



# Cannabis in Rhode Island: Issues and Considerations

Matthew Santacroce, Deputy Director, Department of Business Regulation  
Erica Ferrelli, Chief, Office of Cannabis Regulation

Presentation to the RI Cannabis Control Commission | 09.22.2023

RHODE  
ISLAND

# Agenda

---

1. Program background and overview
2. Operating Overview – Office of Cannabis Regulation (OCR) organizational and financial highlights
3. The Rhode Island Cannabis Act – legislative highlights and implementation to-date
4. Market trends
5. Emergent regulatory and policy considerations for the Cannabis Control Commission

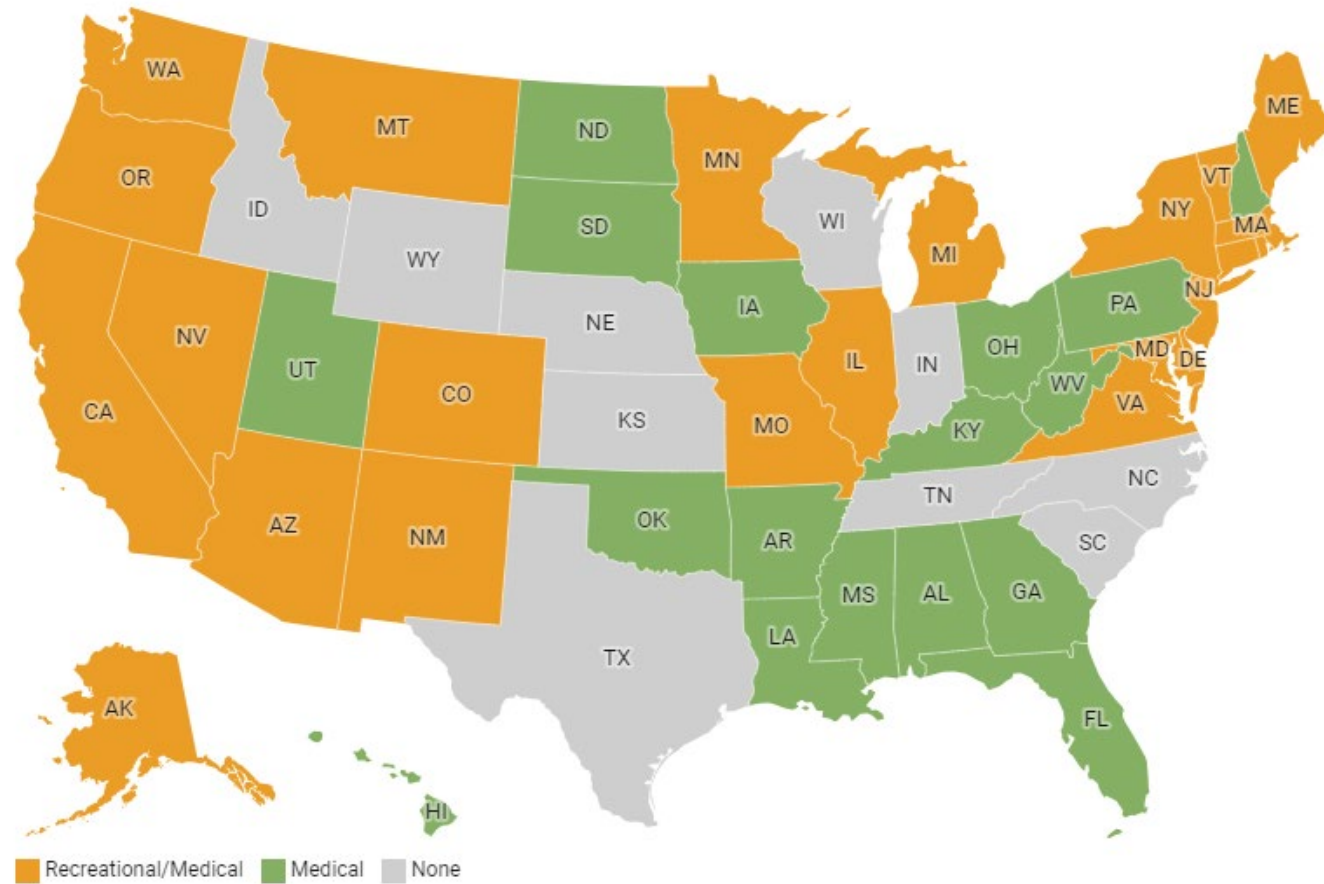
# Program Background and Overview

---

- Rhode Island’s medical marijuana program (“MMP”) was established by the General Assembly upon passage of The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act in 2005.
- Rhode Island is now one of 36 states in the U.S. with some form of a medical marijuana program; it is currently jointly administered by the Office of Cannabis Regulation (“OCR”) at the Department of Business Regulation and the RI Department of Health (“RIDOH”), with RIDOH holding primary responsibility for registering patients and licensing third party testing labs and DBR chiefly responsible for all other aspects of program administration, oversight, regulation, and enforcement.
- See RIGL Sec. 21-28.6 et seq.



# Cannabis Legalization in the U.S.



Rules vary in each jurisdiction, check state and local laws. CBD only states not included.  
Created with [Datwrpper](#)

As of August 2023.

Source: <https://mjbizdaily.com/map-of-us-marijuana-legalization-by-state/>

# Program Background and Overview

- Currently, OCR administers six different license and registration types under the Act – totaling ~20,000 licenses or registrations in total. The following table breaks these down by type and quantity as of August 2023 (note that MMP patients register with RIDOH).

Rhode Island Cannabis Licenses and Registrations: Key Figures as of August 2023	
Compassion Centers	<ul style="list-style-type: none"><li>• 7 licensed for both medical and hybrid sales<ul style="list-style-type: none"><li>○ 5 vertically integrated (can grow and sell)</li><li>○ 2 retail-only</li></ul></li><li>• 2 pending</li></ul>
Cultivators	<ul style="list-style-type: none"><li>• 60 licensed</li><li>• 1 pending</li></ul>
Registered patients	11,299
Registered caregivers	958 as of August 2023
Plant Tags	5,481 active plant tag sets as of August 2023
Key person and staff registration cards	1,297 (compassion centers and cultivators combined) as of August 2023

# Program Background and Overview

- Further detail on license types, quantities, and fee amounts:

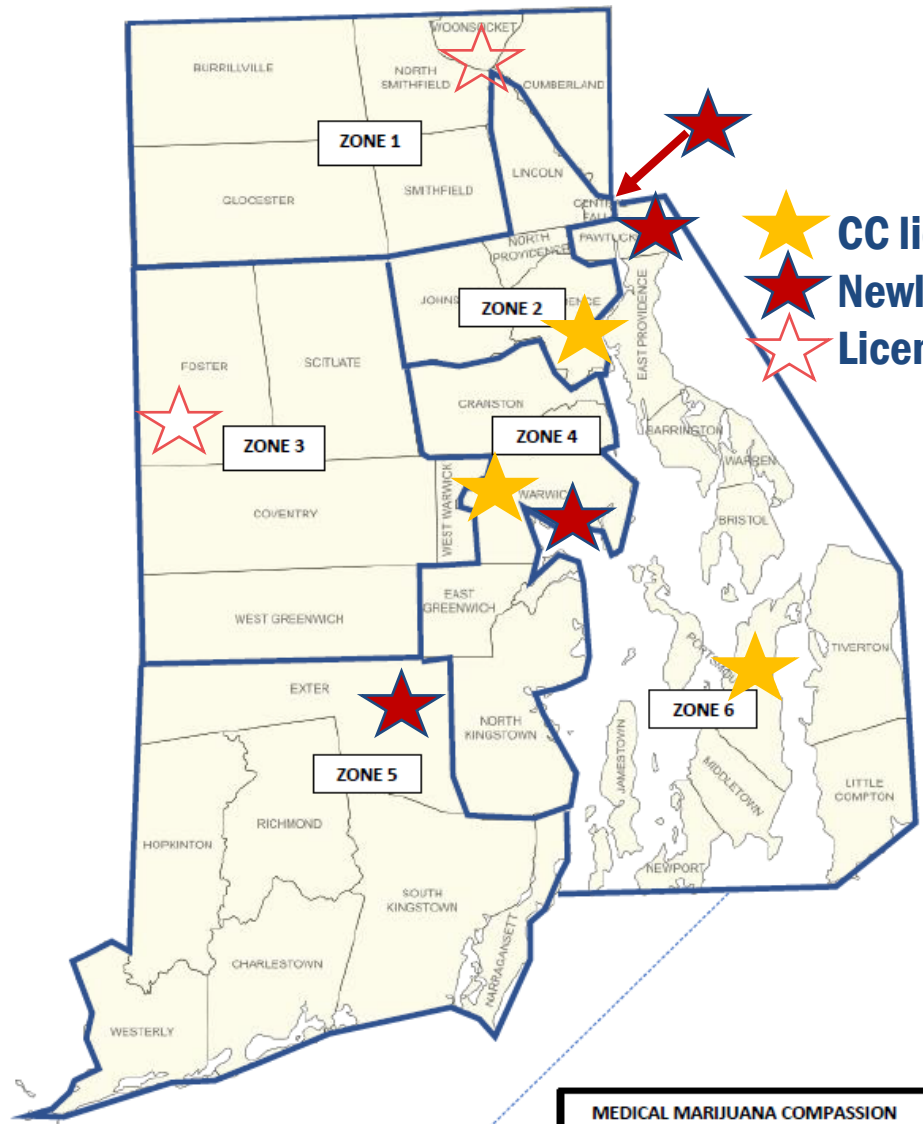
License Type	Current Number	Annual Fee
Compassion Center	7	\$500,000
Cultivator: Micro (<2,500 SF)	15	\$5,000
Cultivator: Class A (2,500-5,000 SF)	25	\$20,000
Cultivator: Class B (5,001-10,000 SF)	20	\$35,000
Hemp: Grower/Handler Dual	3	\$2,500 (biennial)
Hemp: Handler	2	\$2,500 (biennial)
Consumable CBD Retail	18	\$500

# Program Background and Overview

---

- Rhode Island’s medical marijuana program has evolved in meaningful ways since its establishment some 15 years ago. At a high level, these changes have aimed to introduce and enforce rigorous standards around patient access, product availability and quality, adherence to state and local law enforcement protocols, and professionalization of the burgeoning cannabis industry in Rhode Island.
  - 2005: MMP created by RI General Assembly
  - 2013: Decriminalization of possession of small amounts (<1 oz.)
  - 2016: Licensed cultivation program established
  - 2019: Legislation enacting compassion center expansion from three to nine (six new; one per regulatory zone)
  - October 2021: Administrative lottery held to award six new compassion center licenses
  - 2018, 2019, 2020: Adult use legalization proposed by Gov. Gina M. Raimondo
  - 2021, 2022: Adult use legalization proposed by Gov. Dan McKee
  - May 2022: Rhode Island Cannabis Act passed by General Assembly and signed into law
  - December 2022: Adult use sales begin in Rhode Island, placing RI among 23 states plus D.C. with legal adult-use sales

# Regulatory Zones + Compassion Center Locations



**CC licensed pre-2022**  
**Newly licensed CC**  
**Licensure in process**

**MEDICAL MARIJUANA COMPASSION CENTER LOTTERY AND LICENSE ZONES**  
 PURSUANT TO 230-RICR-80-05-1  
 THE MEDICAL MARIJUANA PROGRAM REGULATIONS

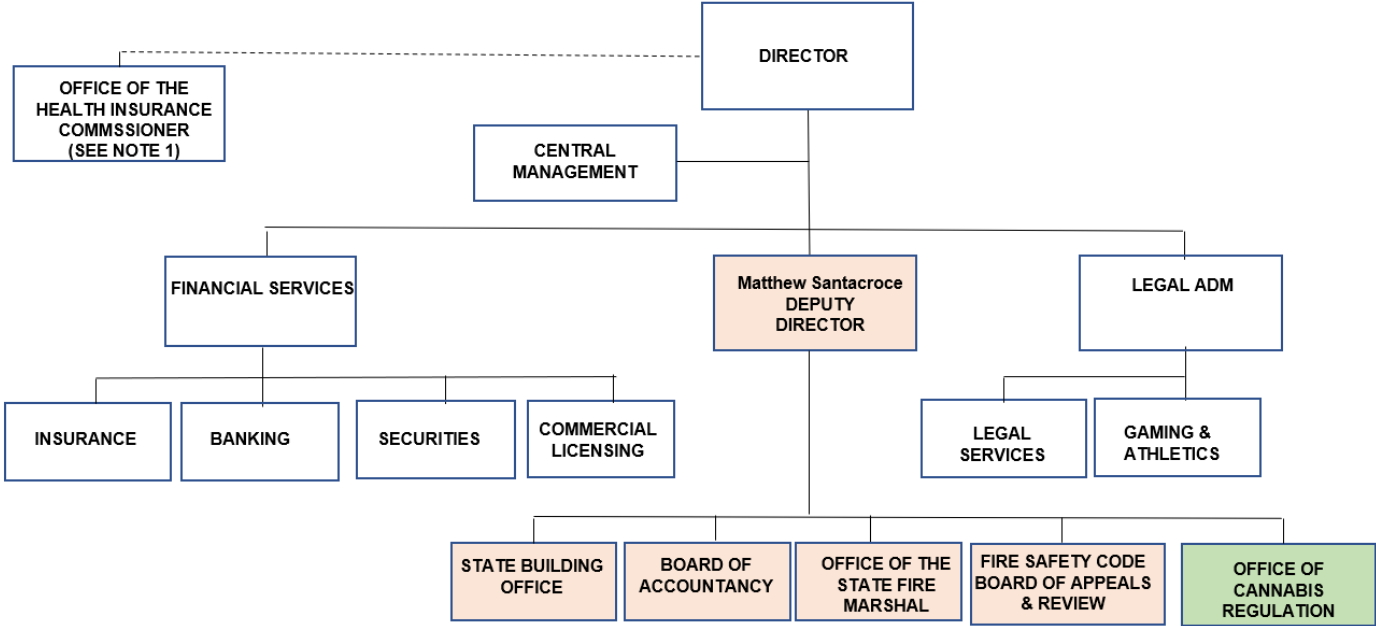




# RI Office of Cannabis Regulation: Operating Overview

- The Office of Cannabis Regulation was created by statute in the FY 2020 enacted budget
- At present, OCR (not including the CCC) has 20 authorized FTE, 14 of which are currently filled or pending recruitment
- OCR operations are supported by a \$5.4M total budget (FY24 enacted) all of which is restricted receipts (adult use and medical receipts combined)

## DEPARTMENT OF BUSINESS REGULATION



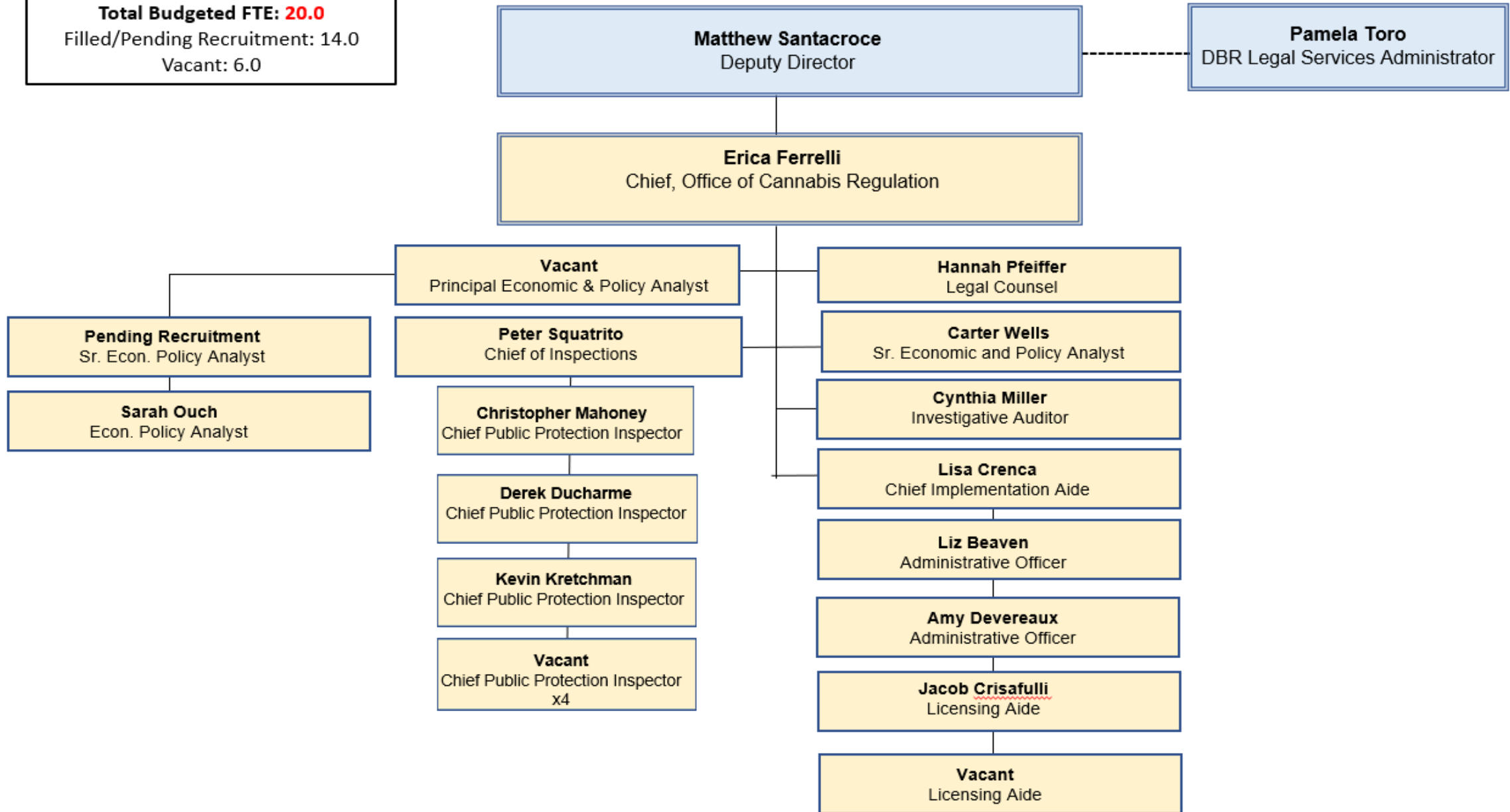
Note 1 – DBR Insurance Division provides support to Office of Health Insurance Commissioner

DEPARTMENT OF BUSINESS REGULATION  
OFFICE OF CANNABIS REGULATION

EXHIBIT F

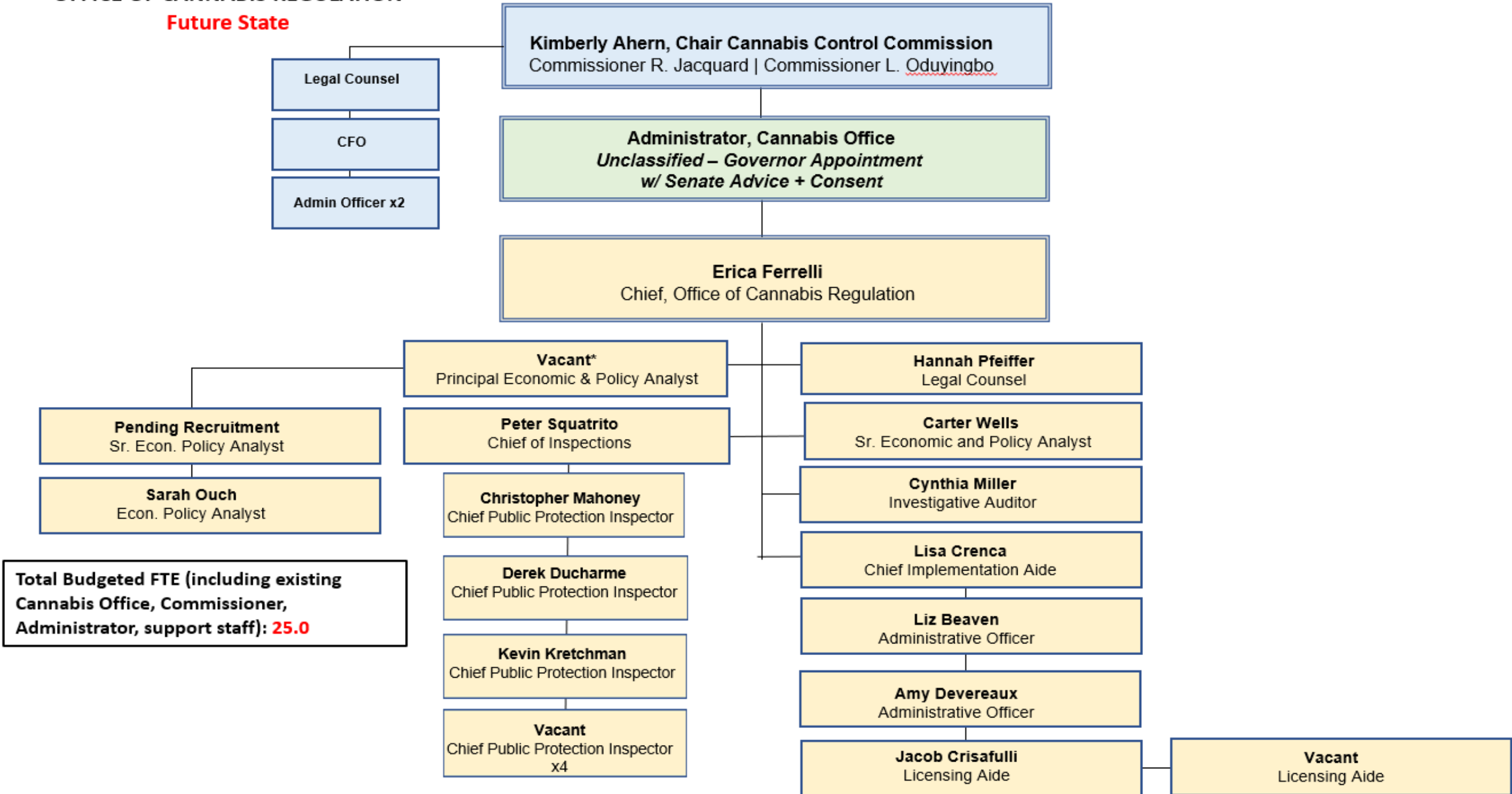
Current State: August 2023

Total Budgeted FTE: 20.0  
Filled/Pending Recruitment: 14.0  
Vacant: 6.0



DEPARTMENT OF BUSINESS REGULATION  
OFFICE OF CANNABIS REGULATION

Future State



# Operating Overview: IT system implementation

- OCR has recently completed a major IT implementation that was initiated in late 2020.
- At that time, Rhode Island lacked a functional seed to sale track and trace system – a basic tool of cannabis regulatory bodies across the world – and was processing every license and registration manually on paper applications.
- With the support of DOIT, OCR procured two vendors to deliver solutions in both of these domains. **METRC**, a well-known seed-to-sale system that is used in most other adult use states (including Massachusetts) went live for licensees in December of last year, roughly concurrent with the onset of adult use sales.
- On the licensing side, **MTX Inc.** delivered a Salesforce-based licensing portal that combines commercial licensing, patient registration, home-grow plant registration, and employee registration into one integrated portal that also communicates with METRC. The system is now live and functioning well.
- Altogether, the project budget was around \$2.5M over the FY23-24 period and has **tremendously improved the business operations and enforcement/compliance capacity of OCR.**

# Licenseses Rhode Island

## Illustrative METRC Dashboard – Vertically Integrated Compassion Center

Active Inactive

License No.	Facility	Current Name	Status	Type	Granted	Expires	Credentialed	Actions
MMPCC00	Redacted	Redacted	Active	Cultivator			11/04/2022	Permissions
MMPCC00	Redacted	Redacted	Active	Compassion Center			11/04/2022	Permissions

- Summary
- Details
- Owners
- Notifications
- Related
- Employees
- EEs History
- Locations
- Strains
- Items
- Waste
- Packages
- Prod. Batches
- Lab Samples
- Proc. Val. Samples
- Product Destruction
- Daily Sales
- Sales Receipts
- Enforcement Notes
- Jurisdictions

- Tag Orders
- Tags
- History

Tag	Src. H's	Src. Pkg's	Src. Pj's	Location	Item	Category	Item Strain	Quantity	P.B. No.	Lab Testing	A.H.	Date	Rcv'd	E.	D.	Actions
1A42A010000004000000108	Runtz Muffin 12/6/2022 FL4B	1A42A030000004000000492		MED - Fulfillment	OG Kush Infused Pre-Roll	Infused Pre-Rolls	OG Kush THC	0 ea		TestPassed	No	12/15/2023	03/21/2023	Yes	No	Trace Test Samples
1A42A010000004000000106		1A42A030000004000000318		Retail Vault	Mama Mia CO2 Wax 0.5g	Concentrate (each)		15 ea		TestPassed	No	12/06/2023	03/21/2023	No	No	Trace Test Samples
1A42A030000004000000557		1A42A030000004000000318		REC - Fulfillment	Mama Mia CO2 Wax 0.5g	Concentrate (each)		18 ea		TestPassed	No	12/06/2023	03/21/2023	No	No	Trace Test Samples
1A42A0300000579000000970		1A42A010000032300000433		REC - Fulfillment	SW Ruby 1:1 Tincture	Tinctures		10 ea	1A42A010000032300000433	TestPassed	No	08/29/2023		No	No	Trace Test Samples
1A42A01000003E9000000259		1A42A01000003E9000000256		Retail Vault 2	HAPI Capsules - 10pk of 50mg Capsules	Edible		20 ea	hapicapsules50mg082323	NotSubmitted	No	08/28/2023	08/28/2023	No	No	Trace Test Samples
1A42A01000003E9000000260		1A42A01000003E9000000249		MED - Fulfillment	HAPI x Del's Tangerine	Edible		48 ea	delstangerine082223	NotSubmitted	No	08/28/2023	08/28/2023	No	No	Trace Test Samples
1A42A01000003E9000000261		1A42A01000003E9000000250		MED - Fulfillment	HAPI x Del's Pink Lemonade	Edible		96 ea	delspink082223	NotSubmitted	No	08/28/2023	08/28/2023	No	No	Trace Test Samples
1A42A01000003E9000000262		1A42A01000003E9000000251		MED - Fulfillment	HAPI x Del's Lemonade	Edible		98 ea	delsyellow082223	NotSubmitted	No	08/28/2023	08/28/2023	No	No	Trace Test Samples
1A42A03000003E9000000268		(multi-package)		Retail Vault 2	HAPI Capsules	Edible		300 ea	hapicapsules10mg82323	NotSubmitted	No	08/28/2023	08/28/2023	No	No	Trace Test Samples
1A42A03000003E9000000269		1A42A01000003E9000000256		Retail Vault 2	HAPI Capsules - 10pk of 50mg Capsules	Edible		40 ea	hapicapsules50mg082323	NotSubmitted	No	08/28/2023	08/28/2023	No	No	Trace Test Samples
1A42A03000003E9000000270		1A42A01000003E9000000249		REC - Fulfillment	HAPI x Del's Tangerine	Edible		146 ea	delstangerine082223	NotSubmitted	No	08/28/2023	08/28/2023	No	No	Trace Test Samples



# Testing: Background and Current State

- In partnership with RIDOH, OCR has worked since early 2021 to phase in a robust enforced testing regime for Rhode Island's regulated cannabis market.
- At present, the following tests are required for cannabis products available for sale in our state:

Product Type	Required Tests
Flower	Potency, microbiological, water activity, heavy metals, pesticides
Extracts, resins, concentrates	Potency, heavy metals, pesticides, residual solvents (if solvent-based extraction method)
Infused products (edibles, e.g.)	Potency

# Testing: Background and Current State

- Testing regimes such as this one are an important feature of every regulated cannabis market in the country, ensuring the safety, quality, and reliability of products available for sale for medical and adult-use customers.
- As a practical matter, passing test results are required to be associated to each product in the state's seed-to-sale tracking system (METRC) before it can be made available for sale to a retail customer.
- OCR has historically worked very closely with RIDOH on the enforced testing program – RIDOH is the agency that both issues the regulations relating to enforced testing and licenses the state's cannabis testing laboratories (of which there are three).
- In response to industry concerns and emerging best practices, RIDOH and OCR have worked together to revise the testing regulations to bring our state into closer alignment with Massachusetts and other adult-use states, particularly with respect to allowable thresholds for certain pesticides.

REGULATORY COMPLIANCE TESTING



PUREVITA LABS // 153 JAMES P MURPHY INDUSTRIAL HIGHWAY WEST WARWICK RI 02893 // PH: 401-293-4534  
 RI LICENSE #: LTM0003

**CERTIFICATE OF ANALYSIS**  
 PRODUCED: JUL 27, 2023

SAMPLE: BILLY IDLE PREMIUM PRE-ROLLS (PRE-ROLL)
CLIENT: IDBP, LLC D/B/A RI FINEST GARDENS
BATCH: PASS



**BATCH NO.:** 6.19.23  
**MATRIX:** PRE-ROLL  
**CATEGORY:** FINISHED\_PLANT  
**SAMPLE ID:** PVL-2307-0271  
**COLLECTED ON:** JUL 24, 2023  
**RECEIVED ON:** JUL 24, 2023  
**BATCH/SAMPLE SIZE:** 2200 UNITS / 8 UNITS  
**RECEIVED BY:** BYRON ACEVEDO  
**PACKAGE SIZE:** 1 G

**CANNABINOID OVERVIEW**

TOTAL THC:	32.6 %
TOTAL CBD:	< LOQ %
TOTAL CANNABINOIDS:	37.766 %

**CULTIVATOR INFO**

**CULTIVATOR**  
 IDBP, LLC D/B/A RI FINEST GARDENS  
**LICENSE**  
 MMP CV 0005  
 MEDICINAL - CLASS B GROWER

**BATCH RESULT: PASS**

POTENCY	TESTED
METALS	PASS
MICROBIAL	PASS
PESTICIDES	PASS
WATER	PASS

**SOP-2.4: CANNABINOID PROFILE BY UHPLC-DAD // ANALYST: JOSHUA VANVOORHIS, DATE: JUL 26, 2023**

ANALYTE	LIMIT	AMT	AMT	LOD/LOQ (mg/g)	REGULATED	ANALYTE	LIMIT	AMT	AMT	LOD/LOQ (mg/g)	REGULATED
CBC	ND	ND	ND	0.401/2.26	X	Δ <sup>9</sup> -THC	ND	ND	0.519/2.26	X	
CBCA	0.276 %	2.76 mg/g	0.401/2.26	0.401/2.26	X	Δ <sup>9</sup> -THC	1.62 %	16.2 mg/g	0.791/2.26	✓	
CBD	ND	ND	0.275/2.26	0.275/2.26	✓	THCA	35.3 %	353 mg/g	0.330/2.26	✓	
CBDa	< LOQ	< LOQ	0.221/2.26	0.221/2.26	✓	THCV	ND	ND	0.231/2.26	X	
CBDV	ND	ND	0.389/2.26	0.389/2.26	X	THCVA	< LOQ	< LOQ	0.362/2.26	X	
CBDVA	ND	ND	0.362/2.26	0.362/2.26	X	TOTAL THC **	32.6 %	326 mg/g	✓		
CBG	< LOQ	< LOQ	0.344/2.26	0.344/2.26	X	TOTAL CBD **	< LOQ	< LOQ	✓		
CBGA	0.570 %	5.70 mg/g	0.203/2.26	0.203/2.26	X	CBD/PKG	ND	ND	X		
CBN	ND	ND	0.400/2.26	0.400/2.26	X	Δ <sup>9</sup> -THC/PKG	16.2 mg	16.2 mg	X		

\*\* TOTAL CBD = (CBDA X 0.877) + CBD  
 \*\* TOTAL THC = (THCA X 0.877) + THC



THE DATA REPORTED ON THIS CERTIFICATE WAS PRODUCED USING THE STRICT QUALITY CONTROL GUIDELINES OUTLINED IN REGULATION 216-RICR-60-05-6. I ATTEST THAT EACH ANALYSIS HAS BEEN REVIEWED FOR ACCURACY USING THE APPROPRIATE QUALITY CONTROL STANDARDS FOR EACH METHOD. UNLESS OTHERWISE STATED IN THE QC NOTES OR SAMPLE NARRATIVE SECTIONS AT THE BOTTOM OF THIS REPORT, SOP'S WERE FOLLOWED WITHOUT DEVIATION AND QUALITY CONTROL SAMPLES PERFORMED WITHIN THE SPECIFICATIONS ESTABLISHED BY THE LABORATORY. THE DATA PRESENTED HERE IN, APPLIES ONLY TO THE PRODUCTS LISTED IN THIS REPORT. REPORTS CANNOT BE REPRODUCED

RESULTS CERTIFIED BY: STUART J PROCTER, PHD  
 LAB DIRECTOR, PUREVITA LABS  
 JUL 27, 2023



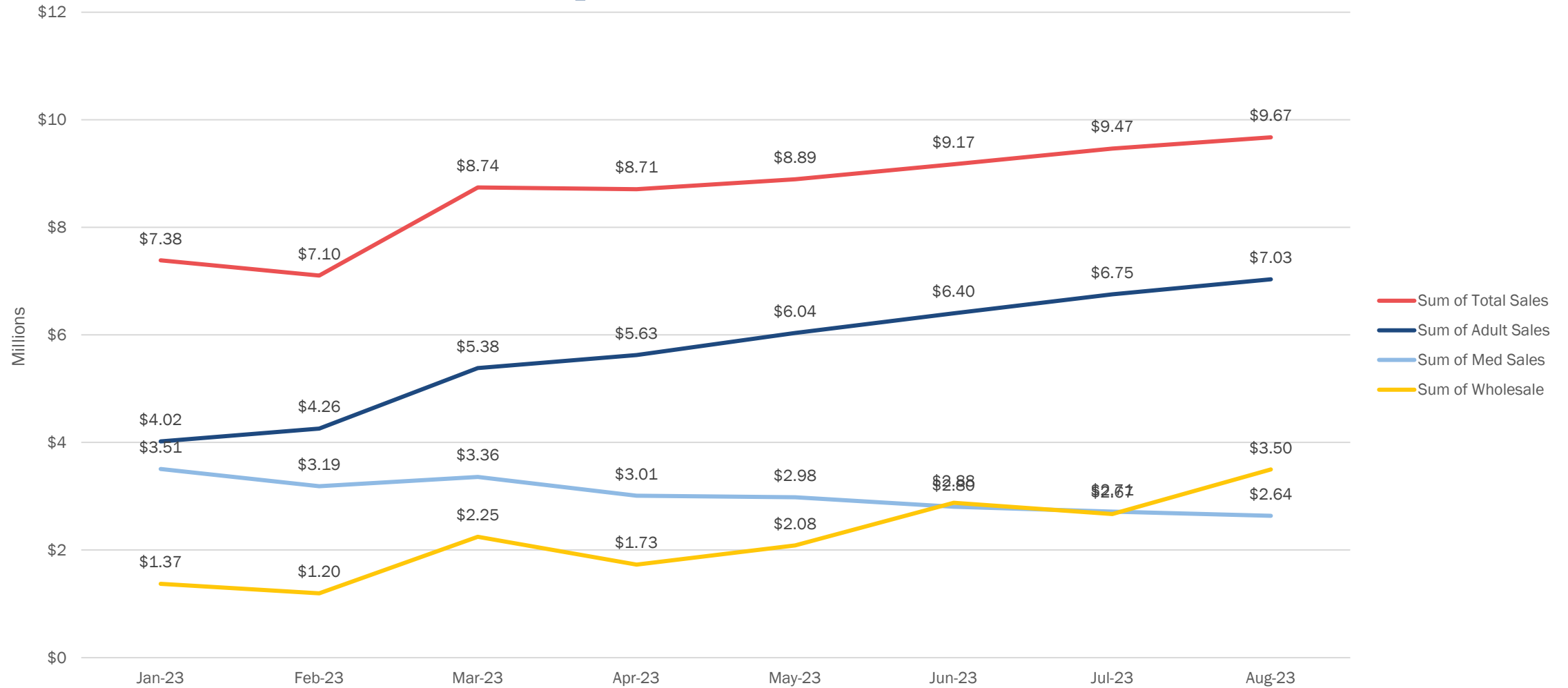
# The Rhode Island Cannabis Act

Domain	Key Provisions
Licensing	<ul style="list-style-type: none"> <li>Facilitates the transition of existing MMP compassion centers into hybrid adult-use status effective 12/1/22. 9 total (7 are licensed currently).</li> <li>24 additional retail licenses distributed equally across 6 MMP regulatory zones; two licenses in each zones reserved for “social equity applicants” and worker-owned cooperatives, respectively. This will bring the total number of retail outlets in RI to 33 (9 hybrid/MMP + 24 new AU retail).</li> <li>Leaves methodology of license allocation to the Commission rules/reg</li> <li>Two-year moratorium on issuance of new cultivation/manufacturing licenses pending a market demand study by Commission.</li> </ul>
Governance	<ul style="list-style-type: none"> <li>Introduces a new, three-member Cannabis Control Commission, as well as a Cannabis Office Administrator, to assume responsibility for regulation of adult-use and medical marijuana program.</li> <li>Transition from DBR/OCR to CCC triggered by the conclusion of formal adult-use rulemaking by CCC.</li> <li>During pendency of adult-use rulemaking, DBR/OCR maintains regulatory authority under “hybrid/transitional” authority spelled out in the Act.</li> <li>Creates a 19-member Cannabis Advisory Board made up of government and non-government stakeholders to advise Commission on policy/regulatory considerations (esp. parameters of social equity licensing and programming); programmatic expenditures associated with cannabis tax revenues; and to make recommendations generally, on the use, commerce, regulation, and effects of adult-use and medical marijuana in Rhode Island.</li> </ul>
Possession and Sales	<ul style="list-style-type: none"> <li>Legalizes the possession of cannabis for adults 21 and over (1oz or equivalent on person; 10oz or equivalent in a residence).</li> <li>Provides for the sale of cannabis and cannabis products at MMP compassion centers approved for hybrid status by OCR; maximum of 1oz or equivalent per transaction.</li> <li>Permits personal recreational home-grow (three mature and three immature plants at a place of residence).</li> </ul>

# The Rhode Island Cannabis Act (cont.)

Domain	Key Provisions
Taxation	<ul style="list-style-type: none"><li>• Introduces a 20 percent total tax on retail sales: 7 percent Rhode Island state sales tax; 10 percent state cannabis excise tax; 3 percent local cannabis excise tax.</li><li>• 3 percent local tax distributed by the state to municipality where transaction occurred.</li><li>• Total tax rate roughly in line with current tax structure in Massachusetts.</li></ul>
Social Equity and Criminal Justice	<ul style="list-style-type: none"><li>• Reserves 2 licenses in each zone for social equity applicants and worker-owned cooperatives, respectively.</li><li>• Legislation defines social equity applicants broadly as applicants who have a.) been disproportionately impacted by criminal enforcement of marijuana laws, including individuals and/or their immediate family members convicted of nonviolent marijuana offenses; or b.) applicants with ownership/control by individual(s) who have resided five of the past ten years in “disproportionately impacted areas.”</li><li>• Leave significant discretion to Commission rules/regs to hammer out the details of these definitions and qualifications.</li><li>• Sets up a process for quasi-automatic expungement of nonviolent marijuana offenses through the Judiciary.</li></ul>
MMP Reforms	<ul style="list-style-type: none"><li>• Eliminates statutory fees for patient registration and plant tag registration</li><li>• Prohibits the allowability of out-of-state patient cards at RI compassion centers (on hold pending Commission action)</li></ul>

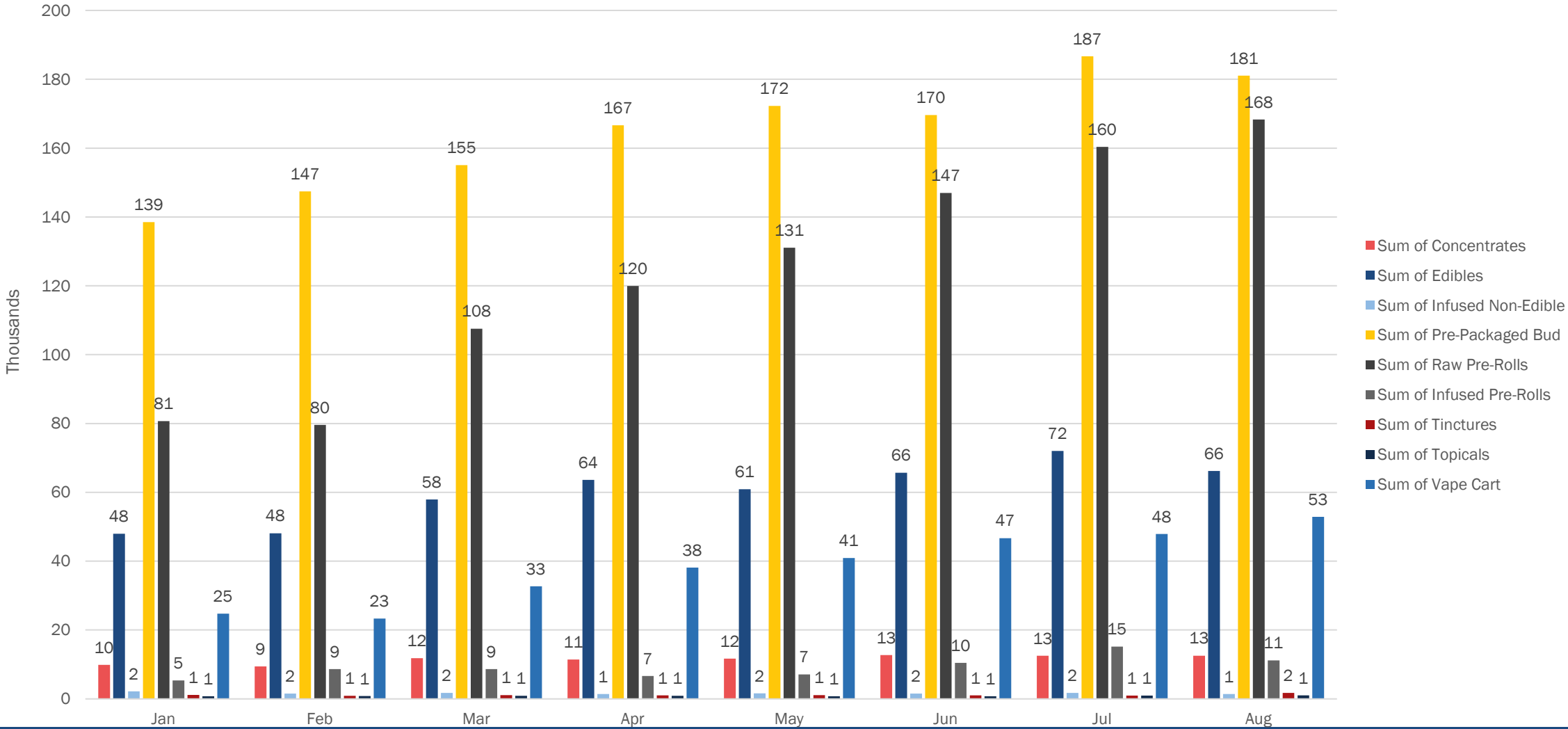
# Market Trends: Total Sales Up 31%, AU Sales Up 75% YTD, Wholesale Transfers Up 155%





# Market Trends: Flower and Pre-Rolls Dominate

Units Sold by Product Type, Jan-Aug 2023



# Snapshot of Selected Products



MAMMOTH

## Green Fire OG | 3.5g

1/8 oz  
\$25.00

1 ▾

ADD TO CART



\*Cannabis tax will be added at checkout.

Hybrid

THC: 18.39% ⓘ



MOTHER EARTH WELLNESS

## Calm Blueberry Gummies - 2:1 THC/CBN 10mg - 10pk

\$22.95

1 ▾

ADD TO CART



LIVTY

## Choco Cherry Haze 90U Fresh Frozen Rosin

1g  
\$80.00

1 ▾

ADD TO CART

\*Cannabis and Sales tax will be added at checkout.

Hybrid

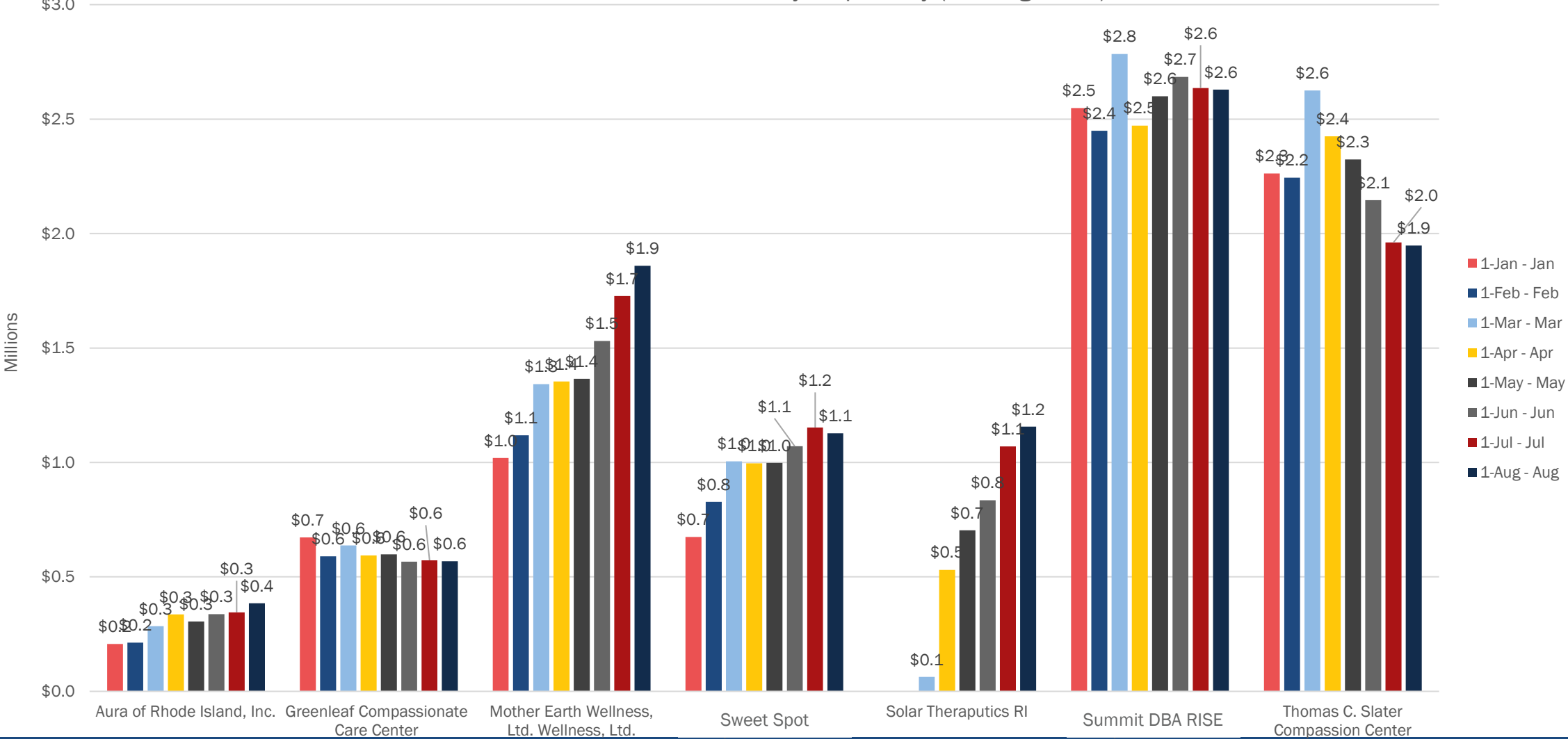
TAC: 91.78% ⓘ

THC: 75.5% ⓘ

CBD: 0.14% ⓘ

# Market Trends: Summit (RISE) Top Retailer by \$

Sales Totals by Dispensary (Jan-Aug 2023)



# Compliance and Enforcement: Approach and Highlights

- At present, OCR's compliance and enforcement team involves inspections, audit, and legal functions. In general, our compliance and enforcement priorities include:
  - Compliance with seed-to-sale tracking requirements;
  - Material nondisclosure of financial, ownership, and/or investor interests; and
  - Unlicensed distribution/transportation of regulated product.
- The typical OCR enforcement action is rooted in inspection findings, routine or targeted audits of METRC activity, and less frequently, complaints from the industry or the general public. These are then investigated by audit and inspections staff with the input and guidance of legal personnel and senior management.
- Material findings, to the extent they emerge, are considered internally before presentation to the licensee in question for further information and clarification. In recent years, violations have been resolved in concert with the licensees, and closed out by way of consent agreements and concurrent fines as authorized in the program regulations.
- The Director of DBR maintains ultimate adjudicatory authority should licensees choose to contest violations/disciplinary actions; these cases proceed before an Administrative Hearing Officer per the rules of the Administrative Procedures Act.
- For details on concluded OCR enforcement actions, see: <https://dbr.ri.gov/office-cannabis-regulation/cannabis-enforcement-actions>

# Emergent Regulatory and Policy Considerations

---



# Market size and license consolidation

---

- There is an emerging consensus among licensed entities in Rhode Island's cannabis market that supply of and demand for regulated cannabis products may be out of alignment.
- It may be the case that there are too many licensed cultivators in Rhode Island's market at present and that some number of these may consolidate or wind-up operations absent a significant and sustained increase in consumer demand for regulated cannabis products in Rhode Island.
- This is related to retail licensing considerations. At present, we have licensed seven retailers for both medical and adult-use sales; we expect this number to grow to nine by the end of this calendar year.
- The Rhode Island Cannabis Act, notably, would nearly quadruple the number of retail licenses in Rhode Island – to 34 total.
- The market may not bear this number of retail outlets under the current demand conditions.
- Moreover, issuance of the social equity and worker-owned cooperative licenses may be delayed due to the complex regulatory and program considerations laid out in the Act.

# Advertising

- There is a strong desire among both retailers and cultivators to loosen advertising restrictions for hybrid licensees in Rhode Island as soon as possible.
- Legislation enacted earlier this year granted hybrid retail licensees the ability to advertise in a variety of media; however, cultivators have also expressed an interest in standalone advertising privileges.
- The Commission should be ready to consider detailed advertising regulations in the near-term – a key objective will be balancing industry priorities with public health and public safety considerations.



# Events and social use

- In recent months, licensees have taken a significant interest in hosting and/or promoting public-facing events. Examples of this include the recent Coastal Cultivators Classic (organized by Mother Earth Wellness) and the 420 Sesh at Studio Lounge (organized by Aura of Rhode Island).
- These events exist in a significant area of regulatory uncertainty – provided no sales/distribution activity is occurring, Rhode Island law and regulations neither expressly permit nor prohibit these types of events. As a result, OCR’s approach has focused primarily on licensees’ distribution, transport, and possession of licensed product – and specifically the extent to which products are being transported off the licensed retail premises for sale or distribution at a non-licensed location.
- In the longer run, we would advise the Commission to consider the creation of an event license or permit to ensure proactive compliance with state and local laws and regulations.
- As is the case in other adult use states, these types of events will become more commonplace as time goes on and competition in the market continues to increase.



# Social equity

---

- As previously discussed, the enacted legislation contemplates a significant set-aside of retail licenses for so-called “social equity applicants,” which is meant to include two broad categories of applicants: those who have been convicted of a nonviolent marijuana offense, or those who have or do reside in “disproportionately impacted areas” of Rhode Island.
- However, the Commission has responsibility for promulgating the precise definitions and boundaries of these qualifying criteria; the Cannabis Advisory Board is also empowered to make recommendations to the Commission on the same.
- Without question, the exercise of spelling out social equity licensing program regulations is both substantively and politically complex – given the involvement of a stakeholder-led Advisory Board and the necessary act of drawing lines related to qualification.
- What’s more, many other states have faced litigation related to their social equity program rules – among them Illinois, New York, Connecticut, and the City of Los Angeles.



# Novel cannabinoids and hemp-derived CBD and THC products

- In the past year, the unregulated market for hemp-derived products that contain CBD and/or THC has expanded dramatically. The 2018 Farm Bill created an unintended pathway for the commercial sale of these hemp-derived products since they are derived from plant material with less than 0.3% THC on a dry-weight basis (the legal definition of hemp).
- However, recent technological advances have enabled the synthetic derivation of significant amounts of psychoactive Delta 8 and Delta 9 THC from hemp plant material, which are then sold primarily in ingestible product form (gummies, cookies, etc.) in a wide variety of unlicensed retail settings across Rhode Island and the country.
- This is an emergent public health and safety issue because, among other things: there are no limits on the amount of psychoactive THC in each package or unit; the products are very often un- or under-tested; the long-term health effects of hemp-derived synthetic THC are virtually unknown; and these products are being sold across the state at gas stations, convenience stores, etc. with no requirements for a minimum age to purchase.

The screenshot displays a grid of eight product listings from Hometown Hero CBD. At the top, there are navigation tabs for 'Δ9 Edibles', 'Δ9 Gummies', 'Δ9 Baked Goods', 'Δ9 Live Rosin', and '1:1 Select Spectrum'. The products are arranged in two rows of four. Each listing includes a product image, a detailed description of the product and its ingredients, a star rating with the number of reviews, the price, and an 'Add to cart' button. Two listings in the top row have red boxes highlighting their cannabinoid content: '3 Pack, Sour Beltz Blueberry Burst 300mg (10ct Bag)' and 'Delta-9 Live Rosin Taffy (Tutti Frutti)'. The '3 Pack, Sour Beltz Blueberry Burst 300mg (10ct Bag)' listing shows '12mg Δ9 + 277mg Δ8 + 4mg THCV + 2mg THCP + 5mg Δ10'. The 'Delta-9 Live Rosin Taffy (Tutti Frutti)' listing shows '300mg Δ9'. Other products include 'Delta 9 Squares (Rainbow)', 'Select Spectrum Gummies (Strawberry)', 'Select Spectrum Gummies (Pineapple)', 'Select Spectrum Gummies (Mango)', 'Delta-9 Live Rosin Taffy (Birthday Cake)', and 'Delta-9 5mg Live Rosin Gummies + CBD (Blueberry)'.

Product Name	Cannabinoid Content	Rating	Price	Action
3 Pack, Sour Beltz Blueberry Burst 300mg (10ct Bag)	12mg Δ9 + 277mg Δ8 + 4mg THCV + 2mg THCP + 5mg Δ10	★★★★★ (3)	\$191.25	Add to cart
Delta-9 Live Rosin Taffy (Tutti Frutti)	300mg Δ9	★★★★★ (38)	\$35.00	Add to cart
Delta 9 Squares (Rainbow)		★★★★★ (86)	\$40.00	Add to cart
Select Spectrum Gummies (Strawberry)	10mg Δ9 + 10mg CBD	★★★★★ (231)	\$40.00	Add to cart
Select Spectrum Gummies (Pineapple)	10mg Δ9 + 10mg CBD	★★★★★ (154)	\$40.00	Add to cart
Select Spectrum Gummies (Mango)	10mg Δ9 + 10mg CBD	★★★★★ (282)	\$40.00	Add to cart
Delta-9 Live Rosin Taffy (Birthday Cake)		★★★★★ (41)	\$35.00	Add to cart
Delta-9 5mg Live Rosin Gummies + CBD (Blueberry)	5mg Δ9 + 5mg CBD	★★★★★ (8)	\$20.00	Add to cart

Source: <https://hometownherocbd.com/>



# Federal legalization

---

- Marijuana remains illegal at the federal level, creating a conflict with the dozens of states with legal medical and/or adult use cannabis regimes. In addition, cannabis businesses face a number of disadvantages related to access to capital, tax treatment, and jurisdictional confusion as a result of federal illegality.
- Notably, it is currently illegal to transport cannabis for sale at retail or wholesale – meaning that every state’s cannabis retail market is captive to the product grown and produced in that state. Obviously, federal action on this issue has been halting at best; in the near-term, it seems like the best chance for any federal action is the potential reclassification of cannabis under the Controlled Substances Act – though it is unclear the extent to which this would impact the permissibility of the interstate commerce of cannabis.
- This particular change would represent an immediate and existential threat to licensed growers in our state as surplus inventory from Colorado, California, Oregon, and potentially Canada, Mexico, and/or Southeast Asia could flood the regulated market virtually overnight.
- This is a long-run consideration but likely the one with the most significant risk to the domestic market in Rhode Island; the Commission should begin preparing for this eventuality within the next three to five years.
- The best prospect for near-term federal action remains passage of the SAFE Banking Act, which would make it easier for financial institutions to offer services like bank accounts and small business loans to companies in the cannabis industry. SAFE Banking has passed the House multiple times since 2019 but has yet to garner the necessary support in the Senate to become law.
- Another recent notable federal development: FDA has recommended **rescheduling of cannabis** from Schedule I (heroin, LSD) to Schedule III (ketamine, anabolic steroids). Notably **not** a meaningful step towards outright federal legalization (interstate commerce) but would eliminate 280E tax disadvantage for cannabis businesses. Industry continues to advocate for total descheduling.

# Questions

---

Matthew Santacroce

Deputy Director, Department of Business Regulation

Erica Ferrelli

Chief, Office of Cannabis Regulation

**RHODE  
ISLAND**