

# MEMORANDUM

**To:** Participating Wisconsin Hemp Stakeholders

**From:** Jeremy Smith TabEASE, Phil Scott, President – WiHFMA

**Date:** February 11, 2026

**Re:** Convergence Substitute Bill – Methodology, Language Sourcing, and Policy Rationale (AB 606 / SB 682 / AB 747)

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## 1) Situation Overview

Wisconsin’s hemp-derived cannabinoid (HDC) framework is currently stalled in a two-lane legislative gridlock: **AB 606** on one side and **SB 682 / AB 747** on the other. Committee bottlenecks combined with a narrow calendar window have created a scenario where incremental edits are no longer viable. The only realistic “last-mile” solution is a single, coalition-backed convergence text that can be adopted quickly via substitute amendments.

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## 2) North Star Goal

The goal of the convergence substitute bill is not to create an “ideal” policy model. The goal is to produce a **passable, enforceable, low-friction bill** that:

- Stabilizes the Wisconsin HDC market with clear consumer protections.
- Removes the highest-friction policy triggers that are stopping movement.
- Protects Wisconsin businesses (including small craft operators and farmers).
- Uses **existing bill language wherever possible** so the debate stays on policy—not definitions.

**Success condition:** A convergence substitute that can be “dropped in” to either lane with minimal redrafting and minimal new controversy.

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### 3) Methodology (How the Convergence Bill Was Built)

We used a disciplined drafting method intended to minimize interpretive debate and maximize legislative adoptability:

#### A) “Vocabulary Bank” Extrapolation (Language Sourcing Discipline)

We treated the most current versions of AB 606, SB 682, AB 747, and the available amendment documents as a **vocabulary bank**—meaning: a controlled set of phrases, defined terms, and structural patterns that legislators and staff already recognize as “in play.”

This is important because new terminology creates new fights. By using existing terms, we reduce the opportunity for opponents to stall the bill by reopening definitional disputes.

#### B) Section-by-Section “Merge Map”

We decomposed each bill into functional modules and constructed a merge map so each topic was handled once, using the most workable existing language. The merge map modules were:

1. Definitions and scope
2. Underage access / age gating
3. Packaging, labeling, warnings, and COA/QR access
4. Testing structure and certificates of analysis
5. Prohibited conduct (including shipment rules)
6. Licensing / registry system
7. Cultivation pathway for farmers (permits + oversight)
8. Safe harbors (banking + insurance)
9. Taxes (intentionally excluded from the convergence text for this window)

#### C) “Least-Resistance Rule” (Decision Framework)

Where AB 606 and SB 682 / AB 747 conflicted, we selected the option that best met the following criteria:

- Reduces opposition coalitions and removes “deal-breaker” provisions
- Is administrable and enforceable by DATCP and regulators
- Preserves existing Wisconsin business models where possible
- Avoids introducing new defined terms, new controversial constructs, or new enforcement ambiguities
- Maximizes the likelihood of committee release and floor scheduling

In short: we chose the path that moves votes, not the path that wins a philosophy contest.

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## **4) Core Outcomes (What the Convergence Text Intentionally Achieves)**

### **1) Direct-to-Consumer (DTC) Shipment – Removed / Prohibited**

DTC shipment has emerged as the primary fault line that attracts opposition and slows enforcement consensus. The convergence bill eliminates this pressure point to keep the framework grounded in licensed in-state commerce and make enforcement straightforward.

### **2) No Mandatory 3-Tier System**

The convergence text is structured so it does **not** force a manufacturer → distributor → retailer chain. A mandatory 3-tier requirement increases costs, blocks small craft operators, and creates an unnecessary middleman dynamic. The convergence text preserves competitive access by allowing manufacturer-to-retailer transactions while still permitting distributors to operate.

### **3) Refined Cannabinoids – Preserved Using Existing Language**

We preserved the ability to use refined cannabinoids using existing terminology rather than introducing new definitions that could trigger avoidable debate. This maintains market viability and reduces the risk of pushing consumers toward unregulated alternatives.

### **4) Testing Framework – Maintained to Avoid Reopening Debate**

Testing is a sensitive issue. The convergence approach preserved existing batch-testing structure and COA expectations rather than drafting a brand-new testing regime that would create additional friction in committees.

### **5) Cultivator Program – Added for Farmer Buy-In**

Farmers need a visible pathway. The convergence text adds a cultivation permit program and related oversight structures so the bill is not simply downstream regulation. Governance composition was adjusted to reflect stakeholder feedback: **4 farmers and 1 Attorney General–appointed law enforcement representative** (not local law enforcement), reducing local politics and increasing uniformity.

### **6) Licensing / Registry – Added as a Politically “Workable” Control Lever**

Licensing for manufacturers, distributors, and retailers provides accountability, a clean operator registry, and an enforcement handle—without requiring a 3-tier market model. It also creates infrastructure for future reporting requirements if the Legislature later revisits taxation or transparency.

### **7) Banking + Insurance Safe Harbors – Included**

These provisions reduce collateral damage and signal that the Legislature is enabling compliant operations, not merely restricting them. They also reduce operational instability for legitimate Wisconsin businesses.

### **8) Taxes – Intentionally Excluded (Tracked Separately)**

Taxes were excluded in this window to avoid rate fights, earmark fights, and coalition fracture. However, the convergence structure (particularly licensing/registry) supports later tax frameworks if needed. All tax-related drafts and language are being tracked separately for potential reintroduction.

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## **5) Implementation Strategy (How We Make This Real Quickly)**

We built the deliverables in a format that drafting staff can execute rapidly and accurately:

- **Strike-and-substitute amendment packets** for each lane (AB 606 and SB 682 / AB 747)
- Full convergence bill text attached verbatim as “Appendix A”
- One-page legislator/staff talking points addendum
- Industry sign-on sheet to demonstrate coalition majority support

The intention is to eliminate ambiguity and reduce staff workload at the exact moment time is the scarcest resource.

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## **6) Why This Approach Is Credible**

This convergence text is not a “new third bill.” It is a controlled integration of existing legislative vocabulary and structure designed to reduce friction and unify stakeholders. By using a vocabulary bank approach, merge mapping, and the least-resistance rule, the convergence substitute is optimized for passage—not for theoretical perfection.

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## **7) Closing**

The convergence substitute bill is a last-window stabilization play: protect consumers, keep legitimate Wisconsin operators in business, and remove the biggest political tripwires so committee chairs can let a bill move.

This memo is provided to transparently document the method and rationale behind the convergence text so leadership and stakeholders can evaluate it confidently and communicate it consistently.