

Medical Marijuana Update: The Long-Awaited Lottery

We're finally here folks, the moment you've all been waiting for - and I seriously hope none of you were holding your breath.

It's been two and a half long years since a major expansion of the medical marijuana program was approved, and almost a full year since the lottery was expected to take place, but Rhode Island finally has six new compassion centers!

Oh wait, no, sorry, that's five new centers - as it turns out, all is still not said and done. If you've been following along with the lottery to expand retail access to medical marijuana in our state, you know it's been a really long, drawn-out train wreck in super slow motion.

For laughs and embarrassment, let's take a look at how it all went down, what took so long, and who stands to benefit.

Why do a lottery to begin with?

When deciding amongst the qualified applicants (whatever *that* means), how the state attempted to ensure a fair, unbiased selection process was critical. Proponents of the lottery argued that it was a more equitable process than the typical merit-based selection method, while those opposed said that "leaving it all to chance" could be risky business when it comes to the health and safety of medical marijuana patients in RI.

Among the seventy plus licensed cultivators in RI, many of whom applied for one of the coveted new retail licenses, opinions lay on both sides of the fence.

Unsurprisingly, some are now bitter at losing their chance at the first green rush to hit RI since medical marijuana was legalized back in 2006.

Many others, even some of those who didn't get lucky in the lottery, are welcoming the changes, because none of the new dispensaries will be permitted to cultivate their own cannabis, thereby increasing the pool of potential buyers for the existing cultivators' product nearly threefold.

This whole lottery thing started when former Governor **Raimondo** insisted on moving forward with the process, much to the chagrin of lawmakers, who were used to getting their way and wanted to manipulate... er, have a say in ... the selection.

Gina's goal, and I can't fault her for it, was to create an appearance of fairness in the process, sans the typical RI political cronyism we've come to expect from Smith Hill.

After literal years of delays due to issues with the company contracted to run the lottery (lowest bidder, most likely - typical RI), disqualifications, appeals, and the like, the state took matters into its own hands and decided to conduct the lottery itself. So it's fitting that after all this, the conclusion of the lottery saga (for now) was just as much, if not more so, about creating the *appearance* of an unbiased

selection process.

So, at 10am on a Friday in late October, live streamed on Zoom for all to witness:

- One clear acrylic tumbler borrowed from Twin River Casino, an apparent symbol of the state's commitment to transparency throughout the process.
- 23 bouncing yellow plastic RI Lottery balls, each representing a "qualified" company.
- Two men of great power and responsibility, standing sheepishly at the helm of the ship they have been desperately trying to keep afloat.
- One (an FBI agent!) wears a pale short sleeved button-up and a blindfold, looking like a math teacher ready to smash a pinata
- And both seem acutely aware of the seriousness of their duty, despite the absolute joke of a process.

I wasn't in the room, but I can only imagine the high fives and bro hugs shared by the lucky winners and their lawyers.

Now that they've received their preliminary licenses, they have nine months to meet the requirements for a final license and open their doors - AKA blow any money they have left to make sure that the wheels don't fall off this close to the finish line.

Each company had invested \$10,000 just for the application fee. Then add on the costs of real estate, legal fees, and everything else that must be done to appear on paper as a "qualified" candidate. One company (a multi-state operator out of Massachusetts, no surprise there) submitted three separate applications! And that was all just to get in the door

The winners get to kick back ... er, pay ... \$500,000 PER YEAR in licensing fees to the state. This pay-to-play scenario is not only the highest in the nation, but an impossible barrier to entry for any RI entrepreneur who doesn't have significant financial backing.

That kind of money wrecked any chance of awarding licenses that prioritized socioeconomic equity, small business support, and reparative justice for those harmed by the war on cannabis.

We are going to see large, corporate, multi-state operators coming into RI to take advantage of both our insatiable demand for marijuana and our status as an "island of prohibition" among the rest of the New England states that have already moved to legalize cannabis for recreational use.

I suppose we can be grateful that the nearly 20,000 medical marijuana patients in Rhode Island, plus the 18,000 out-of-state patients who rely on our medical program, will now have more than three options when purchasing their medicine. Not that this change will even begin to address the accessibility issues that patients face when it comes to medical marijuana. But that's another topic for another day... For now, we'll watch the winners of THC Bingo unfurl their business plans over the coming year.