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Honorable Governor Steve Beshear  
700 Capital Avenue, Suite 100  
Frankfort, Kentucky 40601

RE: The Regulation and Taxation of Cannabis in Kentucky

Dear Governor Beshear:

As you should be aware by now, events have transpired that allow Kentucky, THIS VERY DAY, to pass a set of laws that will immediately begin reducing poverty and physical suffering, crime, jail populations, taxation of the wage earners, medical and health-care costs and hard drug overdoses. Simultaneously, these laws will bring Billions of Dollars in new taxes and tens of thousands of new jobs to the state. The answer is to immediately tax and regulate cannabis (marijuana and hemp) as cash crops.

Last month, President Obama appeared with his Attorney General and the head of the DEA and announced a new policy that no federal dollar will hereafter be spent "circumventing a state law." Period. He turned it over to the states.

California immediately began studying ways to tax it. They will be first. The question is: Will Kentucky be the 2nd state or the 50<sup>th</sup> state to do it? If we are the 50<sup>th</sup> state, we would immediately realize about \$500 MILLION in new taxes from the existing market. I predict too that we would save another \$500 MILLION in total health care costs.

However, if Kentucky is the first state east of the Mississippi River to tax and regulate it for just 2 years, the additional income from surrounding states would measure in the Billions.

For 38 years I have tried to position Kentucky to take advantage of this transition which I knew would come eventually. It had to. So while other states might consider this proposition like "hogs staring at a wristwatch", Kentucky's lawmakers should be educated and motivated to act in nonpartisan unison to take advantage of this epic opportunity. Time is of the essence.

In 1976, I wrote "the Plan for Legal Marijuana in Kentucky" (see k4mm.org). Today, I would title it the "Plan for Taxed and Regulated Marijuana in Kentucky". Tomatoes are legal and an 8 year old can stand on the corner and eat a tomato. But he can't stand on that corner, or anywhere else, and smoke tobacco or drink alcohol. They are licensed, regulated, and heavily taxed.

What are the figures on possible taxation? Well, law enforcement estimates that Kentucky consumes 360,000 "joints" (marijuana cigarettes) per day. I estimate that the equivalent of another 60,000 joints are consumed via pipes and other smoking devices. That is 420,000 joints.

I further calculate that getting 30 joints per ounce, the Kentucky public consumes 14,000 ounces of marijuana per day. At a \$100 per ounce tax, that would yield the Commonwealth an additional \$511 MILLION in new taxes the first year. If we were the first east of the Mississippi River to pass these laws, the income would be astronomical, dwarfing the gambling/casino commerce to Kentucky.

No doubt about it, over the next 3-5 years, every state will consider and pass legislation taxing this market. In Kentucky, I believe we can set the pace and stand for several principals that should guide the market everywhere. These are:

**PEOPLE ARE ALLOWED TO GROW FOR THEIR OWN USE AND WITHOUT TAXATION.** What more basic human right can you have than to be able to plant a seed in God's earth and consume the green natural plant that grows up out of that? They just can't commerce in it without a license. And those licenses should go to those successful small-time dealers who are now selling it on the streets. They know the market and the product. They also need the jobs.

**KEEP THE CORPORATIONS OUT OF IT!** No corporation should be allowed any part of this market. They have only one goal. The biggest bottom line, which means they will encourage marijuana's use. We don't want that.

We should not allow advertising or "golden arches" or Friday night sales or anything else that incites the use of marijuana and we want to keep it in the hands of individuals in order to spread the wealth.

Speaking of sharing the wealth, I would rather 100,000 people made \$10,000 a year from it than 10,000 people make \$100,000 from it.

While individuals and families should be allowed to grow it for their own use, this will not meet the needs of the public, so I suggest we allot farmers to grow certain poundages and they can only sell it to licensed retail dealers. We can then tax each pound at the point of that sale and then tax the income of the dealer when they sell it by the ounce.

PUT AN AGE LIMIT OF 18 FOR BUYING MARIJUANA: My God, you can fight and die for your country at 18. You should be allowed to smoke marijuana.

EXPUNGE ALL CRIMINAL RECORDS REGARDING MARIJUANA AND PARDON ALL MARIJUANA FELONS: Be a Hero and redeem the future of hundreds of thousands of our fellow Kentuckians.

KEEP IT SIMPLE: The less government interference, the better

Now GOVERNOR, this request is for you specifically.

PLEASE CALL A SPECIAL SESSION IMMEDIATELY AND IMPLEMENT CANNABIS AS A CASH CROP.

Our timing is critical. We can eliminate poverty with this opportunity and if we are among the first, we can fill every hotel and motel room in this state 7 nights out of 7 with peaceable folks who view Kentucky as the ultimate tourist destination.

The information is available. The timing is right. The need is overwhelming.

ACT NOW!!!!!!

Sincerely,

***Gatewood Galbraith***