

Testimony from Mark Linkhorst, Owner Cannabis.Pro LLC, Open Source Cannabis Consulting and Industry Development

Marijuana Legalization in Vermont: A Green Way Forward

Cannabis Should be Taxed & Regulated as a Wellness Product

- I. Sin Taxes- High tax rates will not reduce consumption, higher taxes will allow the black market to remain supported vs. legal markets that generate tax revenue.
- II. Denial of Service: Banking and credit card payments must be in place to reduce cash burden by 50% or more. Banks need to accept the business and allow accounts to be open and used without fear of being frozen. Security services must be accessible to transport cash to financial institutions for those dispensing cannabis.
- III. Home Growing: As was dropped from the 2013 decriminalization law, home growing must be part of a legalization law passed by the legislature. Proper rules should be in place to ensure electricity is up to code and safeguards are in place to prevent fire indoors. Outdoor rules should be established to protect cultivators and their crops.
- IV. Limiting Patients: Remove limits to state medical marijuana program on limitations of conditions. This will allow patients under doctors supervision to utilize this program on a broader scale which should take into account economic needs and protect the medical program. It is vital for research and information about cannabis therapy to be ongoing. Sales tax should not be charged nor should the sin tax be in place for patients. Patients should be able to visit any dispensary they wish.
- V: Limiting providers: The state limited providers with its medical marijuana program. This has led to shortages, long waits to access safe medicine, and a price structure that is higher than the black market. This needs to be resolved under legalization. The more providers, the more competition lowering prices to compete with black marketeers attempting to undercut legal markets.
- VI. Criminalizing Profit: Current medical marijuana guidelines impose non-profit status on dispensaries. Businesses moving into this new legal marketplace should be allowed to make profits and compete with others doing the same. A great happy medium would be for anyone operating in this space to be a B Corporation which is already part of Vermont statutes.
- VII. Land Use: Cannabis farming outdoors should be treated as agriculture. Safeguards and precautions should be implemented to protect farms and crops from rogue elements. Indoor cultivation should be zoned as industrial/commercial for large scale grows outside of the limits on home grows. Processing and production should also be done in industrial/commercial/agricultural zones as appropriate.



VIII Mandatory Indoor: As under current medical marijuana law in Vermont, there have not been ample abilities for the production of marijuana outdoors. The best marijuana possible is grown outside in full sun, while greenhouses and hybrid greenhouses can also replicate this quality when done properly. Indoor production is not the only answer and should not be mandatory in the laws drafted in an open and legal marijuana market.

- IX Vertical Integration: Should be an option for those wanting to cultivate, process, produce/ package, and retail their products. This should not be the standard or norm, as it has become in the medical marijuana laws of the state. Separate licenses should be available for those only wanting to specialize in one part of the legal market equation. Segmentation creates opportunities to check on compliance which is more difficult in a strict vertical system.
- X. Past convictions: Cannabis convictions alone should not be a right of refusal for the state to deny applicants. Violence, dishonesty, and other offenses should be considered.
- XI. Public Use: No public use policy has been visited in any established law in the US. I've smoked and vaporized in dispensaries in California that were grandfathered from the state smoking ban as well as Measure Z clubs that were operating in Oakland. We can't setup a regulatory model without addressing a permitted setting for cannabis use in a coffee shop or private club environment. Smoking cannabis in public is a nuisance however, vaporizer pens should be permitted anywhere e cigarettes or cigarette smoking is permitted. Smoking cannabis should be allowed in "coffee shops" and private cannabis clubs, in designated sections with proper ventilation. Tourists can purchase short term membership to private clubs.
- XII. Edibles: Smart limits should be established on single dose edible sales and packaging designed to inhibit overconsumption of cannabis foods, drinks, and other orally ingestible forms of cannabis products. Otherwise, people will buy cannabis on the legal market, and make edibles themselves, perpetuating the issue of dosage issues and potential for over ingesting.
- XIII. Testing: Independent 3rd party laboratories should be part of the law implemented to test all aspects of the cannabis for safety and adulterants. The current structure for medical marijuana testing to be done in house is unacceptable and leads to contaminated cannabis reaching the medical retail market. Testing facilities can also act as hubs for compliance and in the supply chain of seed to market at appropriate levels where testing is needed.