

March 15th, 2023

Neutral Testimony on SB 135
Senate Federal & State Affairs

Chairman Thompson and Members of the Senate Federal and State Affairs Committee:

Metrc appreciates the opportunity to provide neutral testimony on SB 135. Should the Kansas Legislature choose to legalize medical cannabis, Metrc believes the legislation can be strengthened to provide regulators the needed tools to guarantee public safety, compliance, and transparency.

[Metrc](#) is the most trusted and experienced provider of cannabis regulatory technology systems in the United States. Our solution combines advanced software, radio-frequency identification (RFID), a dedicated customer support team, and a secure database to track cannabis from growth, harvest, and processing to testing, transport, and sale. Metrc is engaged in 23 government contracts and serves more than 345,000 users, including growers, testing facilities, dispensaries, state regulators, and law enforcement officials. We are proud to play a leading role in ensuring the safety and security of the nation's legal cannabis market and it is with this experience in mind that we respectfully make these recommendations.

Almost all states require a centralized seed-to-sale tracking system and while SB 135 would require “an electronic database to monitor medical cannabis...” (New Section 41, which begins on page 33, line 30), Metrc would recommend the legislature provide more direction than the language currently in the bill.

Seed-to-sale tracking is designed to help regulators oversee the safety of medical cannabis, providing insight into each and every step of the plant's life cycle. Licensed users report every action impacting the status of a plant or the creation of cannabis-based products. When plants are harvested and packaged or combined with other plants in the production of oils, edibles, or concentrates, the origin, testing results, handling, and chain-of-custody information is visible and traceable by regulators. Tens of millions of plants and cannabis-based products are accounted for in Metrc's system in this way. Our technology is essentially the mission control center for regulators—they have a view of everything happening in the supply chain. Additionally, the tracking system can interface with a HIPAA compliant patient registry so that a patient's allotment cannot be exceeded, ensuring patient safety, while also providing an important tool for law enforcement.

We believe the provisions of New Section 41 could be strengthened in several ways to establish greater public safety and compliance and a transparent, secure marketplace. Our recommendations include:

- Clarify the “electronic database” is the Seed-to-Sale Tracking System.
- Clarify that it is a *centralized* system and that *all* medical cannabis licensees are required to use it, either directly or by integrating their own enterprise software system with the Tracking System.
- Instead of “giving preference to systems that include tracking each plant”, require that each plant is uniquely identified with a plant tag.
- Require the Tracking System to allow for integration of other enterprise software systems including the patient registry, licensing database, and law enforcement technology for the purpose of verifying a patient and their medical cannabis recommendation.

- Clarify the director has oversight and auditing responsibilities to ensure all cannabis being grown in the state is accounted for in the Tracking System.
- Require the confidentiality of all patient and caregiver data and records accessed or stored by the system.
- Require the system to have complete product and package recall tracking capabilities.
- Allow the Department of Revenue access to the Tracking System for the purpose of tax collection.

I know the Committee has heard constructive testimony regarding the Oklahoma medical cannabis program. Oklahoma serves as a great example for why Kansas should implement a seed-to-sale Tracking Systems on day one instead of year four of its program. Most states with medical cannabis programs have implemented Tracking Systems at the beginning of their programs and by doing so, do not have to play “catch up” like Oklahoma has in order to know how much cannabis and what products are in the market - they know right from the start and can monitor the supply chain beginning with the very first plant. When considering patient safety, no cannabis or cannabis product should be sold unless it has been tracked.

Thank you for your consideration and I welcome any questions you may have on this matter.

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