

CABINET FOR HEALTH AND FAMILY SERVICES
KENTUCKY MEDICAL CANNABIS PROGRAM
TEAM KENTUCKY MEDICAL CANNABIS WORKGROUP
REGULAR MEETING

MINUTES OF THE JULY 24, 2024, MEETING

I. WELCOME

The regular meeting of the Team Kentucky Medical Cannabis Workgroup was called to order by Scotty McFarlan, Deputy Executive Director of the Office of Medical Cannabis, on July 24, 2024, at approximately 3:42 PM. The members met virtually via Zoom.

Workgroup Members Present:

Jamie Link
Danielle Milbern, Proxy for Jeff Noel
Phillip Burnett
Tom Miller
Michael Mueller
Dorsey Ridley
Ashley Smith
Jonathan Hatton
Julie Cantwell

Workgroup Members not Present:

Eric Friedlander
Marni Gibson
Ashton McKenzie

Additional Attendees:

Scotty McFarlan, Deputy Executive Director, Office of Medical Cannabis
Shelby Lewis, Executive Policy Advisor, Office of Medical Cannabis
Chafic George, Director of Enforcement and Compliance, Office of Medical Cannabis
Camille Palladino, Law Clerk, Office of Medical Cannabis
Approximately 40 Members of the Public

II. OLD BUSINESS

The Workgroup voted on the approval of the April 19, 2024, regular meeting minutes. Mr. Hatton made a motion to approve the minutes, and Mr. Miller seconded. The motion carried 9-0.

III. NEW BUSINESS

a. Report from the Executive Director

Mr. McFarlan, Deputy Executive Director of the Office of Medical Cannabis, provided an update on the progress of the Kentucky Medical Cannabis Program (“OMC” or “Office”). Mr. McFarlan reported that the Office has met all established timelines, including business licensing and administrative regulations. The Office is accepting applications for cannabis business licenses from July 1, 2024 through August 31, 2024. The Patient and Caregiver Registry Portal will be open on January 1, 2025.

Mr. McFarlan also provided an update regarding medical cannabis practitioners. Physicians and advanced practice registered nurses may start getting authorized through their respective licensing boards. Once authorized, medical cannabis practitioners must register with the Office.

b. Presentation on Rescheduling and Safer Banking

Ms. Lewis gave a presentation on rescheduling of cannabis and safer banking. She started the discussion by introducing the Controlled Substances Act (“CSA”) and how the CSA utilizes a classification system of five schedules. Ms. Lewis discussed how cannabis is currently classification as a Schedule I drug, which reflects that there is no currently accepted medical use and a high potential for abuse. Ms. Lewis then discussed the scheduling process and the eight factors that are considered when there is a proposal for a drug to be scheduled, rescheduled, or removed from scheduling.

Ms. Lewis presented on the various consequences of marijuana’s Schedule I status, including how cannabis businesses are not afforded bankruptcy protections and cannot write-off business related expenses and how for individuals may face adverse outcomes in immigration proceedings and violations may affect individuals’ ability to receive certain federal government benefits. Additionally, researchers have been unable to obtain licenses to study cannabis.

Ms. Lewis discussed the Department of Health and Human Services’ (“HHS”) recommendation for the Drug Enforcement Administration to reschedule marijuana to Schedule III under the CSA. If marijuana is rescheduled, cannabis businesses will be impacted in various ways, including a significant decrease in tax burdens. However, the ability to obtain banking services does not change.

For individuals, rescheduling would automatically reduce some of the applicable penalties for CSA violations. Ms. Lewis additionally explained that while rescheduling would establish that cannabis has a currently accepted medical use, rescheduling does not mean medical practitioners can begin prescribing marijuana for medical purposes.

Ms. Lewis then presented on the current banking conditions for cannabis businesses, and how the Secure and Fair Enforcement Regulation Banking Act “SAFER Banking Act” would provide legal protection to financial institutions.

c. Update on Cannabis Business Licensing

Mr. McFarlan provided an update regarding the number of cannabis business licensing applications received by the Office. As of the time of this meeting, the Office had received nineteen business license applications. These included twelve dispensary applications, three cultivator tier I applications, one cultivator tier II application, one cultivator tier III application, and two processor applications. There were also 558 accounts created in the portal.

d. Other Business

None.

IV. COMMENTS AND ANNOUNCEMENTS

Ms. Lewis announced that the next regular Workgroup meeting is scheduled for October 23, 2024.

V. ADJOURNMENT

There being no further business, Mr. Miller moved to adjourn the meeting. Mr. Hatton seconded, and the motion carried 9-0 (approximately 4:11 p.m.).

Sam Flynn
Executive Director
Office of Medical Cannabis


