



Washington State Liquor Cannabis Board Meeting

Wednesday, October 4, 2017, 10:00 a.m.
LCB Headquarters - Boardroom
3000 Pacific Avenue SE, Olympia WA 98501

Meeting Minutes

1. CALL TO ORDER

Chair Jane Rushford called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 a.m. on Wednesday, October 4, 2017. Member Ollie Garrett and Member Russ Hauge were also present. Chair Rushford first acknowledged her fellow Board members and thanked the participants for their interest and contributions.

2. APPROVAL OF MEETING MINUTES

MOTION: Member Garrett moved to approve the September 20, 2017, meeting minutes.

SECOND: Member Rushford seconded.

ACTION: Motion passed unanimously.

3. PUBLIC HEARINGS (A)

PUBLIC HEARING 3A – Recreational Home Grow Study

Chair Rushford informed that this was not a rulemaking. It is an opportunity for the public to provide testimony on the Recreational Home Grow Study. She asked for everyone's respect and explained the presentation process.

Joanna Eide, Policy and Rules Coordinator, opened with a presentation (PRESENTATION 1) describing the Home Grow Study. She provided background specifying that this study was mandated by Legislature through ESSB 5131. The options provided in the study must adhere to the Cole Memo with attention to feasibility, enforceability, and resource impacts. For the purpose of the study, "recreational home grow" is defined as growing for personal use only. Joanna explained the three options outlined in the study: tight statewide regulations, local regulation, and prohibition. She added that the written comment period was open until October 11, 2017. The WSLCB will compile the research and provide recommendation to the Legislature by December 1, 2017.

Chair Rushford opened the public hearing and invited the first citizen to the podium to provide testimony.

Don Skakie – Real Legalization

Mr. Skakie provided two separate documents as written testimony before the hearing began (CITIZEN HANDOUT 1, 2).

Reading the Cole Memorandum, it remains clear the distinction between individuals growing for personal consumption and gangs or cartels. It is my testimony that all three options in the study are unacceptable. The matter should be referred to legislature where it can properly be debated and have public input sorted out. Options one and two are not in accordance with the Cole Memo, and are actually contrary to it on many points. I cannot support option three as it states that recreational home grows may be source of diversion. I doubt that is true, it would be difficult aggregate these small amounts into a considerable threat. The Board seems to consider that home growers would be focused on becoming criminal enterprises when in fact all we want to grow a little for ourselves in the privacy of our homes to know what is going in it. This is unavailable in the current system. Anyone growing illicitly now does so without home grow, and are likely to continue if home grow is allowed. It is more likely that responsible adults are going to grow in a matter that home brewers and wine makers do. Home growing should be allowed in such a manner that is free from license, registration, permit, tax, fee, or inspection and enforcement that is based on complaint and probable cause with warrant. I have submitted a more extensive review as printed material.

Miguel Mulholland – Weednews.co

Mr. Mulholland stated that he has been working with metrology regulation for over 15 years.

As a metrology technician, I've seen regulation that has worked and some that have not. I'm not in the cannabis business but I am a consumer. Customer focus is one of your main values, so here I am. From the consumer perspective, pointing out the Cole memo is a distraction and a diversion. Home grow is a fundamental part of legalization. The LCB neglects that Washingtonians have a 20 year home grow history, and are creating a police state with these options. Plant limits is regulation, not license and registry. Asking for a more police state is the opposite of what Washingtonians stand for. I urge the members of the LCB to focus on lab regulations on the recreational side of things. I also urge for your input to legislature to regulate home grows like home brews like the seven other states and DC do.

Vivian McPeak – Seattle Hempfest

With regard for the three options presented first and foremost we think that enforcing home grow laws is not the proper purview for the LCB, which is charged with the regulation of licensed businesses engaging in commercial sales. Nor do we feel limited cannabis grows by private citizens should be licensed or permitted in the first place. While legal cannabis production is a recent development in our state, there are established models that could be applied to cannabis when considering safe, practical, and reasonable home grow legislation. For example, while an estimated 88,000 Americans die from alcohol related causes annually making alcohol the third leading preventable cause of death in the US it is still legal in Washington State to brew 100-200 gallons of alcohol beverage without license. An adult member of a household may remove family beer or wine from a home limited to a quantity not to exceed 20 gallons as long as that family beer or wine is removed from the home for private use and not for sale. Private use includes use at organized affairs, exhibitions, or competitions. A producer of home brew may sell drinks by the glass of the alcoholic beverage of their own production or sell bottles to go. However, a license is not required if the alcohol is for private consumption and is not for sale. Once again, alcohol is responsible for many thousands of deaths annually. In that light, and despite the social stigma attached to cannabis which is disproportionate to the health and other impacts caused by use of the substance, it

would not be unreasonable for Washington State to enact a home grow model for cannabis similar to that of alcohol production. The alcohol model should serve as indication that legal amounts should not cause concern over diversion or youth access. As with alcohol production at home, the vast majority of cannabis users will because of expertise, cost, and convenience, will choose access cannabis through patronizing licensed retail stores. The primers of I-502 stated that the motivation for putting legislation on the ballot was to end the criminalization of cannabis use grown in provision. Therefore, in our task of choosing between the three options, Seattle Hempfest reluctantly chooses option three...

Chair Rushford notified that the allotted time had expired and suggested submitting any further testimony in writing.

Jessica Johnson –Numerica Credit Union

Ms. Johnson provided written testimony before the hearing began (CITIZEN HANDOUT 3).

Numerica is a two billion dollar state chartered credit union that has been servicing the regulated marijuana industry of Central and Eastern Washington since May of 2014. When the FinCEN guidance was delivered, Numerica examined the State's plan for regulation and enforcement, and felt comfortable enough that we could rely on it to step into banking relationships with licensed business at that time. We are not in favor of the proposed options 1 and 2 which would allow some form of recreational marijuana grows. Numerica is in favor of option 3, and feels that this is the only option that properly addresses the federal government's concerns outlined in the Cole Memo.

The three points that are of particular concern for Numerica are youth access to marijuana, diversion to criminal enterprises, and prevention of the use of firearms in the cultivation of marijuana. If home grows are allowed under the regulation, it is our belief that it would stretch enforcement resources beyond capacity, and result in a loss of integrity in the strength of the State's regulatory framework. The Cole Memo specifically states that we are expected to have clear, strong and effective regulatory and enforcement systems, not just on paper but in practice. Numerica relies on the State to ensure compliance so that we can provide banking services to the industry.

Access to minors is tightly controlled in the current environment, with traceability and security requirements, as well as training on checking ID at the retail level. Home grows would present a much higher risk for youth access, and a realistic look needs to be taken at how many State Enforcement Officer we have, as well as Law Enforcement Officers, and how many more would be needed to effectively patrol and mitigate this risk. Annual or even semi-annual site visits or surprise compliance checks do not seem effective enough to stop a curious minor from accessing marijuana when nobody is watching at home.

The question remains as to whether President Trump and his administration will continue to honor the intent behind the Cole Memo, or if there is an impending crackdown by the Department of Justice on all marijuana related production, distribution and possession, as well as the willingly allowed banking of such activity by financial institutions such as Numerica under the FinCEN guidance. In an effort to assist our local communities...

Chair Rushford notified that the allotted time had expired.

Russell Rosendal –Salal Credit Union

Mr. Rosendal stated that they were one of three credit unions along with Numerica that currently bank the industry. We recognize that Washington is the only recreationally legal state that prohibits home grows, but we believe that the State's robust monitoring serves the State, industry, and general public. We entered the cannabis market to promote public safety, advance the research into potential benefits, and to assist the state and federal agencies in monitoring the industry.

While there is only a limited number of credit unions and banks willing to serve the industry, Washington has been one of the most successful if not the most successful in developing open banking systems. The three credit unions that publically serve the industry are removing 500 million in cash from community streets. An important reason we are able to do that is because of the robust regulatory system the state has. We're most concerned about how recreational home grows could impact the Cole Memo priorities, especially distribution to minors and diversion to other states. Opening the system to an unlimited number of potential growers, even if the State's traceability system is used, increases the potential for minors to obtain cannabis. It also increases the likelihood Washington State cannabis could go outside the state. We are also concerned about the Washington's ability to monitor a substantial increase in the production of potential growers and the cost to the State and local jurisdiction to enforce new rules. Finally were are concerned with the perception of AG Sessions' to opening up recreational home grows. It would certainly make us rethink our ability to serve the system is revoked.

Jim MacRae – Straight Line Analysis

Mr. MacRae thanked the Board for taking input on this issue. I appreciate that you are charged with looking at regulatory options by the legislature, and clearly you have done that. When you put forward a set of options, I always go to Venn Diagrams and wonder if they are mutually exclusive and exhaustive. They obviously are not in this case. There are other options you could take within a regulatory framework. I'd like to point out one on option 3 which is my preferred option, but not as it is currently written. Your option 3 says you would preserve the status quo, which is effectively a status quo that has no regulation. You say that recreational home grows would continue to remain prohibited. I hope that is not the position of the LCB, that they should remain prohibited. I hope by version 3 that you be clearer in your wording to the Legislature that you are trying to make sure the home grows remain non-regulated. There is a difference. I would further suggest that you consider going to Legislature with a recommendation that legislation be brought forward to enshrine the civil liberty that is home grow within this state. To go for a regulatory framework, and you were asked to put these forward, I recognize that, in a restricted resource environment and lord knows the LCB is restricted in resource with respect to enforcement, there is no need to enforce in someone's home for a recreational home grow. Today it is illegal, the police take care of it. There is no need for this organization to do that, and I would take offense if this organization would go forward and begin regulating in my home or the home of any other citizen that wishes to grow a small number of plants for their own use. Thank you again for doing this, I see none of these options as acceptable, please put in legislative input.

John Kingsbury - Citizen

Mr. Kingsbury stated that he was speaking on behalf of a number people. It's been half a decade ago since Washington passed I-502. An argument is being made that permitting adult home grows is antithetical to the enforcement priorities of the Cole Memo. The argument is that if we permit home grows this may provoke the federal government into shutting down Washington State's scheme. This argument is absurd on the face of it. Seven other states plus Washington D.C. already permit recreational home

growing. The federal government has not threatened to shut down any of those programs, why would Washington State be any different.

I want to address to priorities in the Cole Memo, access to children and diversion. First, diversion. Diversion doesn't happen from six or eight plant gardens. Diversion happens from 100, 300, or 1,000 plant gardens. That is not what we are talking about here. People with 300 plant gardens don't care if home grows are legal or not because it doesn't offer them any protection. They are going to do what they are going to do anyway. Conflating home grows and large scale gardens is a dishonest approach. Second, access for children. Children don't access marijuana from home grows. Children get marijuana the same way they get alcohol, they get an adult to buy it for them or they wait in store parking lot at a store and approach adults there.

These options offer too few plants, and permits are a deal-breaker and will force people to grow underground. I would also like to say to 502 licensees who argue that growing cannabis should be legal for you because you are in it for the money, but growing a few plants for me should remain a felony because I have no interest in making money, you need to examine your moral compasses.

What we don't want to do is reproduce the failure of the medical cooperative gardens where they are so heavily overregulated that even people that qualify say "I'm not going to do this, I'm going to grow underground". We should learn from the failure of the medical cooperative gardens and not reproduce that here. Thank you.

Sarah Rasor - Citizen

Ms. Rasor thanked the Board for considering her comments.

After looking over the option you have provided, unfortunately I cannot chose any of them. I believe that home growing is a right for every person, and I believe that very strongly. But, option 3 to me isn't an option, and option 1 and 2 offer a lot of issues which I'll be brief about. I did submit written testimony as well.

I don't consider growing for personal use a business, so I don't agree with any permitting or licensing that would go along with that. I'm not trying to make a buck on it for personal use. I'm also not trying to make a buck on the peppermint in my backyard either. Household plant limit I don't think are appropriate especially in highly dense areas – roommates/anywhere in the city – so if you have to do limits I suggest you do personal limits not household limits. I don't think it's fair to do household limits. Allowing jurisdictional control – opt in/out – has already proven to be detrimental to so many patients, and will continue to do that to recreational market as well and for home grows. There are so many areas where they will not be allowed to grow, which does not give them access to understanding what is in their plant or strains they would need. The resource impacts to police this would be astronomical. Thank you for listening, I'd be happy to discuss this further.

Mark Jones - Citizen

Mr. Jones stated that he was a personal grower for medical reasons.

I am a cancer survivor. I need the Board to understand is that with all the stores out there, I've shopped at many of them so I wouldn't have to keep growing, I've had contaminated products and molded marijuana. I use it to grind into my meals, I make oils, and I cannot justify any of your reasoning for having anybody

that wants to grow a few plants to have a permit for it and to be inspected. If you want to start looking at what is wrong with the industry it's the big grows looking for the money. That's what it is. It's all about you and this money. We that started this as voting for it, we the people of this state, should have the right to grow four or five or six marijuana plants for recreational instead having to spend \$20-\$30 a gram when it only cost them \$2 a gram. This is outrageous. You're over taxing everybody, you're regulating it in the wrong fashion. It should be grown organic, not through pesticides. Though bugs, and naturally treated oils. Thank you.

Bailey Hirschburg – WA NORML

Mr. Hirschburg stated that was also a member of the Cannabis Advisory Council, and distributed written material for the Board to review (CITIZEN HANDOUT 4).

I was the South Sound volunteer organizer for the original I-502 campaign. I can tell you that no home-grows was the reason people opposed I-502, no home-grows wasn't the reason people supported I-502. We handed out materials across the State that say treating marijuana as a crime, let's make sure people have permits in their house. I personally am opposed to all of the options as you have written them. We have given you information on why. We have submitted a revised version that gets rid of the licenses, raises that house plant count up, and treats it closer to what other states have done with their home grow policies. As you talk about presenting to legislature with something that reflects the spectrum of what has been done, what you have put forward is very good for commercial regulations. It is just not very good or practical or affordable for people's homes. I hope the information I leave will be useful for you and your staff. I'm concerned with this as a precedent, it is not why people supported I-502. I would love people to be able to grow marijuana themselves, I happen to have one Cannabis Cup award winning seed. It would be nice to be able to grow this without license and a big hubbub and having to coordinate with the traceability system. I don't know why we would regulate this more than...

Chair Rushford notified that the allotted time had expired.

Kevin Oliver – NORML/Washington's Finest Cannabis

Mr. Oliver stated that he and his wife were also owners of a Tier 3 production/processing facility in Washington, in their fourth year.

I agree with everything everyone has said, I wholeheartedly endorse all the consumer's points of view with the exception of Salal and Numerica whom I bank with. No one is asking to sell marijuana. If they wanted to they could get a license, they have that right. I sell marijuana. I sell a lot of marijuana. I grow tons of it, but I can't grow a plant in my own house.

As someone that has experienced the compliance, traceability, cameras, finger printing, financial background checks, I would suggest there is a lot of forensics for you to do in the 502 system as it exists to clean it up. I would suggest that that is ridiculous for me to consider to grow a few plants, it's untenable. The DOJ, if they bust anybody, it will be somebody like me as a commercial grower, even if I'm playing within the system. You've done a great job of enforcing illegal grows thus far. Grant County had about half a dozen a few months ago – big outdoor grows. Colorado has seen 30 or 40 Federal indictments – large commercial cultivations. There is not a co-op of people growing four plants in their homes, scattered around a city collectively violating any DOJ memo. I'm one person removed from James Cole from several attorneys that I'm associated with, one even went to college with him. The DOJ doesn't care about home grow, they don't care about personal drug use period. With that, I want to say that I'm not

afraid of home grow as a licensed grower. I think if we normalize marijuana, from the consumer's point of view, from society's point of view, from a psychological aspect, we'll actually see more consumers. Thank you.

Melissa Hysom - Citizen

Ms. Hysom provided written testimony before the hearing began (CITIZEN HANDOUT 5).

My name is Melissa Hysom, I am 47 years old and a mother of a 25, 23, 15 and 11 year old. I was diagnosed with MS when my 15 year old was 1 ½. I am from Las Vegas, Nevada, and at 25 moved to Oklahoma for 10 years but moved to Washington for 12 years now. While living in Oklahoma, my brother was arrested for my cannabis plants when he was 17, I was 27.

Those that are in need of cannabis to save their lives that aren't authorized need to be freed of the constraints there are for growing their own medicine. We have a way to help our society cope with the struggles, whether it be mentally or physically. Cannabis can be the one to help aid in that recovery and make life worth living on a day to day basis.

The Constitution of the World Health Organization – WHO – defines health as “a state of complete physical, mental, and social well-being, not merely the absence of disease”. I have been growing cannabis off and on for over 20 years in every state I've lived in. I've always been scared. And now I'm in a state where it's the only state that has become legal for 21 and over but you can't grow it yourself. I'm fortunate because I have a medical authorization and I can grow cannabis legally now, but my friends can't. Some of them are sicker...

Chair Rushford notified that the allotted time had expired.

Michael Garrison - Citizen

Mr. Garrison stated that he was representing himself.

I've been growing marijuana off and on most of my adult life, and I'm not really getting any better at it. If I go to the store and buy a pack of tomato seeds and read the instructions, they say to plant a whole bunch of them and thin them down. If you want a product that is viable at the end you have to grow more than is allowable under your proposed limits.

Kirk Ludden – Viper PAC

Mr. Ludden thanked the LCB for its hard work in coming up with the feasibility of a regulated cannabis home grow, something that no state that has passed cannabis laws or contemplating cannabis laws has ever thought of doing.

The biggest obstacle with cannabis fairness is that most regulators see it like drugs/pills rather than a sensory experience like wine. With over 100,000 cannabis patients in this state, how many have signed up for the voluntary database and registry. Do you think recreational users will sign up for a registry to grow at home after so few patients have done so to grow their own medicine?

I get the sense that the LCB have not done a search for the numerous studies, nor the over 20 patents issued by the patent office for the cannabis plant, US 6630507 B1 to name just one. You must not know

that to overdose on cannabis one must ingest or use 1,500 pounds of cannabis in 15 minutes. Cannabis is safer than just about anything in the world, many organizations have already done the right thing by putting in on a botanical herb list where it belongs.

Your suggestions are refer madness, prohibition volume 4.0, and only will fuel an illicit criminal market in this state. Once people are allowed to grow their own, which many may not or can't do, share and buy from stores the need for an illicit criminal market will cease. Stop the madness, lies, and craziness. I leave you with this question to contemplate while you prepare your report for legislature. Do you think that in 1937, a bunch of corrupt politicians and rich white men got it right and Mother Nature got it wrong?

Megan Holt – Citizen

Ms. Holt provided written testimony before the hearing began (CITIZEN HANDOUT 6).

My name is Megan Holt, and today I am here for my daughter Madeline. She is a four year old suffering from a terminal genetic disease, and is a medical cannabis patient. You're probably wondering why I'm here if this study was about recreational home growing of marijuana, but you see, this have everything to do with patients. Honestly, the current medical marijuana system has failed my child. Failed to provide safe access to quality medicine, failed to provide arrest protection, failed to uphold Madeline's right to have her medical information kept private and worst of all, failed to provide her full, safe, access to an education.

When 502 was enacted in May of 2015, Maddie was just beginning her cannabis journey. She was on 26 pharmaceuticals and admitted in to hospice. I didn't start giving my toddler cannabis because I thought it would save her life. I started giving her cannabis because I couldn't stand to think that a medication was going to take my child away from me. Now, 2 ½ years later, she is off hospice, constantly making improvements, and I have gone from being an advocate in hospitals to protesting in Seattle and learning to lobby in Olympia because the mess that has been created in Washington is despicable.

On July 2, 2016, medical marijuana was abolished in Washington State and when I realized tax revenue and generating profits was what was important I knew someone had to speak up for the patients like little Maddie who cannot speak for themselves. Home growing of cannabis is the only way that the patients who chose privacy over forced registration, clean and organic over unsafe and pesticide ridden, to be able to safely grow medicine. The options you have presented are not only disasters waiting to happen, but are again going to cost more money to again do what? Generate a little more tax revenue?

When is it going to be enough? When are you going to see that this is not a business, it is a plant? I am a concerned mother, citizen, and patient advocate and this is why I fight so hard because it's the only thing I have left. If she was your daughter, wouldn't you do the same?

Pamela Hanson - Citizen

Ms. Hanson stated that she was from Tumwater, Washington.

I left my hometown of Tumwater in high school because of the marijuana issue in the 1970's. I am not a marijuana user, my dad got me out of that in a different town and I am very thankful.

Currently in Tumwater there is a business with signage that is not in compliance. I have written to the Tumwater city council. I have email correspondence. It is not being enforced for one reason or another.

There are 281 cities and 39 counties where the current system is not working. The money needs to go to enforcement. I just finished filming the Utilities and Transportation Commission hearing on the Puget Sound energy rate decrease. The employees recommended a decrease, Puget Sound Energy recommended an increase. It was well studied. I want you to really listen to your employees. Enforcement money is enforcement money, it's not working currently. I only have what I see in Tumwater, one of 281 cities, 39 counties.

Also, I've been a security officer in two states in metro/ghetto environments. One was Juneau, Alaska. You need to consider not Governor Jay Inslee's opinion, but Governor Walker's opinion. There are three generations of home grow marijuana users, and when I stepped into that without knowing it, Waco, Texas NORML was following me. When you decode that cypher, and this was before Washington's vote: Waco – w, a, Washington, c, o, Colorado – Texas. What does that mean? Waco, Texas...

Chair Rushford notified that the allotted time had expired.

Jinx Proof – JinxProof Genetics

Something that is being overlooked in how people would grow marijuana would be to get clones or seeds from 502s. Clones can carry what is called systemic disease, which means the disease is inside the plant. A 502 can spray that away, but the disease will always be inside the plant. If I cut a clone from that plant and sell it to somebody, and they don't know how to control a big one which is called powdery mildew, which means if you are smoking that weed, especially the first time you light it up you could inhale spores from powdery mildew – a major bad deal for people.

So, no 502 is going to grow seeds. If I so much had a pinch of pollen on my shoulder and went into my other garden, it would completely seed out that entire garden. Weed with seeds is absolutely useful. For a home grower to infest their garden with powdery mildew because it came systemic from outside the plant, the average person is not going to throw that weed away. They are going to do what is called "blasting it", which is butane hash oil, which means they are running butane through a can. We've seen several disasters here in Washington because of it. One man severed the roof of his house 10 inches, killing a retired Mayor of Bellingham because of this.

There needs to be something set up to produce these seeds legally. Maybe issuing a few licenses to people that only grow seeds. Therefore being able to distribute them through the product. Of course they would be taxed, creating revenue for the city, a good thing. I have the current number one strain in the world. I've won cannabis cups with it. I would be more than happy to add advice or have you ask me questions on a great way or proper way to do this. If you'd like my name and number I'd be more than happy to submit it. It is something that really needs to be considered. Disease in plants is usually systemic, it's going to be spread and it's going to cause problems, even lives.

Member Hauge requested Mr. Proof to provide further documentation on the subject, noting that it was an important issue the Board had heard about before.

Richard Sherman - Citizen

Mr. Sherman stated that he was from Kirkland, Washington.

Whatever solution is put in place must be sustainable, and from the compliance perspective must not infringe on people's right to do as they please in their own homes. The legislature should take care to

create a framework that is not influenced by the dated and abhorrent perceptions of what is merely a plant. And keep in mind that commercial producers have an enormous financial incentive to comply with a complicated regulatory framework.

Option 1 clearly fails to account for these realities of residential cultivation. Residential cultivators are guaranteed to make mistakes with compliance if option 1 were enacted. It would be a massive waste of enforcement resources unless there is probable cause suggesting a clear violation of the prohibitions enumerated in the Cole Memo. Regulations intended to prevent youth access and criminal diversion and enhanced location security must be balanced with what would actually be possible for the average person to understand and implement within an average residential dwelling. For example, people brewing beer or making wine in their own homes are not punished for merely pursuing a hobby. And, there is no debate that alcohol is far more dangerous to society as a whole than cannabis every will be.

If I must make a decision on the options presented, I request that some form of option 2 be submitted to legislature as it is the lesser of the three evils presented for comment. However, a free and open system is the most desirable. Thank you for your time, and the opportunity to provide feedback

Peggy Button - Citizen

Ms. Button stated that she was representing herself.

I don't like any of your options. I think it needs to go to legislature. It's not going to get done there either, not anything we're going to like. It hasn't so far, in several years that I've been coming to Olympia. I've been a patient my whole life. I grow my own. When I'm out and go to a 502 store it makes me sick. I think the LBC needs to do more with their regulations and concentrate on understanding what the numbers coming out are. They don't make sense. We go to buy something and it's high in THC and it doesn't do us any good. I don't know why, but it's not working. I know as a home grower I can grow my medicine and it works for me. I don't use chemicals, I use pure organic and take care of my plants. They are a part of my therapy. I'm finding this with veterans too, this a therapy to grow your own plants. Limiting us to one, two, or three, you can't even get more than one strain. It takes a long time to learn to grow a strain so that it is useable for us. When you limit us to one or two or three plants, how do we keep them alive? I get frustrated with your whole system. Please concentrate more on regulation with testing, get that right, and then tell us how to do this.

John Jackson - Citizen

Mr. Jackson stated that he was a part of the 502 industry for three years.

I was one of the first producer/processors to get a license in the state of Washington. I've dealt with all of the ups and downs of the LCB regulations and agency rulings that have happened. I'm a Tier 2, I've built out a facility from the ground up. I have \$650,000 invested in my facility. The marijuana that we produce and process in my facility is of the highest grade. The biggest problem I see is that I cannot produce, process, and sell my own product. I am under the thumb of all the retail stores and what their price markups are. I can tell you that when I first started the wholesale price was \$8 per gram. Now it's down to \$2.80 for produced, processed, and bagged, high quality, above 20% THC product. With that, this market is so fragile that if you allow more changes I'll probably have to go out of business. I've already contributed over a million dollars in taxes to the state of Washington, and I'm here to give my concern to you. I don't see any of these options being viable as to what the state has done. I have done everything legally, I've never had any violations, and I'm here taking time off of my job so that you can get a

perspective from somebody who has a high stake in this industry. I hope you'll take a look at that and maybe allow producer/processors to sell their own product.

Randy Simmons – Former Deputy Director of the LCB

Mr. Simmons stated that he is the former Deputy Director of the LCB, and was the Implementation Manager of I-502.

I know you've heard a lot of different opinions today and I want to let you know that I respect all of those opinions and am aware of the difficult decision you have to make.

I'd like to present to you that I am in favor of home grows, as free of regulation as possible. It's been a long road I've been on since I've left here. I've watched as some of the best doctors in the world filled my wife with poison intended to kill cancer. I watched as she went through multiple surgeries and was then burnt to kill whatever was left. That was done by what is probably the best doctors and cancer center in the world. At the same time I watch as cancer research in London, Madrid, and Paris find ways to slow this breast cancer disease in women, and we do nothing here.

We need our universities, our scientists, and frankly our pharmaceutical companies involved in this research. We can't do this unless this is removed as a Schedule I substance. I have no illusion that allowing home grow in Washington is going to remove this as a Schedule I substance, but I do see it as one small step in the normalization of this plant that has beneficial medical treatment for people. So that one day the research finds the cannabinoid profile that not only slows the growth of cancer, but can actually cure it. I never want my granddaughters to have to deal with finding out they have an aggressive stage 3 cancer and in order to be given the best chance to live, we have to poison you, mutilate your body and burn what is left.

All journeys begin with a small step, and I think allowing this normalization of home grows is that first small step.

Lori Jackson - Citizen

Ms. Jackson stated that she lives in Pierce County, Washington.

I am a politically active member of the Democrats there. I've been a medical cannabis patient for a couple years now. I used to grow my own cannabis plants organically. I used to be able to get them from a dispensary at first, where the person there could say what strain to get to get a high CBD. Now, I cannot get any clones or seeds because they don't sell them at dispensaries. When I would grow my own cannabis, I would grow them organically with organic fertilizer and no pesticides. I would process them naturally into edibles, and that would help me with my problems. Now, I cannot afford to go to a recreational store and I'm afraid to get cannabis from a recreational store because there might be pesticides in them.

I really think we should treat cannabis as a natural plant and let everyone that wants to grow, grow it. Because other states can, but in this state we want to regulate it to death. That's not very good. I feel very sad. As a student of history, cannabis used to be legal even in patent medicine up until the 1930's when they made cannabis illegal. I hope that we can get a grow bill into legislature to make it legal for everyone that wants to grow because I don't see any good options proposed by this meeting. Thank you.

John Miles - Citizen

Mr. Miles stated that he was a lifelong resident of the state.

I want to sincerely thank the Board for creating a legal cannabis system. It's not perfect, I understand that, but I sincerely appreciate it. If we can think back to when this began, there was a lot of fear from people that weren't familiar with cannabis or knew their neighbors used cannabis. What thankfully has happened was that it's been a great success. There hasn't been negative effects about the legalization of cannabis

I go to the Oregon coast every summer. A year ago, Oregon went recreational. I went to a dispensary and you could get clones to go home and grow your own. One year later, I visited the same place. So, just like here in our industry, with no negative effects, Oregon has a simply written system where you are able to possess four plants. There's no regulation or law, it's very simplistic.

Seeing that system one year later with no effects is a testimony of this. I believe that the options you have are not acceptable. I would say to scrap them and allow it as Oregon does where it is simplistic and easy since you don't have the manpower to regulate as it is. I would highly advise you to scrap what you have and go a simplistic system. The regulations you have created are based the fear of what people originally thought this industry would be. And, it's not. Thank you so much for letting us speak.

Paul Carter - Citizen

Mr. Carter provided written testimony before the hearing began (CITIZEN HANDOUT 7).

I appreciate you being able to hear everybody's testimony. We have passion on either side, this is something we all obviously feel something strongly about.

I'd like to begin with a story. A few years ago I was coming home from a football game with my kids, one who played and a couple others. After the game we do our usual pizza thing. We jump out of my Expedition and the gentleman next to us points to his bumper sticker which said "We believe in birth control". And as I looked up, there was a Pug in the back windshield, so I said "If that was the best I could do I'd believe in birth control too".

My point is that there are so many extremes, and that we need to meet in the middle. I don't accept any of these that we are supposed to accept because of the fact that they don't really have anything to do with the home grow system. Everyone's not going to just say "I can grow my own weed, I'm going to go do this", it's expensive. Lights are expensive, and doing an outdoor home grow is 50/50. I think we need to rethink it and come up with realistic numbers. Once again I thank you for your time.

Jedidiah Haney - Citizen

Mr. Haney provided documents at the beginning of his testimony (CITIZEN HANDOUT 8).

Thank you for this public hearing and for considering our comments concerning the civil liberties that surround growing noncommercial cannabis in private at home for personal consumption. I have read your three options concerning this hearing and I would respectfully choose none of them. First, the state does not need to reach into the privacy of one's home to regulate noncommercial cannabis production. Second, the localities already do not grasp what is happening concerning cannabis policy as it stands, so

this option is not advisable. Third, the status quo is not acceptable based on the fact that our state's policy is outdated when compared to the other experiments in democracy.

I am sure you know by now that cannabis is one of the most meticulously intricate plants to grow. It may be called a weed, but just like any other plant it doesn't mean that you can just plant a seed and expect that it will grow choice fruit. In fact, we all know that in order to get that choice fruit a tremendous amount of attention and care is needed throughout the entire process of growing cannabis.

It is my opinion that noncommercial home growing will not disrupt the 502/5052 marketplace in negative ways. I submit that it will improve the marketplace similar to how the microbrew movement has. Since 2009 you can homebrew up to 200 gallons of beer or wine and then transport up to 20 gallons of that to a private setting to share. This has allowed individuals and groups to explore their craft, which has resulted in Washington State getting a reputation for fine breweries and wineries. Through this perspective, I would think that you would appreciate the potential benefits that small noncommercial home growing could bring to the current industry. It is my position that noncommercial production of cannabis is a civil liberty just as brewing my own beer is.

Since 2012 we have seen over eight states legalize cannabis in one form or another. And in all of the legal states except for Washington State the people retain the right to grow noncommercial cannabis for private consumption. This list of legal jurisdictions includes the District of Columbia where you can grow and possess cannabis for noncommercial purposes.

I'll sum up. I request the Liquor and Cannabis Board to submit to the legislature that the status quo should remain...

Chair Rushford notified that the allotted time had expired and suggested submitting any further testimony in writing.

Diane Vasarkovy - Citizen

Ms. Name stated that she was 74 years old.

I've retired from a lifelong career in business and have grandchildren and great-grandchildren. I'm also a gardener. I have a lovely garden in south Thurston County on two acres. I grow all kinds of stuff there. I grow foxglove, willows, I grow all kinds of things that if you stretch something you could say they were toxic or not good for people.

I don't want to be policed in my own garden. I can't imagine that in this day and age somebody would want to spend the time coming to check my garden. It beggars disbelief. I'm a private citizen, I pay my taxes, I am involved in my community, and I am an honest, straight up person, what you see is what you get. Therefore, for me to do something in the privacy of my own home and have it policed is ridiculous. It isn't in line with the Constitution. I would urge you to go back to the drawing board if you can, talk to more regular people. Not advocates or anything, I'm just me.

In our house, sometimes we use marijuana for recreation and sometimes we use it for medicinal, so we're using it for both. I'm an old lady, and I need the oil for the pain in my knees. It is a wonderful thing for us. Please think about it, thank you.

Brian Stone – Cannabis Alliance

Mr. Stone stated that he was a member of the Cannabis Alliance and that he supported their position.

I derive my income from the sale of legal cannabis and I'm not threatened at all by, and totally support the right of all citizens to grow a reasonable amount of cannabis for their personal use. That is without the intercession or involvement of local government or law enforcement. We believe in treating all our kids the same, right? That's what I want to emphasize today on two counts.

I ask you for parity with a far more dangerous drug that you also regulate, alcohol. RCW 66.12.010 allows production without a license or permit of 100 gallons of beer or wine per calendar year in a home per adult for up to a total of up to 200 gallons per household with two or more adults provided it is not for sale. There is no provision for inspection, permitting, or enforcement, or checks for compliance, or checks for diversion. Alcohol has a value just as cannabis does.

You were erroneously asked to use the Cole Memo argument to oppose the home grow, and it is in fact that eight other states and the District of Columbia and they have not run afoul of the Cole Memo. The addition of these specious arguments really taints choice number 3. I want to thank you for trying to tackle an impossible task that was delegated to you by a legislature that in my opinion has really abrogated their responsibility. This is a civil rights issue not a regulatory one, and all the options you present are unacceptable to me. But with objections on your emphasis on diversion, I support number 3. It's time for legislature to do their job. Thank you.

Jared Allaway – Safer Shirts

Mr. Name stated that he sells marijuana to over 150 people per day.

I was a state wide volunteer coordinator for a number of marijuana legalization efforts in Washington State before 502. I didn't actually support 502 because I don't believe it went far enough. I am an occupational safety and health professional, and I believe marijuana is safer than alcohol. You can ask retired Seattle Police Chief, Norm Stamper, who coauthored the book *Marijuana is Safer so Why Are We Driving People to Drink* what he thinks about marijuana.

I created a non-profit in Washington State called "Safer Shirts". I make tee shirts that say "Marijuana is Safer than Alcohol" and I mail them around the world to marijuana legalization activists. I've worked in medical, I've worked in growing, processing, and sale. I'm an occupational safety and health professional, so I know to what extent the state will go to create rules that benefit safety equipment manufacturers. Sometimes I think we go too far with some rules. I think the fact that we have any government agents at all for marijuana is a waste of money. Marijuana is very safe and I believe we should leave people alone when they are growing marijuana in their home. When we legalize marijuana we need to stop arresting people. If you find someone growing marijuana in their home, just don't arrest them. That would be legalization. Thank you.

Christy Stanley - Citizen

Ms. Stanley thanked the Board for their time.

My name is Christy Stanley and I'm a marijuana retailer times three. One is up and operational, the others are in banned county and banned city. Let me start by saying that we had a perfectly functioning medical

marijuana system prior to 502 and 5052. The closer the LCB and the State gets to that the better off we're all going to be.

So, until the state provides safety training to my employees in response to the numerous robberies, attacks, and murder, than this is a non-issue. Private citizens can do what they need to do in their own homes. We need to stay out of it. Unless the state ceases publishing business incomes and personal information, this is a non-issue. And until and unless the state voids the option that jurisdictions have to ban marijuana production, sales, and consumption, this is a non-issue. Stay out of private citizen's homes and lives.

And until the State protects the current system from disproportionately unfair tax levies both at the state and federal levels, than this is a non-issue. Unless and until the state does something to protect the current system from an unfair and expanding tribal government takeover of the Washington cannabis industry, than this is a non-issue.

Cannabis businesses are currently forbidden from deducting normal business expenses because of 280e at the federal level. The way we are operating now we are set up to fail.

Jamal Hackler - Citizen

Mr. Hackler stated that he was a top 10 grower of cannabis.

I've been growing cannabis since I was 9. I lived in Washington for a long time, and I moved because I had to go to a different state to work because of the regulations. What I will say is that being back in Washington is really good because the system has changed and it is evolving. But more than anything were getting laws, and sometimes the community gets worked up and get their passions on their sleeves and sometimes say things they don't understand about regulations and laws. But in that, I would think the community would ask for advocates or growers that are known in our community, like Jinx. Jinx is one of the best growers I know, world class, which has one of the best strands, offered a solution about seeds. You can take genetics that are pesticide free and make them available.

The other part of the solution is to have people that have been in the industry for years that are trusted and well known than can actually help the commission and policy makers curb the dry times. The times when you say "we don't know what to do with the law", "we don't know how to make our constituents happy". Because at the end of the day, they voted but it's up to you to make it feasible for them to get what they voted for. In doing so, you could have people (like growers) come in that actually know what is going on, come in and work for you and consult to make the system better to where you aren't blamable but you are bringing in the revenue and actually regulating home grows. AT times people may use pesticides, so maybe there are consultants or conferences or even a certification for people that want to grow at home. Make it less paper-filled, give you an eight hour just like at HAZMAT, and if you screw up we'll lock you up because that's just what it is. Thank you.

Paul Caltrider - Citizen

Mr. Caltrider thanked the Board for allowing him to speak.

I represent myself, but I also represent six corporations that I'm working with along with homeless veterans here in Washington. I've been a resident here for the last 2.5 years and for most of that 2.5 years I've spent on the street with the veterans. I've started businesses, and one of the problems I'm

having starting these businesses to help the veterans in the state is I have to go outside the state to work in the cannabis and hemp industry because of the regulations and the fight it is to do what I need to do. What we are doing for our homeless veterans is giving them jobs, giving them homes, and giving them access to cannabis and THC. They will be trained by our staff and our research and development how to grow this responsibly in their own home. So, anything on this agenda prevents that from happening. But working with the state and this non-profit veterans program you have the ability to see how easy it is to get people trained and certified to grow in their own home. You can avoid the problem of pesticides and cross-pollination that could destroy commercial crops. If it's worked the right way between the citizens and the state then I think it would be beneficial for everybody because everything is transparent. You don't have to invade people's homes, they would go to a training center to train how to grow properly and then it's safer for everybody all the way around.

Chair Rushford closed the public hearing and thanked everyone for their input. She encouraged anyone who had not submitted written comments to do so through the rulemaking portal. She emphasized that the Board and Agency will continue to synthesize and evaluate. She again thanked everyone for their collaboration, participation, and respect.

5. GENERAL PUBLIC COMMENT

Chair Rushford then invited citizens to address the Board regarding any issues related to LCB business.

Jim MacRae – Straight Line Analysis

Mr. MacRae stated that his comments were about the rollout of medical.

A suggestion to you about your legislative input for the next session some language that addresses whatever is the problem with the rollout of 5052. As of yesterday, 26,800 Washingtonians have signed up on the patient registry. By any measure that I can find in this country, that is about a quarter to a fifth of what one might expect, possibly about a tenth of what one might expect.

There is something about the registry or something about this regulated system that is keeping patients away. There is something about this system that is keeping producers away from producing medical grade product. There is something about this system that is keeping stores away from going through the hurdles that would allow them to serve patients as patients.


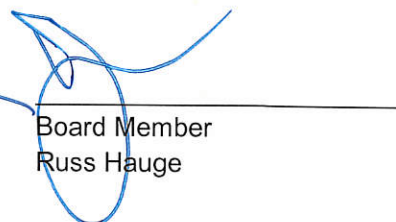
Finally, there is something about the way that this entity has approached regulation that has effectively doubled down on the initial bans and moratoria of local authorities. It is one thing to allow a county or city to go dry with respect to a recreational product. It is a totally different thing to allow them to go dry with respect to a medical product. And that is effectively what your rules and your consistency with that does. Option 2 of the thing you were talking about would be that as well. I want to remind you that you are not just regulating sin now, you are regulating medicine. To that end, here are four copies of Everything Medical Marijuana (CITIZEN HANDOUT 9). Read it. There is a couple patient things in there, one thing about the labs that I wrote.

Chair Rushford notified that the allotted time had expired.

ADJOURN

Chair Rushford adjourned the meeting at 11:27 a.m.

Minutes approved this 15 day of NOVEMBER, 2017


Jane Rushford
Board Chair
Ollie Garrett
Board Member
Board Member
Russ Hauge

Minutes prepared by: Dustin Dickson, Executive Assistant to the Board

LCB Mission - Promote public safety and trust through fair administration and enforcement of liquor, tobacco and marijuana laws.

Complete meeting packets are available online: http://lcb.wa.gov/boardmeetings/board_meetings
For questions about agendas or meeting materials you may email dustin.dickson@lcb.wa.gov or call 360.664.1717