

# CHAPTER 1



# Introduction





This guide is designed to help code officials, architects, owners and operators with the application of building codes on cannabis facilities. It is not intended to cover every aspect of building code requirements. It will only address those areas that may be a little different for cannabis facilities and how the cultivation, processing and sale of cannabis are different than other industrial processes. The application guide does not refer to specific codes. Therefore, the user must research the specific code sections that are applicable to the project being developed.

## Wave of State Approvals

Over the last several years, many states have approved the use of cannabis for both medical and recreational use. Figure 1-1 shows the status of states legalizing cannabis in their areas as current in 2019. These approvals have created many different laws and codes to regulate the businesses involved in this new industry. Whether people like the changes in the law or not, the industry is growing and has impact on the administration of the different safety codes. Code officials are looking for different ways to address the potential hazards with the process of growing and harvesting the plants, as well as processing the end-use product. This application guide is designed to assist the code official with applying the provisions of various construction codes on the different types of uses

## Profitable Industry

The cannabis industry may be one of the fastest growing industries in current times. According to Business Insider, legal cannabis sales are predicted to reach \$16.9 billion by 2019, according to a report from cannabis industry analysts Arcview Market Research, in partnership with BDS Analytics. The report further predicts the entire legal cannabis market to reach \$24.5 billion in sales by 2021. As the industry grows, local code officials are faced with the pressure of administering the code, including the political pressure on both sides of the issue.

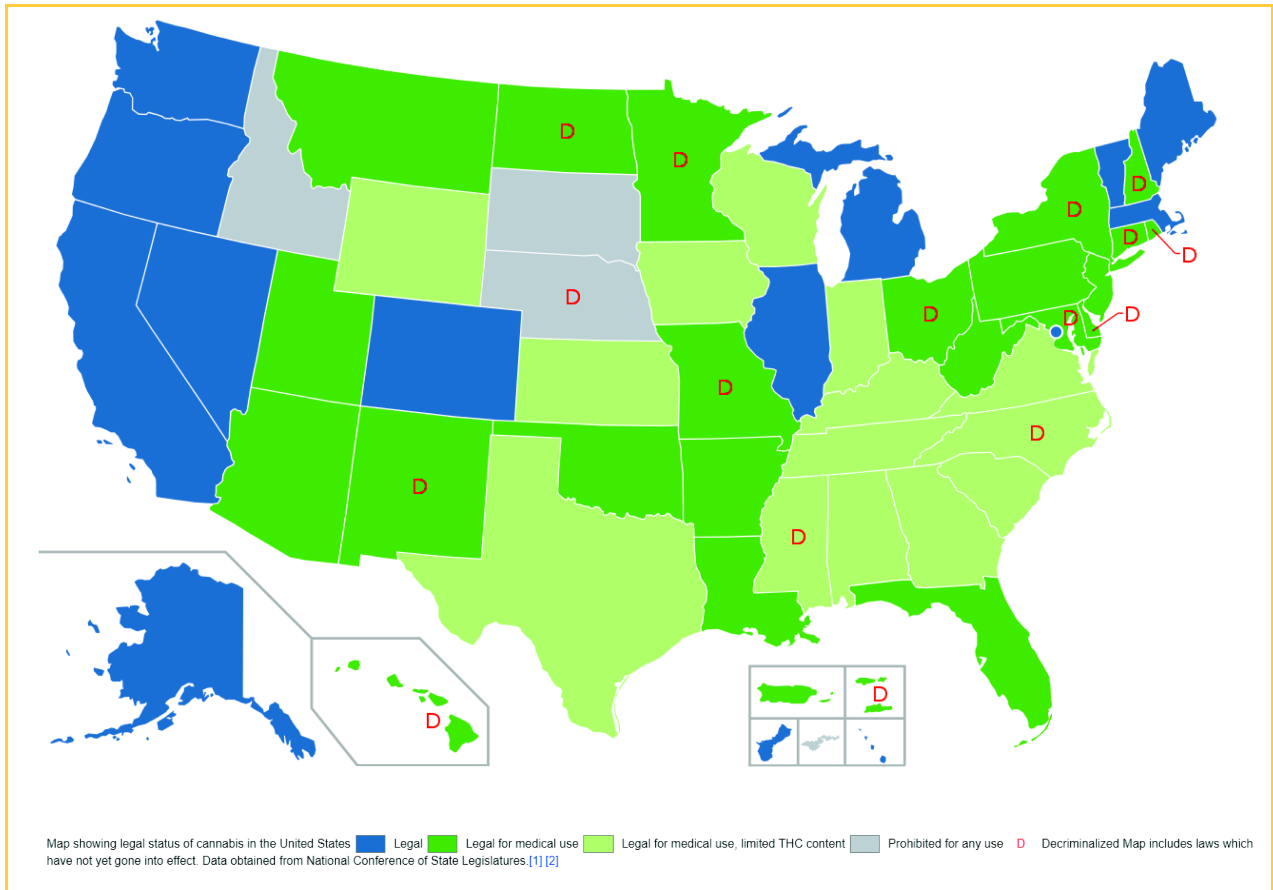


Figure 1-1

Current status of legal cannabis

## Tax Revenue

The state of Colorado collected nearly \$250 million in taxes, licenses and fees in 2017. Other states are seeing similar amounts of revenue. Many local jurisdictions are also cashing in on the cannabis industry to increase their tax revenues. Building permit fees have increased in a number of jurisdictions due to an increase in development from cannabis movement. New businesses are springing up, and this increased development has an impact on the local and state code enforcement departments.

