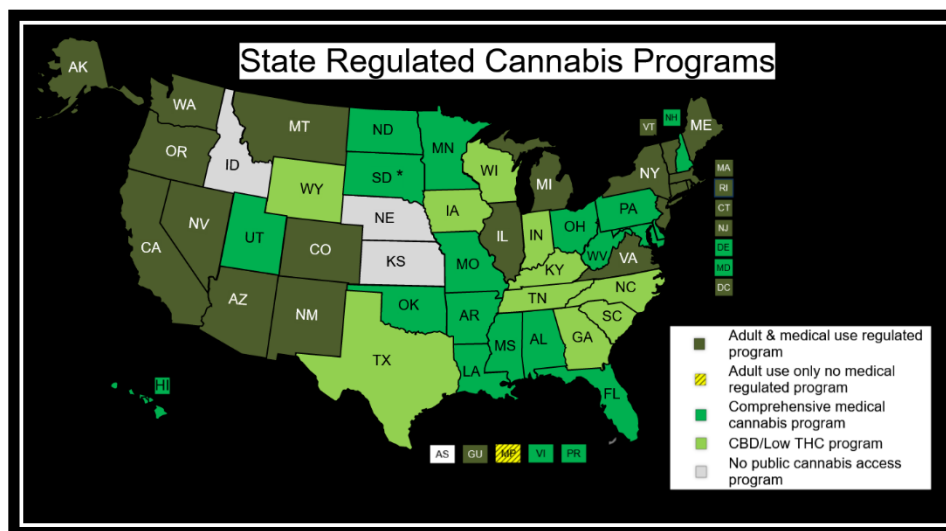


To: 2022 Special Committee on Medical Marijuana  
From: R.E. "Tuck" Duncan  
Kansas Cannabis Industry Association  
RE: Medical Marijuana PROPONENT

October 19, 2022

Thank you for providing an opportunity to continue the process of understanding what medical cannabis is, how it can help citizens in need and working toward legislation that will become a workable reality. I will not review all the elements of last sessions legislation as the Revisor did an excellent job of same at your first meeting. You will have many people submit testimony outlining the benefits of medical cannabis for those in need and who suffer from medical conditions that are improved with access to medical cannabis. **Attachment "A"** contains references to presentations regarding the medical benefits.

Today our message is this: medical cannabis laws are not a passing fad but are, in fact, a national trend embraced by lawmakers and citizens on both sides of the aisle who recognize the medical and economic benefits. A regulatory system has been created in these bills with general agreement by all the affected parties to provide reasonable access. Kansas should enact a law suitable to our needs, otherwise our state will be left behind nationally as Congress addresses the issue. ***We are falling behind and do not want to face the prospect of having to be saddled with a federal system forced upon us due to state inaction.*** Attachment "B" is an article prepared by the National Conference of State Legislatures containing the status of current state laws.



Kansans are ready to embrace laws that provide access. In 2019 the KCIA conducted a statewide poll of Kansas voters that sent a clear message -- Kansans want the Legislature to pass Medical Cannabis Legislation. Conducted by research firm HLC Strategies, the poll

shows 70.3% of Kansans support medical cannabis legislation compared to just 22.1% who oppose.

A poll taken February 4, 2021 shows two thirds of Kansas voters support legalizing medical marijuana. The survey, by Republican pollster J.D. Johannes, shows 66% percent of Kansans indicate they support medical marijuana with healthy backing from Democrats and Republicans. 42% strongly support legalizing medical marijuana, while only 15% indicated strong opposition. The poll found 54% of traditional Republicans back medical marijuana. Support among Democrats was stronger with 87% of more liberal Democrats supporting medical marijuana legalization compared to 74% of more traditional Democrats. Those who fall more in the middle generally supported medical marijuana, with 66% in favor of legalization.

In the most recent Docking Institute, FHS Kansas Speaks poll taken in the Fall 2021 only 18.1% of respondents “somewhat opposed” or “strongly opposed” regulated cannabis.

These bills are written in a manner to draw on existing executive branch resources to keep a low fiscal note while creating an orderly system of licensing, regulation, and tax collection.

**Income and Jobs:** Setting up marijuana nurseries, distributorships and dispensaries will be the first step for Kansas. This activity will create jobs and get the ball rolling for economic activity in the cannabis industry. New Frontier Data forecasts that under full federal legalization cannabis has the potential to create cumulatively \$105.6 billion in federal tax revenue and 1 million new jobs by 2025. In 2020, medical marijuana sales in the U.S. topped \$7 billion. Workers will be needed to farm, process, distribute, and sell cannabis-based products. Further, there are ample opportunities for secondary industries related to legal cannabis not directly involved in its production and distribution. These include software developers, financing services, construction companies, and many others.

If Kansas does not cultivate an industry now, as the system opens nationwide, we will find ourselves dependent on outsiders who will take money from our state, instead of a homegrown industry that retains dollars and jobs for Kansas. **Attachment “C”** is a recent Kansas City Federal Reserve Bulletin on *“Marijuana Industry Has Boosted Economic Activity in the Tenth Federal Reserve District.”*

Legal medical marijuana presents the possibility of tremendous benefits to our economy. It will assist to secure investment portfolios of investors across the state. The Kansas Cannabis Industry Association has been informed by interested businesspersons they are prepared to invest in this new industry. No doubt medical marijuana will increase tax revenue. Importantly medical marijuana benefits patients obtaining recommendations from their medical marijuana doctors to treat their disease. Today is a step in working to pass reasonable, regulated medical cannabis legislation. *Thank you for the opportunity to provide testimony and I am happy to provide additional information and answer questions at any time.*



*Respectfully Submitted,*

A handwritten signature in blue ink that reads "TUCK DUNCAN". The signature is written in a cursive, slightly slanted style.

*R.E. “Tuck” Duncan  
KS Cannabis Industry Association*



## The medical case for medical marijuana



### A doctor's case for medical marijuana | David Casarett

Physician David Casarett was tired of hearing hype and half-truths around medical marijuana, so he put on his skeptic's hat and investigated on his own. He comes back with a fascinating report on what we know and what we don't – and what mainstream medicine could learn from the modern medical marijuana dispensary.

[https://www.ted.com/talks/david\\_casarett\\_a\\_doctor\\_s\\_case\\_for\\_medical\\_marijuana](https://www.ted.com/talks/david_casarett_a_doctor_s_case_for_medical_marijuana)

### Why I changed my mind about medicinal cannabis |

#### Hugh Hempel | TEDxUniversityofNevada

Hugh Hempel is a technology industry veteran turned health care entrepreneur. In this moving talk he discusses how medicinal cannabis has enriched the lives of his ailing 11 year-old daughters. This talk will challenge your views of medical marijuana.

<https://youtu.be/3N8QMeIsX2c>



### The Potential Benefits of Medical Marijuana |

#### Dr. Alan Shackelford | TEDxCincinnati

Medical marijuana isn't devil weed or the cure for everything. Find out what it really is, and what it can really do. Dr. Alan Shackelford shows us. FB: Amarimed of Colorado / Twitter: @DrAShackelford Dr. Alan Shackelford is a graduate of the University of Heidelberg School of Medicine in Germany and completed postgraduate medical training at major teaching hospitals of the Harvard Medical.

<https://www.youtube.com/watch?v=wVIIZkbdwF4>

### Medical Marijuana: Mayo Clinic Radio

Addiction specialist Dr. Jon Ebbert explains how medical marijuana is being used to treat disease symptoms and pain.

<https://www.youtube.com/watch?v=I1vwGRXYy3c>





NATIONAL CONFERENCE OF STATE LEGISLATURES

<https://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx>

# State Medical Cannabis Laws

9/12/2022



**MEDICAL-USE UPDATE:** As of February 3, 2022, 37 states, three territories and the District of Columbia allow the medical use of cannabis products. In November 2020, voters in Mississippi passed a ballot initiative to allow for medical use, but it was overturned by the state supreme court on May 14, 2021. The legislature passed new legislation which was signed by the governor Feb. 2, 2022. See Table 1 below.

**NON MEDICAL/ADULT-USE UPDATE:** As of May 27, 2022, 19 states, two territories and the District of Columbia have enacted measures to regulate cannabis for adult non medical use.

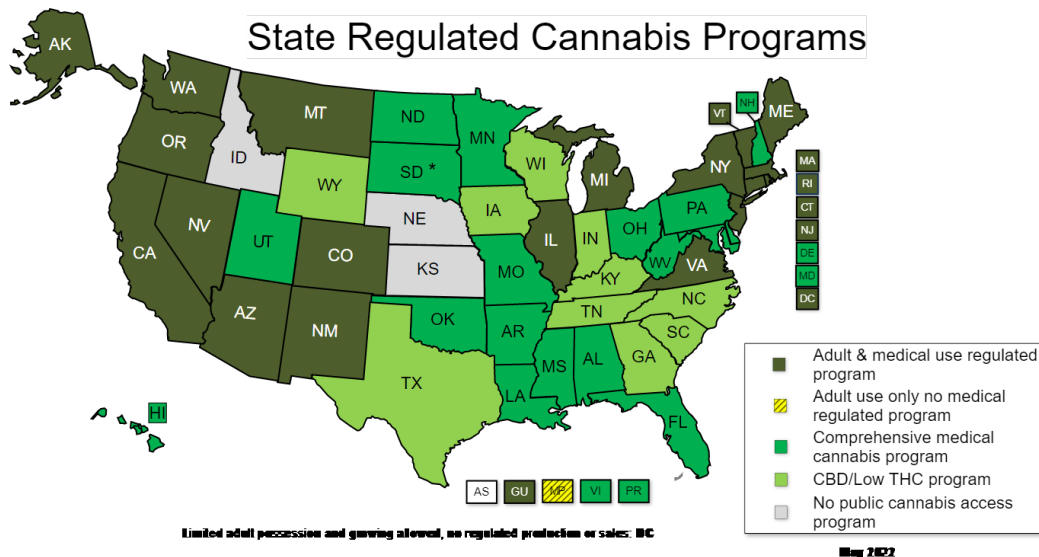
- Voters in Arizona, Montana, New Jersey and South Dakota approved measures to regulate cannabis for non medical use.
- On Feb. 8, 2021, South Dakota Circuit Judge Christina Klinger ruled that the measure was unconstitutional. The South Dakota Supreme Court upheld this decision on November 24, 2021 by a vote of 4-1.
- New Jersey's governor signed enacting legislation on March 1, 2021.
- New York's legislature and governor enacted AB 1248/SB 854 on March 31, 2021.
- The Virginia General Assembly passed legislation on Feb. 27 and approved the governor's amendments on April 7, 2021.
- The New Mexico legislature passed legislation on March 31 and the governor signed it on April 12, 2021.
- The Connecticut General Assembly passed SB 1201 on June 17 and the governor signed it on June 22, 2021.
- The Rhode Island General Assembly passed the Rhode Island Cannabis Act, measures 2022-S 2430Aaa and 2022-H 7593Aaa, and the governor signed them on May 25, 2022.

- These actions bring the number of states with non medical (adult-use) regulated cannabis to 19, plus two territories and the District of Columbia (D.C. does not regulate non medical sales).
- This total does NOT include South Dakota's court-over-turned measure. Please see Table 1 below for more information.

A total of 37 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands regulate cannabis for medical use by qualified individuals.

Approved measures in 10 states allow the use of "low THC, high cannabidiol (CBD)" products for medical reasons in limited situations or as a legal defense. **(See Table 2 below for more information)**. Low-THC programs are not counted as comprehensive medical cannabis programs. NCSL uses criteria similar to other organizations tracking this issue to determine if a program is "comprehensive":

1. Protection from criminal penalties for using cannabis for a medical purpose.
2. Access to cannabis through home cultivation, dispensaries or some other system that is likely to be implemented.
3. It allows a variety of strains or products, including those with more than "low THC."
4. It allows either smoking or vaporization of some kind of cannabis products, plant material or extract.
5. Is not a limited trial program. (Nebraska has a trial program that is not open to the public.)



\* = Measures approved by voters in Mississippi for medical use and South Dakota for non medical use were overturned in 2021. The Mississippi legislature passed new medical cannabis legislation which the governor signed on Feb. 2, 2022. Please see Table 1 below for more information.



## Medical Uses of Cannabis



In response to California's Prop 215, the Institute of Medicine issued a [report](#) that examined potential therapeutic uses for cannabis. The report found that: "Scientific data indicate the potential therapeutic value of cannabinoid drugs, primarily THC, for pain relief, control of nausea and vomiting, and appetite stimulation; smoked marijuana, however, is a crude THC delivery system that also delivers harmful substances. The psychological effects of cannabinoids, such as anxiety reduction, sedation, and euphoria can influence their potential therapeutic value. Those effects are potentially undesirable for certain patients and situations and beneficial for others. In addition, psychological effects can complicate the interpretation of other aspects of the drug's effect."

Further studies have found that marijuana is effective in relieving some of the symptoms of HIV/AIDS, cancer, glaucoma, and multiple sclerosis.<sup>1</sup>

In early 2017, the [National Academies of Sciences, Engineering, and Medicine released a report](#) based on the review of over 10,000 scientific abstracts from cannabis health research. They also made [100 conclusions](#) related to health and suggest ways to improve cannabis research.

### State vs Federal Perspective

At the federal level, cannabis remains classified as a Schedule I substance under the Controlled Substances Act, where Schedule I substances are considered to have a high potential for dependency and no accepted medical use, making distribution of cannabis a federal offense. In October of 2009, the Obama Administration sent a memo to federal prosecutors encouraging them not to prosecute people who distribute cannabis for medical purposes in accordance with state law.

In late August 2013, the [U.S. Department of Justice announced an update to their marijuana enforcement policy](#). The statement read that while cannabis remains illegal federally, the USDOJ expects states like Colorado and Washington to create "strong, state-based enforcement efforts.... and will defer the right to challenge their legalization laws at this time." The department also reserves the right to challenge the states at any time they feel it's necessary.

More recently, in January 2018, former Attorney General Sessions issued a Marijuana Enforcement Memorandum that rescinded the Cole Memorandum, and allows federal prosecutors to decide how to prioritize enforcement of federal cannabis laws. Specifically, the Sessions memorandum directs U.S. Attorneys to "weigh all relevant considerations, including federal law enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of

particular crimes on the community." Text of the memo can be found here: <https://www.justice.gov/opa/pr/justice-department-issues-memo-marijuana-enforcement>

NCSL's policy on state cannabis laws can be found under Additional Resources below.

Arizona and the District of Columbia voters passed initiatives to allow for medical use, only to have them overturned. In 1998, voters in the District of Columbia passed [Initiative 59](#). However, Congress blocked the initiative from becoming law. In 2009, Congress reversed its previous decision, allowing the initiative to become law. The D.C. Council then put Initiative 59 on hold temporarily and unanimously approved modifications to the law.

Before passing Proposition 203 in 2010, Arizona voters originally passed a ballot initiative in 1996. However, the initiative stated that doctors would be allowed to write a "prescription" for cannabis. Since cannabis is a Schedule I substance, federal law prohibits its prescription, making the initiative invalid. Medical cannabis "prescriptions" are more often called "recommendations" or "referrals" because of the federal prescription prohibition.

States with medical cannabis laws generally have some form of patient registry, which may provide some protection against arrest for possession up to a certain amount of products for personal medicinal use. Some of the most common policy questions regarding medical cannabis include how to regulate its recommendation, dispensing, and registration of approved patients. Some small cannabis growers or are often called "caregivers" and may grow a certain number of plants per patient. This issue may also be regulated on a local level, in addition to any state regulation.

**Table 1. State Medical Marijuana/Cannabis Program Laws**

<https://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx>

**Table 2. Limited Access Cannabis Product Laws (low THC/high CBD- cannabidiol)**

<https://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx>

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Additional Resources

- NCSL's How Four States Incorporated Public Health Into Cannabis Policy [executive summary](#).
- [NCSL's Cannabis & Employment Laws](#) page.
- [NCSL's Cannabis Legalization and Decriminalization](#) page.
- NCSL FY2018 letter the LCJPS Committee sent to the Hill opposing the withholding of funding for state with medical marijuana laws:  
[NCSL FY2018 CJS Appropriations Support Letter](#). (May 16, 2017)
- [Digging into Cannabis Policy: Public Health and Cannabis Research: Episode 163](#) of NCSL's podcast, Our American States.
- State Marijuana Policy covered in Episode 4 of NCSL's podcast, [Our American States](#).
- Comparisons of programs
  - [Comparison of all state medical marijuana programs with contact information. Prepared by the Network for Public Health Law as of Feb. 2019](#)
  - [Comparison of state limited access medical marijuana programs. Prepared by the Network for Public Health Law as of June 2018.](#)
  - ["Key Aspects of State and D.C. Medical Marijuana Laws" Marijuana Policy Project, 2022](#)

# kcFED *Economic* BULLETIN

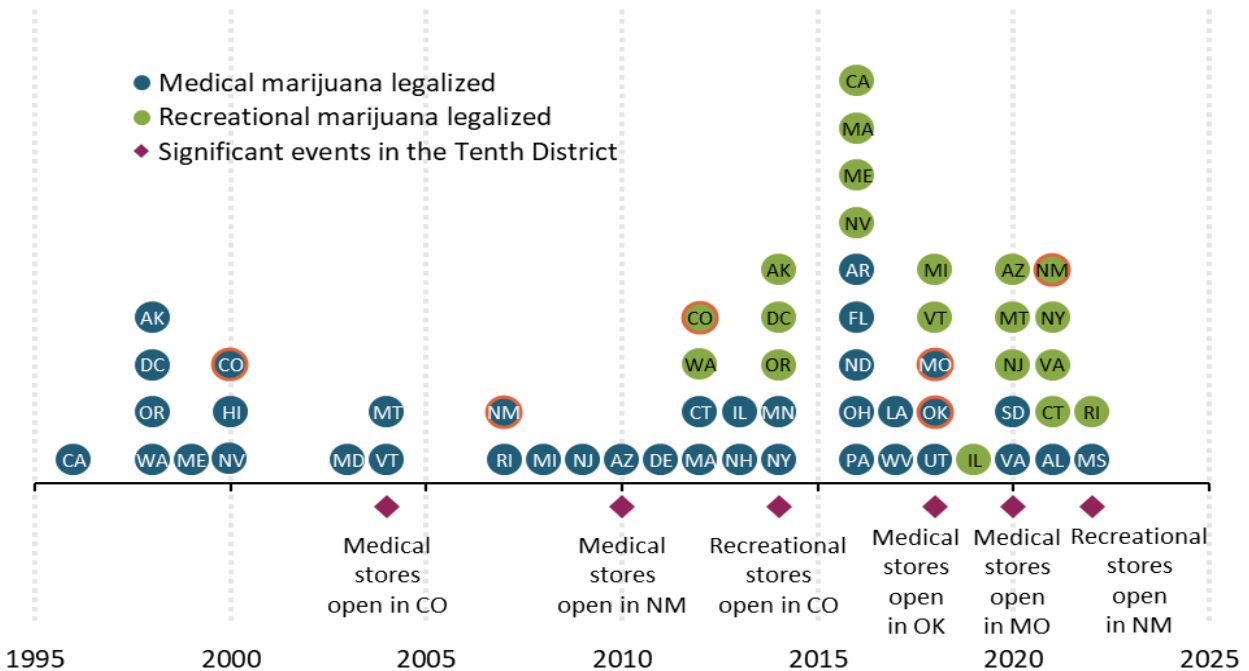
## Marijuana Industry Has Boosted Economic Activity in the Tenth Federal Reserve District

By Alison Felix and Samantha Shampine

Since Colorado became the first state to open recreational marijuana stores in January 2014, the marijuana industry has expanded across the nation and to other states in the Tenth Federal Reserve District, including Missouri, New Mexico, and Oklahoma. Within the Tenth District, this expansion has increased commercial real estate demand and tax revenues and created jobs, but has also presented challenges for the industry and local communities.

Colorado made headlines when it became the first state to open recreational marijuana stores in January 2014. Since then, many more states have legalized marijuana even though it remains illegal at the federal level. Chart 1 shows that as of September 2022, a total of 37 states and the District of Columbia have legalized medical marijuana, 20 of which (including Washington, DC) have also legalized recreational marijuana. Within the Tenth Federal Reserve District, both Colorado and New Mexico have legalized medical and recreational marijuana, while Missouri and Oklahoma have legalized medical marijuana only.

**Chart 1: Marijuana legalization has expanded across states over time**



Note: Orange rings denote states in the Tenth District.  
Sources: National Conference of State Legislatures and MJBizDaily.

This expansion may continue in the years to come. In November, Missouri voters will decide whether they want to legalize recreational marijuana (Herrington 2022). Marijuana industry advocates also



collected signatures for marijuana-related ballot initiatives in Nebraska and Oklahoma, but those measures will not appear on voter ballots this year (Hammel 2022; Monies 2022).

If these expansion efforts succeed, they may have important implications for the Tenth District economy. Although the size of the District's marijuana industry has thus far remained moderate, the industry has already influenced employment, real estate, and tax revenue in legalized states.

Currently, employment in the marijuana industry makes up a small share of total employment in Tenth District states, with estimates ranging from less than 0.30 percent of total employment in Missouri to around 1.35 percent of total employment in Colorado (Cox 2022; Barcott and Whitney 2022).<sup>1</sup> Although this share is relatively small, new jobs in the marijuana industry can nevertheless contribute substantially to total employment growth, particularly in the years immediately following legalization. For example, Colorado issued around 38,000 occupational licenses in the first four years after legalization, 2014–17 (Felix 2019). During the same period, Colorado added a total of 280,000 new jobs across all industries, suggesting that employment in the marijuana sector may have contributed up to 13.6 percent of the state's employment growth.<sup>2</sup> However, this growth has moderated more recently. From 2018 to 2022, new occupational licenses equated to around 3 percent of total employment growth in Colorado. Outside of Colorado, the Tenth District marijuana industry is much newer (see Chart 1). Thus, Tenth District employment growth in the marijuana industry may moderate in the coming years as the industry matures in other states and the initial wave of strong hiring to open retail stores, grow product, and manufacture edibles slows to a more moderate pace.

The marijuana industry has also tightened real estate markets nationwide, including in Tenth District states. Marijuana businesses have looked to snap up industrial and retail space, and some residential realtors have reported an increase in all-cash offers. According to a 2019 survey conducted by the National Association of Realtors, 23 percent of realtors located in states that had legalized both medical and recreational marijuana prior to 2016 reported that residential inventory had tightened due in part to all-cash purchases from the marijuana industry. In these same states, 27 percent of respondents reported increased demand for storefronts, 21 percent reported stronger demand for land, and 42 percent reported higher demand for warehouses (Yun and others 2020). A 2015 report from CBRE found that the marijuana industry accounted for almost 36 percent of Denver's total net absorption in industrial space from 2009 to 2014 and occupied about 2.6 percent of total warehouse space in Denver (Murtaugh and Ostermick 2015). By the end of 2016, the marijuana industry had expanded to occupy 2.9 percent of total warehouse space in Denver; however, grow operations were solely located in older or less developed Class B and C industrial space (Murtaugh and Vance 2017).<sup>3</sup> Thus, while the entrance of the marijuana industry is likely to tighten the market for industrial space, it may also help to reduce vacancies in less desirable properties. In particular, CBRE notes that the effect on commercial real estate in markets outside Colorado will depend on regulations (for example, whether marijuana can be grown on farms or in greenhouses in addition to warehouses), zoning laws, and the tightness of the Class B and C industrial market prior to legalization (Murtaugh and Vance 2017).

In addition to employment and real estate, the marijuana industry has also influenced state tax revenue through marijuana sales. Although sales in the Tenth District are strong, they vary considerably across states due in part to differences in consumer demand, state regulations, and the cost and ease of

permitting. With the most well-established marijuana industry in the District and perhaps in the nation, Colorado has much higher marijuana sales than other District states, totaling more than \$2.2 billion in 2021. Although this number initially looks substantial, total marijuana sales in Colorado still make up less than 1 percent of total consumer spending in the state.<sup>4</sup> For a state with only medical sales, Oklahoma has a surprisingly large amount of sales as well, with an estimated \$945 million in sales in 2021 (Wallis 2022).<sup>5</sup> These strong sales are likely due in part to less stringent regulations for the marijuana industry in Oklahoma, including the licensing for both businesses and patients. About 9.3 percent of Oklahoma residents have a medical I.D. card, which requires a physician's signature; however, unlike other states, the issuance of the I.D. card is not restricted to specific underlying health conditions. Business licenses also have been relatively easy and cheap to attain in Oklahoma, leading the state to have more retail marijuana stores than in Colorado, Oregon, and Washington combined and the largest number of licensed marijuana farms (over 9,000) in the country (Romero 2021). However, Oklahoma legislators recently passed a moratorium on the issuance of new marijuana business licenses that is expected to remain in place through August 2024 (Schiller 2022). As a result, sales growth may moderate in the years to come.

As marijuana sales have picked up in the Tenth District, state and local government coffers have also grown. Tax rates on marijuana vary significantly across states, with taxes typically much higher for recreational sales than medical sales. Among the Tenth District states, Colorado brought in the most from marijuana sales taxes, excise taxes, and licensing fees in 2021, with revenue totaling more than \$423 million. The marijuana industry generated almost \$150 million in revenue for Oklahoma in 2021; about \$50 million in revenue is projected in New Mexico's first year of recreational sales (medical marijuana sales are exempt from the excise tax); and less than \$10 million has been collected since sales began in Missouri.<sup>6</sup> Although these revenues have benefited Tenth District states and earmarked projects such as education and veteran services, tax revenues from marijuana remain a small share of overall state and local government revenues. Even in Colorado, which has the highest revenues, marijuana revenue made up just 2.3 percent of state tax revenue in 2021.

Overall, the marijuana industry has had a significant effect on the economies of Tenth District states in the initial years after legalization. The emergence of the industry has led to higher employment and stronger demand for commercial real estate. In addition, tax revenues have increased as marijuana sales have grown. However, marijuana legalization has also been associated with challenges for both the industry and localities more broadly, including access to banking services and concerns among some local officials about its effects on public health and safety.

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## Endnotes

<sup>1</sup> Precise counts of employment in the marijuana industry do not exist. These estimates rely on data from Barcott and Whitney (2022) and state occupational licensee data.

<sup>2</sup> These estimates assume that all occupational licenses led to new jobs in the marijuana industry. Previous work by the Marijuana Policy Group estimated that each occupational license equates to 0.467 full-time employment positions (Light and others 2016). Using their estimate, the marijuana industry may have accounted for a much smaller share of employment growth between 2014 and 2017, 6.4 percent.

<sup>3</sup> Commercial real estate is typically divided into three classes. Class A spaces tend to be the newest buildings with state-of-the-art facilities. Class B spaces are slightly below Class A properties and are frequently slightly older. Class C spaces tend to be substantially older and more out of date.

<sup>4</sup> According to data from the Bureau of Economic Analysis, marijuana sales in 2020 and 2021 were both less than 1 percent of 2020 personal consumer expenditures in Colorado.

<sup>5</sup> Total marijuana sales in 2021 made up less than 0.7 percent of personal consumption expenditures in Oklahoma in 2020 (the most recent year for which data are available).

<sup>6</sup> We calculate Oklahoma tax revenue by adding state and local sales tax data to SQ 788 excise tax data from the Oklahoma Medical Marijuana Authority.

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