

## CONCISE EXPLANATORY STATEMENT

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In accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-2.6, the following is a concise explanatory statement:

**AGENCY:** Rhode Island Cannabis Control Commission

**RULE IDENTIFIER:** 560-RICR-10-10-2

**REGULATION TITLE:** Operational Requirements for Cannabis Establishments

**REASON FOR RULEMAKING:** Amendment

On November 7, 2025, the Commission received a petition for rulemaking, pursuant to R.I. Gen. Laws § 42-35-6 and 560-RICR-10-05-1.31 of the Commission's regulations, requesting that the Commission's regulations be amended to remove the requirement set forth in 560-RICR-10-10-2.7.2(E)(2), that all packaging containing retail ready cannabis products be clearly labeled with the business name and license number of the retail location selling the product.

On November 14, 2025, the Commission voted to grant the petition and initiate rulemaking in accordance with R.I. Gen. Laws § 42-35-6 to remove this requirement. The Commission voted in this manner based on arguments made in the petition that the information was largely duplicative, as cannabis product labels must already contain a unique seed-to-sale tracking number that allows the product to be tracked from initial cannabis growth to final, retail-ready form. The regulatory requirement that is being removed was originally from the DBR medical marijuana regulations, which were enacted prior to the current seed-to-sale tracking system being operationalized and required in the state, which serves the purpose to track all cannabis from seed to sale.

**REGULATORY ANALYSIS:**

This amendment will provide for the removal of a prior requirement. There are currently 8 hybrid compassion centers and 57 cultivators in operation, and these licensees will no longer need to include information regarding what retail location the product was sold from on package labels in order for the product to be considered retail ready for consumer sale. There are no new costs associated with this proposed regulation that did not already exist previously. This

regulation does not impose any additional regulatory burdens or costs for individuals or licensees that are not already in existence.

Overall, this amendment will streamline and improve the Commission's operational provisions by removing a duplicative operational requirement to the benefit of current and future licensees. The removal of this labeling requirement will be a cost benefit to licensees as it will improve supply chain efficiency, reduce licensee labeling costs and waste, and improve regulatory consistency by aligning with other regulated cannabis markets. The Commission believes that the removal of where the product was sold from being required on cannabis product labels will not impact consumer protection, as each label is still required to contain key information related to where the product was produced as well as a unique seed-to-sale tracking number, which allows product to be traced throughout different points of the distribution system, so that the product can be tracked if any health or safety issues arise.

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

#### **SUMMARY OF COMMENTS RESULTING IN POST-PUBLIC COMMENT CHANGES TO THE TEXT OF THE RULE:**

There were no comments resulting in post-comment changes to the text of the proposed rule.

#### **SUMMARY OF PUBLIC COMMENTS NOT RESULTING IN REGULATORY LANGUAGE CHANGES:**

Below is a summary of public comments received that did not result in changes to the text of the regulation, and a brief description of the Commission's reason(s) for not making any such changes after due consideration.

1. Commentary was received supporting the removal of this requirement because the required business name and license number on retail-ready cannabis products are duplicative of existing seed-to-sale tracking information that already ensures full product traceability.

This public comment is a commendation and does not require a response.

2. Commentary was received supporting the removal of this requirement, and suggested removing the same requirement for industrial hemp, because the required business name and license number on retail-ready cannabis products are duplicative of existing seed-to-sale tracking information that already ensures full product traceability.

This public comment is a commendation and does not require a response, and the Commission declines to make the changes suggested to a different regulation.