

2022 Special Committee on Medical Marijuana
Mr. Shelby Story, Vice President of Operations for Greenlight
Wednesday, October 19, 2022

Thank you, Mr. Chairman, and members of the committee, for allowing me time to speak today. And thank you ALL for the many, many hours of work you have devoted to advance this issue over the past several Sessions. I am certain there has been a great deal of compromise from stakeholders on all sides of this issue and thank you for your tireless work on behalf of the citizens of Kansas.

My name is Shelby Story and I work for Greenlight. Greenlight is a multi-state operator with licenses in Missouri, Arkansas, South Dakota, West Virginia, Illinois and Oklahoma. We have cultivation, manufacturing, transportation, and dispensary licenses throughout those states. We have experience in every aspect of the medical cannabis industry and would like to share some highlights with you today.

Regulations that have worked well:

- 1) Local opt-out provisions in various states have proven to be a good tool for local jurisdictions to make decisions for their constituents at a local level.
- 2) Limited licenses like MO & AR – This allows the states to have much better oversight and control of the licensed companies in the cannabis sector. In MO, over 90% of licensees have opened their businesses at this time. There has only been one known case of diversion of cannabis to an illegal use. Further, there has been no minor purchasing cases and no black market has developed within the medical cannabis community. Government oversight is a critical element of a medical cannabis program.
- 3) Geographic spread – By allocating licenses over a geographic spread, perhaps based on congressional districts, states have been able to ensure that all of the state’s citizens gain access to medical cannabis, not just those in the most populous areas.

Regulations that have not worked well:

- 1) Unlimited licenses – due to the number of licenses in OK, and the inability of the licensees to make a profit, the black market for cannabis in OK now exceeds that of CA. The state of OK has announced the future hiring of over 1000 inspection agents in an attempt to reign in the corruption in that market.
- 2) Onerous and expensive barriers to participation force some eligible patients to avoid the legal medical market and rely instead on the black market. This participation in the black market deprives those citizens of a safe, tested and monitored medical product and deprives the state of tax revenue required to administer the program.
- 3) Bans on smoking cannabis make it very difficult for the industry to be profitable and a profitable industry is a critical element of a successful program. Flower ales are generally in excess of 50% of sales volume. This is another regulation that inadvertently sends patients back to the black market.

In summary, the nuances of a bill are just as important as the main structure in developing a program that is a benefit to the community and not a burden to the state and local jurisdictions. My company and I are available at any time to share our experiences in other states and assist in any way possible to help advance sensible legislation.