

Chair Ormsby, Ranking Member Stokesbary and Committee Members:

I am writing in lieu of my scheduled remote testimony in support of HB 1614, and to note the unfortunate fact that the two scheduled testifiers not affiliated with either an industry organization or a prohibitory entity were not able to testify. This is at least partially due to the mistaken classification of both myself and Joshua Rutherford as being present in person at the meeting. I clearly indicated both in my sign-up and in subsequent communications with Staff that I would be phoning in remotely to offer my testimony. The result is that only ½ of those wishing to testify in support of the bill were able to testify.

My name is Dr. James MacRae and while I largely support this Bill, there are important deficiencies in its fiscal note. My relevant background consists of a multi-decade career doing strategic modeling and analytics in support of the commercial efforts of a Fortune 50 pharmaceutical firm, followed by a decade immersing myself in the data surrounding Washington's cannabis markets and, increasingly, that coming from more recently legalized state markets.

The most egregious inadequacy in the Note is the lack of any estimate on cash receipts. Just because something is deemed "indeterminate", that does not serve as sufficient justification to not estimate such impacts. I would remind the staffer so endeared with the term that virtually nothing in the realm of future outcomes is ever fully determined. We estimate and predict and forecast as a part of living. To do otherwise generally leads to sub-optimal outcomes.

The next inadequacy is the note by the WSP alluding to the inevitability of revenue shortfalls and the seeming acceptance and advocacy of that position by the staffer who, for some reason, chose to posit a reduction in revenues & named a specific dollar amount. That is a naïve assumption.

In my opinion, revenue would actually increase to the state over the first biennium during which constrained adult homegrown is allowed. By significantly more than the example of \$5,000,000 discussed during the hearing. Sales tax revenue from households equipping themselves to grow a few plants would almost certainly increase in the 7-figure range. It is likely that those growing legally at home would not only continue to source cannabis products from regulated stores, but would also indirectly contribute to higher retail cannabis sales by exposing trusted friends and family members to "their" cannabis. Homegrow is a step toward normalization. Normalization tends to lead to increased sales.

A second odd omission is any estimate of increased operational costs for law enforcement and the judiciary and the lawyers stemming from increased complaints (particularly given the very problematic "smell" provisions). Unlike line-of-sight visibility, which is easily measured in non-ambiguous terms, "smell" is subjective and difficult to quantify in any meaningful (or legally defensible) way. Removing the smell provision would decrease what can reasonably be

expected to otherwise be a spate of nonsense complaints based more on prohibitory mindsets than actual odors.

A third is the lack of discussion from the protectors of our peace regarding anticipated decreases in revenues stemming from asset forfeiture associated with illicit homegrows. Personally, I would like to see an accounting of this. If current revenue streams could be broken down by the ethnicity of those who have had their homes and/or other belongings seized could be included, all the better.

I question why the DOH has remained silent and neglected to even discuss the harm reduction potential intrinsic to legal homegrow. Non-poisonous inputs lead to no such poisons in the output plant material. Growers that plan to consume what they grow can ensure that no such poisons are added to their plants. They can be CONFIDENT in the safety of the product they are growing. Both the DOH and the WSLCB (and the WSDA if they are paying attention to the test results they are producing for the LCB) are aware that a high proportion of the product that they test from this market is dirty with pesticides at levels that are considered unacceptable. Harm reduction tends to save the state money when it relates to health. The DOH might wish to speak to that in a fiscal note.

To the one Member's question on plant yields: the LCB is sitting on 9 yrs of production data, spanning millions of plants. They might be able to help answer this.

It is a plant. It is not intrinsically scary. It is not even intrinsically intoxicating. HB 1614 would enable more Washingtonians to learn these truths. HB 1614 would enable me to grow legally at home - something I have looked forward to doing for over 50 years.

If you have any questions on likely fiscal impact, Imk. If you can get rid of the "smell" language, that would be good. Leaving such subjective drivel in would be both costly and discriminatory.