

MINUTES

2024 SPECIAL COMMITTEE ON MEDICAL MARIJUANA

October 28, 2024
Room 548-S—Statehouse

Members Present

Senator Michael Fagg, Chairperson
Representative Will Carpenter, Vice-chairperson
Senator Cindy Holscher
Senator Rick Kloos
Senator Mike Petersen
Senator Mike Thompson
Representative Dennis "Boog" Highberger
Representative Nick Hoheisel
Representative Steven Howe
Representative Tom Kessler
Representative Heather Meyer

Members Absent

All members present.

Staff Present

Nicole Fielder, Kansas Legislative Research Department
Elaina Rudder, Kansas Legislative Research Department
Leighann Thone, Kansas Legislative Research Department
Kyle Hamilton, Office of Revisor of Statutes
Mike Heim, Office of Revisor of Statutes
Jackie Gutierrez, Kansas Legislative Committee Assistant

Conferees

Jordan Davidson, Government Affairs Manager, Smart Approaches to Marijuana
Tony Mattivi, Director, Kansas Bureau of Investigation (KBI)
Barry Grissom, Law Enforcement Action Partnership (Webex)
Dr. Elizabeth Stuyt, International Academy of Science and Impact of Cannabis (Webex)
Greg Hennen, Executive Director, Four County Medical Mental Health Center
Kristin Rigby, Pharmacist, Block Pharmacy of Utah (Webex)
Tom Stanton, Reno County District Attorney, (Webex)
Rich Wilkinson, Chief Operations Officer, Show Me Organics
Gary Hess, Founder and Executive Director, Veterans Alliance for Holistic Alternatives
(Webex)
Chris Wolfenbarger, Veteran
Don Pratt, Vietnam Veteran
Kelly Rippel, Kansans for Hemp and Planted Association of Kansas

Kelly VanZwoll, Vice President of Government Relations and Staff Attorney, Kansas Bankers Association
Brock Roehler, General Counsel, Office of the State Bank Commissioner
Kevin Caldwell, Marijuana Policy Project (Webex)
Robin Bonsall, private citizen
Rich Oborn, Director, Center for Medical Cannabis, Utah (Webex)
Sam Jones, Kansas Natural Remedies
Boston Dickerson, Chief Executive Officer and President, Show Me Organics
David Brown, Esq., Coastal Cannabis Consulting (Webex)
Jean Robinson, Government Affairs Director, Metrc
Orland Yee, Chief Executive Office and President, Kanha Technologies
Clay Bullard, President, PGx Medical
Stephanie King, Quality Manager, Gateway Labs
Inman, KS guy

Others Attending

No other attendees present.

Monday, October 28, 2024 All Day Session

Welcome

Chairman Fagg opened the meeting at 9:00 a.m. and welcomed committee members, staff, and conferees. Staff provided instructions on locating all of the written testimony submitted for today's agenda.

Marijuana Public Policy Issues

Jordan Davidson of Smart Approaches to Marijuana, spoke before the committee sharing his experience with a marijuana addiction as a teenager and his organization's expertise in addressing marijuana policies in Kansas ([Attachment 1](#)). Their organization's opinion is that for marijuana to be used as an approved medication, it should be part of an FDA process where products are examined for safety and efficacy. A statistic used by marijuana advocates is that legalization does not increase use among youth, however, what does increase significantly is daily use of marijuana leading to addictions. Another concern his organization has is that medical marijuana is used as a front to eventually push for full recreational use as well. He provided Florida as a potential example of what would most likely happen in Kansas after medical legalization of marijuana. One of the biggest marijuana companies in the United States is pumping \$90.0 million into a ballot measure in Florida to make marijuana fully recreational, bypassing government. Something similar is happening in Arkansas. The promises versus the reality of medical marijuana are not the same because big business and crime syndicates are taking over the good intentions of the programs and using them for their own purposes. In addition, enacting banking laws that allow the marijuana industry access to banking and financial services will provide new avenues for legalized money laundering by international crime organizations.

Mr. Davidson stood for questions from the committee regarding his organization's stance on alcohol and position should marijuana become rescheduled.

Law Enforcement and Public Safety

Tony Mattivi of the KBI addressed the committee by stating that legalization of marijuana in any capacity would cause an increase in criminal activity, mental illness and psychoses within the youth population, and make citizens less safe and less healthy ([Attachment 2](#)). From looking at other states that have legalized marijuana, whether medicinal and/or recreational, what has been seen is that organized crime does increase as well as increase negative social impacts. Regulation increases illegal marijuana sales. In regards to the banking industry being used for money laundering, banks are often used without their awareness and despite their enforcement efforts. Legalization throws the door open to more criminal activity by Chinese organizations and the Mexican cartels. He emphasized that in every state that has legalized marijuana, there is more fentanyl use, more fentanyl overdoses and more fentanyl deaths. Marijuana may not be a gateway drug but does normalize drug use. There is a similar debate going on nationally about the correlation between THC use and psychoses among adolescents. It is important to not increase access by kids to something that will degrade their mental health. We don't yet know the long term effects of high potent THC use has on the human brain. To those who argue that prevalence of marijuana all around us should determine our policies, he cautions them to look at states who are now reversing course because of detrimental impact legalization has had on their state. He cited two recent articles by the New York Times newspaper and magazine about the harms of marijuana use. The bottom line is that marijuana is addictive and harmful and to legalize it is to give for-profit companies to sell an addictive substance.

Mr. Mattivi answered questions from the committee as recorded below.

- Recriminalization of drugs in Oregon did not include marijuana;
- Should FDA reschedule marijuana it would change agency's position only as much as frank discussion and debate on the issue is allowed. Currently the Drug Enforcement Administration (DEA) and the High Intensity Drug Trafficking Areas (HIDTA) program directors who are federal experts on drug trafficking and the ramifications of trafficking are not permitted to testify at these types of hearings; and
- Loopholes in Kansas hemp laws are creating frustrations for law enforcement with inability to prosecute marijuana cases. Attorney General is working with them to find creative ways to prosecute these cases.

Patrick Porubsky, a chemist for KBI, appeared before the committee to discuss statutes involving marijuana, THC, and hemp as to the difficulties statutes can cause the laboratories ([Attachment 3](#)). They receive a lot of questions pertaining to marijuana and hemp. He is also willing to serve as a technical resource to the committee in helping to understand science behind marijuana and testing. He specifically addressed hemp, hemp product definitions and exemptions, and address inconsistencies between how THC is numbered in in Kansas under Controlled Substance Laws in Chapter 65 and in Hemp Laws in Chapter 2. The combination of the definitions and statutes are creating ambiguity and complications for law enforcement and prosecutors to know how to charge certain crimes. He also brought to the attention of the

committee that there is conflict between two types of numbering systems that leads to different THC nomenclature, which is problematic for law enforcement and prosecutors.

Below are Mr. Porubsky's responses to committee questions.

- He is not the right person to address questions about the THC levels of waste product from the chemical process. The Kansas Fire Marshalls handle regulations for disposal of waste product that is over the THC limit;
- Process for measuring THC concentration levels involves special equipment that quantitates and separates all the different components in marijuana and the different cannabinoids that enables the measurement of the Delta 9 THC concentration and the THC acid concentration;
- The process of measurement and testing is consistent even though the plant material may have variety of concentration levels;
- Their ability to test products with THC is limited to qualitative but not quantitative. Part of problem with ability to test is the variety of products on the market such as drinks, gummies, chocolate, etc. that make it difficult to put them in a suitable format for testing; and
- The potential to have a similar dose is possible if something that has low THC is consumed in a large enough quantity as compared to a small amount of a product with high THC concentration.

Barry Grissom of Law Enforcement Action Partnership spoke in favor of legalizing medical cannabis ([Attachment 4](#)). He believes that law enforcement resources are better utilized in fighting fentanyl than against marijuana. Just as alcohol is regulated, so should cannabis be. Criminalization for small amounts of cannabis has caused significant harm and damage to individuals who are trying to alleviate medical issues and improve their lives. He stated that Kansans should be able to make their own decisions regarding medical cannabis use for their health.

He answered questions from the committee regarding professional ties to certain organizations.

Physicians and Health Care Professionals

Dr. Elizabeth Stuyt of the International Academy on the Science and Impact of Cannabis addressed the committee regarding her professional opinion and experience in working with individuals who had substance abuse disorders in Colorado before and after marijuana became legal ([Attachment 5](#)). The nonprofit organization of doctors she represents exists to educate others of the consequences they are seeing with cannabis use and of high potency products. Commercialization of marijuana began with legalization of medical marijuana, which she claims is a farce due to the high potency products which have no substantiated research. The program she ran for 20 years had seen a success rate of 80 percent before legalization and dropped to 50 percent after legalization. People were starting to have significant cognitive problems and problems she had never encountered with patients having the worst psychoses and the worst

fixed delusions that were worse than methamphetamine usage. She realized that it was due to individuals using high THC potency products. She has had significant experience working with patients with PTSD and knows it is not the solution for treatment of PTSD. Marijuana products only provide temporary relief and often requires multiple daily use which sets them up for significant consequences. Her written testimony includes studies that involved large numbers of veterans being treated for PTSD and conclusions about effects of marijuana upon PTSD symptoms and on sleep architecture.

Dr. Stuyt addressed questions from committee members as recorded below.

- The way individuals avoid PTSD, is to sleep after a trauma and all of the stages of sleep need to be experienced. Marijuana and other addictive sleep medications or even alcohol help people fall asleep but regular use interferes with sleep stages that are most important for memory consolidation and digestion of memories. Addictive drugs diminish later stages of sleep and REM so quality of sleep is impacted. The higher the potency, the worse the effect on sleep; and
- Addictive drugs like THC do affect dopamine which affects learning and memory. These drugs cause a reduction in neurogenesis and shrinks the hippocampus so it's difficult to learn new things when someone is actively using.

Greg Hennen of Four County Mental Health Center gave testimony to the committee to share both informational and observational knowledge relating to substance use and mental health as well as how marijuana impacts the mental health of adolescents ([Attachment 6](#)) ([Attachment 7](#)). His greatest concern is how marijuana use can precipitate the onset of serious mental illness by ten years for those who have a predisposition to it. He also cited studies that show cannabis use lowers the effectiveness of psychotherapeutic medications, the kinds used to keep people out of state hospitals. Another factor to take into consideration is that THC metabolizes in fat cells very slowly unlike alcohol, cocaine or heroin which metabolize quickly through the body's water system. As the brain has the largest collection of fat cells, it is the most vulnerable to the affects of THC on sleep, motivation, brain chemistry, and brain functioning which are exacerbated with high potency products being used on a daily basis with longer term effects. He strongly believes in the importance of effective regulation, advises against allowing inhalation as a delivery method and asks that the Legislature be cautious due to the host of social, familial, medical and behavioral health complications that can emerge with legalization.

Mr. Hennen stood for questions from the committee and answers are recorded below.

- He was asked to provide source of citation for tar levels from marijuana inhalation he provided in his testimony;
- Recommended dosage amounts of marijuana for any of the accepted medical conditions for which it has proven benefit are out his scope of expertise. He is not aware of anyone that tracks dosage information for particular conditions;
- As effective pharmacology is essential to patient care, the conditions for prescribing medical marijuana should be tightly controlled;
- Impact of marijuana on the workforce was discussed and a study by Dr. John Holmes cited. Airline pilots' reflexes were tested on a flight simulator with 3

percent THC in their systems. Results showed similar performance levels on day 1 while actively high as on day 5 without any further marijuana use; and

- Cannabis induced psychosis can be due to overdose but his testimony centered on marijuana acting as a precipitating factor on the psychosis disease process in which a person had a genetic predisposition. It was not his experience that a precipitating factor to psychosis was severe and persistent mental illness.

Kristin Rigby, a pharmacist for 25 years and is part of the medical program for marijuana in Utah. The state has certain requirements for medical conditions for patients to be approved and they require patients to meet with a pharmacist before making a purchase. She explains to patients how different cannabis products work, how to take them, educates them on cannabinoids, and terpenes in order to find the right product for each patient. They are tightly regulated as to who can pick up a patient's medication, how much a patient can be purchase per month, product advertising, marketing, and packaging. (No written testimony was submitted by Ms. Rigby.)

Responses to questions asked by the committee of Ms. Rigby are as follows.

- Pharmacies in Utah do not sell anything but cannabis related products;
- THC has fewer drug interaction issues than CBD. They can affect the metabolism of medications;
- Pharmacists determine dosage amounts for patients by starting at the lowest level and slowly go up. They also have a reference paper that pharmacists refer to when talking to patients that talk about each of product they have, how to take them, when to repeat dose, how many hours to wait, etc. But exact determination is patient dependent;
- Access to patient background and records is available so that pharmacists can see the qualifying medical condition but the information in the system is dependent on the medical providers providing the data;
- Utah has 11 qualifying medical conditions for those over the age of 21. Those under that age may be referred to the Compassionate Use Board to apply for medical cannabis; and
- The process pharmacists use to determine what product would be best for a patient is the use of educational handouts that discuss cannabinoids and terpenes and access to a website with additional educational materials.

Law Enforcement and Public Safety, Continued

Rich Wilkinson, a retired police chief from Missouri and now representing Show Me Organics, testified before the committee. He shared on the importance of regulation to ensure operators are in compliance and able to provide clean, tested cannabis to those in need. (No written testimony was submitted by Mr. Wilkinson.)

Mr. Wilkinson answered questions from the committee as follows.

- Their business's website is not geo-fenced, however Missouri does not mail medication across state lines. An individual may go across state lines to purchase a product;
- In Missouri with medical marijuana legalization, K-9s were still used for narcotics but anyone stopped needed to provide a medical card. With full legalization, dogs were no longer trained for narcotics but kept solely for search and rescue and handler protection; and
- He did not have experience with the use of medical cannabis by inmates in prison.

Tom Stanton of the Reno County District Attorney's office spoke before the committee regarding a legal issue that concerns prosecutors involving sentencing laws that govern hemp products with THC and laws that govern controlled substances of which THC is listed ([Attachment 8](#)). Current law leaves hemp producers whose products go over the 0.3 percent limit with the potential of being prosecuted similarly to crimes involving much higher THC concentrations. In his written testimony he proposes specific changes to statute K.S.A. 21-5706 and adds specific language to clarify K.S.A. 2-3908. He would also like to see the Legislature develop a regulatory scheme that would impose fines for violations of the hemp statutes in addition to the already enacted criminal provisions. He also addressed two potential he believes are behind the lack of prosecution of marijuana cases. One is that many local prosecutors have proactively notified businesses of their intent to prosecute items prohibited under K.S.A. 2-3908 and two, is the prohibitive financial cost of sending items to labs to be tested for specific THC percentages that are the basis for prosecutions.

Mr. Stanton responded to questions from the committee in that he did not have any knowledge of court decisions that have interpreted the two statutes that were mentioned in his testimony.

Veterans

Gary Hess of Veterans Alliance for Holistic Alternatives appeared before the committee to advocate for legalization of medical marijuana. His personal experience with a traumatic brain injury, chronic pain, insomnia and PTSD after having served in the military in Iraq under intense fighting conditions that resulted in severe physical, mental, emotional, and social costs. He had followed the prescribed regimen of medications for dealing with his multiple issues but problems only increased and degraded his quality of life. Access to medical cannabis brought him relief that he had not experienced in over a decade. It allowed him to go off all other medications he had been prescribed. It has not been a gateway drug but an exit drug from opioids, anti-depressants, and other pharmaceuticals that left him numb, broken, and dependent. He encourages the use of holistic approaches to medicine to help Kansas citizens receive medical freedom. (No written testimony was submitted by Mr. Hess.)

Chris Wolfenbarger, a retired combat medic who had been deployed to Afghanistan and now works as a real estate appraiser. He became involved in the veteran nonprofit space due to the numerous distressed calls he would continue to receive after his retirement from the military. There was continued concern about the overuse of alcohol, fatal drug interactions, and suicide

impacting veterans and their family members. He serves on multiple boards that assist with helping veterans and their needs. He attended the first annual International Cannabis Research Conference at the University of Colorado Pueblo and sat under the teachings of prominent doctors who shared how the body uses cannabis to bring about homeostasis and help bring healing with very little side effects. It motivated him to become an advocate to get the best possible medicines and treatments available to veterans, which is his primary focus. (No written testimony was by Mr. Wolfenbarger.)

Mr. Wolfenbarger answered questions from the committee on differences between the active ingredient in cannabis gummies and Marinol. Although he does not have expert knowledge about the differences, he believes that natural cannabis is more natural and better than synthesized cannabis.

Don Pratt of Parkville, Missouri, a Vietnam veteran, was introduced to the committee by Mr. Wolfenbarger in order to speak about his experience. He had for years disagreed with the use of medical cannabis until his wife developed dementia. Her personality became more aggressive, bitter, and agitated. Her personal physician and psychiatrist suggested he look into medical cannabis to help with her dementia symptoms. With family support, he gave her small doses of cannabis daily and it greatly improved her quality of life. Her doctors both said that she no longer needed the medicines they had first prescribed her. He believes he was completely wrong to not have supported its use sooner. (No written testimony was submitted by Mr. Pratt.)

Agriculture, Hemp, and Cannabis Reintegration

Kelly Rippel of Kansans for Hemp and the Planted Association of Kansas and a volunteer board member for the Kansas Department of Agriculture's Industrial Hemp Advisory Board, testified before the committee to encourage cannabis law reform to reflect current evidence and public opinion ([Attachment 9](#))([Attachment 10](#)). He shared his research from the past eight years to provide some widely unknown data from state archives.

- Kansas was the first state to implement hemp, which grew wild across the state, eradication under the misguided notion it was the same as cannabis;
- The THC limit of 0.3 percent came from a Canadian taxonomic report that was later used to justify its regulatory limits;
- Kansas farmers valued hemp as it prohibited more invasive weeds and provided habitat and food for farm game including birds and pollinators. It was believed that eradicating hemp would decrease biodiversity in soil and wildlife while introducing more chemicals into the ecosystem which could explain why Kansas has biodiversity loss, chemical resistant weeds, nutrient overloading in waterways causing algae blooms and contaminated aquifers from over-pumping due to water-intensive crops;
- Despite increased law enforcement funding to fight cannabis, there is no substantial impact to availability of cannabis to the public and no decrease cost of unlawful products; and

- His final analysis finds that the nation's current drug policy prohibition is based on the least amount of supported evidence leading to abuse of human rights and taxpayer dollars.

In summary, he states that Kansas needs an integrative cannabis drug policy and regulatory system, for agricultural hemp and therapeutic cannabis, needs to be in place to protect the public health and consumers, provide a robust education based on empirical data and that is adaptable to changing information and trends.

Lunch

Chairman Fagg recessed the committee meeting at 12:10 p.m. for lunch and resumed the meeting at 12:49 p.m.

Banking

Kelly VanZwoll of the Kansas Bankers Association (KBA) spoke before the committee about the intersection of the marijuana industry and federal banking laws ([Attachment 11](#)). Current law states that any money that can be traced back to marijuana operations poses a significant risk to banks in their legal, operational, and regulatory functions. It also means that those who are indirectly tied to the cannabis industry also pose a legal risk to banks. Banks find themselves caught between serving the financial needs of their community and the existing federal and state laws. Although KBA has no formal stance on legalization of marijuana, it does encourage that federal and state regulatory agencies provide greater legal clarity to banks operating in locations where there is some form of legalization and it does support the federal SAFER Banking Act.

Ms. VanZwoll addressed questions from the committee and provided the following answers:

- How are financial institutions that choose to provide financial services to marijuana operations able to avoid the risk?
 - Her response was that those who do so have performed their own risk assessment and determined their capacity to manage the compliance requirements which can be costly and timely.
- Are banks only concerned with losing FDIC insurance?
 - Her answer was that banks are also concerned with legal violations of the Banking Secrecy Act and the Anti-Money Laundering Law which allows federal regulators to go after them.
- Hypothetical scenarios involving someone living in Kansas but working in Missouri at a marijuana operation. Would paycheck deposits in Kansas be illegal?

- She indicated that a bank would most likely need to file a marijuana limited suspicious activity report (SAR) for each transaction but a compliance officer may be able to better answer the question.
- Further SARs related transaction questions regarding indirect connections
 - She stated that those types of transactions are hard for community banks to monitor and control.
- Would passage of the SAFE or SAFER Act fix the SAR transaction issues in states that have medical marijuana?
 - Her reply was that it would depend on if the bank's overall regulator was federal or state.
- Are there any other industries in which a bank would need to do a SAR report?
 - She could not think of any other industry that is regulated in that way.
- Do banks' general insurance companies have any issue with banks providing financial services to marijuana businesses?
 - She informed the committee that she would have to research and get back to the committee.

Brock Roehler of the Office of the State Bank Commissioner addressed the committee which regulates 168 state charter banks regarding the impact of legalization of medical marijuana in Kansas on the banking system ([Attachment 12](#)). He stated that should marijuana be legalized it would not cause a substantial impact in how they currently operate in Kansas. Although they do not prohibit marijuana related businesses from banking services in the states where it is legal, but it does have some challenges. Medical marijuana is a cash intensive business that will likely stay that way due to credit card companies refusing to do business with marijuana dispensaries and other marijuana related businesses. As with other cash based businesses, such as wiring money, require greater due diligence and monitoring. Banks will be hesitant to bank with these types of customers until the issues around federal rescheduling of marijuana and the credit card companies allowing marijuana related transactions are resolved.

Mr. Roehler deferred to Ms. VanZwoller regarding questions from the committee concerning if a specific dollar amount with a certain time frame triggers a SAR to which she responded that it was a pattern of practice and not transaction amounts in a given number of days. Mr. Roehler also answered the question regarding the previous scenario of a Kansas citizen working in a Missouri dispensary and a bank filling out a SAR on the individual and also a previous question about banking insurance.

Marijuana Policy Considerations

Kevin Caldwell from the Marijuana Policy Project appeared before the committee to advocate for cannabis law reform ([Attachment 13](#)). His organization outlines six key policy points that it defines as critical to a compassionate, patient-focused medical cannabis program.

- Immediate and explicit patient protections from arrest, detention, and prosecution;

- Ensure easy, ready access to medical cannabis;
- Allow enough qualifying conditions;
- Health and safety protections;
- Anti-discrimination protections for patients; and
- Confidentiality protections.

He stated that well-regulated programs have not had the concerns law enforcement officials have voiced in Kansas and other states materialize.

Robin Bonsall, a private citizen, spoke before the committee regarding the potential of cannabis industry and in particular agricultural hemp ([Attachment 14](#)). The benefits and potential of hemp often gets lost and lumped into same category as medical marijuana which is unproductive. She is advocating for agricultural hemp to be treated as a standard crop option for Kansas farmers which in turn has the potential for greater economic development which includes processing, manufacturing, and retail opportunities.

Ms. Bonsall answered questions from the committee regarding hindrances to her hemp ambitions and policies that are causing roadblocks such as reducing the fees and costs to enter the industry and unnecessary testing for THC.

Nick Reineker, a private citizen from Inman, requested to speak before the committee regarding his advocating for cannabis to be removed from the Controlled Substances Act ([Attachment 15](#)). He quoted from Thomas Jefferson's inaugural address that it is the role of good government is to restrain men from injuring one another and otherwise be free to regulate their own pursuits of industry and improvement.

Written-only Testimony

Chairman Fagg brought to the committees attention written-only testimony that was received by the following individuals:

- Dan Burrows, Chief Deputy Attorney General, Office of the Attorney General ([Attachment 16](#));
- Rashane Hamby, Director of Policy and Research, American Civil Liberties Union of Kansas ([Attachment 17](#));
- Twila Puritty, private citizen ([Attachment 18](#)); and
- Jim Ricketts, private citizen ([Attachment 19](#)).

Medical Marijuana in Utah

Richard Oborn of Utah's Center for Medical Cannabis testified before the committee of the success of Utah's cannabis program and strengths and challenges of its pharmacy model ([Attachment 20](#)). He shared that there are over 89,000 medical cannabis patient card holders since they began to be issued in 2020, 950 medical providers registered with the stat, 76

licensed pharmacists, and 15 medical cannabis pharmacies. There are cannabis educational requirements for medical providers and they serve no more than 15 patients. Medical cannabis pharmacies cannot sell anything but medical cannabis, medical cannabis devices, and educational material and regular pharmacies that sell FDA approved drugs cannot sell medical cannabis. The strengths of the program are that patients must first meet with a medical provider in person for assessment and education on safe and responsible use, first time patients must also meet with a medical cannabis pharmacist to discuss types of medical cannabis, dosages, and side effects, a pharmacist must be present during all business hours to answer patient questions, and the medical providers and pharmacists share a statewide software system for patient treatment notes. Challenges that they have experienced are higher costs of medical cannabis products due to the expense of having a pharmacist on duty adds to operating costs, as well as the need to have the pharmacist review every sales transaction to ensure the medical providers restrictions are followed. This also adds to the state's costs for auditing records. He also provided information on how having a medical cannabis advisory board has benefited the program by making recommendations and giving feedback to state policy makers.

Mr. Oborn responded to questions from the committee regarding black market operations causing issues in Utah. It was requested that he include in his submitted testimony the total revenue sales, which in 2023 were \$3.4 million, and the numbers on the ranges of conditions that are being treated, and the regulatory costs for the state agencies. This is the link provided by Mr. Oborn to the Center's [monthly report](#).

Cannabis Industry - General

Sam Jones representing Kansas Natural Remedies spoke before the committee as a proponent of passage of a medical cannabis program in Kansas ([Attachment 21](#)). He recommends that Kansas follow the Utah model program which if tightly regulated will diminish black market sales. One thing he believes opponents have failed to prove is that there is a correlation between medical cannabis and the causation of social problems. He pointed out that many of the social problems can be attributed to other issues as well that are not strictly marijuana related.

He provided the following answers to questions from the committee:

- In response to what he thinks of the study that cites that for every \$1 of revenue there is a social cost of \$4.50 he shared that there are studies to prove what you want to prove; and
- To the question of what he believes is cause of black market operations and the best way to address black market concerns he stated that it is to have a well regulated application process and thorough vetting.

Boston Dickerson of Show Me Organics addressed the committee to share his experience as a vertically integrated business that cultivates, manufactures, and sells marijuana in Missouri. He offered an open invitation to the committee to tour his facility in Grandview to see how tightly regulated they are. One of the key elements to regulation is having a solid seed to sale partner for tracking cannabis. A good program will enable data baselines and averages to show how a community will be affected according to population density. A challenge for regulators is that some of the language in the statutes about cannabis were left up to interpretation pertaining to definitions and funding. Missouri is currently involved in lawsuits due

to lack of transparency on how licenses were awarded. (No written testimony was provided by Mr. Dickerson.)

Cannabis Industry - Growers

Dave Brown of Coastal Cannabis Consulting addressed the committee to share his knowledge and experience as a cannabis business owner in Washington, Louisiana and Mississippi. He has experience as a processor and retailer and plans to go into cultivation as well. He stated that it is important to do everything possible to have a well regulated market but the reality is that even the lion's share of the regulated market is in the underground market. However, a regulated market is better than one without any regulation. He recommends that getting the policy right is important in order to grow proportionate to the need. He also suggests that commissioning a study to help the state get a better understanding of how many patients they can expect to serve, how many testing labs would be needed, how much grow capacity would be needed and how many retail shops would be helpful to know before starting anything, (No written testimony was received from Mr. Brown.)

Mr. Brown answered questions regarding if his state of Louisiana had commissioned a study, number of pharmacies in Louisiana and costs associated with licensing.

Cannabis Industry - Tracking

Jean Robinson of Metrc testified before the committee about the use of seed-to-sale tracking that provides a transparent, secure, and safe centralized inventory system for state regulatory programs ([Attachment 22](#)). It provides a database for the state to track every legal plant and product in the supply chain, testing results, transfers of product, and sales information that is available in real time to regulators. It ensures the marketplace is safe and secure by creating a closed loop supply chain. The aggregated data such a system provides helps to inform effective policy decisions. Besides tracking plant information, data can be used to help predict cash flow, observe consumption levels, inform for public safety, be integrated with licensing systems, patient registry and such. Ms. Robinson provided answers to the committee on the following questions:

- Who owns the track and trace system? Ms. Robinson shared that her company is a vendor that provides a service to the state through a contract. The state owns the data obtained through the service;
- How large would a state agency need to be to support this system? Ms. Robinson replied that it is her organization that would support the state agency instead according to that agency's need;
- Who tags the plants? Ms. Robinson responded that it is the responsibility of the licensed business;
- How is a plant's waste product tracked? Ms. Robinson shared that all parts of the plant is accounted for when it is harvested. The waste is weighed, trim is weighed, and the usable flowers are weighed. Each state has rules for how to get rid of the waste product;

- Is there any oversight or verification of disposal? Ms. Robinson stated that states not only implement Metrc software but video surveillance also. When inspectors go in for a compliance check they can match what's being grown with what Metrc has as recorded; and
- Are seeds verified? Ms. Robinson replied that depending on the state, flats of plants are sometimes tagged as one unit until they reach a certain height and other states only tag when a plant reaches a specified height.

Orland Yee of Kanha Technologies appeared before the committee to explain how his organization develops enterprise resource planning systems for every type of operation within the cannabis supply chain and even for governments. He referred to the use of tags that different businesses utilize for tracking. RFID tags are more expensive but can scan and track items quickly. Other types of tags used are UPC tags with bar codes. They are more labor intensive to scan but significantly cheaper. He shared his organizations ability to generate encrypted, non counterfeitable tags that producers can print themselves at low cost. (No written testimony was received for Mr. Yee.)

Mr. Yee answered questions from the committee regarding the cost of RFID tags supplied to California by Metrc for which the state pays for and then issues to the marijuana operators.

Ms. Robinson also responded to Mr. Yee's presentation by stating that California is unique and most regulatory programs are paid for those businesses which are regulated. Costs are very proportional to the business size.

Cannabis Industry - Testing and Quality Assurance

Clay Bullard of PGx Medical gave testimony before the committee about the importance of having a laboratory for quality assurance (QA) testing of medical marijuana products. Quality assurance testing sets the standards for the state from a regulatory standpoint and to ensure there are no pesticides or heavy metals in products provided to the public. QA protects the public, provides consistency of quality, and promotes good commerce. Like other industries that are regulated, it is good practice to test that state standards are being met. (No written testimony was received by Mr. Bullard.)

Below is are Mr. Bullard's responses to questions from the committee.

- Potency level of marijuana gummies could have potential to make someone high depending on how much THC would be spread throughout the product;
- Lab testing of products is more to determine truth in advertising or labeling than in potency questions;
- Explained how randomized testing algorithms are used to determine sampling protocols;
- Described how labs operate as a public/private partnerships with states;

- Stated that the regulatory agency will establish THC limits for products in terms of dosage amounts;
- There is no standard method for establishing a regulatory process. The best approach is to borrow from the best standard that's available and then perfect it as you go. There will always be outliers to regulate against in order to protect commerce;
- The process for working with other aspects of the healthcare industry for lab requirements is to apply the same principles for licensing that exist within similar industries that regulate machinery and equipment;
- PDx Medical operates in 22 states on a consultative level; and
- Of the QA laboratories in Oklahoma, about 75 percent met set standards and about 25 percent were outliers. The better performing labs will naturally conduct more business so that the best labs will survive.

Stephanie King of Gateway Labs addressed the committee to share the purpose of accreditation for testing laboratories. She clarified that they test for quality and for safety to ensure patient safety and the integrity of data and hold medical marijuana to the same standards as other pharmaceutical medicines. Accreditation requirements for licensing provides a footprint for laboratory standardization regarding equipment, methods, and reporting. State oversight will be needed to monitor the range and frequency of lab failures to ensure the safety and efficacy of products in Kansas. (No written testimony was received by Ms. King.)

Responses by Ms. King to questions from the committee are below.

- Acceptable levels of contaminants mentioned in testimony are according to industry standards;
- A contaminant free product with a 100 percent purity would not be possible even with synthetic manufacturing; and
- Their labs test both plants and infused products by creating homogenous samples.

Committee Discussion and Recommendations to the 2025 Legislature

Chairman Fagg requested the will of the committee for moving forward with recommendations.

Representative Hoheisel moved to instruct the staff to compile a summary of the meeting and information presented as a report for the Committee to review and requested an additional meeting in January for the purpose of making recommendations to the 2025 Legislature. Seconded by Representative Kessler. Members discussed the possibility of meeting in January, with consideration to the large volume of complex information they received and the need to meet before the 2025 Legislative Session convenes.

Representative Howe made a substitute motion to instruct staff to compile the meeting report without any additional meeting day. Seconded by Senator Thompson. Motion failed.

Committee returned to Representative Hoheisel's original motion. Motion carried.

Senator Holscher moved to recommend that the 2025 Legislature pass medical cannabis legislation based on the information provided to the Committee and to past interim committees and that it be based on medical programs such as the one in Utah. Seconded by Representative Meyer. Motion failed.

Representative Howe asked for permission to submit a document from the Congressional Research Service titled The Legal Consequences of Rescheduling Marijuana (Attachment 23) published in May 2024.

Adjourn

Chairman Fagg adjourned the committee at 4:50 p.m.

Prepared by Jackie Gutierrez

Edited by Elaina Rudder and Nicole Fielder

Approved by the Committee on:

January 17, 2025

(Date)