What’s Covered Today

- Overview of medical, CBD and adult-use cannabis laws
- State program details, similarities and differences
- Edible regulations
- Legislator roles
- Lessons learned
- Your questions
States/territories with proposals to **legalize and regulate adult use**: “similar to alcohol” that are still pending: 22 & DC. (DIED) (PASSED) AZ, CT, GA, HI, IL, KS, KY, MD, MN, MS, MO, NH, NJ, NM, NY, PA, RI, TX, VT (vetoed by gov), WY and DC

- States with **pending** bills to create new **comprehensive medical marijuana** programs in 2017: 16 (DIED) (PASSED) IA, IN, KS, KY, MS, MO, NE, NC, OK, SC, TN, TX, UT, VA, WV, WI

- 2016 Ballot Initiatives: Adult-use- AZ, CA, ME, MA, NV. Medical- AR, FL, MT, ND.

  - *new and potential for carry-over as of June 15, 2017*
A Brief History of Medical Marijuana Programs

- CA: First state to pass with Prop. 215 in 1996
- Since then, 28 states, DC, Guam and PR have followed: AK, AR, AZ, CO, CT, DE, FL, HI, IL, ME, MD, MA, MI, MN, MT, NV, NH, NJ, NM, NY, ND, OH, OR, PA, RI, VT, WA, WV, (29 states + 3 territories total)
- 16 became legal through voter/ballot initiative process
- 17 legal through legislation (CT, DE, HI, IL, MD, MN, NH, NJ, NM, NY, OH, PA, RI, VT, WV) (and 1 through Dept. of Health regulation)
Medical Marijuana Programs Vary

Some require or allow for:

- Patient Registries: 28+
- Grower/Caregiver Registries and Limits: varies
- Dispensaries: 26+
- Specific Conditions: 28+ and all CBD programs
- Recognize Patients from Other States: 7
- Products and Product Testing: varies
  - * 2016 & 2017 approved details TBD
CBD: Cannabidiol, non-psychoactive and often therapeutic compounds in marijuana.

Definition of “low THC”
- Lowest: below .3% THC and ≥ 5%-15% CBD by weight
- Highest: Below 3% THC and/or above 10% CBD by weight

Conditions for use
- Severe intractable seizure disorders/Dravet syndrome, epilepsy, muscle spasms, neuro disorders, cancer pain and others

“Low THC” or “high cannabidiol” (CBD) medical programs: 17 states
- 11 in 2014 + GA, ID (vetoed), OK, TN, TX, VA, WY, in 2015

Vary widely by source of CBD products, % of CBD or THC, research, distribution, conditions, etc. Protections: some allow for patient’s legal defense, some protect referring doctors, some may put doctors or universities/providers/patients at risk of breaking federal laws

NCSL MMJ webpage for more details
Adult-use regulated law
Comprehensive medical marijuana law
CBD/Low THC product law
No marijuana access law

*WV medical law signed 4/19/17
2012: Colorado (A 64-2012) and Washington (I 502-2012)

- Colorado had 24-member Implementation Task Force at work - rulemaking
  - Included 4 state legislators. Chairs were executive director of Dept. Revenue and the Gov’s chief legal counsel

- Washington implementation with the state Liquor & Cannabis Board

- Alaska - growing/possession legal as of Feb. 24, 2015 licensing/regulation late 2016

- Oregon - Ore. Liquor Control Commission

- DC - limited personal growing and sharing allowed (not regulated)

2016: 4 new states (California, Maine, Massachusetts, Nevada)
Colorado: Dept. of Revenue, Marijuana Enforcement Division (MED)
Washington: Washington State Liquor and Cannabis Control Board
Oregon: Oregon Liquor Control Commission
Alaska: Alcoholic Beverage Control Board/Marijuana Control Board
DC: limited personal growing and sharing allowed (not regulated or tracked)
California: Bureau of Marijuana Control within the Dept. of Consumer Affairs
Maine: Dept. of Agriculture, Conservation and Forestry
Massachusetts: The Cannabis Control Commission
Nevada: Department of Taxation
**Tax Rates**

- **CO** - Adult use 15% retail excise, 10% special sales tax, 2.9% regular state sales tax + LOCAL. **Medical Marijuana Tax Rates:** 2.9% sales tax + LOCAL (small change coming in July 2017)
- **OR** - 17% Point-of-sale on adult/rec, no tax on medical. Localities can add another 2%.
- **WA** - Adult use 37% excise tax on ALL sales of flower, concentrates, infused products, collected by retailers at POS.
- **AK** - $50 per ounce tax on marijuana, paid by cultivator at transfer, roughly 20% effective tax rate
- **CA** - $9.25 per oz. cultivation tax for flowers and $2.75 per oz. for leaves. 15% sales tax
- **ME** - 10% sales tax
- **MA** - 3.75% state sales tax, up to 2% local sales tax
- **NV** - 15% excise tax on wholesale
- **District of Columbia** - No regulated production or sales, however estimated at $20m
<table>
<thead>
<tr>
<th>State</th>
<th>Limits: Possession, Cultivation, $Purchase</th>
<th>Businesses Allowed &amp; Restrictions</th>
<th>Tracking &amp; Security</th>
<th>Local Role &amp; Limits</th>
<th>License Determination</th>
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</thead>
<tbody>
<tr>
<td>AK</td>
<td>P - 1 oz. C - 6 plants (3 mature) $ - 1 oz.</td>
<td>Cultivation, Manufacturers, Testing Labs, Retail Stores No state limits</td>
<td>Potency, warnings, contamination</td>
<td>Time, place, manner and #. Can prohibit through ordinance or voter initiative</td>
<td>Min. requirements established in rules by MCB</td>
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<tr>
<td>CO</td>
<td>P - 1 oz. (public) C - 6 plants $ - 1 oz &amp; ¼ oz.</td>
<td>Cultivation, Product Manuf. Testing Labs, Retail Stores No state limits</td>
<td>Seed to sale, video, alarms and locks</td>
<td>May limit, license, restrict, tax</td>
<td>Any qualified applicant through the state, locals may limit</td>
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<tr>
<td>OR</td>
<td>P - 1 oz. (public) or 8 oz. (private) C - 4 plants per residence $ - ¼ oz. until 1/1/17</td>
<td>Producers (growers), Processors (manuf.) Wholesalers and Retailers</td>
<td>Plants and products tested for contaminants, potency, detailed labeling</td>
<td>Time, place, zoning, Local election, or ordinance (varies)</td>
<td>Meet OLCC criteria, meet standards</td>
</tr>
<tr>
<td>WA</td>
<td>P - 1 oz. (public) C - N/A $ - 1 oz. (varies)</td>
<td>Producers, Processors and Retailers 556 limit, sq. ft.</td>
<td>Analytic tests on products, moisture, potency, etc.</td>
<td>Locals can advise state board on license. Prohibition being appealed</td>
<td>If more applicants than allotted, state selects by lottery</td>
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<td>CA</td>
<td>P- 2.5 oz., concentrates C- 6 plants $- 1 oz., ¼ oz. concentrates</td>
<td>Cultivation, Manufacturers, Testing Labs, Retail Stores No state limits but localities may restrict or ban</td>
<td>TBD by regs</td>
<td>May limit by ordinance until 2019, then by popular vote</td>
<td>Priority for applicants with experience since Sept. 2016</td>
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<td>ME</td>
<td>P- 2.5 oz. C- 6 plants $- 2 1/2oz &amp; ¼ oz.</td>
<td>Cultivation, Manufacturers, Testing Labs, Retail Stores, Social Clubs.</td>
<td>TBD by regs</td>
<td>Must have “local approval”</td>
<td>Medical experience given priority for retail</td>
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<td>MA</td>
<td>P- 8 oz. or 5 grams concentrate C- 6 plants $- 1 oz. or 5 grams concentrate</td>
<td>Cultivation, Manufacturers, Testing Labs, Retail Stores.</td>
<td>TBD by regs</td>
<td>May limit location and times</td>
<td>Medical experience given priority, then lottery</td>
</tr>
<tr>
<td>NV</td>
<td>P- 1 oz. (public) or 1/8 oz of concentrate C- 6 plants $- 1 oz. or 1/8 oz concentrate</td>
<td>Cultivation, Manufacturers, Testing Labs, Retail Stores</td>
<td>TBD by regs</td>
<td>Locals may adopt measures to enforce zoning and land use regs</td>
<td>Medical experience priority for first 18 months</td>
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Legislative Roles in Regulation

- Drafting legislation and/or enabling language
- Creating rules/regulations and assigning responsibility
- Establishing fees, tax mechanisms, funding
- Oversight and/or assigning program implementation and evaluation
Edible products

- Not regulated/allowed in all medical or adult-use states
- Complex policies and regulations
  - Learned by CO and WA first
  - Regulated packaging, strength, testing
  - Influence of adult use model on medical use
Commercially produced AND tested for AU and MED: AK, CA, CO, ME, MA, NV, OR, WA

Yes, MED only: AZ, CT, DC, DE, FL, HI, IL, LA, MD, MI, MN (no flower), MT, NH, NJ, NM, NY, ND, OH, PA, RI, VT, WV

Other concentrate/extract product:
- Low: AR, AL, GA (no production), MS, OK, TN, TX, UT, VA, WI, WY,
Lessons Learned

- Edibles, products, testing, packaging
- Advertising and marketing
- Tax rates
- Licensing, social clubs
- Security & Tracking (physical, cameras, seed to sale)
- Environmental impacts (water, air, energy, real estate)
- More research needed
NCSL Tools & Resources

Webpages:


LegisBriefs:

Regulating MJ-Taxes, Banking and Federal Law

Regulating MJ- A Year and a Half In
Questions?

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