



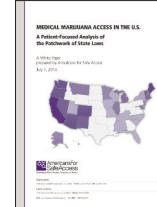
## As New York Enacts Bill, ASA Issues Analysis of State Laws



On July 7, Governor Andrew Cuomo signed a bill making New York the 23rd state to allow legal access to medical cannabis. The final version of the law reflects compromises demanded by the Gov. Cuomo that impose substantial restrictions on access, aligning the state with others that hamper patient care such as Illinois and Minnesota. The day of the signing, Americans for Safe Access issued a report analyzing the effectiveness and differences of the patchwork of state medical cannabis laws in the US.

New York's law will protect qualified patients from arrest, prosecution and discrimination, and allow as many as 20 licensed distribution facilities across the state. However, the law only allows for products that use an extracted form of medical cannabis, like oil and edibles, which are to be produced under a state-licensed manufacturing process. The law imposes a 7-percent tax, prohibits access to whole-plant cannabis, and expires in seven years. The state Department of Health has 18 months to establish regulations for the program.

ASA's new report, *Medical Marijuana Access in the U.S.*, evaluates state laws from a patient's perspective. ASA's analysis finds that no state has yet established an ideal, comprehensive program, and restrictive medical cannabis laws fail to meet the needs of most patients. Forty-seven percent of the U.S. population now lives in a state with a medical cannabis law.



*(continued page 2)*

## National Trade Group Releases Manufacturing Guidelines

The American Herbal Products Association (AHPA) released medical cannabis manufacturing guidelines July 22, completing its seed-to-sale recommendations for industry and regulators. The non-profit AHPA, which has been for more than three decades the leading trade organization for the multi-billion dollar herbal products industry, has identified best-practice standards for cannabis operations ranging from cultivation and distribution to manufacturing and laboratory analytics.



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Those standards are the basis of a new ASA program for the medical cannabis industry called Patient Focused Certification (PFC), which audits and certifies compliance for all types of medical cannabis businesses and organizations nationwide. The PFC program also incorporates the expert standards set by

American Herbal Pharmacopoeia (AHP) for the plant's identity, purity, and quality.

"Medical cannabis is one of the safest medicines used today," said ASA Executive Director Steph Sherer. "But industry standards that ensure the quality and reliability of all cannabis products are critical to the confidence of both consumers and regulators."

The first product recall of a medical cannabis product was announced by the Denver Department of Environmental Health on July 17. Although there have been no reports of problems with the line of edible products recalled from the dozens of Colorado dispensaries, Denver authorities determined that they were manufactured in part with "equipment not intended for food manufacturing" that could lead to "possible contamination from unsanitary equipment."

Denver has local protocols for medical cannabis recalls and product safety. Nineteen states require testing of medical cannabis products; some of those also require training of industry staff.

PFC industry trainings and certifications are co-produced with the Cannabis Training Institute (CTI) to certify that cultivators, manufacturers, *(continued page 2)*

## Federal CBD-Only Bill Introduced in House



A House bill introduced July 29 would create an exception to federal prohibition for "therapeutic hemp" cannabis plants and derivatives with an extremely low THC content, potentially allowing the production of cannabidiol (CBD) medicines. HR 5226, introduced by Rep. Scott Perry (R-PA) with cosponsors Paul Broun (R-GA), Steve Cohen (D-TN) and Dana Rohrabacher (R-CA), would allow cannabis plants with a THC content of less than 0.3% to be grown everywhere in the United States.

The bill mirrors in some respects restrictive laws passed recently in states such as Alabama, Mississippi and Tennessee that would allow CBD-only extracts for a narrow group of qualifying patients. HR 5226 defines "therapeutic hemp" as cannabis with THC "not more than 0.3 percent." Six of the state CBD-only laws passed this year allow between 0.5% and 3% THC. Most CBD-derivative medicines are defined by the ration of CBD to THC.

The bill has been referred to the House Energy and Commerce and Judiciary committees. To date, no federal medical cannabis legislation has obtained a Congressional hearing.

## Landmark House Vote on Banking Rules



Medical cannabis patients won another victory in Congress that could remove barriers to banking for state-licensed businesses. On July 16, the U.S. House voted 231-192 to prevent Department of Treasury funds from "being used to prohibit or penalize a financial institution from providing services to a cannabis-related business that engages in activities permissible under state or local laws." The amendment to the financial services budget bill won an unprecedented number of votes for a medical cannabis issue.

Many medical cannabis businesses have been prevented from using banking and financial services because of threats from federal officials who classify financial transactions related to medical cannabis as illegal money laun-

dering. Most major banks, including Wells Fargo, Bank of America and Citigroup, continue to refuse services to medical cannabis businesses, despite a memo issued by Treasury earlier this year indicating they can provide them. This refusal has forced thousands of medical cannabis producers, manufacturers, and distributors to work on a cash-only basis, increasing risks to the businesses and the patients they serve and complicating regulatory oversight.

The Internal Revenue Service (IRS), a Treasury agency, has for years selectively audited medical cannabis businesses under Section 280e, a little-known provision of the tax code meant for cartels and large criminal enterprises. The provision prevents "criminal enterprises" *(continued page 2)*

# Chapter Profile: Michigan ASA

The focus of the Michigan ASA Chapter is to guide the conversation in both media and the legislature toward securing patient rights, and support the state's informal league of organizations while chapter membership is building. To accomplish this, Michigan ASA has relied on a core group of notable activists currently led by Chair Jamie Lowell, co-founder of the 3rd Coast Compassion Center, the state's longest-running medical marijuana safe access center.

One of the chapter's first actions was a rally outside the federal courthouse in Detroit to protest the federal prison sentences for the Duval family and members of the Lansing 7, an action that garnered national media attention. Michigan ASA has also submitted position papers to the Michigan legislature on various patient-related bills, most notably those that would restore legal access to edible and concentrated forms of cannabis medicines and

create access centers across the state.

In conjunction with other state-based organizations, Michigan ASA generated 10,000 self-addressed postcards to give citizens an easy way to contact their state Senators. The chapter has also promoted a Unity Letter sent to the Senate in support of legislation.

Michigan ASA's public profile includes frequent media quotes and appearances on television and radio shows where members are identified by their ASA affiliation, as well as testimony to the House, Senate, and officials who oversee the medical marijuana act (LARA) program. Michigan ASA has had booths at most of the major marijuana and rights-based conventions and expos across the state, and speakers have been introduced as ASA representatives at the Hash Bash, Monroe Street Fair and the High Times Medical Cannabis Cup.

## STATES *continued from page 1*

The state-by-state evaluation reveals that most provide patients with protection from both arrest and prosecution, incorporate a production and distribution program, and allow patients and their caregivers to cultivate a personal supply of medical cannabis. Recent state laws are more likely to protect patients from civil discrimination and incorporate product safety and industry standards.

Progress has not been steady. As some states have implemented production and distribution models, local governments have found ways to ban such activity, leaving patients without access. Other state laws remain inoperable for all practical purposes.

ASA's state report uses a point system to evaluate each state medical cannabis law on its effectiveness in four categories: 1) patients' rights and protection from discrimination, 2) access to medicine, 3) ease of navigation, and 4) functionality. The report provides state legislators and regulators a way to compare approaches and identify what is important from the standpoint of patients. No state received a grade of "A" for their law, but the four highest-ranking states are California, Maine, Rhode Island, and Washington.

The full report with each state's grade and a summary of its law, as well as an explanation of the detailed evaluation criteria, is online at [AmericansForSafeAccess.org/accessreport](http://AmericansForSafeAccess.org/accessreport).

## ACTION ALERT: Get Informed at [VoteMedicalMarijuana.org](http://VoteMedicalMarijuana.org)

Every vote is medical marijuana vote. Laws are being shaped around the country everyday. Find out where elected officials stand online at [VoteMedicalMarijuana.org](http://VoteMedicalMarijuana.org).

View grades for state medical marijuana programs; call or email your representative; request ASA's Voter Guide; sign up for Action Alerts; view and promote our TV ads; register to vote.

Go to [VoteMedicalMarijuana.org](http://VoteMedicalMarijuana.org), get informed and take action today!

## Become a Member

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## AMERICANS FOR SAFE ACCESS

### SAVE THE DATE: Mar 27-31

ASA has announced the dates for the 2015 National Unity Conference in Washington, DC. Join patients, doctors, activists and other stakeholders from March 27-31, 2015 at the Loews Madison Hotel for informative panels, trainings and much more. See more information at: [nationalmedicalcannabisunityconference.org](http://nationalmedicalcannabisunityconference.org).

## MANUFACTURING *continued from page 1*

distributors, and laboratory technicians adhere to AHPA and AHP standards. The PFC certification process is overseen by a review board of scientists, doctors, and industry and regulatory experts. They conduct both a scheduled and surprise facility audit, as well as a staff training audit, and establish procedures for handling complaints. Certified medical cannabis businesses and products can exhibit the PFC seal on their marketing, promotions and packaging to help patients make educated purchasing decisions. Fifteen businesses across the country have either achieved certification or begun the PFC process.

## BANKING *continued from page 1*

from deducting business expenses when filing income taxes, requiring them to pay taxes on gross revenue rather than net income.

Despite the DOJ guidance, licensed dispensaries in California and Colorado are still being targeted by the IRS as a tactic for closing them down. The banking amendment -- introduced by Representatives Denny Heck (D-WA), Dana Rohrabacher (R-CA), Ed Perlmutter (D-CO), and Barbara Lee (D-CA) -- aims to curb these audits and give the banking industry the go-ahead to service medical cannabis businesses.

The House rejected, 186-236, an opposing amendment to the budget bill that would have prohibited Treasury from implementing Department of Justice (DOJ) guidance that permits banks to service medical cannabis businesses.

"We're seeing a sea-change in Congressional support for state and local medical marijuana programs," said Mike Liszewski, Government Affairs Director with ASA, which has been lobbying lawmakers on these issues. "The House has again told the Obama Administration to stop meddling with state medical marijuana laws."

The two latest votes in support of regulated medical cannabis businesses come two months after the House approved a budget amendment to restrict DOJ enforcement in medical cannabis states. A companion Senate amendment to the DOJ budget has been filed by Rand Paul (R-KY) and Cory Booker (D-NJ); a vote on it is expected later this summer.

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