



FAQs Relating to the Formation of the WASHINGTON STATE CANNABIS COMMISSION

(Presented by the WSCC Action Committee)

Will the WSCC be allowed to fund marketing like all other Ag commissions?

A primary objective of the WSCC will be to fund and supervise cannabis-related research, education and government outreach that will be of direct benefit to cannabis producers in the state. Due primarily to the federal restrictions on cannabis, the WSCC will be prevented from funding traditional marketing or other promotional activities but will otherwise enjoy a broad mandate to engage in services for the benefit of Washington state cannabis farmers. Once created, the statutory authority of the WSCC will include "to speak on behalf of the Washington state government with regard to Cannabis" and will expressly be empowered to act in an advisory capacity to the Liquor and Cannabis Board (WSLCB) other regulatory agencies and government bodies.

How will the WSCC be formed?

Commissions are established either by statute (e.g., the Wine Commission and Beer Commission) or by the adoption of a document referred to as a "Marketing Order" (MO) under one of two enabling statutes administered by the Washington State Department of Agriculture (WSDA).

WSCC will be formed via referendum under enabling legislation (RCW 15.66) and will come into existence after a petition is circulated showing support then followed by a vote of licensed producers and upon the approval of the Director of the Washington State Department of Agriculture (WSDA).

NOTE: The WSCC MO has been fashioned after those of other commodity commissions and is vetted by the WSDA and Attorney General's Office (AGO).

How are commodity commissions funded?

Commissions are typically funded by producer assessments, which are approved by those affected. Commissions are commonly assessed on production rates. Government grants and other types of contributions (ie: use of University interns, labs, etc.) are also a major funding source for agricultural commissions.

WSCC will be funded primarily from assessments based upon **first sale** figures vs production figures. It is assumed that WSCC will not have the luxury of government grants nor the ability to rely upon University and USDA staff and facilities until the Federal atmosphere improves toward cannabis. Private grants may also be a source of WSCC funding.

What are the WSCC assessment rates?

The assessment rates are set at a maximum of \$1.50 per every \$1000 sold of Processed Products (.0015 x Sold value) and two dollars per every \$1000 sold of Unprocessed Product (.002 x Sold value).

Initially, the assessments will be 50% of the above rates until the future board votes to raise them to the maximum levels.

EXAMPLE OF ASSESSMENTS

Product Type:	Quarterly Sales:	Assessment Rate:	Due
Unprocessed Product	\$100,000	x .002	\$200.00
Processed Product*	\$100,000	x .0015	\$150.00

*usable marijuana, concentrates, edibles, beverages, tinctures, topicals, intermediate, infused products, etc.

How are assessments collected and paid?

The MO adopts a self-assessment-and-payment system applicable to all Producers and Producer/Processors. Payments to the WSCC are due on the last day of the fiscal quarter following the quarter in which the First Sale occurred.

If I do not sell any part of my harvest, is there any assessment?

No. Assessments are made only upon the first manifested sale of cannabis Un-Processed or Processed Products. No sale, no assessment.

Are there any exemptions for assessments?

Pre-harvest material (seeds, plants, cuttings and clones) are not assessed and will not constitute a first sale.

The Marketing Order also calls for no assessments on certain transfers such as vendor samples, lab and R&D samples, returned or recalled product nor on donations to lawful recipients.

Who will sit on the board of the WSCC and how are members of the board elected?

Members of the board will be elected on a geographical basis by vote. Each Producer licensee is entitled to one (1) vote. For purposes of WSCC elections, the state is divided into four (4) Districts, each of which will elect two (2) representatives. Provisions in the MO ensure at least one (1) representative of each Tier has a voting position on the WSCC. Members serve a 3 year term.

Non-voting seats will be filled by representatives of the WSLCB, a Processor, a Retailer and a Testing Lab.

List of Counties Comprising the Four (4) Voting Districts for the WSCC

District No. 1 comprises the counties of Whatcom, Skagit, Snohomish, King, Jefferson, Island, San Juan, and Clallam.

District No. 2 comprises the counties of Okanogan, Chelan, Douglas, Grant, Kittitas, Ferry, Stevens, and Pend Oreille.

District No. 3 comprises the counties of Lincoln, Yakima, Spokane, Adams, Whitman, Benton, Franklin, Walla Walla, Columbia, Garfield, and Asotin.

District No. 4 comprises the counties of Grays Harbor, Mason, Kitsap, Pierce, Thurston, Pacific, Lewis, Wahkiakum, Cowlitz, Clark, Skamania, and Klickitat.

Are the WSCC board members paid a salary for their services?

No, but members are eligible for a statutory stipend for attendance at meetings and reimbursement of related out-of-pocket costs.

What are the stated purposes of the WSCC?

- (1) To establish plans and conduct programs for Cannabis-related matters;
- (2) To provide for ongoing Research as provided in the Marketing Order;
- (3) To assist and cooperate with local, state, or federal government agency in the investigation and control of pests, diseases, and other factors that could damage or affect the cultivation or quality of Cannabis.
- (4) To act in an advisory capacity to State Agencies and Government bodies in Cannabis-related matters.
- (5) To work toward standardizing methods by which to identify and determine the genetics, strains, standards, and grades of Cannabis and determine labeling requirements with respect to the same;
- (6) To conduct reviews, surveys, and inquiries regarding market metrics and analytics, including trends, revenues, profitability, projections, business practices, and other economic drivers of the industry;
- (7) To provide information to elected officials and officers of any agency on matters pertaining to the production, irrigation, processing, transportation, marketing, uses and other matters relating to Cannabis;
- (8) To inform and advise Producers on matters regarding Cannabis, specifically but not limited to its cultivation, lawful usage, risks, and related technical and scientific developments;
- (9) To provide information and services for meeting resource conservation objectives of Producers;
- (10) To provide Cannabis-related education and training including health and safety information