



Follow Up: Study Relating to the Impact of the Implementation of Adult-Use Cannabis in Rhode Island on the existing Medical Marijuana program

Presentation by: CCC

March 29, 2024



# The Rhode Island Cannabis Act

## § 21-28.11-10.4

### Medical marijuana program parity



No later than April 1, 2024, the commission shall, in collaboration with the department of health and the office of management and budget, conduct and deliver to the governor, the speaker of the house of representatives, and the president of the senate a study relating to the impact of the implementation of adult use cannabis in Rhode Island on the existing medical marijuana program (MMP) established pursuant to chapter 28.6 of this title. This study shall examine and make recommendations relating to, without limitation, the following:

- (1) The extent to which the introduction of adult use cannabis has diminished or eliminated the availability of certain medical marijuana products or product types;
- (2) The extent to which patient cardholders in Rhode Island have experienced new or greater obstacles to obtaining medical marijuana, including on the basis of price, quantity, product type, or geographic location;
- (3) The extent to which the number of caregiver registrations and/or the number of plant tag certificates issued by the commission increases or decreases; and
- (4) The extent to which the introduction of the new adult use cannabis tax and license fee structure requires a realignment of the existing medical marijuana tax and license fee structure

# Food and Drugs Chapter 28.11 The Rhode Island Cannabis Act

R.I. Gen. Laws § 21-28.11-10.4

§ 21-28.11-10.4.

Medical marijuana program  
parity.

(4) The extent to which the introduction of the new adult use cannabis tax and license fee structure requires a realignment of the existing medical marijuana tax and license fee structure.

## Regional Tax Rates: Medical Marijuana vs. Adult-Use

States	Total Medical Marijuana Tax Rate	Total Adult-Use Tax Rate
RHODE ISLAND	11%	20%
MASSACHUSETTS	0%	17 - 20% (depending if local tax applies)
CONNECTICUT	0%	~15 - 20% (depending on THC content)
VERMONT	0%	20 - 21% (depending if local tax applies)
MAINE	5.5 - 8% (depending on product purchased)	10%
NEW HAMPSHIRE	0%	(No Adult-Use)
MARYLAND	0%	9%

# Medical Marijuana Tax Revenue

	FY 2021	FY 2022	FY 2023
Compassion Center Surcharge (4%)	\$3,976,832	\$3,100,693	\$1,964,884
Sales Tax (Estimated) (7%)	\$6,959,456	\$5,426,213	\$3,438,547
Total Medical Tax Revenue	\$10,936,288	\$8,526,906	\$5,403,431



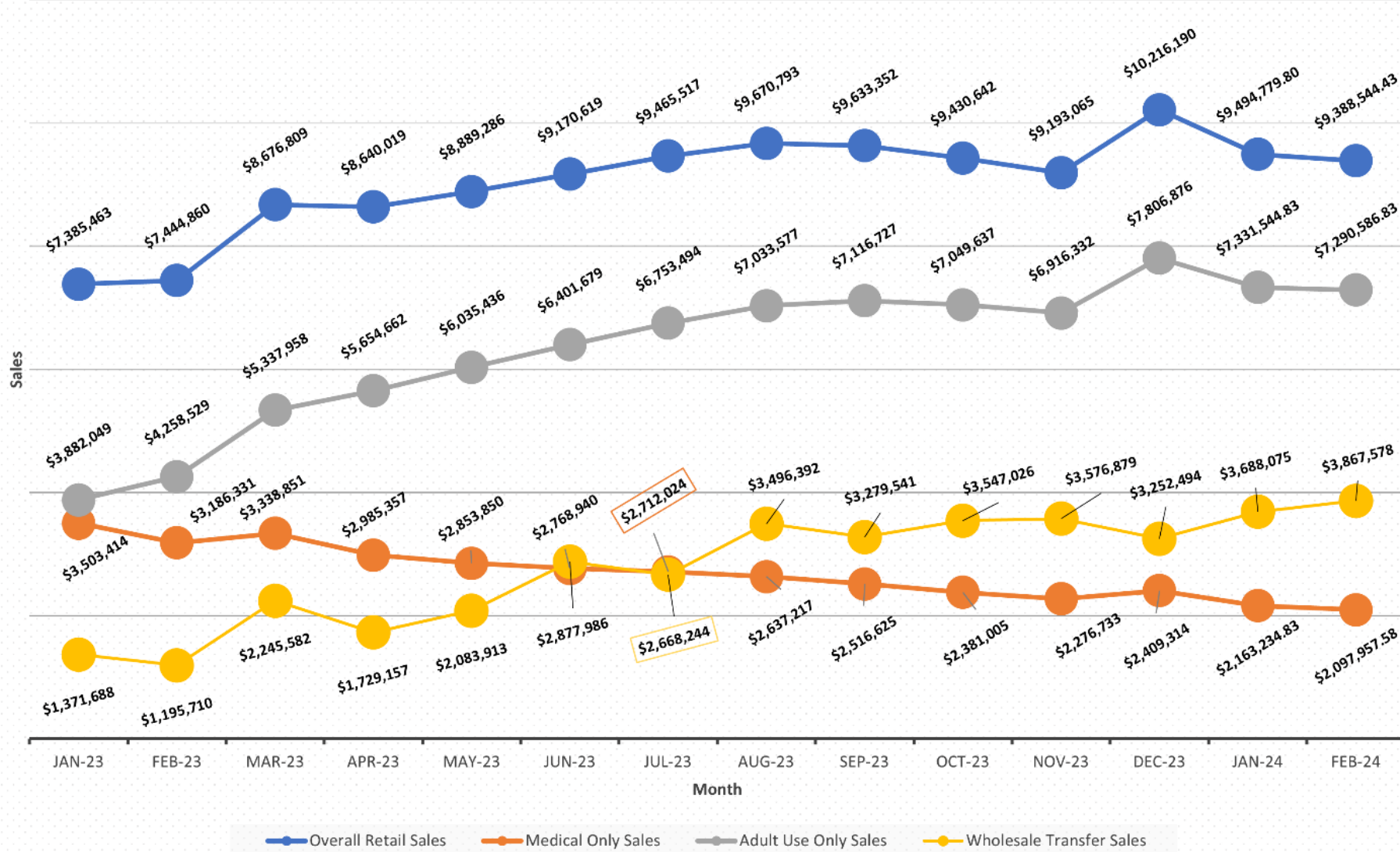


## Annual Retail Licensing Comparison



State	Retail License	Hybrid Cannabis Retailer	Compassion Center
Rhode Island*	\$30,000	\$125,000	\$500,000
Massachusetts	\$10,000		\$50,000
Connecticut	\$25,000		\$75,000
Vermont	\$10,000	\$100,000	
Maine	\$2,500		
New Hampshire	N/A	N/A	
Maryland	N/A	\$25,000/ 5 years	N/A

## 2023-2024 Compassion Center Retail Sales



# KEY TAKEAWAYS

- As expected with the implementation of adult-use cannabis in Rhode Island, medical marijuana patient registrations have been steadily and rapidly declining.
- Overall medical marijuana sales have been trending downward since hybrid retailers came online, while adult-use sales have been trending upward.
- Retail operations at the hybrid cannabis retailers continue to provide a variety of products on both the medical and adult-use menus.
- As the number of medical marijuana patients decrease, caregiver and plant tag numbers have naturally decreased.
- Instead, however, the number of authorized purchasers has continued steadily following the requirement that a caregiver must be actively growing to be considered as such, potentially driving cardholders to be authorized purchasers instead.
- Among New England states Rhode Island has the highest medical marijuana tax. All states but Maine and Rhode Island do not charge a medical marijuana tax.
- The Cannabis Control Commission intends to preserve and improve the Medical Marijuana Program going forward as the rules and regulations are promulgated under the Rhode Island Cannabis Act. This study, and the input from the medical community, will continue to inform the CCC in its policy decisions and commitment to a strong medical marijuana program.

