



## What we stand for:

- ❖ We are working to meet the expectation of Washington voters to fulfill the promise of safe, regulated, quality-controlled cannabis products for all users and the associated financial benefits to the state's revenue collections.
  - 2,414 applications have been filed for a producer license, 1,852 applications for a processor license and 2,156 applications for a retail license.
  - As of November 2015, the new legal market for cannabis has generated more than \$44 million in sales, with \$11 million in new revenue to the state.
- ❖ To acknowledge the momentum toward legalizing cannabis across the U.S. and provide leadership and strong advocacy for a single formalized system on the state level.
  - After Colorado and Washington became the first states to legalize cannabis in 2012, voters in Alaska, Oregon and Washington D.C. approved a legal cannabis system in 2014.
  - California is expected to vote on a legal cannabis system in 2016.
  - Medical cannabis is currently legal in 23 states and Washington D.C., with 17 additional states decriminalizing cannabis to some degree.
- ❖ To position Washington State as a leader in the growing movement to legalize cannabis nationwide.
  - Working now to refine safe and efficient regulations here at home will help ease the transition as more states, and ultimately the federal government, adopt legal frameworks of their own.
  - We owe it to Washington voters to get this right by honoring their clear direction while being mindful of a skeptical federal government.
- ❖ To engage with our communities, elected leaders, regulators, public health system and law enforcement to collaborate together and shine a light on the responsible, accountable, and law-abiding businesses in the legalized cannabis ecosystem.
  - Washington CannaBusiness Association members help showcase the strong tradition of local businesses serving as leaders in their communities.
  - Our membership grows every week and represents every corner of the state, urban and rural, east and west.

## Washington CannaBusiness Association (WACA) 2015 Legislative Priorities:

### **Priority #1: Uniform standards, quality controls and consistent enforcement of a single legalized cannabis marketplace in Washington State.**

- To meet the expectation of Washington voters and to fulfill the promise of safe, quality-controlled cannabis products for all residents, the inconsistencies between the unregulated cannabis market and the recently-passed regulated recreational cannabis market must be addressed.
- We will be supporting legislation that empowers legislative leaders to act to ensure that rigorous safety and quality standards are enforced on all legal cannabis in Washington State. Specifically, the bill must:
  - ✓ Creates universal standards for cannabis producers that eliminates unregulated collective gardens and dispensaries.
  - ✓ Prevents abuse of the allowances granted to legitimate medical cannabis patients by establishing more rigid standards for obtaining a medical card and creating a state-managed registry of patients to thwart misuse of the medical cannabis system.
  - ✓ Defines and standardizes the qualifications of health care providers who evaluate medical needs of patients who can/will/are benefiting from cannabis treatment(s).
  - ✓ Provides tax relief for legitimate medical card holders.
- By supporting this legislation, legislative leaders can assure all residents that a single set of standards are in place and universally enforced to protect public health and safety within a regulatory structure that can generate positive economic impacts for the state.
  - ✓ There are already 12 state-approved cannabis testing labs to ensure that legal cannabis is safe cannabis.

### **FAQ:**

*Why now? Why is additional legislation needed? Didn't I-502 do enough?*

Most of the infrastructure needed to lawfully grow, process, sell and use cannabis in Washington State is in place. But like any industry that is newly regulated, there is still work to be done to establish a regulatory foundation supporting public safety and industry accountability as well as uniform standards that close the loopholes between the unregulated medical cannabis market and the regulated recreational market.

*Doesn't this proposal unfairly target medical cannabis users? Why do you want to make it more difficult for sick patients to get relief? Why fix what isn't broken?*

WACA supports legislation that will ensure that rigorous safety and quality standards are enforced on all legal cannabis in Washington State. For a legalized cannabis system to succeed, all producers, processors and sellers must meet uniform standards for safety and accountability and be subject to the same enforcement when it comes to quality and tax collection. Legitimate players in the medical system and their patients will have no trouble meeting the criteria set in place by voters with I-502. Those who

have played fast and loose with standards may be appropriately challenged by having to come in line with the law.

*But what about sick patients? Why penalize them?*

We want medical cannabis patients to enjoy the protections and quality control that is promised by the legal cannabis market. We will be pursuing legislation that standardizes and enforces the legal use of cannabis and all its benefits to all legitimate patients.

*For medical vendors who have been safely and successfully in business for years, isn't this putting them out of business? Why ruin a family-run/owned enterprise?*

Legitimate players in the medical system and their patients will have no trouble meeting the criteria set in place by voters with I-502. Uniform standards could even benefit law-abiding businesspeople that will no longer have to compete with anyone skirting the rules and people who wish to comply with the law when buying cannabis.

**Priority #2: Change the tax structure on cannabis so that unintended disadvantages to the industry are resolved.**

- To meet the expectation of Washington voters and to fulfill the promise of safe, quality-controlled marijuana products for all residents while also creating a financial benefit for Washington State.
- Our bill empowers legislative leaders to act to ensure that the taxing structure in place for this new industry is fair and lawful and allows the industry to provide competitive prices.
- Specifically, the legislation:
  - ✓ Addresses the unintended consequences of double taxation on cannabis producers and processors at the state and federal level.
  - ✓ Simplifies the tax structure for the entire industry in a way that doesn't impact the amount of revenue realized by the state and also keeps legal, regulated cannabis players competitive with the illegal, unregulated market.

**FAQ:**

*Why is additional legislation needed? Why would there need to be change to the tax system?*

Most of the infrastructure needed to lawfully grow, process, sell and use marijuana in Washington State is in place. But like any industry that is newly regulated, there is still work to be done to establish a regulatory foundation supporting public safety and industry accountability as well as a simple, streamlined financial framework that supports the health and growth of the industry as a competitive marketplace for users. In this case, the tax structure set up at the producer, processor and retail levels of the legal cannabis marketplace resulted in a double-tax at the state and federal level. This legislation will simplify the system without taking any money away from state coffers.

**Priority #3: Updating laws to allow the retention of third-parties specializing in securing and moving highly valuable goods to ensure safe and cost-effective transportation of cannabis products and the associated revenue.**

- In working to meet the expectation of Washington voters to fulfill the promise of safe, regulated, quality-controlled cannabis products for all users and the associated financial benefits to the state's revenue collections, the safe transport and secure handling of cannabis products should be prioritized.
- WACA will be pursuing legislation that empowers legislative leaders to act to allow legitimate third party transport of product while ensuring that rigorous safety and quality standards are enforced on all legal cannabis in Washington State. Specifically, the bill will:
  - ✓ Allows legitimate third party transport experts to provide safe, cost effective transportation of cannabis products and the associated revenue.
  - ✓ Enables companies that specialize in the transportation of highly valuable products to fulfill a critical, overlooked piece of the new legalized cannabis ecosystem in order to ensure public safety and accountability for legal producers, processors and retailers.
  - ✓ Requires transporters to hold a Common Carrier permit and be registered with the Washington State Liquor Control Board.

**FAQ:**

*Why is additional legislation needed? Can't cannabis producers/processors/sellers ship their products like any other industry?*

Current law provides that cannabis producers and processors are required to transport their own product to the entity purchasing it. This is inefficient and expensive. This legislation will allow authorized, secure transporters to provide service to this industry, similar to what is available for other businesses transporting high value and/or sensitive goods.

*So who would be allowed to transport cannabis? Would they be armed? Wouldn't this escalate any potential danger to the public?*

Public safety is the highest concern of all of our members. This legislation will allow us to hire experts with training and equipment to transport high value goods in a safe and responsible manner.