal and irs covers that.

348
01:17:44.810 --> 01:17:53.800

Cannabis Control Commission: So it has to be an acquiring bank in order for it to be legal. All these other guys are using crypto current markets. They're using shady practices.

349
01:17:54.140 --> 01:18:00.589
Cannabis Control Commission: The my understanding is only an acquiring bank that can legally do this right.

350
01:18:00.730 --> 01:18:09.829
Cannabis Control Commission: Thank you. The other barrier is real estate. Our inventory is extremely low.

351
01:18:10.540 --> 01:18:15.719
Cannabis Control Commission: and I know we all believe that there are probably 24 spaces that are going to fit.

352
01:18:16.310 --> 01:18:23.459
Cannabis Control Commission: They're not. But I've been searching. So I don't know how we're gonna solve that problem. But there

353
01:18:24.080 --> 01:18:28.129
Cannabis Control Commission: just the search that I was helping a client with last night

354
01:18:28.810 --> 01:18:35.820
Cannabis Control Commission: which I use my real estate software, Frexy, to do think we found 2.

355
01:18:36.940 --> 01:18:42.730
Cannabis Control Commission: Well, there's a lot that goes into consideration. And another barrier when you're talking about retail spaces

356
01:18:42.830 --> 01:19:06.830
Cannabis Control Commission: and zoning right specifically in areas like Providence and Pawtucket. I know that when you go to urban areas you may have a retail space in the middle of a cafe and other things. I don't particularly see zoning being amenable to that environment here in Rhode Island. Yeah, like strip malls, or just different spaces like that here.

357
01:19:06.830 --> 01:19:30.159
Cannabis Control Commission: And so just out of our experience, being in front of zoning board, and how challenging it could be. Oftentimes there's no one that looks like you on the zoning board. So that's another barrier. Yeah, finding an independent space that has the parking that will come up with all of the quote unquote issues that zoning will want you to.

358
01:19:30.160 --> 01:19:57.249
Cannabis Control Commission: you know, to have clarified. There's not a whole lot of inventory out there that doesn't require a tremendous amount of rehab. Right? So my experience is also it's hyper local. Yeah, the way that zoning works in Cranston. They want you to have the same lawyers. They want the people they know. And those people know Cranston adopted. It's different. And so there's like a hypo, a hyper. Local nature of zoning.

359

01:19:57.580 --> 01:19:59.140
Cannabis Control Commission: It's different some.

360
01:19:59.360 --> 01:20:06.250
Cannabis Control Commission: And I went. I had never gone in front of the zoning board before, and they let me pass it.

361
01:20:06.400 --> 01:20:11.160
Cannabis Control Commission: I let them have it, too. So, and is there any recordings today?

362
01:20:11.200 --> 01:20:38.400
Cannabis Control Commission: Yeah. Yeah. So I would say, zoning. And then I would sort of go back to what you said, which is education. I mean, there is going to have to be a discussion on a more global level between what we're doing here and zoning boards, or people who are on zoning boards or cities that, you know, may be happening to some extent, but might need to increase the level of education. I really heard what you said before.

363
01:20:38.854 --> 01:20:48.859
Cannabis Control Commission: Although that wasn't the section we're on. Education very much seemed like a barrier at this point. Absolutely. We're trying to get a physician assistant office

364
01:20:48.860 --> 01:21:16.030
Cannabis Control Commission: approved in a disproportionate area that needed medical care, and we had an extremely difficult to the 4 months to do that right. So when you say cannabis, this is going to create a big red flag, even though laws have changed right, the zoning boards are not on board. With whatever those laws are density, all of this stuff that becomes, it may be, very different, depending on

365
01:21:16.140 --> 01:21:34.019
Cannabis Control Commission: but the locality for sure, for sure. Another thing. Is it safe to say that the areas that are zoned would be like an opportunity zone would be a very favorable lease, location, or or

366
01:21:34.810 --> 01:21:44.620
Cannabis Control Commission: oops. So I know that one of the things that we wanted to have was disclosure. About what areas would be zoned appropriate. You know.

367
01:21:44.620 --> 01:22:14.030
Cannabis Control Commission: for the licenses. I know that in real estate, oftentimes opportunity zones are lower, being lower income areas for different reasons. Would we say that if it was a low opportunity zone it would likely qualify, for? I'm not quite sure there is a 1 to one correlation between. I think that would. We could probably do some research and see. But at at this time we haven't made that correlation between opportunities.

368
01:22:14.190 --> 01:22:43.039
Cannabis Control Commission: My next question to sort of wrap up brainstorming is, if anybody wants to share as a potential social equity, applicant or licensee, what are you concerned about maybe not the same as a barrier. But you know, I imagine we have some of the same concerns, and I just want to make sure that the people who are making the decisions are just a follow up question about zoning. Is there any way.

369
01:22:43.878 --> 01:22:47.569
Cannabis Control Commission: like within the applications to

370
01:22:48.050 --> 01:22:55.430
Cannabis Control Commission: kind of like force zoning boards to make a decision within a certain amount of time like is that

371
01:22:55.720 --> 01:23:03.559
Cannabis Control Commission: cause sometimes, if you have to get a special use permit. I know you mentioned that like it can take months, but if the application period is only one month.

372
01:23:03.730 --> 01:23:20.829
Cannabis Control Commission: what do you do if you're in that zoning? I said, we have to. We have to address that because there are some towns like the city of Pawtucket, where we have one zoning board of Appeals, hearing every 2 months, and you have to get on that calendar the month prior.

373
01:23:21.250 --> 01:23:26.779
Cannabis Control Commission: So if you miss it for any reason, you miss the application period, too, so

374
01:23:31.680 --> 01:23:44.390
Cannabis Control Commission: I don't have an answer to your question, but it's gonna go up there as a concern. I just figured I would ask the lawyers while you're all here. My answer to that question as a not practicing attorney is.

375
01:23:44.550 --> 01:24:08.369
Cannabis Control Commission: the the State does what the State does in many cases the town or municipality or city does what they do, and they're not necessarily going to take orders from the other one. You couldn't. I mean, it's possible that there are recommendations that could be made, that there could be education. There could be education to the groups that represent municipalities, but as far as forcing

376
01:24:08.430 --> 01:24:16.780
Cannabis Control Commission: probably not gonna be very successful, but I definitely think that is worth a conversation, and you all likely may be working on that already. So

377
01:24:17.150 --> 01:24:17.900
Cannabis Control Commission: thanks.

378
01:24:18.790 --> 01:24:22.530
Cannabis Control Commission: Yes, so just to piggyback on that. So cause

379
01:24:22.690 --> 01:24:31.669
Cannabis Control Commission: the board? Or do you guys have a timeframe for how long the application process will run for before they close the process

380
01:24:31.860 --> 01:24:37.089
Cannabis Control Commission: like in the first, st go around. When they did the original licenses, they ran them out. I think it was 9 months

381
01:24:37.390 --> 01:24:44.577
Cannabis Control Commission: that it was open, and then they close that time period so that they could, you know, obviously move to the next stage.

382
01:24:45.000 --> 01:24:50.859
Cannabis Control Commission: because having that type information will help with a zoning type issue like that.

383
01:24:51.327 --> 01:24:56.680
Cannabis Control Commission: Especially if you don't have all the ducks in a row when you go. And they say, Okay.

384
01:24:57.040 --> 01:25:03.130
Cannabis Control Commission: you have a conditional approval. But you gotta send these other things in, and then you can't do that until the next hearing.

385
01:25:03.230 --> 01:25:27.129
Cannabis Control Commission: So I think that application period, we're not talking about solutions. Okay, thanks. So now, I would force you all to work in small groups. Whoever you choose is your small group, although I would suggest that we all sit around those tables. I'm going to give you a little bit of time. I would hope that you could focus on 3 things.

386
01:25:27.611 --> 01:25:33.409
Cannabis Control Commission: The 1st thing is, you know what type of funding or financial support would be most helpful.

387
01:25:33.550 --> 01:25:38.740
Cannabis Control Commission: The second thing is what kinds of training or technical assistance programs are needed.

388
01:25:39.104 --> 01:26:04.299
Cannabis Control Commission: And what like, give us detail. So that's something we can, you know. Oh, I need some legal help. Okay, great. Well, give us some sense of what technical assistance or training is needed, and for who and how can we strengthen collaboration among us in this statewide conversation? And it be more of a conversation, and less sort of like adversarial like, well, typically is so. I'll give you

389
01:26:04.320 --> 01:26:20.169
Cannabis Control Commission: 10 to 15Â min. And again, it's what type of funding or financial support would be most beneficial. What kinds of training or technical assistance programs are needed, and on what topics? And for who and how can we strengthen collaboration?

390
01:26:20.170 --> 01:26:43.859

Cannabis Control Commission: And I think one of the things I just want to leave you with as you brainstorming is that you know the day to day working in the office. We're hyper focused on our emails and trying to, you know, implement the program and really ensuring that we stick to the statute and that we make sure that we are legally sound, and that we're doing what we need to do to build this great program. But one of the things I want to impress upon you is we want your creativity. Please think outside of the box.

391
01:26:43.860 --> 01:27:08.370
Cannabis Control Commission: give us some solutions that can be creative, that we can implement. And how also would it be for some of or any of the solutions to turn into something that the program can implement? So please give us some creative juices. It's hard to manage. We have a small office, a mighty office, an extraordinary team, but you know the mind. We have 30 minds here that I know can come up with some creative solutions, and we really

392
01:27:08.370 --> 01:27:10.830
Cannabis Control Commission: are hoping that we can get some from you all.

393
01:27:10.960 --> 01:27:15.850
Cannabis Control Commission: So take that. Just so tagging along with that. What it, what it?

394
01:27:16.240 --> 01:27:19.990
Cannabis Control Commission: What are the possibilities of the current board

395
01:27:20.200 --> 01:27:36.230
Cannabis Control Commission: offering compliance, training, like, you know, an ongoing thing throughout the year where you know you can send employees to, or you can. Or if you just want to know yourself, maybe you're interested in getting in the industry and compliance being one of the more complicated sides of it.

396
01:27:36.490 --> 01:27:56.479
Cannabis Control Commission: those openings would probably be more available. And anybody that moves forward and getting a license, you're going to need that person, no matter what and it's a big difference in whether you're paying absorbent fees or you're not, you know, can literally be interpretation. So

397
01:27:57.290 --> 01:28:16.959
Cannabis Control Commission: if you guys have the ability to to roll some. So we're learning, at least, you know, experiencing 1st hand. Some of us have been able to work with metrics and stuff like that, and and get some of that training one on one. But you know, to be able to offer it to anybody that's you know, thinking of imply, you know, applying, you know, because obviously, we know

398
01:28:17.000 --> 01:28:35.360
Cannabis Control Commission: all these licenses aren't going to happen in one year, 2 years, 3 years is going to be. They're not gonna release all 24 months. So might be a few here couple of years later. Some more, you know. It's it's never. You're not getting 24 months. So to be able to have that continual education would be huge.

399
01:28:36.210 --> 01:28:47.149
Cannabis Control Commission: and we've started to lay a little bit of foundation for that. I just you know it's it's in the works that part of that is in the works. So I love that because we're thinking along the same line. So thank you.

400
01:28:47.752 --> 01:29:12.569
Cannabis Control Commission: My only concern was regarding you guys have thrown since I've been here a lot of statistics. Whether it was talking about Dia, or whether talking about what your plans were for the industry, and you even talked about opening up an app to help for all these other people to be able to view the progress and the statistics available. But my question is, is there anywhere currently for us to see these statistics you talk about building a net containing all this information

401
01:29:12.570 --> 01:29:20.180
Cannabis Control Commission: is there. Quote unquote for lack of a better word, a bibliography. With all this information that you guys have already collected for everyone to view like an open source network for us.

402
01:29:20.970 --> 01:29:45.330
Cannabis Control Commission: I would say, I think, for the most part, right now, the resources that we have right now are cataloged in our Ccc. Meetings, and by way of the information delivered and presentation format, I think, for what you're speaking of. It will come, you know. Fingers crossed and hopefully we can get it a resource page that we can build out that may help support. Exactly what you're speaking of,

403
01:29:45.660 --> 01:30:09.180
Cannabis Control Commission: librarian in the library in the real world for a bibliography. So as the person who's done most of that data analysis. The nice thing is, again, the canvas act while it's not perfect.

404
01:30:09.708 --> 01:30:12.881
Cannabis Control Commission: Provides as much of a scaffolding.

405
01:30:13.430 --> 01:30:18.949
Cannabis Control Commission: I would say. With no exceptions, I can think of. All of the data is publicly available.

406
01:30:19.000 --> 01:30:43.179
Cannabis Control Commission: All every single, like everything that we pull together, it's all publicly available data. Again, I think it's just a matter of like how we put that together. Not right now, because I'm my brain, but like I will talk anyone through the analysis again. It's all publicly available. Again, there's like just the process that this needs to go through. But I promise like

407
01:30:43.180 --> 01:30:51.379
Cannabis Control Commission: there's every effort for transparency possible. So again, when that's just yeah, nice and like, user, friendly.

408
01:30:51.490 --> 01:31:00.759
Cannabis Control Commission: come, find me and we'll talk through all of that first.st Okay, I'm gonna give you 10 to 15Â min to talk with your groups.

409
01:31:04.910 --> 01:31:27.349
Cannabis Control Commission: You're right back. I need something.

410
01:38:44.250 --> 01:39:09.220
Cannabis Control Commission: They've been plotting this a long time.

411
01:41:06.420 --> 01:41:18.119
Cannabis Control Commission: Share out some of the creativity.

412
01:41:18.360 --> 01:41:39.930
Cannabis Control Commission: And then we're gonna wrap this up until next time. But they would want to share back with their I'm gonna call on everybody and share back from their table. What sort of oh, you're standing

413
01:41:40.110 --> 01:41:40.790
Cannabis Control Commission: on?

414
01:41:41.690 --> 01:42:03.799
Cannabis Control Commission: you know, payment processing for these groups? Has anyone any experience background into like blockchain like reading our own payment processing system. Because, you know, you get into this using Atms, there's big. There's all this stuff. It's a lot of money that would be going out to. I was actually just talking to one of my clients.

415
01:42:04.240 --> 01:42:11.530
Cannabis Control Commission: and they were. I was introducing them to the concept of raising money.

416
01:42:11.810 --> 01:42:15.340
Cannabis Control Commission: Crypto, the sec.

417
01:42:16.040 --> 01:42:19.079
Cannabis Control Commission: Well, even though there's they're trying to fight it right now.

418
01:42:19.190 --> 01:42:22.110
Cannabis Control Commission: Of course they say Crypto isn't.

419
01:42:22.570 --> 01:42:29.510
Cannabis Control Commission: and a security. And so, if that it happens, then you have to register sale of crypto

420
01:42:29.820 --> 01:42:33.099
Cannabis Control Commission: of the sec. However, the judge disagreed with

421
01:42:33.570 --> 01:42:43.870
Cannabis Control Commission: sec. And said that crypto currency, if being sold from an exchange to an individual from an exchange to a business

422
01:42:44.000 --> 01:42:45.660
Cannabis Control Commission: that is not a security.

423
01:42:46.360 --> 01:42:50.749
Cannabis Control Commission: If it's from financial institution to financial institution, it isn't secure.

424
01:42:51.646 --> 01:42:55.089
Cannabis Control Commission: And so I think crypto is a great way to raise money.

425
01:42:55.290 --> 01:42:57.900
Cannabis Control Commission: and also a great way to process

426
01:42:58.020 --> 01:43:01.990
Cannabis Control Commission: payments to companies like coinbase one.

427
01:43:02.930 --> 01:43:04.949
Cannabis Control Commission: Wouldn't they have a debit card.

428
01:43:06.240 --> 01:43:18.789
Cannabis Control Commission: You just go up, hit it, and you can choose whatever cryptocurrency you want to use. Xrp. You want to use Bitcoin, whatever I think it's the best way for cannabis companies to get off of the ground and waste money without all

429
01:43:19.160 --> 01:43:36.139
Cannabis Control Commission: of the hurdles. But we can talk about that, and just the librarian to me wants to tell you if you go to the Sec website, they have a whole section on is Crypto a security. Now, yeah, they have their point of view, and they're the sec. But there is a lot of information out there.

430
01:43:36.935 --> 01:43:45.649
Cannabis Control Commission: Anything else. Your table wants a solutions, I mean. I was more interested in some type of innovation for that payment processing. Okay? So you know.

431
01:43:45.770 --> 01:43:48.189
Cannabis Control Commission: they all that stuff is.

432
01:43:48.480 --> 01:43:54.439
Cannabis Control Commission: you know, control that I could feel like you could also use it the same way you use cannabis regulation from seed to plant

433
01:43:54.780 --> 01:44:16.590
Cannabis Control Commission: table at that point where it's like, okay, this lettuce has more. We can notify these people if they and with blockchain is perfect for that. We're tracking all of this stuff because you can have your own private

ledger. But you can also have a public one that maybe maybe you have a privilege that the sec has. Whoever needs access to.

434
01:44:16.600 --> 01:44:28.020
Cannabis Control Commission: Yeah, I'm gonna talk about this all night. This table. Do you want to share back your innovations or solutions?

435
01:44:28.840 --> 01:44:44.569
Cannabis Control Commission: You know we came up with a good one, which I thought was zoning education for municipal zoning boards, statute updates, and they're making them aware about. Hey? You may be getting these applications. And

436
01:44:45.870 --> 01:44:52.590
Cannabis Control Commission: here's some stuff you need to know about this process. The reason why I say that before the Board protected

437
01:44:52.980 --> 01:44:58.129
Cannabis Control Commission: the new zoning laws Governor Mckee had already approved. They had no idea

438
01:44:58.930 --> 01:45:02.260
Cannabis Control Commission: we're telling us you have to have 2 apartment spaces per residential.

439
01:45:02.550 --> 01:45:07.210
Cannabis Control Commission: Well, statute actually says they can only require

440
01:45:07.340 --> 01:45:16.150
Cannabis Control Commission: one, the minimum, you know, the one parking space. So that took our parking requirement from 6 spaces

441
01:45:17.090 --> 01:45:28.630
Cannabis Control Commission: down to 4, right? And so that's a big deal. And so the the fact that it was just an education that they didn't even know about this, that this only work.

442
01:45:28.820 --> 01:45:32.470
Cannabis Control Commission: So I think that was, yeah, that's huge.

443
01:45:33.720 --> 01:45:56.159
Cannabis Control Commission: Yes, just to build on that. We have the same idea. And also I know that the Massachusetts Social equity team has released a document called like Equity guidance for municipalities, or something like that has a lot of good ideas, and they can't enforce it to my knowledge. But ideas highly encourage municipalities to things about timeline and transparency and ways to judge.

444
01:45:56.300 --> 01:45:57.282

Cannabis Control Commission: It's working on.

445
01:45:59.800 --> 01:46:19.739
Cannabis Control Commission: I think a big part also was the funding support right? Because the reality is is that they're going to holistically. Look at this application and say, do you have the capital necessary to be sustained? That this is, you know, going through funding processes?

446
01:46:19.987 --> 01:46:35.859
Cannabis Control Commission: You're not. They're not going to want to fund someone that has just enough capital to get through 6 months right? They don't want you to go ahead and say, you know you did all this work, and now you're out of business, or you're trying to sell your license to someone else. Right? So now, Banks are not going to fund us.

447
01:46:35.860 --> 01:47:00.929
Cannabis Control Commission: but we need a source of gap funding. We need a source of, you know, line of credit, either. That's going to be the commerce. Who is going to say, Hey, we're going to stand in the gap and give us favorable terms. We don't need to go to loan sharks to be able to get money. Yeah, like, we often do right to get money. But the reality is is that if you just have enough to get by. You're not going to get qualified and

448
01:47:01.219 --> 01:47:08.739
Cannabis Control Commission: then you're gonna have to tap into big players and at what cost. And we know what that looks like it comes with very big

449
01:47:09.090 --> 01:47:22.950
Cannabis Control Commission: price feedback on what Naomi was saying brought up some

450
01:47:23.570 --> 01:47:33.809
Cannabis Control Commission: some good points as well. We were talking about cash collateralization like, maybe we're on the commerce can do like a cash collateralization program where those funds aren't used right away. But if you default.

451
01:47:34.380 --> 01:47:51.989
Cannabis Control Commission: we got your back. They did loan forgiveness for Ppp. You can do it for tenants. So let's try some sort of program where we have maybe financial institutions who actually provide the money. And our commerce is saying we'll pass, collateralize that

452
01:47:53.790 --> 01:47:57.380
Cannabis Control Commission: So that's just the way maybe we can definitely make that happen.

453
01:47:58.290 --> 01:48:03.649
Cannabis Control Commission: And then the last thing we had was back office support. And Raphael.

454
01:48:03.850 --> 01:48:07.010
Cannabis Control Commission: let's say he thinks it's sort of like a can of worms here, but

455
01:48:08.250 --> 01:48:16.020
Cannabis Control Commission: I think we need to have support for these entities. Maybe some of them have ran businesses before. Probably not.

456
01:48:16.490 --> 01:48:20.960
Cannabis Control Commission: How is this my 1st venture? A very expensive venture?

457
01:48:21.320 --> 01:48:32.789
Cannabis Control Commission: How do I maintain or sustain success over that time scale? So who's doing my accounting? What does that, even? What are my tax obligations? What am I supposed to do

458
01:48:33.415 --> 01:48:38.394
Cannabis Control Commission: if we don't set the set entities up for success with some sort of

459
01:48:38.990 --> 01:48:42.000
Cannabis Control Commission: business support. And one of the things Raphael mentioned was.

460
01:48:42.440 --> 01:48:53.420
Cannabis Control Commission: maybe we do. What do you call knowledge building sessions, fireside chat. Let's all share our knowledge about this stuff. Maybe somebody compiles it. Makes it

461
01:48:54.510 --> 01:49:12.480
Cannabis Control Commission: just to clarify. Do you have a fire that we can all make it happen? Yeah, I have a fire pit. All right. I'm going to move to the back table.

462
01:49:12.830 --> 01:49:21.330
Cannabis Control Commission: What you all do. You want to share your your solution? I was subscribed so I can read my own handwriting. Okay, so

463
01:49:21.500 --> 01:49:48.349
Cannabis Control Commission: funding wise. There's a bill being introduced in the General Assembly. This session, led by Zara's Coalition cannabis Policy coalition to move some of the State's cannabis tax revenue from the excise tax into the Social Equity fund as a way to sustain and really make it much bigger over time. So that's a legislative effort. But to whatever extent the Commission can support that would be good.

464
01:49:48.950 --> 01:49:50.750
Cannabis Control Commission: There's also this is like a

465
01:49:51.260 --> 01:50:12.279
Cannabis Control Commission: do you want to talk about the tobacco thing? Sure. Yeah. So out of New York about a year ago, Em and I spoke to an advocate, and they were thinking about using the tobacco. It's called the Tobacco Master Settlement Agreement, where in 1998, once the tobacco

466
01:50:12.280 --> 01:50:36.759
Cannabis Control Commission: to they have to give States money. Rhode Island receives 46.9 received 46.9 million dollars in 2021 from that, and they have to give States money in perpetuity because they lied about cigarette nuts, tobacco, not causing cancer. So if there was a way to get money from that, because it's in perpetuity, that's an option as well.

467
01:50:38.480 --> 01:50:44.061
Cannabis Control Commission: And then training. We had the same idea as your group to offer training to municipal boards.

468
01:50:44.710 --> 01:50:46.459
Cannabis Control Commission: as well as

469
01:50:46.890 --> 01:50:53.350
Cannabis Control Commission: not sure what bucket this falls in, but an idea to not require signed leases and zoning approvals

470
01:50:53.840 --> 01:51:04.489
Cannabis Control Commission: during that 1st application stage, at least for social equity applicants and just require that those things be squared away in order to win a final license. Once you've been picked out of the lottery

471
01:51:05.450 --> 01:51:12.260
Cannabis Control Commission: and and perhaps I don't know there's a way for the Commission to kind of once.

472
01:51:12.410 --> 01:51:21.980
Cannabis Control Commission: you know, social equity applicants have been provisionally licensed. Kind of be at their back when they go in front of municipal boards and coach them and advocate for them, and

473
01:51:22.120 --> 01:51:23.389
Cannabis Control Commission: I'm not sure.

474
01:51:24.220 --> 01:51:41.220
Cannabis Control Commission: And then, lastly, Kayla had a thought about the question about facilitating conversations better. And the need to record and publicize notes from meetings like this. Obviously, minutes are released from official meetings. But just making sure what we talk about here is like

475
01:51:41.540 --> 01:52:07.930
Cannabis Control Commission: accessible to everybody. Going back as they continue to work forward through some of these issues. I think you know, I mean. At least, speaking personally, I always like to look back at what's done before and what's been spoken about before. So that I know, okay, like, this is kind of how I need to move forward with things. And so just having more access to that when we have more conversational meetings like this versus an official meeting where minutes are being taken.

476

01:52:08.640 --> 01:52:11.400
Cannabis Control Commission: Thank you for joining. All right.

477
01:52:11.590 --> 01:52:22.440
Cannabis Control Commission: You guys are gonna have to bear with me while I kind of make my way through our notes. But we 1st started talking about maybe grants for legal support.

478
01:52:22.998 --> 01:52:35.671
Cannabis Control Commission: Either from law centers, or we also talked about maybe having, like an in-house lawyer or an in-house attorney that can kind of help applicants put together those kinds of things.

479
01:52:37.390 --> 01:52:44.350
Cannabis Control Commission: we also talked about the importance of a well funded training program. And

480
01:52:44.550 --> 01:52:47.479
Cannabis Control Commission: if there's a way to do it to kind of

481
01:52:47.760 --> 01:53:03.359
Cannabis Control Commission: spend money, not from the social equity funds to do that training. If there's other training available, perhaps from other states that we could utilize to save that fund really for like startup capital, because that's really where we feel

482
01:53:03.610 --> 01:53:11.369
Cannabis Control Commission: we felt the the funding would be most helpful. Is that direct assistance in finding a building and rent and build out.

483
01:53:13.870 --> 01:53:16.649
Cannabis Control Commission: We also talked about

484
01:53:17.770 --> 01:53:29.099
Cannabis Control Commission: just more outreach, maybe doing like a street law type of thing, going into more communities, maybe like community colleges, city halls and doing like information sessions, and having

485
01:53:29.350 --> 01:53:44.980
Cannabis Control Commission: having that be more of like a back and forth where people can really get help from some people from the Commission community outreach at like community colleges or city hall, or

486
01:53:45.170 --> 01:53:49.870
Cannabis Control Commission: and having that be more of like a back and forth where you can actually get help. It's not just like.

487
01:53:50.610 --> 01:53:52.710
Cannabis Control Commission: you know, kind of bouncing ideas.

488
01:53:58.790 --> 01:54:08.840
Cannabis Control Commission: what else? Oh, maybe like a quarterly application workshop with translators, just so that there's there's a real opportunity for you to say like, Here's my application draft.

489
01:54:08.990 --> 01:54:14.520
Cannabis Control Commission: can you? Can you see, like, where the faults would be, so that I can fill those gaps in

490
01:54:16.242 --> 01:54:20.755
Cannabis Control Commission: feel free to type up.

491
01:54:22.860 --> 01:54:24.790
Cannabis Control Commission: I think that's most of what I have.

492
01:54:25.850 --> 01:54:26.490
Cannabis Control Commission: Alright.

493
01:54:27.140 --> 01:54:41.639
Cannabis Control Commission: But yeah, that's great. I won't put anybody on the spot right now. But if afterwards you want to come up and share how you think the next meeting like this should go, what was good, what worked. What didn't work. Somebody in the beginning made the comment. If you keep me having meetings like this.

494
01:54:41.640 --> 01:54:59.110
Cannabis Control Commission: I think people aren't going to show up, and I think I, personally would want to know. Okay, well, what could we do differently? What? What is it we're having? This is new. We're new. This is all new. What is it that we could be doing better? And and how might how can we effectuate change in a positive way? Yes.

495
01:54:59.620 --> 01:55:14.229
Cannabis Control Commission: what about having like at these meetings, having different professionals from these different resources that people are going to need to go through this process, maybe having somebody from that specific area

496
01:55:14.360 --> 01:55:41.690
Cannabis Control Commission: at these meetings that can give that kind of, you know. And and it doesn't have to be like, you know, there's a lot of people, not everybody's gonna have enough time to, but about certain things that you might be stuck on, or certain tips that they might be able to give you. That will help you save in the process, or, you know, avoid mistakes that could cost you a ton of money that you didn't need to do, or you know what I'm saying like, if you had those professionals from those different backgrounds.

497
01:55:41.840 --> 01:55:48.220
Cannabis Control Commission: you know, maybe one at each meeting, you know, moving forward. Something like that would be a tremendous resource.

498

01:55:50.340 --> 01:56:03.490
Cannabis Control Commission: Okay, thank you so much for sharing that that sounds wonderful. And I think it would really help facilitate a more robust conversation on like particular discrete issues that I think people are worried about.

499
01:56:03.879 --> 01:56:25.610
Cannabis Control Commission: So I just want to say thank you to everybody for showing off. I don't think I had any idea what it was going to go like, and I'm so glad there people who come all the time, and new faces, too. Just as a recap. The bless you! The Regs! The the Regs are now, the proposed Regs are out.

500
01:56:25.610 --> 01:56:48.689
Cannabis Control Commission: and there's a hearing scheduled, a public hearing scheduled for January 24th at one pm, so if that's sort of what you're most interested in, don't miss that going forward. Yes, that's going to be at the Puc. The public utilities cushion building. What is the address?

501
01:56:49.681 --> 01:57:13.150
Cannabis Control Commission: Yes. And also our inquiry email. It's like written in public comments are also received. They're very. They're very well organized, and we have a system, and we have to respond to all of those. So if you can't make it on the 24th please submit public comment

502
01:57:13.280 --> 01:57:27.369
Cannabis Control Commission: in writing. I would invite everybody to stay engaged about future conversations like this, or the more formal meetings or industry surveys. There's a Lister at the Ccc website, ccc.ri.gov.

503
01:57:27.400 --> 01:57:41.879
Cannabis Control Commission: and also we want to thank everyone who showed up. And the commissioners who are not here, and the Senator for sharing their time with us, and I just want to end by kicking it to Michelle to share a little bit about

504
01:57:41.880 --> 01:58:05.269
Cannabis Control Commission: how this feedback will be integrated and what comes next. Thank you so much, Nicole. Thank you. Everybody. I can't express just how grateful we are for you all coming. We didn't know we didn't do a registration for this event. We didn't know how many people would show up, and just the engagement and the thoughtful conversation that you all have given. It just warms my heart. I want you all to know we have a phenomenal team at the office that meets regularly

505
01:58:05.270 --> 01:58:17.500
Cannabis Control Commission: to work out the kinks and think creatively about building this program. We are excited to do this work. We are excited to bring a program to you. All that we are hoping can really and truly

506
01:58:19.580 --> 01:58:43.839
Cannabis Control Commission: come into fruition the ideas that you all brought in the beginning of this session. So I'm excited. We're excited. We are working weekly to take this information in, so we will take this back to the group. We will begin to see how we can tease through it. And hopefully we can bring some of this to life for you all and make this program amazing for the State of Rhode Island. If you have questions, if anybody has any questions.

507

01:58:43.840 --> 01:59:06.380
Cannabis Control Commission: In the meantime you can reach out to any one of us, and we were happy to work through those questions, technical assistance things of that sort we are working through constantly to kind of figure out. So more, more and more to come on those areas as we develop that out. So thank you so much for your engagement. I know it's in the afternoon on a Thursday, but we truly, truly appreciate it, and if you have any questions, please don't hesitate to reach out.

508
01:59:06.470 --> 01:59:09.196
Cannabis Control Commission: Thank you.

STATE OF RHODE ISLAND

IN RE:
Cannabis Control Commission -
Open Meeting

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PUBLIC HEARING

JANUARY 24, 2025
1:00 P.M.

89 JEFFERSON BLVD.
WARWICK, RI 02888

ELIZABETH GREELEY
CERTIFIED COURT REPORTER
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APPEARANCES

ROBERT JACQUARD, COMMISSIONER
KIM AHERN, CHAIRPERSON
LAYI ODUYINGBO, COMMISSIONER

KELSEY MCQUEENEY, STAFF
MARIANA ORMONDE, COUNSEL
CARLA AVELEDO, COUNSEL

KELLY VERTE, CFO, CANNABIS OFFICE
MICHELLE REDDISH, ADMINISTRATOR, CANNABIS OFFICE
ERICA FERRILLI, CHIEF, CANNABIS OFFICE

(COMMENCED AT 1:15 P.M.)

MS. AHERN: Good afternoon, everyone. I'm going to call this meeting of the CCC to order. It is Friday, January 24, 1 p.m. We have all three Commissioners, so we have a quorum. I want to welcome everyone to this meeting, which is our official public comment meeting.

The purpose of this hearing is to afford interested parties an opportunity to comment on the proposed regulations. You've probably heard me say this before if you attended prior meetings, but this hearing is intended for your participation. It is not intended as a question-and-answer session. It is not a forum for discussing, debating, arguing or otherwise having any dialogue on the record with members of the Commission, or with one another.

We have a few different things going on in this meeting that are somewhat different. We still have a check-in when you walk in to your right. If you would like to speak and be heard today, please sign in with our staff members. You can tell staff members by name badges and also state employee badges. So please sign in there if you would like to speak.

If you would like to provide your comments, we're going to follow that procedure, so please use the

sign-in sheet and indicate which regulation or regulations you wish to comment on. There are two sheets, one for those who wish to speak, and one for those who are present. If you wish to speak, you need to place your name on the sheet that indicates that you'd like to give a comment.

We're going to call on speakers in the order that you signed in. To ensure equal opportunity for everyone to present, we're going to give each person three minutes to present comments. I also want to note, too, for individuals who have been here before, we have somewhat of a new procedure for that as well. We stepped up from my iPhone to an actual timer in front, so that the Commission can be a little more focused, me, in particular.

So that timer will help us actually keep track. Then you, as the audience or speaker, can actually see that as well. Hopefully that is well received. So when you're called on, please identify yourself by your name and affiliation, if any. Please identify which regulation you're commenting on. If you are commenting on more than one regulation, please make sure it's clear in your comments. I'm going to give you time, as I said, to present comments or statements.

Also, if you came here today and you have a written copy of your statement and you would like to give it to us, we would appreciate having that for the record. There is a box at the sign-in table where you came in where you can leave a written copy. If you don't want to leave a written copy, but would like us to have it, you can e-mail it to CCCINQUIRY@CCC.RI.GOV.

Also, we are trying to be cautious of time limitations. If you feel like you are not able to get all of your comments into the window of time, then know you can always e-mail your full statement to us. Those get dispersed to everyone. So we will get those if you would like to send them that way as well.

Additionally, please be advised that all comments made during this hearing are being recorded by Zoom and transcribed. Another new addition to today's public hearing is that we have a court reporter/stenographer here. So when I call you up two at a time, if you can please spell your name so that she can get that for the record as well. We won't count that against your three minutes.

All comments received today will be included in the public record for these regulations and will not be redacted. Finally, as you can see here, there are

members of the press here today. I don't have any control over what they say or what they air from these sessions. If you personally do not want to be identified in the news, I would recommend you tell the respective news outlets that.

Final point for our public comment period, this comment period is open until February 8, 2025 at 11:59 p.m. If you would like to give additional comments, you can do so by contacting our commission at the following, CCCINQUIRY@CCC.RI.GOV.

With that, I'm going to first go to our open meeting agenda posted for this meeting, and I'm going to move from Item A to agenda Item B, to approve the minutes from the open meeting session held on January 8, 2025. Do I have a motion to approve those?

MR. JACQUARD: So moved.

MR. ODUYINGBO: Second.

MS. AHERN: Any discussion?

MR. JACQUARD: It was very well done, I thought. There was a lot of content there. It was very well done.

MS. AHERN: Thank you so much for that. I appreciate the staff. In any event, thank you, Mr. Jacquard. I want to thank the staff for that, for running an efficient meeting. All in favor?

(UNANIMOUS VOTE)

MS. AHERN: Now we will move to the public comment period. Also, for individuals who don't come to these meetings regularly, what you are hearing me do right now, when you come up and sit here, this black microphone in front of you, if you hit the little person, it lights up in green, then that amplifies, makes it easier for everyone. Make sure to hit that button before you start.

I'm going to call individuals up two at a time, so we can be efficient. The first two individuals -- I apologize if I mispronounce anyone's name. First is Liam Bolger and Jack Padwa.

MR. BOLGER: My name is Liam Bolger. I am the administrative director for Mother Earth Wellness. I want to say on behalf of myself, my team, thank you so much. We've been waiting for the adult guidelines coming out. We are very excited and happy about a lot of the changes we've seen through them. Thank you so much for your time.

There are a couple of items that we just feel we need a little bit more clarification on for compliance purposes, one of them being (inaudible), something easy we can do, but before it was listed as THC and CBD. Now it's more open-ended. We have no problem

putting all the cannabinoids that are requested.

Depending if you want to have the cannabinoid tested and not having the result, if you have your products tested, cannabinoids, it will have a number usually with it. Sometimes if you test products, it won't test for that cannabinoid, so it will read zero. Is that something that would also be on the packaging? Is it zero, or is it something to the nearest thousandth of a decimal? Very easy to do. Something that is on our minds.

Another item that we have is the pricing for the cultivator's fee. We feel it's a little high. Cultivators, they're still paying around $14,000 more than our neighboring states. I believe Massachusetts, for 0 to 2,500 square unit, is around $1,250 annually, whereas currently right now it is, I believe, going from $14,000. There is still a discrepancy between Rhode Island and the state.

Another comment that we have is the restriction of the manufacturing licenses. In Rhode Island, it should be held to the cultivators and the compassion centers. Allowing third-party companies to enter the market slowly for manufacturing undermines the stability, safety and sustainability of the Rhode Island cannabis industry. It's important to

protect the local businesses, maintaining rigorous regulations, standards, and ensuring the economic growth and benefits remain in Rhode Island.

Another comment that we have is for the extension of packaging. It requires, it calls for 90 days extension. It requires us 90 days just to get packaging alone from overseas. We have no problem meeting these regulations, but we will need a little bit more time to go through stock that we are currently purchasing.

Another one that we have is in 2.10(e)(4), no cannabis establishment shall dispense QC samples of cannabis that total more than one ounce per day. We currently employ 132 employees at Mother Earth Wellness. One of our points is education in cannabis. It will be difficult trying to make sure that our team and staff are educated to help better the patients and customers on the products that we have.

The last, I know the time limit is up, last item that we have here is higher dose edibles. If not for anything, for medical patients. It's a little difficult at this time to give relief to a medical patient who does not like RSO and have to tell them to eat 10 pieces of 10 milligram chocolate, or 10 pieces of 10 milligram gummy mix and sugar. So being able to

do higher dosing as well as higher milligrams per serving, Mother Earth feels it will be beneficial for the medical market.

Those are the comments we have.

MS. AHERN: Thank you very much. Before we move on to Mr. Padwa, if we can please spell your name for the record for the court stenographer. Also, everyone is starting to get this, we have to talk slow and steady so she can totally make out everything. Thank you for that. I'll turn it over to Mr. Padwa.

MR. PADWA: My name is Jeff Padwa, P-A-D-W-A. I represent Rhode Island Cultivators Guild, which is comprised of several top Rhode Island cultivators. Appreciate all of your hard work, your staff's hard work in putting these regulations together.

You know, the cultivators have been screaming about getting these regulations promulgated and stores open. We appreciate all the hard work you have done to get us to this point. We are also particularly happy with how these regs balance the interests and equities amongst the interested parties.

First specific comment is I would appreciate, a lot of people would appreciate if we had page numbers at the bottom of these regulations. Also going to

comment on two specific related topics, quality control samples and trade samples. The current transitional regs allow cultivators to dispense one ounce per employee per day. The proposed regs are one ounce for all employees per month, which is way too restrictive.

There are seven different categories of product types. There are many different strains. There are numerous brands. The proposed regs would severely restrict and hinder innovation. Employees will be unable to adequately test and refine new strains and formulations and product lines and brands. So I also think that those particular provisions are confusing, reading them in their totality.

We would ask that the Commission retain the current allowance for the quality control samples. My comments will also being submitted in writing in a little bit more detail.

With regard to trade samples, once again, the proposed regulations severely restrict the amount of trade samples to one ounce per month. Again, trade samples are used to promote and differentiate products and brands. The restrictions in the proposed regulations are so severe with 30 stores, 7 kinds of product types, many strains and brands. It would be

nearly impossible to bring new products to the market. Customers would be severely impacted. We ask that, again, we retain the current allowance.

Those are my comments, thank you.

MS. AHERN: Thank you very much. While they're heading back, our next two individuals signed up in order are, looks like Olivia Frederickson and John Colcannon, if you can please come up together. I'll turn it over to Olivia first. Again, if you can hit the green button on your right, so that the little person lights up in front of you on the microphone.

MS. FREDERICKSON: Olivia Frederickson. My last name is spelled F-R-E-D-E-R-I-C-K-S-O-N. It wraps around a credit card. May I begin?

My name is Olivia Frederickson. I am a bookkeeper, and I live in Providence. I am interested in these regulations because I believe intentional and informed regulations are key in ensuring that the recipients of these six cooperative licenses will maintain commitment to cooperative principles and the development of an equitable cannabis industry in Rhode Island.

The seven cooperative principles adopted by the International Cooperative Alliance in 1995 are as follows: Voluntary and open membership; democratic

member control; members' economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; concern for community. The effectiveness of co-ops as vehicles for social equity is determined in large part by the adherence to these principles.

According to Patrizia Battilani and Harm G. Schroter in "The Cooperative Business Movement, 1950 to the Present" published in 2012, degeneration is defined as "deviation for the social purposes of co-ops," and one of the first systematic studies of worker cooperatives used the concept of degeneration to describe the process that could lead worker cooperatives to lose their democratic characteristics.

Through this process, co-ops can become similar to or the same as investor-owned enterprises. This process can be internally controlled when co-ops decide to change their character, or uncontrolled when democratic voting just gradually disappears. Indeed, democratic engagement has emerged as the Achilles' heel of many co-ops. In many cases members were content and did not bother to vote. This is, of course, an open invitation to management to do what it wants.

In several cases, managers decided to demutualize

the respective co-op, and during the process acquire through their insider knowledge the best pieces for themselves as private property. Lack of democratic practice is a long-term threat to all co-ops.

This quote demonstrates that it is crucial for cooperatives to maintain awareness, engagement, and actively follow the cooperative principles. Battilani and Schroter also warned, "That law, as well as trust, is an important precondition for enterprise. This applies both to the existence of appropriate laws and to the manner in which jurisdiction is applied in practice."

This is where the Cannabis Control Commission comes in. The CCC should require the following: Bylaws that define "member" as a person actively contributing labor to the cooperative entity; bylaws that preserve the right to elect the board of directors for the membership; bylaws which vest the power to make determinations about how to allocate net surplus of loss to the board of directors; bylaws which establish an accessible, objective, and reasonable path to membership for all part- and full-time employees with a maximum of two years to membership; profit sharing plan which indicates patronage payments to members on a reasonable

timeline; and a plan to continuously invest in cooperative governance training.

MR. CONCANNON: Dr. John Concannon, C-O-N-C-A-N-N-O-N. I represent, well, my practice, which is Atlantic Pediatrics, but I'm also speaking in the form for most of the medical community, particularly obstetricians and pediatricians who have grave concerns.

Marijuana is a substance that many people use for various reasons. When it comes to pregnancy and breastfeeding, the risks far outweigh the perceived benefits. The chemicals in marijuana --

VOICE: That's a vulgar word. Please use cannabis.

MS. AHERN: Let's keep the comments from the folks that are in the front.

DR. CONCANNON: I'll use what I want. The chemicals of marijuana, particularly THC, pass from the mother to the baby through the placenta through the pregnancy, during pregnancy, and through breast milk after birth.

Research has shown that using marijuana while pregnant can lead to several complications. These include lower birth weight, premature birth, and developmental issues for the baby. THC can affect the

baby's brain development, eventually leading to long-term cognitive and behavioral problems.

Additionally, marijuana used during pregnancy has been linked to increased risks of stillbirth. For breastfeeding mothers, the dangers continue. THC is stored in the body fat, can be released slowly over time, meaning the baby can be exposed to harmful chemicals for an extended period.

This exposure can affect baby's brain development and lead to issues such as poor cognitive function. It is often claimed by marijuana advocates that more research needs to be done. This is true. Some research is impossible in that it would require a double-blind study of several hundred pregnant women, half of which would be given marijuana, and half not. It's honestly an unethical quandary.

It is crucial for all people to understand these risks in making informed decisions. It is critically important that pregnant and breastfeeding women avoid using marijuana in any form, whether by smoking, vaping, edibles or oils. It is important that those purchasing THC products be informed of these dangers by posting of prominent signage at each dispensary in Rhode Island, if not on the packages themselves that are dispensed.

That is my request and hope. Thank you. I did originally testify to the Health and Welfare Commission of the House of Representatives two years ago, and was told by the Department of Health in conclusion that, while they agree with me, but that it would be handled by the Department of Business Regulation. It has not been done, despite assurances from the Department of Health.

MS. AHERN: Okay. Thank you so much, Dr. Concannon. We are going to call up the next two speakers. Everyone can try to speak as slow as possible within the time limits. If you do have copies, it seems like it would be super helpful. Next two, while they're leaving, are Andre Dev and Mike Simpson, if you could come forward.

DR. DEV: My name is Dr. Andre Dev, D-E-V. Again, I am here representing the Cooperative Cannabis Network of Rhode Island. I have been helping fundraise and help with the early development of cannabis co-ops. I have a few broad comments about how I think you guys should be approaching the co-op licenses, as well as technical thoughts. For the stenographer's sake, I will leave most of the details in the written testimony.

First, I want to talk a little bit about the

spirit and intentions of how worker co-ops became a part of this bill. I think it's been a couple of years from that. We need to get back to that feeling when we were doing it. I am someone who is working with Reclaim Rhode Island, which is a political group who was involved when this bill was in the legislature.

The intention of co-ops was to innovate, a way to ensure the goals of social equity, and to ensure that they can be met by the cannabis industry in the face of legal challenges, which this committee is intimately aware of. I think you understand how much more difficult the traditional social equity licenses are, and the kind of challenges come over time as different states try to legalize marijuana.

Worker co-ops are to ensure that the wealth created by this industry, now that the state has sanctioned it, will remain in the states and municipalities where these businesses exist. That is the point of worker co-ops. By avoiding licensing that specifies race, or place of residence, instead focussing on the business model, co-ops create a more legally robust way to move the industry toward social equity. That was absolutely the intention when worker co-ops were put into this law.

What I'm asking is that you guys think of co-ops as an innovation in the field of social equity as deeply and intimately related to the social equity licenses, not as something separate. As such, I would ask the Commission treat co-ops that qualify as social equity eligible as much as, if you can, as social equity candidates as possible, including weigh fees and other things that you are doing for the social equity licenses.

Second, for both social equity licenses and co-op licenses, you struggle with access to capital. I want to point out a discrepancy between the statute and regulations concerning controlling interests. I will go into more detail in my written testimony, but briefly, I think the CCC should either go with the statute rather than what's in the regulations, adopt some TPI rules similar to what they have in New York, or make exceptions for nonvoting financial interests, which are not really controlling interests, which may be really important and useful for social equity and worker co-op candidates who can really benefit from the early intervention of something like a start-up incubator type process.

Lastly, I would consider some extra guidance on reporting requirements for co-ops and social equity.

These are businesses that get a lot more investment from a larger pool of people, smaller investments. That reporting requirements can be more onerous for them, and our goal should be to make it easier for these people to get money, not harder.

MR. SIMPSON: Mike Simpson, S-I-M-P-S-O-N. I am co-founder/co-owner of Love Well Farms, also co-founder of Cannabis Policy Coalition, dedicated to cannabis equity. I want to make sure, I see it's been happening, make sure I continue to have my three-minute time. I am also teaching in the cannabis program at Johnson and Wales as well. That's the third one.

I have four ultimate main items that I would like to talk about real quickly. You already know who Love Well Farms is. I'm not going to go into that. It's in the packet. You can review. You also know about our mission. We're super dedicated to equity and education. That is one of the reasons why I am regularly here at these Commission meetings. I want to make sure we do our best to educate from the industry to you guys.

First thing, social equity loopholes, really important. I think that we'll hear more from other members of the Cannabis Policy Coalition. I think

closing down those loopholes, specifically the qualification that allows for an employer to have 51 percent staff of affected community, we think that should just be fully struck. That is from the cannabis community and also Love Well Farms.

Second one is outdoor cultivation licenses. There is no outdoor cultivation licenses at all in these regulations. I do have a nice table for you guys here to review. It's in the States of Vermont, Rhode Island, Connecticut, Maine, Mass., New Jersey, New York. I think it's important to include in there. I think it's important we don't look at just Massachusetts. We should look at Maine, Vermont. They have really robust cannabis industries. We should look to them to help us understand.

Just for example, we have a Tier 6 outdoor cultivator in Vermont. License fee is $34,000. It's for 37,000 square feet. There is more here, just to give you an idea of how much more money outdoor cultivation licenses could provide for you.

One of the reasons why outdoor cultivation is so important, we have a goal in the state to be carbon neutral by 2050. We're not going to be carbon neutral if we bring in a new industry all inside. There is a big light outside. We use 1/25th when we grow outside

compared to inside. We want to really make sure that we are enabled and allow for outdoor cultivation as we move forward, if we want to hit our energy goals.

Additionally, these license fees are exorbitant. Again, I have a nice little table in here that includes all those states that I already mentioned. If you were to look at even the highest price for many of these licenses, seven times, seven times the price. I know we have social equity, and I know we have cooperative licenses set aside. That's great. I'm really happy that happens. These fees are exorbitant, if you look in the region.

That's not talking about compassion center fees, which the Mother of Wellness gentleman also referenced this. Those are really exorbitant. That's 30, can be up to 30 times the fees in any state. I really don't understand why that is happening.

The fourth one, last one is cannabis and wellness grants. We do have a section in the social equity fund that can go directly towards education grants. I think that's important. We have two institutes of higher education in the state, one is Johnson and Wales University, and URI. Both of them have cannabis programs or certificates.

So to work with those two institutions, to be

able to provide education that's centered around harm reduction and safe consumption, I think it's really important to have education, especially when a lot of the education is federal funding and is geared towards tolerance and zero tolerance-based education. I think it's important to have harm reduction and safe use.

MS. AHERN: Thank you, Mr. Simpson. Again, for everyone, you can submit the full statement by e-mail, and we will read it, and it will get distributed.

MS. SALMON: Zara Salmon, Z-A-R-A, S-A-L-M-O-N. Good afternoon. Thank you for taking the time to put a lot of thought and effort into your proposed regulations. Your proposals are a step in the right direction to get us to our goal of leading the nation when it comes to cannabis equity, but it does have shortcomings.

Above everything else, I love that you have taken Cannabis Policy Coalition's suggestion of using your power to waive licensing fees for social equity applicants within their first year. However, we would recommend that you waive them for at least five years instead of incrementally increasing the fee. It takes most businesses at lease five years to make it out of the red and into the black. For a social equity

license holder that did not take advantage of the loopholes, it may take them even longer to make it into the black.

It's also important to note that while you all did lower the licensing fee so that all retailers will pay what the recreational retailers are paying, we are still among the highest licensing fees in New England. While Rhode Islanders are paying $30,000 annually, Maine is paying $2,500, and Massachusetts $10,000, so we still have some work to do if we want Rhode Island to be an attractive place for cannabis businesses to start, seeing that we rank 50th in the nation for any business to start, let alone a cannabis business.

Another thing I liked in the regulations is the fact that you are giving grants to the social equity applicants and not loans. You also ensure that the grants can be used for a wide variety of reasons, which is critical for any start-up business.

While I commend the Commission for listening to the voices of the grassroots organizers, as I said prior, you all still have some more work to do, particularly regarding who could obtain a social equity license and how the social equity assistance fund is being funded. As we've been saying for nearly two years now, the social equity assistance fund is

designed to run out. And now, with the lower licensing fees, there will be even less money than initially projected.

A large part of that is because money designated to the social equity assistance fund is being removed and placed in a restricted receipt account used for the deficits of the DBR, DOH, the General Fund, and your Commission. Per the statute, once the regulations are set, this money will be housed under your budget in full. It is our hope that once you receive control over that fund, you will be able to keep all of the licensing fees in the social equity assistance fund, and not just a portion of one licensing fee in that fund.

We also urge you to advocate for other funding sources, including a portion of the cannabis taxes, the tobacco master settlement agreement. Or if your Commission does become an independent entity, per Governor McKee's suggestion, ensuring that a portion of your budget is set aside for the social equity assistance fund.

In relation to licenses, while we know you can't remove the loopholes that are found in the qualifications to obtain a social equity license, we do encourage you to rethink them. For the slave

master's clause loophole now found in Qualification 5, a stipulation can be of the 51 percent or more of employees that do come from a disproportionately impacted area, their wages must be comparable or exceed the Rhode Island living wage for adults with at least two children, $44.21 an hour, to decrease the likelihood of this getting taken advantage of.

For the second Jeff Bezos loophole, even with the added stipulations in the proposed regulations, this loophole is ripe to be taken advantage of by outside entities, particularly MSOs. Our coalition will continue to do everything within our power to remove this from the law, but in the meantime, if there was a way that you could score qualifications one, two, three, four, and seven above five and six, that won't make you susceptible to litigation, and we would love to see that.

Finally, as huge supporters of the Co-Op Rhody and the novel concept they brought to Rhode Island, we would love to see co-ops that qualify as social equity applicants be beneficiaries of the social equity program. At the same time, with $10 million in the fund, there won't be enough money to adequately support the six social equity applicants that already exist. So I'll end my testimony by stressing that the

social equity assistance fund needs to find a regenerative funding source, or the program will be an utter failure.

I'm happy that Governor McKee is proposing that the Cannabis Control Commission become its own division with a dedicated team of 28 individuals. As you acquire more support for your work, I hope you all continue to strive to make Rhode Island cannabis the most equitable in the nation, because we have that potential, but equity can't be something you say without it yielding tangible results.

Social equity licensees deserve a fully funded program, so their business has a chance to compete with established cannabis businesses that have millions of dollars in backing from their investor friends. Social equity licensees don't have investors, they have you. Their success is a reflection of your work. Thank you.

MR. LUSI: Armand Lusi, A-R-M-A-N-D, L-U-S-I. I want to do a little history lesson here for everyone. I think it's important as to where we are today. Back on October 25, 2016, emergency regulations were introduced by the state. Prior to these cultivator regulations, patients and caregivers would provide product to the dispensaries.

So on November 7 I submitted my application of 2016. December 22 of 2016 my facility was inspected. On January 4, 2017, I was granted a license. That started the cultivation program in this state. Up through April 28, 2017 was the last business day you could submit applications for a cultivating license.

There were a lot of requirements for this application. I spent my entire career as a public works contractor where you had to have everything that was required, or your application would not be accepted. On April 28, 2017 at 3:45 p.m. I was in the lobby where people were submitting applications.

There was a young woman that submitted 20 random pieces of paper to a staff member of DBR. There was no CCC at the time; it was just DBR. I said to that individual, She doesn't have six copies; you need three redacted and three unredacted copies. I was told by this individual, Norman said as long as they have a check for $5,000, anything can be correct.

So on that day, up through that day, the state collected 117,000 applications, worth $587,000, a good financial day for the state. That began the curse of the cultivator. What happened now, here we are eight years later, there's 60 cultivators. I would say at least half of them did not properly submit, okay?

That leads me to, I've paid nine license fees over the last eight years. That's enough to send my grandson to a four-year Ivy league education, but seeing that he is only four months old, I guess I got some time. I think the fees are obscene. They're outrageous. They have to be lowered considerably.

The fee in Massachusetts for a 10,000 square-foot cultivation license is $2,500. The fee in Rhode Island is $35,000. Just think about it, it's 14 times. I have a lot of comments to make on the regs; I think I'm going to submit very substantial comments before the end of the period.

Again, I think you really, 10 percent reduction is really not enough. It should be 78 percent reduction, or go a dollar a foot. The micro is $2,500. The A is $5,000, not $20,000. The B is $10,000, not $35,000. You're still four times the Massachusetts rate. That is my testimony.

MS. AHERN: Thank you, Mr. Lusi. We are going to take a short break.

(OFF THE RECORD)

MS. AHERN: Okay. We are back on the record for our meeting of the Cannabis Control Commission. We took a little break. We may take another one, depending how many people are signed up.

First, I realize I neglected to share exactly which regulations, I think we all know at this point, but I did want to read for the record that we're sitting both as a public body subject to the Open Meetings Act. So this is both a regulatory hearing as has been noticed as a public meeting of the Commission. This was noticed on January 21 in accordance with the Open Meetings Act.

We're accepting public comment today on the adoption of four specific regs; that's 560 RIC 10-05-1, which is the administration procedures and enforcement section; 560 RIC 10-10-1, which is the cannibas establishment applications, licensing and renewals; 560 RIC 10-10-2, which is the operational requirements for cannibas establishments; 560 RIC 10-15-1, which is the caregiver registration, medical home grows, and personal cultivation section. So those are the sections we're taking comment on.

I was also just reading from a script and also showing everyone how we can read slowly. So I should have added this at the beginning, but for ten years, a decade, I was a criminal prosecutor. I appeared in courts of this state. I did jury trials for mostly felony offenses. Every time I was in front of a court reporter and a stenographer, so that is usual for me,

but I realize that that's not for everyone here.

I should have explained that better at the beginning. That Liz here is a court reporter or a stenographer. The machine she has is trying to take down every single word. That is a challenge if we all talk too fast. I learned that first-hand over the ten years that I appeared in front of court reporters.

I know for many here this is your first time. Let's all just take a deep breath and try to go slowly. I haven't cut anyone off yet. So take your time and know that, like I've said a few times, you can submit what you want to us, and it gets sent to every single Commissioner here. We read them. I read every single line of what is submitted to the in-box.

So with that, we're going to call up the next speakers that are signed up. We have Ed Stool, sorry if I'm saying that wrote, and Jay Iannuccilli, I believe. If you could both come forward. Again, we're not going to count your time when you're spelling your name. You can hit the green button, so it lights up. If you could please spell your name for the record.

I did want to add, too, we are using a court reporter just for this hearing just so we have a very clear record of what is done as we're following the

Administrative Procedures Act. We do not expect to do this going forward, unless we have another regulation hearing. Thank you.

MR. STOOL: Edmund Stool, S-T-O-O-L Purita Labs. I'm going to be doing my speaking with Jay at the same time.

MR. IANNUCCILLI: My name for the record is Jason Iannuccilli, I-A-N-N-U-C-C-I-L-L-I. I'm a founder and managing partner of Purita Labs.

MR. STOOL: Yes, so we're going to comment on the quality assurance program listed in 2.28 of 560 RICR 10-10-2. We think that the QA program is definitely great. Unfortunately, it's a little ambiguous with how it's written. It's hard to determine the validity of it based off of what's in the regulation right now.

MR. IANNUCCILLI: We commend you guys for a step in the right direction. I'm sure that some of you may have seen the Wall Street Journal article that was released toward the end of last year. Through public records and public information, unfortunately, Rhode Island was highlighted as an example of a data set that was suggestive of fraudulent lab activity.

Actually, this is a subject that's near and dear to our hearts, because we are operating in the

cannibas regulatory testing domain here in Rhode Island. We are very focused on public health and safety and accuracy of labelling information that's being put on these products. So the proposal that has been put forth is, it's a step in the right direction, but there are quite a few holes in that proposal that would still allow fraudulent activity to slip through undetected.

We have recently had an article published in the Journal of Cannabis Research where we worked with our team of research scientists, Ph.D.s and M.D.s and myself as a research physician who has had plenty of experience designing multi-center clinical trials in my medical practice. We put forth a proposal for a blinded QA type system with great detail about how it could be run in a state to survey labs and make sure that the data is not suggestive of fraud. We're happy to provide that article as a reference to you guys.

Again, all of our comments have been submitted in detail in writing, so we don't have to get into all the individual aspects of the plan. We wanted to actually bring it up in public forum to make sure there was some additional time spent, whether it's through a subcommittee, advisory board type thing, where these issues are actually heard, and we do

implement a system that is going to be sound.

We've taken enough random samples from the market so that statistically it would give us valid information to base conclusions on. As of right now, it seems that the proposed system would be statistically insignificant, and unfortunately, that would result in sort of, you know, money, time, waste towards a step, a system that is required, but it would basically create a solution that fails to meet the mark.

Again, we're here just to raise that flag to say look, additional discussion is needed on this topic. We're happy to help in whatever capacity is needed to do so.

MR. STOOL: Just to add to that, we just really want to make sure there are enough samples that are tested for this program to be valid; otherwise, data won't be actionable. You really will just be wasting everybody's time in the end. We want to make sure the data means something, and we'll actually get something constructive out of it.

MS. AHERN: Great, thank you, both, very much. If you can add that article to the gray box.

REVEREND ARMSTRONG: Good afternoon. My name is Reverend Dr. Ann Armstrong, A-R-M-S-T-R-O-N-G.

I serve as deaconess to the Healing Church in Rhode Island, which is the oldest, continuously existing Catholic Christian and Hebrew Catholic congregation in the world. We predate the Roman Catholic church by several hundred years.

We're recognized by Pope Francis as the trunk from which all Catholic churches are valid, Apostolic succession, draw their authority and their charisms. That is precisely one of the points of my talk today. You need to know that the Catholic church, the Hebrew people, Hindu people and many other ancient religions have all used and continue to use and always have and always will use cannibas blossoms and various cannibas preparations in our practices.

We believe that many of the miracles attributed to Ishua in this book, like healing the woman while hemorrhaging, healing the man with the withered hand, Parkinson's, casting out demons, autism, epilepsy were all mediated by cannibas. We believe that the Blessed Virgin Mary is the embodiment of the healing aspects of cannibas. She even has a bud on her miraculous mantle.

It's my job in Rhode Island to grow the cannibas for the sacraments of anointing of the sick and the Eucharist and the sacraments initiation for every

single Catholic church in the world. We've always done this. We used to do it in Lebanon, and then when the drug war reached in there and our bishop had to flee to the Vatican for sanctuary, we came here to Rhode Island, because it's supposed to be the birthplace of religious freedom.

I notice you don't have anything in your regulations that's protection for religious use, which we have certain rules, has to be grown outside, can't harm the Earth, has to use kosher fertilizer, can never move in commerce, cannot be traded, it's got to be free. The State of Rhode Island deliberately ignores this statement, trying to lock me up for ten years. If I go to jail, I won't be the first Catholic clergy in jail.

I would like you to look into it. I would like to refer to you a case that's in Federal Court right now, 24 dash Charles Victor dash 0066, because this not only explains some of the horrible things the state has done to us to this point, but also explains that for you guys to just give out licenses for money in violation of federal law, no matter how well regulated, is still in violation of federal law.

Especially when you use lotteries to pass out these licenses, you're actually breaking every single

section of US Code Title 18, Sections 1961 to 68, otherwise known as RICO. It's actually a racket to give licenses to people to allow them to break federal law and engage in commerce with federal money.

I'm just asking you to look at the case, read it, and consider that with a new justice department, federal discretion could go the other way. I would tread very lightly, especially in violating people's fundamental rights, like our right to practice our Catholic religion. Thank you very much.

MS. AHERN: Thank you very much.

MR. CALDERON: Jason Calderon, C-A-L-D-E-R-O-N. First off, I just want to thank you guys for putting this together. I know it was a lot of work. Overall, I think they were done well. Obviously, there are some things that I don't necessarily agree with, but it was still thought out and done well.

Two things that I want to touch on real quick, one is in the lines of testing and the practice of remediation. As most people will know, that practice was created to save money for the people that were unable to produce a product without this. As I understand now from the regulations, it is a voluntary thing, that you can put that on your packaging or let

the consumer know voluntarily.

I just don't think that voluntary thing should be there. It should be amended. Just as we have to put the ingredients that are on the products that we make for the consumer to know, A, I'm allergic to sugar, I probably should not have this, or whatever it is. I think omitting that is just not right. You know, I mean, we should have the ability to know what we're consuming. I don't think putting in a law that is voluntary is going to help anybody.

That was the first part of it. So I really would hope you would reconsider that. If the practice is being done as widely as I'm pretty sure it is, then people should stand by that and say hey, we do this. We're looking out for your safety, and put that. So that's the first part.

The second part is along the lines of investors. I know when this program originally set out, investors were not allowed to invest in multiple businesses. Then that has changed and been adapted now through new language to allow investors to invest in multiple locations as long as they don't have said, quote, control, which I think helps the investors, but does not help the people that are actually running the businesses.

As everybody knows the Golden Rule, he who has the gold rules. That does not sway from the cannabis industry. Investors that are investing this kind of money into a business are not giving their control away regardless of what a piece of paper says. I'm sure you can find enough people in this room that will tell you the same. That just because they have control of their company does not mean they get to make all the decisions.

So I would urge you guys to reconsider that, and also take in the aspect of a lot of the people that are running these companies are some of the most qualified people in this industry, and wanting to exclude them from the ability to help other businesses that are in the same industry, or be able to work with other businesses in the same industry, or have positions in those other businesses, but not, will not allow them to do that, but allow the investors that have little to none on a lot of occasions actual insight in the actual business that they're funding, but they can, they can invest in multiple, but the people with the actual knowledge cannot be tied to more than one, I think that really needs to be something to be looked at.

I understand, or at least I think I understand

the reason why those provisions have been put in. We do not want monopolies. We don't want MSOs owning the entire market. I understand that part of it. I think there is a way that it can be done where the actual people that are in the thick of things that are actually doing the day-to-day can have the ability to work in multiple places, or work with multiple licenses without, you know, having a majority control.

Even if it is the minority of ownership, but still have the ability to actually work with that company, you know, actually have the insight to say, hey, maybe we should be doing this. We've been doing this for seven years or eight years, this is how we've been able to be successful. Right now, the way it sits doesn't allow that. I just would hope that you guys would look into that, or at least get some more further comment on that.

Like I said, I understand why you want to do it. You have to look at the other side. Right now the only one it's going to benefit from these are the investors. If somebody wants to pay somebody that is knowledgeable to come in and show them how to do things or whatever, they should be able to. Right now, they can't. That's what I have. Thank you.

MS. AHERN: Thank you, both.

MS. GREGORY: Good afternoon. My name is Karly, K-A-R-L-Y, last name is Gregory. I own a micro cultivator license. I've been to several meetings in the past. As has been kind of said earlier today, cultivators are very excited for these regulations to be coming out. Thank you, everyone, for all the hard work.

We're looking forward to opening up our market and creating access for patients. Although I'm in the cannabis industry, I also wear another hat as a health care administration professional. One thing that's really important, especially in this state, is access. Adult use has grown in this state just due to the ease of purchasing cannabis.

Medical use of cannabis is still something that is very much needed by patients from every corner of the state. I think also, just thinking about looking past these 24 licenses, and continuing to expand our accessibility to this medicine is going to be really important.

One thing I specifically want to call out today in the regulations is pertaining to 1.3.4, geographic zones, as it pertains to the retail licenses. Under Part E, Number 2, stating a person or entity cannot be an interest holder with respect to more than one

applicant or application per zone, irrespective of license type, I do think this particular regulatory statement is very limiting toward cultivators specifically.

As we all know, we do have vertically integrated compassion centers. I think cultivators who have been starving for several years now might see this as an opportunity to have a retail store outlet and to be able to get their products to market. Obviously, there's a lot of cultivators in the state that are small family businesses, as is my own.

I think I just want to make sure that we're creating as much opportunity for cultivators to really help to expand and grow the market. By limiting it to one license type per market, I think we're really limiting local micro economic opportunities for those stakeholders involved. That's it. Thank you.

MS. KARNES: Hello. My name is Emma Karnes, K-A-R-N-E-S. I am an organizer with the United Food and Commercial Workers Union, Local 328. First, I want to thank all of the staff and Commissioners for your hard work and I know your good intentions throughout this process.

As I work as an organizer with UFCW, I have been personally involved with supporting teams of workers,

entrepreneurs, as they prepare to apply for corporate licenses. I'm going to speak about those licenses today, as I typically do.

First, I want to establish the point and echo some others who came before me to express that we really see cooperatives as a vehicle for social equity, in that when they are implemented correctly they ensure that the benefits of ownership, both financial and otherwise, are broadly distributed to all present and future workers.

As somebody who facilitated for some time the Rhode Island Cannabis Justice Coalition, which was very instrumental in passing the Rhode Island cannabis Act and initiating the cooperative language in that bill, I can attest that that social equity perspective was what motivated those grassroots organizers to suggest this unprecedented provision in the cannabis act.

I also want to just propose that I don't see another justification for privileging this particular type of corporate entity, a worker cooperative over others in this limited license environment. What makes cooperatives special is the ability of the model to distribute the benefits of ownership broadly to workers.

So I want to really state very clearly that I think it's the responsibility of the Commission to set some guardrails around these licenses, to ensure that the profit-sharing and democratic governance that lawmakers assumed would be practiced in these worker cooperative dispensaries actually does come to pass. Having looked very closely at the worker co-op statute, we have some concerns about loopholes that would allow companies who are looking to get a license to become a cooperative, get a cooperative license and then not behave as a cooperative in good faith.

I'll go through, as Olivia did before, some of the recommendations we have, which is to require additional documentation in the application process for cooperative retail applicants that allows them to demonstrate some ways in which they commit to profit-sharing and democratic governance.

Some examples, this is not comprehensive, again, bylaws that define member as somebody actively contributing to the cooperative. The statute currently leaves the definition of member up to the bylaws, meaning that somebody who doesn't work at the co-op or even live in Rhode Island be a member.

Bylaws should preserve the right to elect the board of directors to the membership, so the board

can't be functionally controlled through appointments by outside investors or entities. Again, bylaws that establish a reasonable (inaudible) of the membership, so people who work at the co-op aren't waiting 15/20/30 years to be offered a chance of ownership.

I will submit much more detailed written testimony outlining these loopholes. Again, they are based on consensus and the national work cooperative community as articulated by the US Federation of Worker Cooperatives, as well as Rhode Island attorneys who understand our worker cooperative statute. Thank you.

MS. AHERN: Thank you very much.

MS. BIRNBAUM: Hi, Adina Birnbaum, A-D-I-N-A, B-I-R-N-B-A-U-M. I'm one of the owners of Tallaria. We are a Class A cultivation. Sasha and I work together. So I guess you should introduce yourself. We're working off the same notes, if that's okay with you.

MS. GORSKI: I'm Sasha Gorski, G-O-R-S-K-I. Like Adina said, we're both owners of Tillaria.

MR. BIRNBAUM: We will be submitting written testimony as well, but we want to bring some items to your attention that we just need more

clarification on. The first part we want to talk about is the packaging requirements. Liam from Mother Earth also mentioned this section, it's RICR 10-10-2, Section 2.2(a)(20 in the definitions of cannabinoid profile. It's something that is supposed to be actually printed on the packaging.

We're really unclear about what you mean by cannabinoid profiling. I brought here a testing sheet. The cannabinoids that are tested, there's, I think, 14 cannabinoids that are tested. I'm assuming we don't have to print all of those on our packaging.

Then it also mentions that we're supposed to express it in milligrams per gram, which is what I would assume you would want to do with an edible, but most plant material is expressed by percentage. I'm wondering if that will continue. We just need a little bit more clarification when it comes to that. Sasha is going to talk about packaging.

MS. GORSKI: Something else that I would love to get some clarification from you guys on is the distinctions between an immediate container, outer packaging and an exit package. There were definitions for immediate container and outer packaging in the definitions of that section, but there was not a definition for an exit package.

I did bring some example packaging as well. It was unclear to me what exactly needed to be childproof and what warnings needed to go on what things. If you want the innermost package to be childproof, could it go in a box like this that is not childproof? If both of these things were not childproof, could it go in a big container like this that is childproof?

I would consider this an exit bag. Like I said, it's confusing. Included in that, also, I would love some clarification on the small container guidance, because that also mentions immediate containers and secondary containers. That is Section 2.7.4.

MS. BIRNBAUM: I'm going to talk a little bit more about packaging, which is, we're a little bit confused about what a logo/graphic is. So the logo, we understand what a logo is. That we can't be less than 1 inch by 1 inch on the THC symbol, except for small container (inaudible).

For the graphic, are you talking about a graphic that just is about the logo, or like if I had, for example, something called Sunshine Daydream and I wanted a Sun behind it, is that part of the graphic that would then increase the THC?

It was my understanding that we were trying to be more competitive with the Massachusetts market. They

have a lot of graphics that are all over their packaging, which makes it look very beautiful. So I just need some more clarification about what you mean by that logo/graphic and what will influence the size of the THC symbol on that. Does that make sense? I think I made sense.

MS. GORSKI: So in RICR 10-10-2, Section 2.26(c), it mentions that a batch of dried cannabis shall not exceed 20 pounds for the purpose of sampling for required testing, and shall not consist of more than one strain, cult or general composition. I know there are multiple cultivators out there that do mixed strains together in order to create a batch that is large enough for it to make monetary sense to test and sell it.

I would love to be able to continue doing that. I see no, no other state that's kind of barred the mixing of strains.

MS. BIRNBAUM: We were just wondering why that was done. We actually haven't done that in a really long time, but we want the opportunity to be able to do it, if needed.

Then just in Section 1.7 and 1.10.4 where you talk about --

MS. GORSKI: This isn't cannabis

establishment application licensing and renewals.

MS. BIRNBAUM: Oh, yes, different section. If and when you decide to open applications for manufacturers and new cultivators, I understand that you put, my understanding is that you put that into the regulations if and when that is needed, but that's not an immediate thing that you're planning on doing.

For those sections, I was surprised to see that that wasn't going to be a lottery situation like the other ones. I was wondering why that was, if that was just an omission, or something that you might want to add.

MS. GORSKI: Continuing on the new cultivator applications, there is written in the law a two-year moratorium that I know you are following that. I would request that there be another market study done before those new applications are put out, or those new licenses are aborted, to make sure that there is still a need in the market. Perhaps to quantify the number of new licenses that would be needed to satisfy that market.

I would like to see the hybrid compassion center grows really taken into account in that.

MS. BIRNBAUM: I think the last thing,

which other people have spoken about, is the fees for cultivators. Not only are they somewhat excessive, but they do not make sense in terms of square footage. So 2,500 square feet is $4,500, whereas 5,000 square feet is $18,000. That is a big difference. It's not just double, the $4,500, which would be $9,000, it's double that for a Class A, and I'm a Class A. I think that's all.

MS. GORSKI: We'll follow up with written testimony with a couple of more specifics. Again, I just want to thank you guys for all of your hard work on the regulations.

MS. AHERN: Thank you very much.

MR. LARSON: Eric Larson, L-A-R-S-O-N. Good afternoon, everybody. It's great to be here. I learned a lot from these sessions over the last couple of years. I'm an associate professor of crime and justice studies at the University of Massachusetts-Dartmouth. I also work a lot with a group called Break The Cycle Cooperative Hub.

Over the past couple years, it's become clear to me that, I think a lot of people in this room, I think the Commissioners are very interested in a locally run, prosperous social equity driven cannabis industry. I think the law sets us up with lots of

boundaries and limitations. I was involved in the campaign to pass the law. It does a lot of good as well.

I think people are genuinely interested in making sure that we do not have people basically in my social situation, or people that look like me, applying for social equity licenses with a reasonable suspicion of getting one. I think we're still kind of in that place, unfortunately.

I think there are a few adjustments we can make to make social equity work better. The first has to do with the loopholes in the social equity criteria. These have been mentioned today. There are two main ones. My suggestion, and I think it's been suggested before, is to weigh the different factors with the loopholes that involve who you hire and what kind of community work you've done being the factors that are weighed the least heavily.

I think the intellectual justification for that is that those are the only criteria that do not deal with hardships you have faced because of your social position in the face of the war on drugs and the expansion of policing over the last few decades. They have to do, they are suggested of good things, but they're not about social equity in that sense.

Secondly, I think the Commission has made use of and plans to implement a merit-based lottery system. This has to do with the definition of merit. Weighing the factors has to deal with how we define merit. Secondly, I would define merit by, and perhaps you're planning this, through a cumulative approach where people who meet more of the factors of social equities are graded higher than people who only meet one.

My next two comments are slightly different, all with the same theme. This has been noted earlier, but I think it's critical that social equity applicants be able to apply for cooperative licenses with the assurance that they will be granted social equity benefits. There's lots of reasons why social equity applicants would not necessarily apply for social equity licenses.

For one thing, we've seen in other states that process has been manipulated in different ways. So that is one reason, so cooperative licenses for social equity applicants. Finally, I am part of an organization, and we work a lot with returning community members and making sure that everybody in society gets a second chance. This Section 136 on background checks presents a pretty lengthy list of presumptively disqualifying crimes.

I would ask for more clarification based on the relationship to the language here notes to the Fair Chance Licensing Act. The spirit of this law was, of this law was social equity. The war on drugs and cannabis prohibition did not happen in a vacuum. Local working class, black and brown communities were harmed by the over-policing in general. I think it's incumbent upon us to make sure people get a second chance.

I would note finally in the Fair Chance Licensing Act, it establishes that even if somebody has committed a crime that is substantially related to their license they seek, or the business they seek, they have a chance to show rehabilitation. In that act, that is defined as two years of being outside of problems. I hope that's what the Commission understands when it's relating criminal background checks with the Fair Chance Licensing Act. Thank you.

MS. SULLIVAN: Good afternoon, Kathy Sullivan, K-A-T-H-Y, S-U-L-L-I-V-A-N. I am one of seven regional substance abuse prevention directors in the state. I've been here before the Commission before. I'm also a member of the Prevention Advisory Group, cannabis working group.

I want to thank you for your diligence in the

regulations, especially where it pertains to access to children, packaging and advertising. We would want the advertising to be more restrictive, if possible. I know you probably have given that consideration. One of our concerns is about youth access to marijuana.

Every other year with this, in partnership with the schools, we do what is called the Rhode Island Students' Survey. It's a risk and prevalent survey where we collect all sorts of data in terms of substance use. One of our concerns is 57 percent of high schoolers access cannabis for free from a friend. We are trying to really partner with the industry to make sure that youth, youth, children and pets as well are not accessing this product.

We're learning more and more, as the pediatrician said earlier, Dr. Concannon, but more about the risk of harm to specifically young people and their developing brain. We want to work with this industry. We have cannabis lock bags. We use them for prescription drugs as well. We would love to somehow get that into regulations, that these are available to their customers. We would give them out for free. I just want to remind the Commission of that. Thank you.

MS. AHERN: Thank you.

MS. RHODES: Rhamani Rhodes, R-H-A-M-A-N-I, R-H-O-D-E-S. I am just a packager in the industry. I have been a packager in Rhode Island, and I have been a packager in Massachusetts. I worked up to be a lead packager and head of my preroll team in my previous job in Massachusetts, and I'm hoping to do the same thing here in Rhode Island.

Something I kind of identified while being in both states, when it comes to trash or disposal of cannabis and cannabis waste, you guys are very stringent on the importance of wasting the actual flower. There is nothing done about the packages that come with the flower.

For example, if I want a cart, I would have to open the box, take the plastic out, open another box, take plastic out, open another box. It's very tedious. I would like to see some type of encouragement, whether it's Waste Management, recycling, anything possible within the industry. I get that is not something you can mandate immediately. It's something that could at least be encouraged.

This is kind of the only place I know to go to have that be encouraged and have that be voiced. I don't think I have any other written agenda or

assignment. That is my only concern. Thank you very much.

MS. AHERN: Thank you so much. We've come to the conclusion of our list of individuals that were signed up for public comment. I want to thank everyone very much. This is super helpful, enlightening. I think I can speak for the Commission. I know at the break there was mention of that; it was helpful to hear everyone's comment.

Just sitting here for the short time we sat here highlights the diversity of opinions and viewpoints in this industry in a really specific way. I do appreciate it. Again, earlier, if anyone didn't get to share in full your comments, I think I didn't cut anyone off, if you would like to share more than you were able to today, you can always submit to our in box, CCCINQUIRY@CCC.RI.GOV. Again, we do read that.

The whole Commission gets copies of those very regularly. Please do submit. I want to remind everyone of what I said at the beginning, that the public comment period for these regulations closes on February 7 at 11:59 p.m. So please do submit by then if you would like to be heard on them.

Moving on to our agenda, agenda Item D, I'm going to announce, this is in keeping with our annual

calendar, which you can find on our website, our next scheduled meeting is February 28 right here at the PUC at 1:00 p.m. As always, follow our website and sign up for our e-mail list. Also, you can check on the Secretary of State's website.

It is potentially likely we will meet before them. We heard everyone loud and clear that we want to get this done as efficiently and effectively as possible. That is certainly my goal as the chair. It is potentially possible that we will meet before then for the final adoption of these regulations. It will depend on how many comments we get and how we can digest them.

We have a small and mighty team here between the Commission and the cannabis office. Everyone is working really hard; I can assure you of that. I want to thank our staff for this meeting, thank you for members of the public for joining us both on Zoom and here in person. With that, I will look for a motion to adjourn.

MR. ODUYINGBO: Move to adjourn.

MR. JACQUARD: Second.

MS. AHERN: Any discussion? All in favor?

(UNANIMOUS VOTE)

MS. AHERN: We have adjourned at 2:43 p.m. Thank you very much, everyone. Have a great weekend.

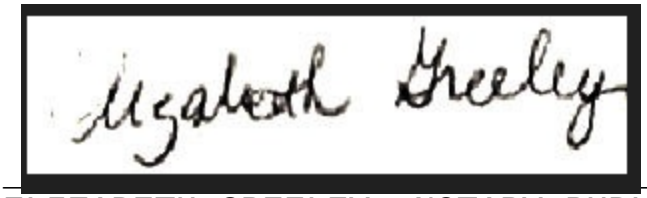
(HEARING CLOSED AT 2:43 P.M.)

C-E-R-T-I-F-I-C-A-T-E

I, ELIZABETH GREELEY, a Notary Public, do hereby certify that I am expressly approved as a person qualified and authorized to take depositions pursuant to Rules of Civil Procedure of the Superior Court; especially, but without restriction thereto, under Rule 28 of said Rules; that the transcript contains a true record of the proceedings.

Reading and signing of the transcript was not requested by any parties involved upon completion of the public hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of February , 2025.



ELIZABETH GREELEY, NOTARY PUBLIC
CERTIFIED COURT REPORTER
MY COMMISSION EXPIRES: 04/07/2026