

Rhode Island To Issue 6 New Compassion Center Licenses

Description

The Rhode Island Department of Business Regulation (DBR) has opened the application period for businesses that would like to obtain a license to operate one of 6 new medical marijuana dispensaries.

Rhode Island has been limited to only 3 state-licensed medical marijuana dispensaries (known as “compassion centers”) since 2009. In 2019, the Rhode Island General Assembly approved 6 additional licenses for medical marijuana dispensaries. A dispute between Governor Raimondo and Assembly leaders delayed the implementation. The implementation was delayed further when the Covid-19 State of Emergency occurred the same week that the DBR regulations for the new dispensaries were issued last March.

Under the new regulations, Rhode Island is divided into 6 geographic zones, with one new dispensary being located in each zone. Applicants can submit applications in more than one zone, but if an applicant is selected for a license in more than one zone, the applicant must select a single zone in which to proceed with licensing. There is a \$10,000 application fee for each application. All applicants must be a non-profit organization, and applications must be accompanied by a detailed business plan, a safety and security plan, an operations policies and procedures manual, evidence of compliance with local zoning laws, and a listing of all investors and controlling parties. Unlike the current dispensaries, the new dispensaries will not be able to cultivate their own marijuana and will be required to buy inventory from licensed cultivators (although there is some possibility in the regulations for growing once the dispensary is open to medical marijuana patients).

DBR will be accepting applications through December 15, 2020. After that, DBR will review applications for compliance with the application requirements. Successful applicants will be entered into a lottery process (the details of which have yet to be announced) to determine the ultimate licensee in each zone. Winners of the lottery will have to pay a \$500,000 license fee before starting operations. Given the timeline, it is unlikely that any of the new dispensaries will be able to open for business before late 2021 or early 2022.

The application and the applicable regulations can be found on the [DBR website](#).

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