



STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
Office of Cannabis Regulation
560 Jefferson Blvd. Ste. 204
Warwick, Rhode Island 02886

MEMORANDUM

TO: Interested Parties
RE: Preliminary Guidance for Hybrid Cultivation and Retail Sales
DATE: July 12, 2022

Pursuant to Chapter 28-28.11 of the R.I. General Laws, this memorandum is meant to provide preliminary guidance to prospective hybrid cultivation and retail applicants in advance of the commencement of adult use sales in Rhode Island in December 2022. This guidance is subject to further clarification and revision in advance of the commencement of such sales and will be further implemented by way of forthcoming hybrid license applications. Questions and comments relating to hybrid cultivation and retail licensure may be submitted to the Department in writing at dbr.hybridlicensing@dbr.ri.gov.

1. Expectations for 2022

- 1.1. Pursuant to the [Rhode Island Cannabis Act, 2022 P.L. Ch. 031 & 032](#), subject to compliance with Chapter 21-28.11 of the R.I. General Laws, licensed medical marijuana cultivators are exclusively eligible to produce and compassion center retailers are eligible to sell cannabis for adult use after August 1, 2022 and December 1, 2022, respectively.
- 1.2. Accordingly, the DBR Office of Cannabis Regulation is focused on creating, reviewing, and approving forms, applications, and procedures for “hybrid” cultivation and retail sales for the remainder of the 2022 calendar year such that sales may begin in December

2022 with a sufficient supply of safe, regulated product available for both adult use and medical purchasers.

2. Expectations for 2023

2.1. Many other provisions of the enacted legislation are left to a newly-created Cannabis Control Commission to implement. These include, but are not limited to:

2.1.1. The manner and timing of the awarding of new retail licenses, including those reserved for worker-owned cooperatives and social equity applicants.

2.1.2. Social equity guidelines generally, including those relating to specific eligibility parameters for licensing set-asides, financial assistance, programmatic investments, etc.

2.1.3. Full, final adult-use program regulations. These will address a number of important programmatic and policy objectives, including those relating to product designation; potency limitations; packaging and labeling; advertising; food safety; financial disclosures and ownership structure; transportation/home delivery; etc.

2.2. As a reminder, as provided in the enacted legislation, the Governor is responsible for the appointment of the Cannabis Control Commission membership, subject to the advice and consent of the Rhode Island State Senate.

3. General Guidance

3.1. **Transitional period authority.** Per the enacted legislation, the DBR Office of Cannabis regulation has the authority to prescribe forms, procedures, and requirements as necessary to facilitate the acquisition of hybrid retail and cultivation licenses by compassion centers and cultivators licensed under the existing medical marijuana program (MMP).

3.1.1. This transitional period of regulatory and enforcement authority will remain in effect until the final issuance of rules and regulations by the Cannabis Control Commission. Upon such final issuance, regulatory and enforcement authority relating to adult use, hybrid, and medical marijuana production and sales transitions to the Cannabis Control Commission.

3.1.2. During this transitional period of regulatory and enforcement authority, all existing regulatory and enforcement responsibilities currently vested in the

Departments of Business Regulation, Health, Environmental Management, and the Division of Taxation will remain in effect with respect to the existing MMP and industrial hemp programs.

3.2. **MMP rules and regulations to remain in effect.** As a general rule, prospective hybrid licensees should plan on ongoing compliance with existing MMP rules and regulations for the duration of the transitional period. Existing regulations relating to product designation, packaging/labeling, advertising, retail premises, personnel registration, and the like will remain in effect and apply to both hybrid and medical activities for the duration of the transitional period, until superseded by full, final rules and regulations as promulgated by the Cannabis Control Commission.

3.3. **MMP licensure in good standing as a condition for hybrid eligibility.** During the transitional period, the DBR Office of Cannabis Regulation will deem current, valid licensure as a cultivator or compassion center a necessary precondition for hybrid production and/or retail sales.

3.3.1. Licensees in good standing with the Department will be eligible for hybrid cultivation and/or sales status. Final application forms will articulate specific criteria relating to good standing. Pending matters of noncompliance with existing MMP rules and regulations will materially impact the Department's view of a licensee's overall standing for purposes of hybrid eligibility.

3.4. **Key dates.** As a reminder, enacted adult use legislation sets out the following dates for hybrid cultivation retail activity:

3.4.1. Cultivation, processing and manufacturing may begin for approved hybrid licensees on or after August 1, 2022.

3.4.2. Retail sales may begin for approved hybrid licensees on or after December 1, 2022.

4. Application availability and timing.

4.1. The hybrid cultivation application will be available during the week of July 25, 2022. Complete applications, including the license fee laid out below, will be reviewed and approved on an expedited, rolling basis such that approved applicants can commence hybrid cultivation, production, and processing activities in or about the first week in

August. Note that vertically-integrated compassion centers planning to cultivate in-house for hybrid retail sales will also be required to apply for a hybrid cultivation license.

4.2. The hybrid retail application will be available no later than October 15, 2022. These will similarly be approved on a rolling basis through the month of November in advance of the commencement of adult-use hybrid sales in December 2022.

4.3. Fee schedules

4.3.1. **Hybrid cultivation.** Per the enacted legislation, the DBR Office of Cannabis Regulation is authorized to set forth a fee schedule for hybrid cultivation licensure. The fee schedule is established accordingly and will remain in effect through June 30, 2023, subject to future revision as deemed necessary by OCR.

Cultivation Tier	Hybrid License Fee
Micro	\$500
Class A	\$2,000
Class B + Compassion Centers	\$3,500

4.3.2. **Hybrid retail.** The enacted legislation sets forth a hybrid retail license fee in the amount of \$125,000.

5. **Public information session.** The DBR Office of Cannabis Regulation will be holding a public information session for prospective hybrid cultivators and retailers, as well as interested parties and members of the public, on Tuesday, July 21, 2022 from 12:30pm-2:00pm via ZOOM. The meeting invitation information follows here and will be separately distributed to Interested Parties.

Office of Cannabis Regulation is inviting you to a scheduled Zoom meeting.

Topic: Hybrid Licensing Information Session: Cultivators and Retailers.

Time: July 21, 2022 12:30 PM Eastern Time (US and Canada)

<https://us02web.zoom.us/j/83680975316>