

# Rhode Island Weighs New Cannabis Dispensary Licenses

## Rhode Island Cannabis Regulators Still Undecided on How to Award Up to 20 New Retail Licenses as Lottery Approaches

State cannabis regulators have yet to decide how they will handle the awarding of up to 20 cannabis retail licenses to applicants chosen by lottery as early as May, as concerns mount over how a rapid market expansion could affect prices and existing businesses.

The state had originally planned to award 24 licenses but reduced the number based on how applicants were distributed across Rhode Island's six geographic zones. A total of 98 applications were submitted by the December 29, 2025, deadline set by the Rhode Island Cannabis Control Commission. One applicant later withdrew, Cannabis Administrator Michelle Reddish told commissioners at their monthly meeting Friday. A second applicant withdrew after the meeting, according to commission spokesperson Charon Rose.

Commission staff are still reviewing applications to ensure they meet eligibility requirements before placing qualified applicants into a final lottery to award retail licenses.

According to a breakdown posted on the commission's website, 56 applicants sought general retail licenses. Another 19 applied as worker-owned cooperatives, and 23 applied under the social equity category, which is reserved for individuals adversely affected by the war on drugs.

Regulations adopted last year cap retail licenses at four per zone. Each zone must include at least one social equity license and one worker-owned cooperative license.

Nearly one-third of all retail license applications — 31 — were filed in Zone 6, which includes Pawtucket, East Providence, and all of Bristol and Newport counties.

By contrast, Zone 1 — covering Burrillville, Cumberland, Glocester, North Smithfield and Smithfield — drew only two applications, both for social equity licenses. The applicants who withdrew were Dying with Laughter, which applied in Zone 5, and Green Dolphin, which applied in Zone 4.

## Debate Emerges Over Whether Releasing All Licenses at Once Could Trigger a “Race to the Bottom” in Prices

During Friday's meeting, commissioners raised the possibility of staggering the release of licenses rather than allowing all approved retailers to open simultaneously.

Commissioner Robert Jacquard said stakeholders have warned that bringing all potential licensees online at once could cause cannabis prices to drop sharply.

“A lot of stakeholders have raised the issue that if all of the potential licenses come online at the same time, it could result in the price of the product dropping so precipitously that no one would profit by it,” Jacquard said.

Kevin Rouleau, chief operating officer of the Portsmouth-based Newport Cannabis Company, cautioned that quickly saturating Rhode Island’s relatively small market could lead to a “race to the bottom” as established businesses attempt to outlast new competitors.

“This is going to hurt everyone, especially cultivators who will end up getting pennies on the dollar for their products,” Rouleau said.

However, cultivators who spoke during public comment disagreed.

“We’re totally fine moving forward with retail stores and are not worried about that outcome,” Nicholas Lacroix, representing the Rhode Island Growers Association, told commissioners.

Reddish noted that other states have faced market instability following rapid expansion.

In Michigan, cannabis revenue declined in 2025 even as total sales hit record highs, driven by falling prices. Oregon has struggled with oversupply and low wholesale prices, while retailers in Massachusetts have described a “race to the bottom” that pushed numerous businesses out of the market.

“Based on these examples, it is necessary to discuss whether the commission should position itself to take proactive steps to support a stable and successful cannabis industry, prepare to respond in real time to market changes, and exercise the ability to adjust course if necessary,” Reddish said.

## **Some Applicants Argue Delays Would Be Unfair After Lengthy Rollout of Rhode Island’s Recreational Market**

Not everyone supports slowing the rollout.

Attorney Allan Fung, the former Cranston mayor and former Republican candidate for governor and Congress, appeared on behalf of several prospective applicants and urged commissioners not to delay.

“It’s unfair to everyone that’s invested time, money and attention to this process,” Fung told the panel. “We ask there not be any delay.”

Rhode Island’s recreational cannabis market has already experienced delays. More than a year passed before the three-member commission was impaneled in June 2023. The commission then hired staff, reviewed rules adopted in other states and drafted its own regulations. Retail cannabis rules were finalized in May 2025.

Former commission Chair Kim Ahern stepped down last October to run for attorney general, and Gov. Dan McKee has yet to nominate a successor.

In the meantime, the state’s eight medical dispensaries have been permitted to sell recreational cannabis under hybrid licenses — a situation some prospective applicants argue has given existing operators a competitive advantage.

“The only people who stand to benefit from slow-rolling these dispensaries are the current dispensaries who have a monopoly on the cannabis market,” Spencer Blier, CEO and founder of Warwick-based cultivator Mammoth Inc., told commissioners.

# Final Number of Licenses Could Shrink Further as Application Reviews Continue

Because of the limited number of applications in Zone 1, regulators revealed during a January 16 meeting that they would issue a maximum of 20 licenses statewide instead of 24.

“Depending on how the application process concludes, this number may decrease,” Reddish said Friday.

Under the timeline approved at the commission’s October 20 meeting, the state’s Cannabis Office had 90 days beginning January 1 to review applications and confirm eligibility before entering them into a lottery. Applicants must also secure required local approvals to qualify for the random drawing.

Regulators previously said licenses could begin to be issued as early as May, though the rules do not specify how many would be awarded at one time.

No vote was taken Friday. Commissioners tabled the question of how many licenses to release at once until a future meeting.

The commission’s next scheduled meeting is set for 1 p.m. Friday, March 20.

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