



THE VOICE OF THE CANNABIS INDUSTRY

AARON SMITH
EXECUTIVE DIRECTOR & CO-FOUNDER

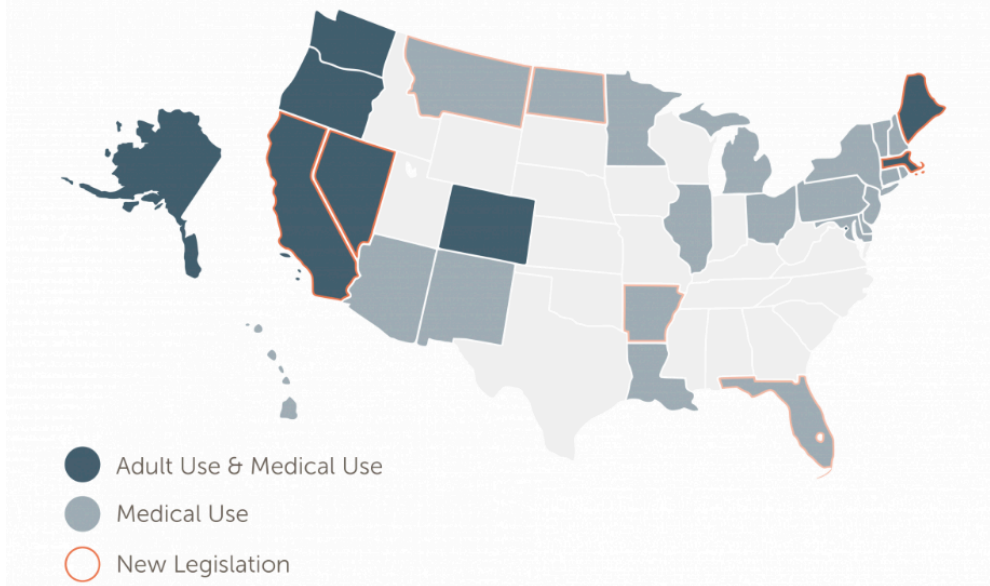
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ELECTION 2016



- ❖ A total of nine states voted on cannabis ballot initiatives in November 2016
 - Arizona, California, Maine, Massachusetts, and Nevada voted on adult-use cannabis
 - Arkansas, Florida, Montana, and North Dakota voted on medical cannabis

CANNABIS LEGALIZATION NOVEMBER 9

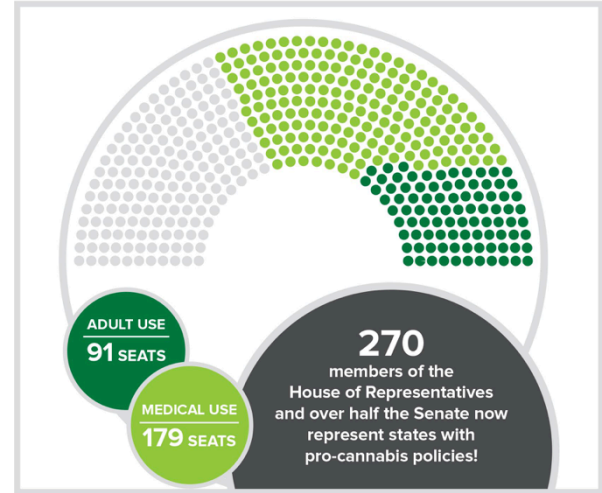


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CONGRESS



- ❖ More than **16 million** voters cast votes in favor of regulated cannabis programs
- ❖ In six of the nine states that had cannabis on the ballot, the initiative garnered **more** votes than Donald Trump
- ❖ More than 20% of Americans now live in a state with **adult-use cannabis**
- ❖ Thanks to the success of cannabis ballot initiatives, there are now **270 House members and 56 Senators** who represent medical or adult-use cannabis districts or states.



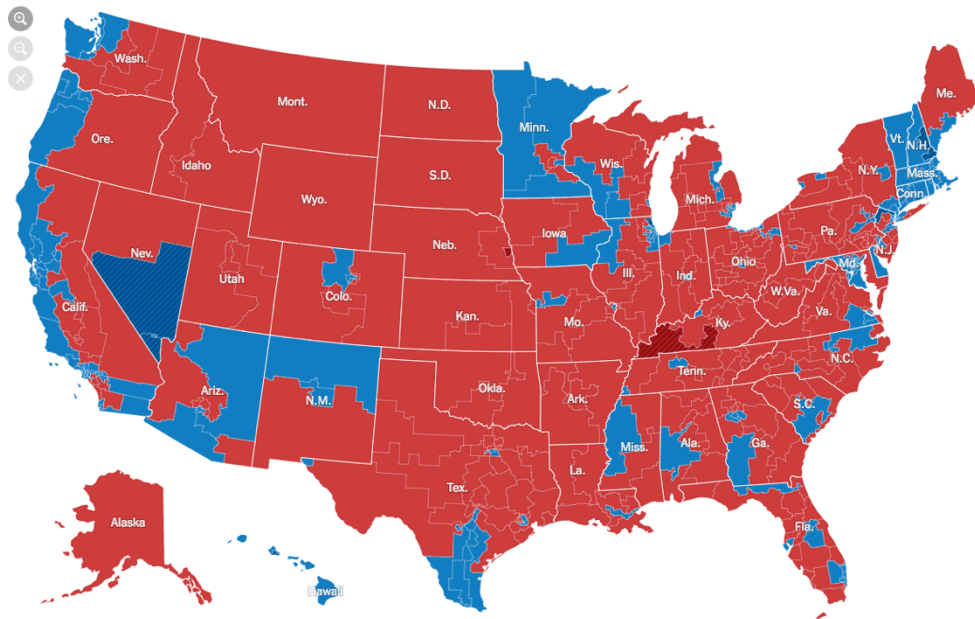
HOUSE OF REPRESENTATIVES



194 Democrats

✓ **Republicans 241**

218 to win



Lead Win Flip Dem. Lead Win Flip Rep. Lead Win Flip Other No results

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SENATE

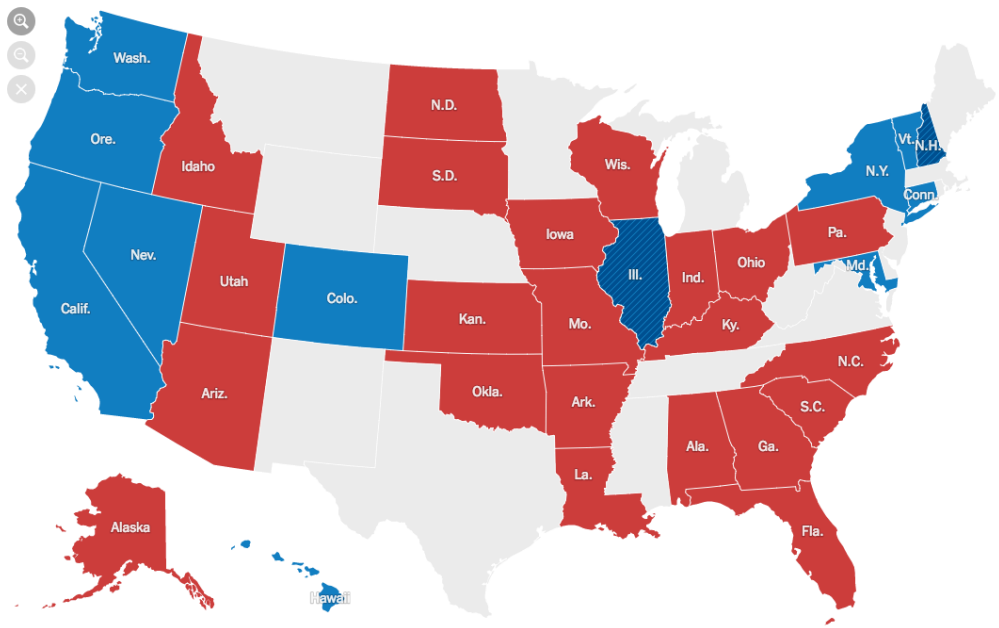
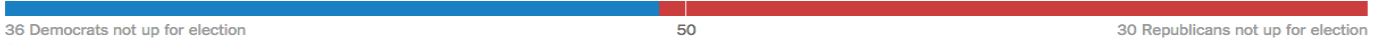


48 Democrats

36 Democrats not up for election
Gained 2 seats

52 Republicans

30 Republicans not up for election
Lost 2 seats



Dem. Lead Win Flip Rep. Lead Win Flip Other Lead Win Flip

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OHIO



- ❖ In 2016, Ohioans for Medical Marijuana submitted ballot initiative language that would have amended the Ohio Constitution to allow individuals with specific debilitating conditions to access legal medical cannabis.
 - Ohioans for Medical Marijuana **withdrew** that initiative once the state's General Assembly passed H.B. 523, which allows patients to access legal medical cannabis.
- ❖ Of Ohio's 16 members in the House of Representatives, in 2015, ten of those 16 voted **against** the Rohrabacher-Farr amendment, which protects states' medical cannabis laws from interference from the Department of Justice.
 - Twelve of the 16 voted against an amendment that protects adult-use cannabis businesses.
- ❖ Ohio Senator Sherrod Brown (D) has expressed tepid support for medical cannabis, saying, "While it is important to consider the potential medical benefits of marijuana, particularly for terminally ill patients whose quality of life may hinge on effective pain management, there are risks associated with making marijuana legally available."
- ❖ Ohio's junior Senator, Rob Portman (R), has admitted to smoking cannabis as a teen but does not support legalization, stating that legalizing marijuana "is the wrong message to send," and "instead I think we should be focused more on prevention and education. I know it works."
- ❖ Governor John Kasich (R) has stated that cannabis should remain a states' rights issue, and signed Ohio's medical cannabis legislation into law.

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DONALD TRUMP



In his own words:

- ❖ “In terms of marijuana and legalization, I think that should be a state issue, state-by-state... Marijuana is such a big thing. **I think medical should happen** — right? Don’t we agree? I think so. And then I really believe **we should leave it up to the states.**” - *Washington Post*, October 2015
- ❖ “I do want to see what the medical effects are. I have to see what the medical effects are and, by the way -- **medical marijuana, medical? I’m in favor of it a hundred percent.** But what you are talking about, perhaps not.” - Interview with Bill O’Reilly, February 2016
- ❖ “I’d say [regulating marijuana] is bad. Medical marijuana is another thing, but I think it’s bad and I feel strongly about that. [Moderator: “*What about the states’ right aspect of it?*”] **If they vote for it, they vote for it...** But I think, medical marijuana, 100%.” - CSPAN, June 2015
- ❖ “We’re losing badly the War on Drugs. **You have to legalize drugs to win that war.** You have to take the profit away from these drug czars.” - *Miami Herald*, April 1990

THE COLE MEMORANDUM



- ❖ The stability of the state-regulated cannabis market is dependent upon the “Cole Memo,” issued by the Department of Justice in August 2013. The memo outlines eight enforcement priorities of the Department.
- ❖ Department attorneys and law enforcement are directed to “focus their enforcement resources and efforts” on “persons or organizations whose conduct interferes with these priorities.”
- ❖ In weighing evidence and information, prosecutors are directed to consider whether the operation is in compliance with a “strong and effective state regulatory system.”
 - Where such a system exists, the memo provides, ***“enforcement of state law by state and local law enforcement and regulatory bodies should remain the primary means of addressing marijuana-related activity.”***
- ❖ The Cole Memo strikes the proper balance between the desire of states to enact alternatives to marijuana prohibition and the federal government’s determination to prevent negative outcomes associated with these new state laws.
- ❖ It is critical that the Cole Memo and the subsequent guidance to financial institutions remain in place.

ATTORNEY GENERAL



- ❖ Senator Jeff Sessions (R-AL) has been confirmed as United States Attorney General.
- ❖ In his confirmation hearing on January 10th, Sen. Sessions was asked about CBD laws, as well as about Congress' role in cannabis policy.
 - When responding to a question from Democratic Sen. Patrick Leahy of Vermont, Sessions said he "won't commit to never enforcing federal law", but also recognized that he has limited resources.
 - In reference to the guidelines (the Cole Memo) issued by the Justice Department in 2013 that effectively left marijuana law enforcement up to individual states, Sessions told Sen. Leahy "**some of them are truly valuable in evaluating cases, but, fundamentally, the criticism I think that is legitimate is that [the guidelines] may not have been followed.**" Sessions went on to say he would need to use "good judgment" when deciding how to enforce federal marijuana laws, should he be sworn in as Attorney General, adding "I know it won't be an easy decision, but I will try to do my duty in a fair and just way."
- ❖ Though Senator Sessions has clearly expressed his opinion on cannabis, he has also clearly stated his strong support for state sovereignty, and for states to be allowed to dictate their own policies.

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APPROPRIATIONS



- ❖ Every year, Congress must pass appropriations legislation to fund the government for the upcoming fiscal year. This annual funding bill has been one of the only avenues by which pro-cannabis reform language can be inserted into federal law.
- ❖ On December 9th, Congress decided to vote on a continuing resolution to fund the government through April 28th, 2017. This means that current spending provisions remain in place, including the amendment that bars the Justice Department from spending federal funds to target patients or providers in states where medical marijuana is legal.
- ❖ NCIA will be advocating strongly for the renewal of the existing medical marijuana protections, and the reintroduction of the expanded protections for all state-legal cannabis programs, in the upcoming Congress. These amendments can help provide a counterweight if Justice Department decisions seem likely to cut against the industry.



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7TH ANNUAL
CANNABIS INDUSTRY
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