

187 Sell medical cannabis

Pot luck: R.I. may bring in an outside firm to ensure dispensary selection process is truly random

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When Chicago officials held a lottery last month to see which medical marijuana companies would get a chance to sell recreational pot, they relied on an old-fashioned, hand-cranked drum that mixed the applicants' cards inside.



© PROVIDENCE JOURNAL FILE PHOTO/Observer-Dispatch/Newport Daily News, R.I./TNS A Greenleaf manager greets an incoming customer after buzzing them in to the center. [PROVIDENCE JOURNAL FILE PHOTO]

Oakland, California, opted last year for a spinning cage with numbered ping-pong balls bouncing around inside to randomly choose its next dispensary operators.

And officials in Long Beach, California, in 2017, chose a lottery machine that pushed a steady stream of air inside a clear basin to shuffle the numbered balls around, as nervous stakeholders in the City Hall chamber looked on.

Pot luck.

In Rhode Island, marijuana regulators are considering a host of options, including hiring an outside accounting firm, to ensure that the lottery selection process for who gets the six new medical marijuana dispensary licenses — a process already charged with politics — is random, fair and transparent.

"We are doing our homework and considering everything that's out there," said Norman Birenbaum, the state's top medical marijuana regulator. "It really depends on the number of applicants we have" as well as what, if any, suggestions regulators receive during the public comment period on the newly proposed dispensary regulations, which runs through Dec. 21.

A public hearing on those proposed regulations, which the Department of Business Regulation unveiled two weeks ago, is scheduled for 11 a.m. Friday in Gaige Hall at Rhode Island College, in Providence.

Earlier this year, when lawmakers approved the state budget that expanded the number of medical marijuana dispensaries from three to nine, House leaders included a provision that gave them final approval of any new regulations.

Their action was a clear violation of the separation-of-powers of government, said Gov. Gina Raimondo, who in October sued the General Assembly and asked a Superior Court judge to rule unconstitutional the powers lawmakers had given themselves.

House Speaker Nicholas Mattiello agreed to give up the "legislative veto" power when the General Assembly returns to session in January, but Raimondo is pushing forward to get the court to, as she told reporters, "enforce the Constitution" and "let people know that Rhode Island is open for business, everyone has a chance to compete, and it's not just for the politically connected."

Mattiello raised some unspecified concerns with the new regulations after their release last month, saying only the new rules "may not be consistent with the intent of the law passed by the General Assembly and signed by the governor."

One potential area of disagreement is the proposal to bar the new dispensaries from growing their own marijuana as the state's existing three dispensaries do now. The new dispensaries would be retail stores only, that contract with licensed cultivators for product.

Choosing who will get the lucrative new dispensary licenses remains a hypersensitive issue as some potential stakeholders have already heavily invested in the gamble.

In September, a lawyer for Green Reservoir, a Warwick-based company that hopes to win a dispensary license, threatened to sue state regulators if they didn't immediately begin accepting dispensary applications. And another lawyer for the fledgling company weeks earlier had asked to meet with regulators.

But Pamela J. Toro, associate director of the Department of Business Regulation, responded that the department would not

accept "purported applications or have meetings or other communications with potential applicants."

The new regulations call for one new medical marijuana dispensary in each of six defined regions around the state.

Applicants can apply to run a dispensary in more than one region but will be limited to conducting business in only one region if they are chosen for more than one license.

Companies that are selected will have to pay a \$500,000 fee and meet a host of requirements to start their business, including confirming ownership or lease arrangements for property, compliance of all local zoning regulations (some communities ban marijuana businesses), fire and security regulations and an updated disclosure of all company investors.

Rhode Island currently has three medical marijuana dispensaries: the Thomas C. Slater Compassion Center, in Providence; the Greenleaf Compassion Center, in Portsmouth; and the Summit Medical Compassion Center, in Warwick.

When the dispensary lottery process will begin is unclear.

Raimondo's court case challenging the legislative veto power over the new regulations will likely have to be resolved first, Birenbaum said. "But we will move as quickly as possible once a clear path" is achieved.

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