Hope is Fading for Legalization of Adult Use Marijuana in Rhode Island in 2021

A few weeks ago, we wrote that "political support for legalizing recreational cannabis in Rhode Island may finally be reaching a critical mass." It seems our prediction was premature and it is becoming more likely that the General Assembly may not pass a bill before the close of its legislative session around the end of June.

What changed? Several things seem to be holding up approval. First, there are competing bills in the Rhode Island Senate from Governor McKee and Senate leadership, and the parties have yet to reconcile the bills and work out a satisfactory compromise. In addition, House Speaker Joseph Shekarchi <u>recently stated</u> legalization is "inevitable" but that he is "unsure" that legalization would happen this year. At the same time, the business community is <u>concerned</u> that the bills proposed so far do not adequately protect employers and the workplace.

There are two pending bills under discussion. The first proposal, crafted at the direction of Senate leadership and introduced by Sen. Josh Miller and Majority Leader Michael McCaffrey, would create a new Cannabis Control Commission to approve licenses and oversee the marketplace, similar to the one in Massachusetts. Currently licensing for medical cannabis regime, including cultivation of plants, is the responsibility of the Office of Cannabis Regulation within the R.I. Department of Business Regulation. The Senate's bill would also allow for home-growing of up to six "active" marijuana plants and 12 total plants. The Senate bill does not set a hard cap on the number of licensed retail stores that could be opened, relying instead on a minimum of 3 stores per community, and a maximum of 1 per 10,000 residents, with an opt-out if a community did not want any retail stores.

A second bill, proposed at the direction of the new Governor, Dan McKee, was included in the administration's budget proposal for the next fiscal year. The Governor's plan would more tightly restrict the growing of marijuana plants, barring people from growing cannabis at home (outside of certain registered home grows for medical marijuana patients). The Governor's plan also continues a moratorium on additional licensed cultivation in Rhode Island, based on the approximately 70 licensed cultivators already growing cannabis in the state. The Governor's plan proposes a statewide cap of 25 retail stores per year for each of the first three years.

House Speaker Shekarchi recently stated "The Senate and the governor have two divergent proposals they are trying to reconcile, and we are part of those discussions. There are many pressing matters before us and I don't know if we'll take up the issue this year, but there is always time, and we will do our best to address it." He has also raised a number of questions that the legislation needs to address, including: "How do we do it and who is selling it? Who are these bills benefitting? What's the role of the current [medical marijuana] dispensaries? What's the role of the cultivators? What's the role of the home growers? Where does the state fit in? Are we regulating it enough? Are we testing it? Is the state taxpayer getting enough revenue" from recreational sales?

As for the business community, the concerns seem to be about workplace issues. Mark Deion, a small business advocate who sits on the lieutenant governor's Small Business Advisory Council, is concerned about the risk to businesses. "Employers are going to have an issue with this. The concern is: What is the liability for the employer if an employee does something while under the influence." Laurie White, president of the Greater Providence Chamber of Commerce, hopes any new legislation contains language that allows employers to conduct drug testing of employees.

With only about six weeks left before the General Assembly adjourns for the rest of the year, time is running out. The legislative session started out with optimism in January. Unless someone makes the recreational cannabis legislation a priority, however, hope will continue to fade quickly, and 2021 will end up the same as many other past years. The only winners will be the retail cannabis stores in Massachusetts and the 3 existing

medical marijuana compassion centers in Rhode Island.

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