

Clippinger_HBs 1 and 837_Finance.pdf

Uploaded by: Dylan Goldberg

Position: FAV

LUKE CLIPPINGER
Legislative District 46
Baltimore City

Chair
Judiciary Committee

Rules and Executive
Nominations Committee



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Annapolis Office
The Maryland House of Delegates
6 Bladen Street, Room 101
Annapolis, Maryland 21401
410-841-3488 · 301-858-3488
800-492-7122 Ext. 3488
Luke.Clippinger@house.state.md.us

District Office
3323 Eastern Avenue
Suite 200
Baltimore, Maryland 21224

Written Testimony of Delegate Luke H. Clippinger

House Bill 1 – Cannabis Referendum | House Bill 837 – Cannabis Reform

Senate Finance Committee

March 23, 2022 at 1:00 p.m. | Position: SUPPORT

Chair Kelley, Vice Chair Feldman, and members of the Senate Finance Committee: it is my honor and pleasure to testify before your committee in support of House Bill 1 – Constitutional Amendment - Cannabis - Adult Use and Possession and House Bill 837 – Cannabis Reform, legislation contingent on the passage of HB 1.

Last July, House Speaker Adrienne Jones announced her support for a referendum to legalize cannabis on the 2022 General Election ballot. In tandem, the Speaker also established the House Cannabis Referendum Workgroup, to which I served as the Workgroup’s Chair, with the intention that lawmakers would consider the most effective and equitable path to implement a legalized cannabis program in the state, should Marylanders vote in favor of the ballot question this November.

Over the course of several workgroup meetings throughout last year and after considerable work with my fellow workgroup members, advocates, and stakeholders, the House produced comprehensive legislation to address the four identified pillars of a successful legalization program: public health determinants, criminal justice impacts, business implementation and regulation considerations, and effective taxation practices on the sale of cannabis. Our workgroup welcomed experts from various backgrounds and issue areas. We received briefings on each topic, reviewed data, compared successes and failures of legalization efforts in other states, and asked questions. Collectively, we received a robust education on cannabis policy and gathered the information required to make informed decisions as we move forward. The result of our work throughout the workgroup process and subsequent House Committee process is reflected in the overview of HB 1 and HB 837 outlined below.

House bills 1 and 837 present a logical first step in Maryland’s legalization effort. Marylanders deserve to have their voices heard at the ballot box on the question of legalization. Once Marylanders vote yes, the legislature will be in the best position possible – as HB 837 is implemented - to continue our work and augment this policy to create the best, most equitable path to legal recreational cannabis. Too many people have already suffered the consequences of a misguided war on drugs. House bills 1 and 837 will ensure that Maryland is placed on a rapid but responsible path to legalize recreational cannabis and I urge your favorable report.

Cannabis Proposals Summary

The Ballot Question – HB 1: If approved by the voters, on or after July 1, 2023, individuals who are at least 21 may use and possess cannabis. The General Assembly is required to provide for all laws regarding cannabis.

Contingent Legislation – HB 837:

Criminal

1. Effective on January 1, 2023 through June 30, 2023

a. *Simple Possession*

- i. Possession of 1.5 ounce or less, rather 10 grams, is a civil offense punishable by a fine not exceeding \$100.
- ii. Subsequent civil offense provisions on the books are stricken.
- iii. Abrogates in lieu of the personal amount use on July 1, 2023.

2. Effective on January 1, 2023 (no abrogation)

a. *Simple Possession:* Possession of more than 1.5 ounce but not more than 2.5 ounces is a civil offense punishable by a fine not exceeding \$250. Equivalency standards are established.

b. *Possession with Intent to Distribute (PWID)*

- i. PWID and growing or manufacturing cannabis or a cannabis product are punishable as a misdemeanor and subject to imprisonment not exceeding 3 years or a fine not exceeding \$5,000 or both. PWID may be charged by citation.
- ii. Possession of up to 2.5 ounces without other evidence of an intent to distribute may not be charged as such.

c. *Paraphernalia:* Marijuana paraphernalia is legal.

d. *Expungement*

i. Simple Possession:

1. A person charge with only simple possession may have that charge automatically expunged.
2. A person charged with simple possession and other charges from a single event or occurrence may file for expungement immediately. The *Unit Rule* does not apply.

ii. Possession with Intent to Distribute:

1. A person may request expungement of a conviction of possession with intent to distribute on or after 3 years from when the sentence is satisfied.

iii. House Appropriations will find money in FY 23 to support expungements.

e. *Resentencing:* Require an individual convicted of only simple possession and held in a State prison or local jail to be resentenced such that the individual's incarceration ends.

Cannabis Proposals Summary

3. Effective July 1, 2023 (no abrogation)
 - a. *Personal Use Amount*: Possession of up to 1.5 ounces is legal.
 - b. *Civil Personal Use Amount*: Possession of up to 2.5 ounces is subject to a civil citation.
 - c. *Public Consumption*: Cannabis may not be consumed in a public place. A person who violates this is subject to a \$50 fine for the first infraction and \$150 for subsequent infractions.
 - d. *Sharing*: A person may share cannabis if all persons are 21 without remuneration.
 - e. *Cannabis Cultivation*: Up to 2 cannabis plants may be grown in a single household, regardless of the number of adults living in that household. The plants must be in a secure location.

Health

1. Effective June 1, 2022
 - a. *Baseline Study*: On or before January 1, 2023, various entities must conduct, participate in, and contract for a *baseline study regarding various cannabis-related statistics*, including patterns of use, incidents of impaired driving, hospitalizations, calls to poison control, and use disorder and problem use.
 - b. *Cannabis Studies*: The Medical Cannabis Commission will study:
 - i. home grow for patients to cultivate cannabis for personal use;
 - ii. the implementation of laws relating to on-site consumption areas; and
 - iii. how to make marijuana products that do not appeal to minors.
2. Effective January 1, 2023
 - a. *Clean Indoor Air Act*: Smoking cannabis is subject to the Clean Indoor Air Act.
 - b. *Cannabis Public Health Advisory Council*: Creates a Cannabis Public Health Advisory Council to study and make annual recommendations regarding various cannabis-related issues, including youth impacts, addiction and misuse, advertising, labeling, and quality control.
 - c. *Cannabis Public Health Fund*: Creates a Cannabis Public Health Fund to address the health effects associated with the legalization of cannabis. This fund will also support the Cannabis Public Health Advisory Council.
 - i. House Appropriations set aside money in FY 23 to capitalize the fund.

Regulation

1. Effective June 1, 2022
 - a. *Disparity Study*
 - i. A disparity study will be conducted by the certification agency (MDOT) in consultation with the General Assembly, Attorney General, and GOSBA.
 - ii. Must be finalized by November 1, 2022, so that the General Assembly can review the findings and adopt appropriate statutory licensing structure.
 - iii. House Appropriations will set aside money in FY 23 to pay for the study.

Cannabis Proposals Summary

2. Effective January 1, 2023

- a. Small, Minority–Owned, and Women–Owned Cannabis Business Assistance Fund*
 - i.* The fund will assist small, minority–owned, and women–owned businesses enter the cannabis industry. An individual convicted of a marijuana crime may receive grants.
 - ii.* Grants and loans will:
 - 1.* support both operations and capital;
 - 2.* be targeted at those disproportionately impacted by marijuana laws; and
 - 3.* not be given to persons with a net worth exceeding \$1.7 million.
 - iii.* Grants and loans shall also be used to support educational programs at the State’s Historically Black Colleges and Universities, as well as business incubators.
 - iv.* Comprehensive outreach must be conducted, including at historically black colleges and universities and trade associations representing minority–owned businesses.
 - v.* House Appropriations will set aside money in FY 23 to capitalize the fund.

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Uploaded by: Donna Edwards

Position: FWA



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Office. (410) 269-1940 • Fax (410) 280-2956

President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

HB 837 – Cannabis Reform Senate Finance Committee March 23, 2022

SUPPORT WITH AMENDMENT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to submit testimony in support HB 837 – Cannabis Reform. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 340,000 union members, I offer the following comments.

When the voters of Maryland approve of the legalization of cannabis, HB 837 will be necessary to safely enact the will of the people, providing for some of the appropriate measures for a seamless transition. The legislation includes – among other things – a baseline study of existing cannabis use in Maryland, the creation of a Cannabis Business Assistance Fund to assist new cannabis entrepreneurs, the creation of the Cannabis Public Health Fund to help mitigate against any public health issues related to legalization, and some cursory first steps in addressing the inequities of past cannabis-related arrests, prosecutions, convictions, and imprisonment.

HB 837 is a great first step in the regulation of cannabis, should the voters approve of its legalization this coming fall. However, it is lacking in the protection of workers within this – soon to be – thriving sector of the economy. With legalization and regulation of a brand-new industry, businesses will fill the market need for cannabis products, bringing new jobs to fulfill demand. It is imperative that whenever we have the opportunity to create new jobs, we ensure workers have a voice in that process. Those who create the entirety of the value of any business should have a say in their own future.

Therefore, we support the following friendly amendment to HB 837, that will provide the workers in this new industry a level playing field by which they can exercise their rights in the workplace:

On p. 6, after line 19, please insert:

(2). Grants from the Fund for small, minority-owned, or women-owned businesses can only be awarded to applicants who submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor organization.

Moreover, when the General Assembly writes the full regulation and licensure of recreational cannabis businesses, Maryland's unions ask that you include strong Labor Peace language within that legislation, as well. California, Connecticut, New Jersey, New York, and Virginia have Labor Peace language in their recreational cannabis legislation, and those states are enjoying a boom in recreational cannabis business license applications and business profits. Far from being a hindrance, Labor Peace provides a level of security for businesses and workers by creating continuity across the industry.

For these reasons we ask for a favorable report, with the adoption of the amendment above on HB 837.

FWA HB 837 MOPD .pdf

Uploaded by: Elizabeth Hilliard

Position: FWA



PAUL DeWOLFE
PUBLIC DEFENDER

KEITH LOTRIDGE
DEPUTY PUBLIC DEFENDER

MELISSA ROTHSTEIN
DIRECTOR OF POLICY AND DEVELOPMENT

KRYSTAL WILLIAMS
DIRECTOR OF GOVERNMENT RELATIONS DIVISION

ELIZABETH HILLIARD
ASSISTANT DIRECTOR OF GOVERNMENT RELATIONS DIVISION

POSITION ON PROPOSED LEGISLATION

BILL: HB 837 - Cannabis Reform
FROM: Maryland Office of the Public Defender
POSITION: Favorable with Amendments
DATE: March 23, 2022

The Maryland Office of the Public Defender strongly supports Cannabis Legalization and supports the efforts made by HB 837. MOPD urges the committee to consider significant amendments to improve the bill.

MOPD emphasizes the import of financial reinvestment in communities that have been ravaged by the War on Drugs, and the legalization of possession of up to four ounces of marijuana commensurate with the medical marijuana regime, along with the reduction of penalties for various marijuana related crimes. Moreover, MOPD urges the committee to consider two particular additions to this bill, limiting the Role of Marijuana in Police Investigations and Expanding Opportunities to Reverse Marijuana-Related Convictions. In short, MOPD urges the committee to legalize marijuana, but to consider amending the HB 837 to mirror more equitable and comprehensive plan proposed in [SB 692](#).

1. Limiting the Role of Marijuana in Police Investigations

Marijuana legalization should explicit precludes police from relying solely on the odor of marijuana, simple possession of marijuana, or possession of marijuana in proximity to money, to conduct a stop, search, or arrest of a person, or to search a vehicle. This is an essential component of any marijuana legalization bill in order to make clear to the police that they cannot rely on legal conduct alone to infringe on the citizenry's Fourth Amendment rights.

Maryland's 2014 decriminalization bill did not explain what role the odor or possession of marijuana was to play in police-citizen interactions in the post-decriminalization world. The result is that in the past eight years countless people have been stopped, searched, and arrested based on the odor of marijuana and/or the possession of a small amount of marijuana—conduct that does not in and of itself indicate someone is engaged in criminal conduct. These issues are still actively being litigated in Maryland's courts to sort out what role the odor of marijuana plays in stops and searches post-decriminalization. If the Legislature does not limit police action based on the odor or possession of marijuana post-legalization, people will continue to be stopped, searched, and arrested based on legal conduct. As the legal marijuana industry continues to expand, this will create an unacceptable violation of civil liberties, and it will invite biased policing, because police will use the odor of marijuana as a pretext for otherwise illegal, race-based stops, searches, and arrests.

Additionally, even post-legalization, possession of large amounts of marijuana will remain subject to civil penalties and will therefore be contraband. Absent a legislative limitation, this leaves open the possibility that police can continue to search vehicles based on the odor of marijuana, because under the *Carroll* doctrine officers can conduct a warrantless roadside search of a vehicle whenever they have probable cause to believe it contains contraband. *Robinson v. State*, 451 Md. 94 (2017). If the Legislature does not limit the role marijuana plays in police investigations at the same time as legalization, Marylanders' cars will continue to be searched in the course of any traffic stop based on possession of, or mere proximity to, a legal substance. This will undermine the entire legalization regime.

Making clear from the outset that police cannot stop, search, and arrest people, or search vehicles, based only on the odor or simple possession of marijuana (1) ensures that people's rights are not infringed upon for legal conduct, (2) ensures that police do not continue to use the odor of marijuana to disproportionately stop, frisk, and search people and vehicles in Black and Brown communities, and (3) and prevents another decade of litigation to answer the question of what is lawful police conduct post-legalization.

A key concern remains what the odor of marijuana should mean when an officer suspects an individual is driving a motor vehicle while impaired by drugs. In that context, it is understandable to include language that would permit officers to use odor or possession of marijuana in this context as an additional factor in the totality of circumstances to support the officer's observations of suspected impairment, but not the sole basis for a stop. MOPD urges inclusion of language that balances concerns for maintaining safe roads and highways, with protecting individual's rights to be free from police intrusion based on legal use of marijuana.

2. Expanding Opportunities to Reverse Marijuana-Related Convictions

An essential component of community reparations is remediating harm caused by the over-policing of low-income communities and communities of color as part of the War on Drugs. The consequences from criminal convictions for marijuana crimes and crimes where police began their investigation based solely on the odor or sight of marijuana continue to harm these communities. People are incarcerated, deported, and evicted from public housing; they lose custody of their children; and they are unable to gain employment—all because of convictions that stem from marijuana. This is an injustice and a scourge on our state, particularly as we have established a lucrative medical marijuana industry and are on the verge of legalizing marijuana. We cannot move forward when our residents continue to be saddled with hefty and expansive collateral consequences from conduct that is legal.

MOPD encourages the committee to include language in the bill that vacates all prior convictions for possession of marijuana, marijuana paraphernalia, possession with intent to distribute marijuana, manufacturing marijuana, and distribution of marijuana. Moreover, we urge consideration of language that would allow anyone convicted of a crime where the stop, search, or arrest began based solely on the odor of marijuana, simple possession of marijuana, or the possession of marijuana in proximity to money, to have an opportunity to challenge the way the evidence was collected in their case. If the court determines in this new hearing that the evidence

was gathered in a way which is now impermissible under, then that evidence is suppressed, and if that evidence is the sole basis for the conviction, the conviction is overturned. This language can be seen in SB 692

Marijuana legalization is important, legalizing it correctly is essential to righting the wrongs caused by the War on Drugs and over-policing in communities of color, and ensuring that prospectively marijuana is not still used as a tool to disenfranchise communities of color while the State reaps the financial benefits of legalization.

For these reasons, the Office of the Public Defender urges a favorable report on HB 837, with amendments to bring it in line with the important provisions in SB692.

Submitted by: Government Relations Division of the Maryland Office of the Public Defender.

HB 837 to FIN Oppose-Amend March 23.pdf

Uploaded by: Henry Bogdan

Position: FWA

February 10, 2022

Testimony on Senate Bill 275
Labor and Employment – Family and Medical Leave Insurance Program – Establishment
(Time to Care Act of 2022)
Senate Finance Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1300 nonprofit organizations and institutions. We strongly urge you to support Senate Bill 275, but at the same time we must press for assistance to address the current workforce crisis impacting health and social services providers.

Under this legislation, employees may take up to 12 weeks of paid leave from their jobs to care for new children, other family members with serious health conditions or disabilities, or themselves.

The weekly benefit level is calculated based on the employee's weekly wage and the State's average weekly wage. In general, the amount received by low-income employees reflects a higher percentage of their total wages. Wage replacement benefits are drawn from a fund pool into which employers and employees contribute. Contributions are mandatory and are calculated based on the employee's wages.

Millions of Americans aren't able to be there to comfort a dying parent, to care for a newborn child during those fragile first weeks, to help a family member injured in an accident, or even to care for themselves during an unexpected illness. Twenty-five percent of American women, for example, take 10 or fewer days of parental leave. This puts them and their children at risk physically and emotionally.

We urge you to **support Senate Bill 275** and give it a favorable report.

While this proposal does create an incentive to join or remain in the workforce, nonprofit service providers are facing unprecedented vacancy levels and staffing shortages as a result of the pandemic and salary levels held at uncompetitive levels by inadequate government funding and reimbursement policies. Many have already been forced to limit their services and over-stress existing staff, and they would be hard-pressed to replace additional staff on leave.

This dilemma cannot be resolved in the pending legislation, but action must be taken to provide adequate funding for these services through contract or rate-setting reforms. The state is in the most favorable fiscal situation in recent memory – if not now, when?

Maryland HB 1 & HB 837 - Jax James NORML (Senate).

Uploaded by: Jax James

Position: FWA



Working to Reform Marijuana Laws

Maryland (2022): HB 1 & HB 837, Testimony in support of cannabis legalization and regulation efforts

My name is Jax James and I serve as the State Policy Manager for the National Organization for the Reform of Marijuana Laws (NORML). I would like to thank the Senate Finance Committee for considering House Bill 837. NORML is supportive of legislative efforts to give voters the opportunity to declare their position regarding important public health legislation such as cannabis policy reform, and is supportive of the establishment of a state-sanctioned, regulated cannabis market. However, our mission first and foremost prioritizes the safety and protection of consumers, and thus we outline various suggested amendments below.

The Maryland Cannabis Reform bill (HB 837) is intended to define what a legal system would look like if the cannabis legalization referendum bill (HB 1) becomes law and voters favor legalization in November. This legislation provides voters with the opportunity to decide whether or not to legalize adult-use marijuana possession in Maryland and also provides a framework for the adoption of a regulated marketplace in a fair and equitable manner.

HB 1 would finally allow voters to have their say on this important issue. HB 837 provides some guidance with respect to what activities would and would not be permissible after legalization. Specifically, when it comes to providing a regulatory framework for a fair and just adult-use legalization scheme, we believe that lawmakers consider making the following changes and/or clarifications to this bill:

Legalization should go into effect immediately upon voter approval

Adult-use possession and home cultivation would not be legalized until July 2023 — eight months after voter approval. There should not be a delay between voter approval and ending penalties and police intervention for cannabis possession.

Legalize safe home production of cannabis products, effective upon voter approval

Adults should be able to safely make cannabis-infused products (such as brownies) at home. HB 837 imposes up to three years in jail for home production of cannabis products.

Clarify and increase possession and cultivation limits





Working to Reform Marijuana Laws

We suggest legalizing personal cultivation of up to six plants, rather than two, which is more in line with other states, along with all of the cannabis produced by the plants, as long as any excess cannabis is kept at home .

We also recommend allowing personal possession of four ounces to mirror the medical law. Having consistency in the possession limits between adult -use and medical cannabis will protect patients, who may not have their card on them or have an expired card.

Express a commitment to repair the damages caused by unjust and racist marijuana prohibition laws.

The regulated marijuana industry cannot be successful without actively working to repair the harms caused by the failed war on drugs .

According to the 2020 Maryland Uniform Crime Report, the illegal status of marijuana accounts for 57 percent of all drug related arrests in the state (11,508 marijuana arrests in 2020). These arrest statistics are shocking, but they do not account for the tens -of-thousands of unnecessary, avoidable encounters cannabis consumers have with police on a daily basis that do not lead to an arrest. The harms that result from these encounters are real, measurable, and disproportionately affect communities of color .

Reforming how citizens engage with police and restoring confidence in public institutions requires immediate cannabis policy reform action. Adult -use marijuana legalization has broad, bipartisan support and we urge you to help us assure these prohibition -era laws are repealed this legislative session. Over 60 percent of Maryland residents endorse a regulated, adult -use marijuana market. They deserve the opportunity to democratically enact long overdue change through legislative action.

For these reasons, NORML urges Maryland lawmakers to thoughtfully consider and pass HB 1 and HB 837 with amendments .



HB837_CANMD_MDMDA_FWA

Uploaded by: Joe Bryce

Position: FWA



March 23, 2022

The Honorable Delores Kelley
Chair, Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

The Maryland Wholesale Medical Cannabis Trade Association (CANMD) and the Maryland Medical Dispensary Association (MDMDA) appreciate the opportunity to comment on **House Bill 837 – Cannabis Reform**. We appreciate the sponsor’s hard work on this issue over the interim, particularly while serving as Chair of the Speaker’s House Cannabis Referendum and Legalization Workgroup.

CANMD and MDMDA support the issues addressed in the bill – criminal justice and expungement reform; public health concerns; assistance for small-, minority- and women-owned businesses and; conducting a disparity study to help further diversify the cannabis industry.

Social justice must be at the heart of any consideration of adopting an adult-use program in Maryland. It is indisputable that people of color have been disproportionately impacted by the enforcement of marijuana laws, in Maryland and nationally. The arrest and incarceration of people of color for minor marijuana possession crimes must stop – and prior wrongs must be remedied through the expungement process.

CANMD and MDMDA also support efforts to further diversify the cannabis industry. Our Associations supported House Bill 2 of 2018, which added 7 grower licenses and 13 processor licenses to the medical cannabis program to provide economic opportunities for people of color. While the license awards that resulted from that process have significantly improved the diversity of license-holders, more remains to be done as the State moves towards an adult-use market. The disparity study required by House Bill 837 will help inform the legislature’s decisions on remedial measures that should be taken before awarding adult-use licenses.

We also support the creation of the Cannabis Business Assistance Fund, which we believe should be used to assist the entrance of Maryland-owned small, minority-owned and women-owned businesses into the adult-use cannabis industry. As other States have recognized, these new businesses often need assistance navigating the license application process. More importantly, access to capital is likely the main barrier to small, minority-owned and women-owned businesses entering this or any other market. The Fund can help in both areas. We also believe that existing medical cannabis license holders can play a role in assisting new businesses

entering the adult-use market as part of a comprehensive social equity focus. This approach has been used in every recently adopting State that has transitioned from a medical-only market to an adult-use market; most of those states require medical licensees to pay a fee to a social equity fund such as the one created in House Bill 837 in order to enter the adult-use market. We pledge to work with the General Assembly and all interested parties to identify ways that current licensees can help new entrants start in, and thrive in, the new market.

Below we suggest some changes or clarifications that we believe strengthen House Bill 837. However, there is a step the General Assembly can take right away to prepare for adult use and assist new applicants and medical cannabis licensees - particularly the new House Bill 2 licensees that are coming online. Current federal tax law prohibits cannabis-related businesses from deducting basic business expenses, like wages and salaries, repair and maintenance, overhead, promotions and equipment costs (commonly referred to as the “280E problem”). Maryland can decouple from this provision and put licensees on equal footing with every other Maryland business. We recognize this is the subject of legislation in the Budget & Taxation Committee (Senate Bill 333); however, as the adult-use issue crosses committee jurisdictional lines, we wanted to raise the importance of this issue with the Committee.

Suggested changes

In addition to addressing the 280E penalty imposed on legal medical cannabis businesses, several other changes should be made to House Bill 837. On page 24, line 30, there may be a need to clarify that the prohibited activities do not apply to licensees and agents in the medical cannabis program. After “TITLE” insert “AND IN TITLE 13, SUBTITLE 33 OF THE HEALTH-GENERAL ARTICLE.”

Second, the Cannabis Public Health Advisory Council is charged with studying various issues. On page 37, lines 1-2, the Advisory Council is required to study and make recommendations regarding “advertising, labeling, product testing, and quality control requirements.” On page 37, lines 5-7, the Council also is instructed to examine best practices on limiting appeal and access to minors, including “advertising, potency, packaging, and labeling standards.” It is important to note the General Assembly passed legislation regulating advertising in the medical cannabis program (Chapter 456 of the Acts of 2019, codified as Section 33-1313.1 of the Health-General Article). In addition, the Commission has adopted regulations on labeling, packaging, and potency as well as product testing, quality control, and many other issues related to regulating a cannabis industry. The Advisory Council should be charged with considering the existing regulations, and the sufficiency of those regulations, rather than starting the process over again.

Further, we support conducting a disparity study to enable Maryland to further diversify the industry and understand that, if necessary, medical licensees should provide useful information to the certification agency. However, the information requested from licensees in Section 8 (pages 44-46) is extremely broad and, given the time frames established in that section, may never be effectively analyzed. If House Bill 837 passed today, over 150 licensees would have less than 4 months to detail every expenditure for the past 6 years. Even if providing the voluminous materials requested were feasible, the data would be unnecessary if the certification

agency determines by July 1, 2022 that the analysis from prior studies was sufficient to inform the new study. Even if the certification agency concludes those studies are insufficient, the agency would have only three and a half months to consider the data from licensees. When the 2018 disparity study was conducted, industry members cooperated with the certifying agency and expect to cooperate again now. However, this request is very broad and may not be the most efficient way to gather the necessary information.

Finally, we understand the General Assembly may decide to defer many implementation policy decisions until the 2023 Session, as contemplated in House Bill 837. If that is the decision, we believe that steps can be taken this interim to further refine and expedite several aspects of upcoming decisions. Some of these steps – the disparity study, the work of the Public Health Advisory Council, and various reporting requirements – are captured in House Bill 837. However, we believe that more can be done prior to the referendum and subsequent 2023 legislation.

For example, as noted above the Medical Cannabis Commission has adopted comprehensive regulations, operating procedures, and product testing standards that are likely needed for the regulation of an adult-use market. This interim, the Commission should be charged with reviewing those policies to determine what provisions are easily translatable to the regulation of an adult-use market. Similarly, the Commission should identify issues that are unique to regulating an adult-use market, and issues where current policies can be modified to meet the new regulatory needs.

With an adult-use market comes a taxation system that is not applicable to the medical market. The Commission should be directed to work with the Comptroller's Office to determine what is needed to implement a taxation process. The Alcohol and Tobacco Commission has testified that this process could last as long as 2 years; starting now will help the timely start of legal sales. Additionally, the Commission should be provided the resources needed to conduct the reviews and studies contained in House Bill 837, as well as the sales tax infrastructure work that needs to be done.

Thank you for the opportunity to comment on House Bill 837. As we testified to in the hearing on Senate Bill 833, our members want to be a resource to the General Assembly and to new social equity businesses that want to participate in an adult-use market. Our members are familiar with the challenges of working in this industry and have worked hard to be compliant with the extensive regulatory system. We look forward to working with the legislature and interested small-, women-, and minority-owned businesses to build a safe, well-regulated market that provides significant opportunities for new businesses that will seek licenses.

Mackie Barch
President
Maryland Wholesale Medical
Cannabis Trade Association

Tracey Lancaster Miller
President
Maryland Medical
Dispensary Association

HB 1 & HB 837 - MoCo_Elrich_SWA (Senate) (GA 22).p

Uploaded by: Marc Elrich

Position: FWA



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

March 23, 2022

TO: The Honorable Delores G. Kelley
Chair, Finance Committee

FROM: Marc Elrich
County Executive

RE: House Bill 1, *Constitutional Amendment – Cannabis – Adult Use* and
House Bill 837, *Cannabis Reform*
Support with Amendments

I am writing to express my support for House Bill 1, *Constitutional Amendment – Cannabis – Adult Use*, and House Bill 837, *Cannabis Reform*. It is essential that Maryland move forward as quickly as possible to legalize the personal use of cannabis by adults and begin to repair the decades of harm done to individuals, families, and communities who have been disproportionately impacted by the “war on drugs” relating to marijuana and other cannabis products.

House Bill 837 would allow the State to move forward expeditiously upon enactment of the constitutional amendment proposed in House Bill 1 to implement much needed criminal justice reforms. The bill would also allow the State to move forward immediately with important efforts relating to public health, including completion of a baseline study of cannabis use in the State, creation of a Cannabis Advisory Council, and establishment of a Cannabis Public Health Fund to be used to support data collection and research, education and public awareness campaigns, treatment for substance abuse disorders, and training of law enforcement personnel to recognize impairments caused by cannabis.

Although the bill does not create a licensing and regulatory framework for the market structure that would be implemented in Maryland, it reflects an assumption that the State will eventually create a private sector model for the cultivation, processing, distribution, and sale of cannabis products. To the extent that Maryland moves in that direction, it is important to ensure that the State act aggressively to assist small, minority-owned, and women-owned businesses entering the industry. Importantly, House Bill 837 requires the State to conduct a disparity study to determine the types of remedial measures that would be needed to assist minority-owned and women-owned businesses and creates a Business Assistance Fund to further these efforts and

The Honorable Delores G. Kelley
Re: House Bill 1 and House Bill 837
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provide grants and loans to populations that have been disproportionality impacted by the enforcement of cannabis laws.

However, I also believe that any licensing and regulatory framework that implements a private sector model for the cannabis industry throughout the State should allow a county to opt out of that model at the retail level and establish an alternative county-operated system. Senate Bill 833, *Cannabis – Legalization and Regulation*, would create a private sector model for the industry but would also authorize local governments to prohibit any type of “cannabis establishment” through the enactment of local legislation or adoption of a local referendum. I submitted written testimony in support of Senate Bill 833 with amendments that would expand the local opt out authority in that bill to allow a county to establish a government-run retail system as an alternative to the private sector model established in the bill.

Montgomery County has decades of experience with the operation of retail liquor establishments, and I view this model as completely viable for cannabis products. With county control of the distribution of alcohol, the risk of over-marketing is greatly reduced, the alcohol is available and legal but is not over-hyped, and studies have shown that this type of restraint helps control alcohol abuse. Additionally, the revenues from alcohol sales continue to help fund important county initiatives. Similarly, this type of system would allow a county to better control advertising of cannabis products, prevent minors from accessing cannabis, protect public health, and maximize revenues for public purposes. The production of cannabis products, as with alcohol, would remain in the private arena.

Although government-run retail stores for cannabis are not common in the United States, a number of Canadian provinces chose to implement government-run retail systems after recreational cannabis was legalized in Canada in 2018. The issue is also being discussed in other jurisdictions closer to home. One recent example – while serving as Governor of Rhode Island last year, the current United States Secretary of Commerce (Gina Raimondo) proposed a State-run model for retail stores. It is a very legitimate option that might be more acceptable to some counties in Maryland as opposed to either a private sector model or the type of local “opt-out” mechanism included in Senate Bill 833.

If the Finance Committee moves forward with adopting legislation this year to create the licensing and regulatory framework for the cannabis industry, I respectfully request that the Committee include local enabling authority for county-operated retail shops in the final bill. If decisions about the market structure for the cannabis industry are delayed until after the passage of the constitutional amendment, I respectfully request that this year’s bill require the State to complete a study regarding the potential benefits of a government-operated retail system before the General Assembly meets again in 2023.

cc: Members of the Finance Committee

MPP_HB1_HB837_FWA_.pdf

Uploaded by: Olivia Naugle

Position: FWA



March 23, 2022

HB 1 and HB 837

Testimony from Olivia Naugle, senior policy analyst, MPP, favorable with amendments

Dear Chair Kelley and members of the Senate Finance Committee:

My name is Olivia Naugle, and I am senior policy analyst for the Marijuana Policy Project (MPP), the largest cannabis policy reform organization in the United States. MPP has been working to improve cannabis policy for 27 years; as a national organization, we have expertise in the various approaches taken by different states.

MPP has played a leading role in most of the major cannabis policy reforms since 2000, including more than a dozen medical cannabis laws and the legalization of marijuana by voter initiative in Colorado, Alaska, Maine, Massachusetts, Nevada, Michigan, and Montana. MPP's team spearheaded the campaigns that resulted in Vermont and Illinois becoming the first two states to legalize marijuana legislatively and played an important role in the recent Connecticut legalization effort.

The Marijuana Policy Project strongly supports legalizing and regulating cannabis for adults 21 and older and doing so in a way that repairs the damage inflicted by criminalization. That includes expungement of past cannabis convictions, provisions to ensure diversity and social equity in the industry, and reinvestment in communities hard-hit by the war on cannabis.

Given the trends in polling, and the increasing recognition by elected officials on both sides of the aisle that criminalizing cannabis users has done more harm than good, ending marijuana prohibition in Maryland has become less a question of *if* and more about *how*.

We applaud House and Senate leadership for their commitment to ensure equitable legalization is achieved in Maryland. Marylanders have long supported moving forward with cannabis legalization, and there's no doubt that it is past time Maryland joined the 18 states (and D.C.) that have legalized cannabis for adults.

Here, I will discuss the positive impacts cannabis legalization will have and offer amendments to strengthen HB 1 and HB 837 as they are currently written.

I. Legalization should go into effect immediately upon voter approval.

As currently written, HB 1 and HB 837 would not legalize adult-use cannabis possession until July 2023 — eight months after voter approval. This delay would mean thousands of

Marylanders — disproportionately Black Marylanders¹ — will continue to be subjected to police interactions, citations, and arrests for cannabis for months *after* voters adopt legalization. There should not be a delay between voter approval and ending penalties and police interactions for cannabis.

New Jersey is the only other state that has taken the constitutional amendment route to legalize cannabis, and Maryland has an opportunity to learn from New Jersey's experience. New Jersey's voters approved legalization on the ballot in 2020, but that alone did not make cannabis legal. The legislature still had to come back and implement a law months later. In the three months between two-thirds of voters approving legalization and Gov. Phil Murphy signing implementing legislation, **more than 6,000 charges** for minor cannabis possession were filed. Maryland must not repeat New Jersey's mistake. When voters legalize cannabis in Maryland, cannabis needs to actually become legal.

II. Provide that the odor of cannabis is not grounds for a search

To further reduce police interactions for cannabis, it should be explicitly included in statute that the odor of cannabis is not grounds for a search.

We recommend using language like Connecticut's P.A. 21-1, § 18 to ensure cannabis is not grounds for a search, but to also allow the odor of burnt cannabis to form part of the basis for a DRE examination to determine whether a driver is impaired.

We do not recommend the language in SB 692's 1-211 (B), which creates an exception that swallows the rule, by seemingly allowing searches of areas, "(1) readily accessible to the driver or operator; or (2) reasonably likely to contain evidence relevant to the condition of the driver or operator" when an officer claims they are investigating a suspected DUI.

A DUI exception closer to Connecticut's allows officers to use the odor if it's relevant to probable cause for a sobriety test for driver *impairment* rather than to allow them to tear apart a car looking for legal cannabis.

For the DUI exception, we recommend language along the lines of:

"A law enforcement official may conduct a test for impairment based in part on the odor of burnt cannabis if such official reasonably suspects the operator of a motor vehicle of violating [DUI statutes]."

III. Increase possession and cultivation limits

We suggest legalizing personal cultivation of up to six plants, rather than two, which is more in line with other states.

¹ Black Marylanders are still twice as likely to be arrested for simple possession than white Marylanders. *A Tale of Two Countries: Racially Targeted Arrests in the Era of Marijuana Reform*, American Civil Liberties Union, 2020.

We also recommend allowing personal possession of four ounces to mirror the medical law. Having consistency in the possession limits between adult-use and medical cannabis will protect patients, who may not have their card on them or have an expired card. Further, other adult-use states have possession limits greater than two ounces. In New Jersey, for example, adults can possess up to six ounces of cannabis. Allowing for a higher possession limit will further reduce arrests, citations, criminalization, and police interactions for cannabis possession. There is no limit on how many bottles of wine one can have in their cellar.

IV. Allow possession of excess cannabis one harvests from their own plants

We recommend explicitly including in the definition of “personal use amount” any cannabis that is harvested from the plants an individual legally grows for personal cultivation, as long as the excess cannabis is stored at the same location where the plants were grown. SB 833 has language that can be used. As HB 837 is currently written, if a person’s plants produce more than the 1.5 ounce limit, they would exceed their personal use amounts and be subject to a civil fine.

V. Change “or” to “and” in the possession limit (p. 8, line 25; p. 9, line 5; p. 11, line 20; p. 11, line 28; p. 42, line 7; and p. 42, line 31)

Cannabis consumers often possess and purchase flower, plants, edibles, **and** concentrates, not just one or the other. However, the limit says a person can possess 1.5 ounces, 12 grams of concentrates, products with 750 mg of THC, **or** two or fewer plants. It is not clear if a person can even possess a gram and an edible. “Or” must change to “and” to ensure a person is not subject to a citation or criminal penalty if they have edibles and flower (or both two plants and some usable cannabis, etc.).

VI. Reduce penalties for other offenses, such as low-level sales

As currently written, possession with intent to distribute (PWID) and selling cannabis carry up to three years of imprisonment. The bill should reduce penalties for low-level sales.

Most of the earlier legalization laws removed state penalties for possession of a modest amount of cannabis and regulated commercial activity but did not reduce penalties for unlicensed sales. In several cases, even low-level sales remained felonies. Now, legalization states are increasingly working to reduce the harsh penalties for low-level sales to avoid harshly penalizing individuals who are simply trying to make ends meet. At least seven states reduced penalties for some or all unregulated sales either as part of legalization or shortly thereafter. Three of those states — Connecticut, New Jersey, and New York — “decriminalized” low-level sales as part of legalization. (Connecticut and New Jersey’s laws apply to first offenses only.)²

² <https://www.mpp.org/assets/pdf/issues/legalization/Sales-Penalties-After-Legalization.pdf>

VII. Provide that parole, probation, and pre-trial release cannot be revoked for state-legal cannabis activity

The bill should provide that parole, probation, and pre-trial release cannot be revoked for state-legal cannabis activity, including testing positive for cannabis, unless there is a specific finding that the individual's use of cannabis could create a danger to the individual or other persons.

VIII. Legalize safe home production of cannabis products, effective upon voter approval

Adults should be able to safely make cannabis-infused products (such as brownies) at home. HB 837 imposes up to three years in jail for home production of cannabis products.

Conclusion

HB 1 and HB 837 are a promising start, but with these equity-driven recommendations, the legislature can deliver immediate relief to cannabis consumers and patients across the state.

Thank you, Chair Kelley and members of the committee, for your time and attention. I urge you to consider our suggested amendments and issue a favorable report on HB 1 and HB 837.

If you have any questions or need additional information, I would be happy to help and can be reached at the email address or phone number below.

Sincerely,

Olivia Naugle
Senior Policy Analyst
Marijuana Policy Project
onaugle@mpp.org
202-905-2037

HB837-MdPHA-FWA-Senate_version.pdf

Uploaded by: Raimee Eck

Position: FWA



Mission: To improve public health in Maryland through education and advocacy Vision: Healthy Marylanders living in Healthy Communities

HB 837 Cannabis Reform
Hearing Date: 3/23/22
Committee: Finance
Position: Favorable with amendments

The Maryland Public Health Association (MdpHA) would like to offer favorable testimony with amendments regarding HB 837, sponsored by Delegate Clippinger. We appreciate those who have worked very hard to bring us to this point and have not shied away from shining a bright light on the trauma and devastation the continued war on drugs has done to countless individuals and communities of color.

MdpHA does not take a position on the use of cannabis itself, but instead focuses on the legislative process towards legalization. It is our goal to ensure the steps taken are equitable, are evidence-based, are methodical and incremental, acknowledge that certain communities have been historically disproportionately impacted by the war on drugs, protect vulnerable populations, and anticipate unintended negative consequences of policy.

It is imperative that some movement is made forward towards equity around cannabis. Last year, MdpHA asked that the decriminalization and record expungement portions of the House and Senate cannabis regulatory bills be separated out, as there was little disagreement as to the need for those things to happen. Fortunately, we see this bill as addressing that concern and even moving further forward with the public health-focused inclusions. Monitoring and evaluation is necessary to create a system with guardrails to protect the most vulnerable, while surveilling for unintended consequences. Without guardrails, further disparities can arise. Young adults who are female (vs. male) or identify as lesbian, gay, or bisexual have 40% higher odds of reporting seeing cannabis promotions online (vs. heterosexual youth).¹ After legalizing in Oregon, minor in possession tickets increased 28% and were highest among AI/AN and Black youth.² These unintended outcomes that are being seen in other states need to be considered and avoided in statute sooner than later.

Having said this, we offer the following recommendations specifically for HB837.

Broaden the focus

One overarching recommendation is to remove considerations around cannabis from a vacuum. Most illicit and even licit substances are rarely used singly, in addition to being strongly linked to mental and behavioral health issues. By focusing the attention of the bill's tasks solely on cannabis, it misses the opportunity to address the frequent co-occurrence of these other issues, especially in those who are experiencing the greatest harms. By addressing these issues holistically, the individuals experiencing these overlapping harms will benefit more completely.

Baseline survey

A baseline survey is appropriate in order to gather pre-existing data and establish a status quo before any interventions. It can also validate national survey data and fill in the vast gaps in knowledge in the state. The expanded timeline proposed (from January to March 2023), however, is extremely concerning due to the time needed to draft and revise a survey instrument (*much of the proposed data to be included is presently not collected*), field the survey, prepare the data, analyze the data, and publish a report.

We recommend consideration of a baseline report that includes what data we DO collect at this time by the March 2023 deadline, but also makes recommendations for the type of data that should be collected in an ideal surveillance system and how it should be collected. (*It is possible that this falls under the intentions of the Public Health Advisory Board, but we believe it is imperative to design and be dedicated to a complete surveillance system from the outset.*)

Include at a minimum the following data:

- Pre-existing trends across all topics
- Additional population: families with young children
- Sources of purchase among minors, college students, adults
- In addition to hospitalizations, use of other health care services related to cannabis
- Financial impacts on the state healthcare system
- Data on cannabis-related incidents in schools, including suspensions/expulsions
- Drug-related arrests and convictions stratified by demographics
- Co-occurring use rates with alcohol, tobacco, and other drugs (ATOD)
- Co-occurring substance use disorder rates with ATOD
- Co-occurring rates of psychiatric disorders, such as anxiety and depression (*these are common among regular cannabis users, especially adolescents and young adults*)

There are a few existing surveillance tools currently in the state that might provide opportunities to collect additional data. One example is the Maryland Pregnancy Risk Assessment Monitoring System ([PRAMS](#)), a CDC-supported surveillance project. PRAMS has a Marijuana & Prescription Drug Use Supplement that could be incorporated that other states have used—currently only cigarette smoking, hookah use, and heavy drinking are assessed in Maryland.

We also recommend a series of rigorous evaluations from the baseline and to assess ongoing trends, instead of just a biannual report of collected data. (*although the Advisory Council may recommend these types of studies, it may be more appropriate to mandate something more rigorous from the beginning*)

Cannabis Public Health Advisory Council

Recommendations for the advisory council:

1. Include/replace members or member descriptions with the following expertise:

- a. Professional/researcher with a focus on women’s and/or perinatal health,
 - b. Professional/researcher with expertise in cannabis policy,
 - c. Epidemiologist with expertise in substance use and prevention (*including alcohol, cannabis, tobacco*), and/or
 - d. Include a representative from the Maryland Public Health Association.
2. Appoint the members of the advisory board in a more equitable manner. An example is 2019’s HB768, the Prescription Drug Affordability Board (members appointed more equally by the Governor, Senate President, House Speaker, AG, etc.).
 3. Strengthen the conflict of interest parameters. Members may not have direct or indirect financial interest, ownership, or management, including holding any stocks, bonds, or other similar financial interests in cannabis industries or commercial cannabis entities (exempting the laboratory representative—consider making this an ad hoc or non-voting position). Members also may not have an official relationship (e.g., immediate family members, spouses) to someone as described above.
 4. Secure adequate and sustainable funding to ensure achievement of tasks to lay the foundation, especially before expected tax revenues become available.
 5. Include co-occurrence of cannabis along with alcohol, tobacco, and other drugs in considerations for studies, campaigns, and other tasks.

Public Health Fund

Adequate and sustainable funding is necessary to ensure the extensive list of tasks outlined may be addressed appropriately and effectively.

Ensure transparent criteria are developed and used for contracts and grants. The process for research awards should include external peer review by recognized experts without conflicts of interest (*similar to National Institutes of Health or National Science Foundation grant reviews*).

Include education, public communication, and training on substance use beyond only cannabis use. Cannabis is often co-occurring with alcohol, tobacco, and other drugs. This is especially important for youth.

Include a standing legal resource or technical assistance center that may be accessed by the advisory council, state and local government agencies, law enforcement, community coalitions working on substance misuse, etc. We support the University of Maryland Legal Resource Center’s amendment language (please see testimony from Director, Kathi Hoke).

Thank you for considering our recommendations. We urge additional conversation around these topics in order to strengthen this foundational approach.

The Maryland Public Health Association (MdPHA) is a nonprofit, statewide organization of public health professionals dedicated to improving the lives of all Marylanders through education, advocacy, and collaboration. We support public policies consistent with our vision of healthy Marylanders living in healthy, equitable, communities. MdPHA is the state affiliate of the American Public Health Association, a nearly 145-year-old professional organization dedicated to improving population health and reducing the health disparities that plague our state and our nation.

¹ Krueger, E. A., Bello, M. S., Unger, J., Cruz, T. B., Barrington-Trimis, J. L., Braymiller, J. L., ... & Leventhal, A. M. (2021). Sociodemographic differences in young adults' recall of tobacco and cannabis marketing online and in television/film. *Preventive medicine reports*, 24, 101592.

² Firth, Caislin L et al. "Implications of Cannabis Legalization on Juvenile Justice Outcomes and Racial Disparities." *American journal of preventive medicine* vol. 58,4 (2020): 562-569. doi:10.1016/j.amepre.2019.11.019

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Position: FWA



**2022 SESSION
POSITION PAPER**

BILL NO: HB 837

COMMITTEE: Finance

POSITION: Support with Amendments

TITLE: Cannabis Reform

BILL ANALYSIS: House Bill (HB) 837, as amended, will legalize the use and possession of 1.5 ounces or less of cannabis if voters ratify the proposed Constitutional Amendment in House Bill 1. The bill's provisions that directly impact the Maryland Medical Cannabis Commission (the Commission) will (1) require the Commission to conduct a baseline study on the use of cannabis in Maryland, (2) establish a Cannabis Public Health Advisory Council and require the Executive Director of the Commission to serve on the Council, (3) require licensed and preapproved medical cannabis growers, processors, and dispensaries to provide certain confidential financial data to the Commission by July 1, 2022, contingent upon whether the data is determined to be necessary to assess the need for remedial measures in the cannabis industry, and (4) require the Commission to conduct a study and make recommendations to the General Assembly on: (i) a home grow program to authorize qualifying patients to grow cannabis for personal use; (ii) the establishment of on-site cannabis consumption facilities; and (iii) methods to reduce the use of cannabis by minors.

POSITION AND RATIONALE: The Maryland Medical Cannabis Commission supports HB 837, with the proposed amendments outlined below.

The Commission commends the bill's sponsor, Chair Clippinger, for prioritizing health alongside racial and socioeconomic equity and pursuing a data-driven approach to adult-use cannabis legalization. Eighteen (18) states and the District of Columbia have legalized the use or possession of cannabis by a person 21 years of age or older, and HB 837 incorporates several best practices from these jurisdictions, including (1) conducting a baseline study on cannabis use in the State, (2) establishing an advisory council to make health and safety recommendations, and (3) evaluating the impact of certain policy decisions prior to implementation.

1. Conducting a comprehensive baseline study of cannabis use in Maryland. The Commission's 2020 analysis of the health and safety impacts of legalization concluded that pre-legalization data

is often insufficient or is not collected/reported in the same manner as post-legalization data, which makes conducting a true comparative analysis of pre- and post-legalization impossible. A comprehensive baseline study, combined with biennial follow-up surveys using the same factors and methodology, will allow the State to accurately monitor and assess the impact of cannabis use in Maryland, and better inform policy decisions. The Commission strongly supports the comprehensive baseline study proposed in HB 837, and is actively working to recruit additional research staff and develop a scope of work to conduct the study.

2. Establishing a Cannabis Public Health Cannabis Advisory Council. Cannabis contains substances that affect the brain and body, and cannabis use is associated with adverse health effects and harms, particularly for youth. While data do not reflect major changes in youth use, heavy use, or cannabis use disorder as a result of passage of adult-use cannabis laws in other states, education and prevention efforts are critical to limiting adverse impacts. Canada and several U.S. jurisdictions have successfully used advisory bodies to inform health, safety, and regulatory efforts. The Commission supports the Cannabis Public Health Advisory Council and appreciates the sponsor's efforts to bring together a wide-range of subject matter experts to advise the State on the implementation and regulation of adult-use cannabis.

3. Three Public Health Studies. The Commission understands that home cultivation of cannabis for personal use is strongly supported by cannabis consumers, but may raise certain health, safety, and diversion concerns for policymakers. In addition, the Commission is aware of interest in the establishment of on-site consumption facilities as well as concerns about the need to develop methods to reduce the use of cannabis by minors. The Commission is committed to evaluating the laws adopted in other jurisdictions in each of these three areas and presenting the General Assembly with recommendations and best practices for implementation.

HB 837 presents a measured, evidence-based incremental approach to a dramatic policy change for the State. The Commission proposes to further strengthen the bill with three amendments. These amendments are based on information provided to the Commission by regulator colleagues in other jurisdictions and lessons learned over the past eight years developing, implementing, and administering Maryland's Medical Cannabis Program.

Recommendations

1. Mandate data collection and specify the information required from medical cannabis businesses for the disparity study. Section 8(c)(1) requires the Commission to collect "any information determined to be necessary [by the certification agency] to continue to assess the need for remedial measures in the cannabis industry and market" that *may* include certain specified data. The Commission understands the importance of a disparity analysis to adult-use licensing, and wants to support the data collection efforts, but has the following concerns about Section 8(c)(1), as drafted:

- i. Data collection is contingent on “the certification agency” determining existing data and analyses are insufficient. This creates significant uncertainty for the Commission and medical cannabis licensees as to whether data will be needed, and if so, the exact data being requested.
- ii. Section 8 takes effect on June 1, 2022 giving the Commission and medical cannabis businesses a maximum of 30 days to collect six years’ worth of financial data. Medical cannabis businesses, particularly small, independent operators, have expressed concerns about their ability to identify, compile, and submit these data in such a short time period. Likewise, the Commission does not believe it is feasible for the Commission to ensure compliance of more than 150 medical cannabis businesses within a maximum of 30 days.
- iii. The scope of the data request is undefined in the bill. Neither the Commission nor medical cannabis businesses can prepare for the data collection in advance of the bill taking effect because the scope of the data request is not defined in Section 8.

The Commission proposes that Section 8 be amended to (1) mandate data collection for medical cannabis businesses (rather than making it contingent on a determination by the certification agency), (2) specify the exact information required to allow the Commission and medical cannabis businesses the opportunity to prepare in advance of the June 1 effective date, and (3) provide the Commission and medical cannabis businesses with 90 to 180 days to comply with such a large records request. The General Assembly may also wish to establish penalties for medical cannabis businesses that fail to comply with Section 8(c).

2. Authorize regulatory change triggered by referendum. Several sections of the bill are contingent on the passage of HB 1 and its ratification by the voters of the State. The Commission recommends identifying the agency that will be tasked with the regulation of adult-use cannabis so that the Commission or another state agency is able to better prepare if HB 1 is ratified by the voters.

Because HB 837 is silent as to which regulatory agency will provide oversight of the adult-use cannabis program, it will result in unnecessary delays and thereby impede implementation. Transitioning from a medical-only market to a medical and adult-use market requires significant and lengthy administrative changes, including substantially expanding staff, developing tax collection software, and modifying the State’s seed-to-sale system to accommodate adult-use businesses. Each of these activities will require 12 months or longer to complete. The sooner the Commission or another agency is able to begin preparing for an adult-use market, the better equipped it will be to implement the statutory framework the General Assembly puts into place in 2023. Moreover, if Commission staff are transferred to the Alcohol and Tobacco Commission,

as was contemplated in legalization bills in 2020 and 2021, the transition will also require establishing unified human resources, information technology, and procurement processes and systems, and securing office space for the combined staffs. The median length of time across states from passage of legislation to licensing 21 months. The State can reduce this timeframe by identifying the regulatory oversight agency so that the Commission may begin preparing for the regulation of adult-use cannabis or transferring staff to the Alcohol and Tobacco Commission, if HB 1 is ratified by the voters.

The Commission would appreciate a favorable report on HB 837, with the proposed amendments. For more information, please contact Will Tilburg, Executive Director at (410) 487-8069 or william.tilburg@maryland.gov.

This position does not necessarily reflect the position of the Maryland Department of Health or Office of the Governor.

BruceTurnbull JUFJ HB837 unfav March 23 2022.pdf

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Position: UNF

March 23, 2022

Bruce H. Turnbull
Bethesda, MD 20814



TESTIMONY ON HB837- POSITION: UNFAVORABLE
Cannabis Reform

TO: Chair Kelley, Vice Chair Feldman, and members of the Finance Committee

FROM: Bruce H. Turnbull, on behalf of Jews United for Justice

My name is Bruce H. Turnbull. I am a resident of District 16. I am submitting this testimony in opposition to HB837, Cannabis Reform, on behalf of Jews United for Justice (JUFJ) and on my own behalf. JUFJ organizes 6,000 Jews and allies from across Maryland in support of state and local social, racial, and economic justice campaigns.

JUFJ's opposition to this legislation stems from the fact that it fails to promote our core goal of promoting racial equity and racial justice. This is a core goal because we believe in the Jewish teachings that every person is made in the Divine image, that we must love our neighbor as ourselves, and that destroying one life destroys the whole world. Those and other Jewish (and human) values drive our work in relation to our legal system in many ways.

I previously submitted testimony in support of SB692 because we believe that it is quite possible that enacting SB692 could be the single action that would have the largest benefit for racial equity and justice in our state, more than any other single action this legislature could take. Convictions for cannabis possession and trafficking have disproportionately and unfairly impacted communities of color, Black and brown. Making possession and trafficking a matter of a legally regulated system, and not subject to criminal penalties, would reduce the unfair burdens of our legal system on people from those communities.

Enactment of HB837, however, would fail to achieve these critical goals. This is the case for the following reasons.

- **By allowing police searches based on the odor of marijuana, HB837 fails to protect Black and brown Marylanders from being disproportionately and unnecessarily targeted and searched by police.** This would facilitate law enforcements' disproportionate interactions with Black people, inevitably leading to more violations of Black people's rights and dignity.
- **By authorizing criminal penalties, rather than civil penalties, for possession of cannabis with an intent to sell, HB837 leaves Black people vulnerable to criminal convictions despite the "legalization" of cannabis.** In doing so, HB837 would favor corporate sellers. Without eliminating these penalties, Black people will be subject to existing arrest patterns. Legalization legislation must subject unauthorized sales to a civil penalty in the same way as operating a business without the appropriate license.

- **Expunging or vacating must be available for all of the previous convictions for various marijuana-related offenses. Failing to do so leaves Black people saddled with continued lack of access to employment, public benefits, and exposure to higher levels of incarceration than their white counterparts.** Without coverage of all such previous convictions to be expunged or vacated, many people will continue to suffer from continued time in jail or prison and, even upon release, from the collateral effects of such convictions. Those convicted of selling even small amounts of cannabis would be denied any opportunity to have their sentence reconsidered, harming them and their communities.
- **HB837 must treat smoking of marijuana in public as it does smoking cigarettes in public.** Otherwise, poor Black and brown people will continue to face unfair and unnecessary enforcement interactions with police.

In line with the above, JUFJ believes that HB837 does not contain the elements necessary to address racial injustice of current law. If HB837 is enacted, we fear that the effort will be well-intentioned but a failure - continuing to cause the incarceration of too many Black and brown people and perpetuating the “extra-legal” sales and distribution system that now exists.

Our primary concern is that the shift to recreational cannabis be done in the most equitable way possible. Accordingly, **we urge a unfavorable report of HB837.**

Thank you for the opportunity to provide this testimony.

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Position: UNF

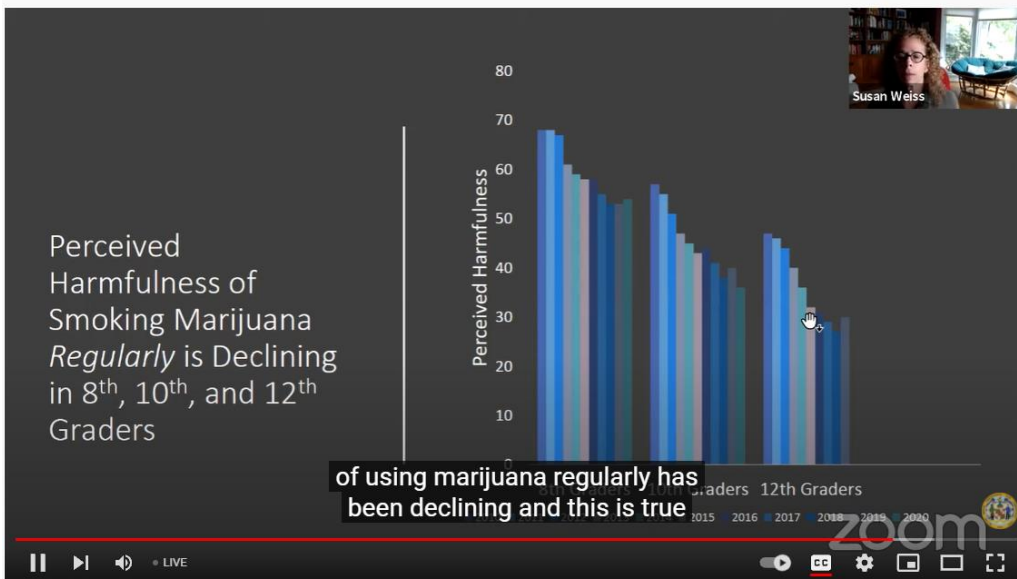
UNfavorable – HB0001 & HB0837
vince mcavoy po41075 baltimore md

Hello Senators

I urge an unfavorable for HB0001 and HB0837, which were presented as an interlinked pair in House Judiciary Testimony. I testified against those bills that day. I reminded the Committee of the numerous people in 2021 who presented neuroscience data, anecdotal describing and emergency room details about how this era's marijuana is not what Americans view as marijuana.

<https://mgahouse.maryland.gov/mga/play/4b22e772-da01-49dc-916f-b14044acab97/?catalog/03e481c7-8a42-4438-a7da-93ff74bdaa4c&playfrom=13530000> HB0032(2021)

In fact, in MDGA marijuana subcommittee hearings, the urgent problem of teens/young adults feeling that marijuana is largely a harmless weed (rather than a **HYPER-concentrated, artificially-modified drug delivery system**) has been unadvertised.



If you vote for these bills to go forward and do as the sponsor and his drug-promoting Vice Chair suggest, children will fail. There is a minuscule effort to research AFTER the issue of legalization has been wrought on Maryland. And we live in a serious region. Military outposts. Legislative and other governmental agencies. World-recognized and depended upon organizations. To blanket this area with marijuana smoke is to dismantle, weaken and dumb-down a primary hub and region of America.

They've given no thought to solving these problems other than that once upon a time, black men got arrested for smoking weed. That doesn't happen now. I live in Baltimore. Weed is smoked openly while walking, driving and working. There is no fact basis to these assertions that weed does anything more than keep blacks' school test scores low.

Don't do this, Finance. You can stop this and help these students. You will consign the youth to perpetual fog and underperformance if you pass these bills. You will wreck the work that educators, community activists and parents have painstakingly poured into the children.

humbly
~vince

HB837_UNFAV_Amanuel.pdf

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Position: UNF



Testimony for the Senate Finance Committee

March 23, 2022

HB 837- Cannabis Reform

Unfavorable

YANET AMANUEL
INTERIM PUBLIC POLICY
DIRECTOR

AMERICAN CIVIL
LIBERTIES UNION
OF MARYLAND

3600 CLIPPER MILL ROAD
SUITE 350
BALTIMORE, MD 21211
T/410-889-8555
F/410-366-7838

WWW.ACLU-MD.ORG

OFFICERS AND DIRECTORS
HOMAYRA ZIAD
PRESIDENT

DANA VICKERS SHELLEY
EXECUTIVE DIRECTOR

ANDREW FREEMAN
GENERAL COUNSEL

We, the undersigned Maryland-based organizations, are united in our support for a racial justice-centered approach to legalizing marijuana in our state. We respectfully oppose HB 837 unless amended to address the four missing aspects of criminal justice-related policy (listed below) that are essential if cannabis legalization in Maryland is actually to achieve anything resembling racial justice. Centering racial justice means that legalization must contain strong provisions to repair and protect against the harms of the war on marijuana on the individuals and communities most impacted by it.

Legalization is now widely viewed in many states and by the majority of voters in Maryland, as a reasonable recreational option and an engine of potential economic growth benefiting corporate interests. However, at the same time, Black and Brown communities continue to face the brunt of unnecessary police interactions in the name of enforcement of our marijuana laws and the collateral consequences that accompany entanglement in the criminal legal system.

When the Maryland General Assembly decriminalized the possession of 10 grams or less of marijuana in 2014 it was in large part because of the strong leadership of this body in refusing to accept the disparate enforcement of marijuana laws on Black Marylanders. However, decriminalization was never enough, and despite comparable rates of use among Black and white people, *Black people in Maryland continue to be arrested overwhelmingly more than whites and at disproportionate rates.*

As currently drafted, HB 837 does not adequately address the racial inequities of the war on marijuana! HB 837 is missing crucial provisions to address the excessive interactions between Black people and law enforcement that have fueled public opinion in favor of legalization. Additionally, the bill lacks

provisions that would sufficiently address the harms done to Black and Brown people by the criminal justice system.

- 1) **The House bill does not protect Black and Brown Marylanders from being disproportionately and unnecessarily targeted and searched by police due to the odor of marijuana.** If we don't address this, law enforcements' disproportionate interactions with Black people will persist and inevitably lead to more violations of Black people's rights and dignity.
- 2) **The House bill favors corporate sellers by failing to adopt civil penalties, rather than criminal penalties, for possession of cannabis with an intent to sell it.** Without eliminating these penalties, Black people will be vulnerable to existing arrest patterns, saddling Black people with criminal penalties despite cannabis legalization. With legalization, unauthorized sales should be addressed with a civil penalty-- similar to operating a business without the appropriate license.
- 3) **The House bill similarly fails to adequately address all of the various marijuana-related offenses that Black people have been saddled with that have led to lack of access to employment, public benefits, and exposure to higher levels of incarceration than their white counterparts.** If we don't expand the scope of convictions that can be expunged/vacated, many people will not be eligible for redress. For example, people convicted of selling small amounts of cannabis would be denied any opportunity to have their sentence reconsidered, causing them to continue spending time in jail instead of contributing to the community.
- 4) **The House bill continues to penalize people who smoke in public.** Not treating smoking in public similar to smoking a cigarette in public will have poor Black and Brown people face the brunt of the enforcement and unnecessary interactions with police.

Any effort to legalize marijuana must center racial justice. To do so, we must offer proper redress to those impacted by the War on Marijuana and the racist enforcement of marijuana laws that Black and Brown communities have endured.

For the foregoing reasons, absent of key changes, the undersigned Maryland-based organizations urge an unfavorable vote on HB 837.

Respectfully,

ACLU of Maryland
Algebra Project
Baltimore Action Legal Team
Bloom Collective
Calvert PRISM
CASA
Common Cause-Maryland
Community Justice
ElevateHER Inc.
FACE Addiction Maryland, Inc
Fenix Youth Project
Jews United for Justice-Baltimore
JustUs_Initiative
Leaders of a Beautiful Struggle
League of Women Voters of Maryland
Lower Shore Progressive Caucus
Maryland Nonprofits
Maryland Office of the Public Defender
NAACP Maryland State Conference
Prince George's County Young Democrats
Progressive Maryland
Racial Justice NOW
Takoma Park Mobilization
The People's Commission to Decriminalize Maryland
The Talking Drum Incorporated
Schools not Jails
SURJ Baltimore



YANET AMANUEL
INTERIM PUBLIC POLICY
DIRECTOR

AMERICAN CIVIL
LIBERTIES UNION
OF MARYLAND

3600 CLIPPER MILL ROAD
SUITE 350
BALTIMORE, MD 21211
T/410-889-8555
F/410-366-7838

WWW.ACLU-MD.ORG

OFFICERS AND DIRECTORS
HOMAYRA ZIAD
PRESIDENT

DANA VICKERS SHELLEY
EXECUTIVE DIRECTOR

ANDREW FREEMAN
GENERAL COUNSEL

As of March 23, 2022

	HB 837 (Clippinger)	SB 692 (Carter)	SB 833 (Feldman)
Economic Development	<p>✗ This bill limits economic development and assistance to actors within the industry, rather than promoting wholesale economic development in impacted communities.</p> <p>✓ Creates a Cannabis Business Assistance Fund to assist small, minority, and women-owned businesses (amount directed to this fund is not set).</p> <p>✓ Creates a partnership with "minority serving institutions" to give out money to Black businesses.</p> <p>✓ Provides resources to HBCU's to do programming that provides pathways to important aspects of the cannabis industry.</p>	<p>✓ This bill establishes community restoration fund that sends 60% of the tax revenue to jurisdictions based on the number of marijuana enforcement arrests in the area throughout the past 20 years. Additionally, SB 692 makes racial equity and diversity a key part in deciding whom to give licenses. It also directs a portion of the tax revenue to Small, Women, Minority, Business fund.</p>	<p>✗ This bill creates the Cannabis Regulation Fund to be distributed among a variety of efforts. Notably, only 25% is allocated to the Community Reinvestment and Repair Fund. The bill also creates an Office of Social Equity which oversees the Community Reinvestment and Repair Fund, Social Equity Start-Up Fund, and the Cannabis Education and Training Fund. Funding from Community Reinvestment is highly centralized / discretionary / unclear.</p>

NOTES: The problem with HB 837: limits economic development to people looking to participate in the industry. The problem with SB 833: distribution of funds from the Community Reinvestment and Repair Funds is decided by a single body and is up to the will of that body. Unlike provisions from the Cannabis Education and Training Fund, there are no specific guidelines on how that money must be used.

As of March 23, 2022

	HB 837 (Clippinger)	SB 692 (Carter)	SB 833 (Feldman)
Growing or Manufacturing Cannabis and Cannabis Products	<p>✗ HB 837 establishes that a person may not cultivate, grow, or manufacture more than 2 plants. A person who violates this provision is guilty of a misdemeanor and subject to a penalty of imprisonment for up to three years and/or a fine of up to \$5,000.</p>	<p>✓ Marylanders 21 and over may cultivate no more than six plants. If two or more individuals live in the same residence, they may grow no more than twelve plants. Growing more than the legal amount is a civil offense punishable by a \$750 fine.</p>	<p>✓ Marylanders 21 and over may cultivate no more than four plants. If two or more individuals live in the same residence, they may grow no more than eight plants. Growing more than the legal amount but less than 8 plants is a civil offense punishable by a \$250 fine. Growing more than 8 plants is a \$750 fine or 50 hours of community service.</p>

	HB 837 (Clippinger)	SB 692 (Carter)	SB 833 (Feldman)
Smoking in Public	<p>✗ Smoking marijuana in a public place is a civil offense punishable by a fine not exceeding \$50 for the first offense and \$150 for the second offense.</p>	<p>✓ The same rules that govern cigarette smoking apply: you can smoke cannabis in the same places where cigarette smoking is permitted, and you can't smoke cannabis in places where cigarette smoking is prohibited.</p>	<p>✗ Smoking marijuana in a public place is a civil offense punishable by a fine not exceeding \$50 or 5 hours of community service.</p>

NOTES: Making it a crime or civil penalty to smoke marijuana in public will enable racially biased policing and facilitate discrepancies in arrests between individuals in more crowded, over-policed neighborhoods and individuals in wealthy, spacious neighborhoods. Many people do not have the luxury of consuming marijuana in private, especially if they live in communal or multi-generational households. Additionally, because research has routinely debunked theories about "contact highs," the greatest "harm" associated with smoking in public is the smell, which hardly warrants a \$50 fine and an unnecessary police interaction.

As of March 23, 2022

	HB 837 (Clippinger)	SB 692 (Carter)	SB 833 (Feldman)
Possession of More than the Personal-Use Amount	<p>✗ Possessing more than 1.5 ounces but less than 2.5 ounces is a civil offense punishable by a fine not exceeding \$250. The possession of more than 2.5 ounces is a misdemeanor offense that carries a penalty of 6 months in jail or a \$1000 fine.</p>	<p>✓ The possession of marijuana exceeding the legal personal use limit is a civil offense punishable by a fine of \$150 or 15 hours of community service.</p>	<p>✓ For individuals under 21, the fine for a first offense of the use or possession of an amount not exceeding the personal use amount is \$100 or 6 hours of community service. The fine for a second offense is \$250 or 16 hours of community service, and a \$500 fine or 32 hours of community service for the third offense.</p> <p>✓ For persons 21 and over, possession of more than 2 ounces but less than 4 ounces will have to pay a \$250 fine or 16 hours of community service.</p> <p>✗ Possession of more than double the personal use amount (4 ounces) is a misdemeanor offense that carries a penalty of 6 months in jail or a \$1000 fine.</p>

NOTES: The continued criminalization of simple marijuana possession is not an effective use of law enforcement resources or time. Legalization, under any of these models, presumes that the conduct is not inherently unsafe. There are no criminal penalties (or civil penalties) for having large quantities of alcohol, which arguably poses a greater risk to public health and safety.

As of March 23, 2022

	HB 837 (Clippinger)	SB 692 (Carter)	SB 833 (Feldman)
Possession with Intent to Distribute	✗ Possession with the intent to distribute (PWID) is a misdemeanor and subject to a maximum penalty of three years imprisonment and/or a \$5,000 fine.	✓ SB 692 reduces PWID to a civil offense not punishable by more than a \$1000 fine.	✗ This bill does not eliminate or reduce the criminal penalties for PWID.

NOTES: The uniform crime reports show an uptick in distribution charges and a decrease in simple possession charges since Maryland decriminalized possession of small amounts of marijuana in 2024. This suggests that a portion of individuals in possession of the civil amount are being charged with PWID charges rather than a more appropriate simple possession charge. The penalties under HB 837 would essentially individuals who could not pass the barrier to entry to the legal marijuana industry because of licensing fees, etc. More importantly, the vast majority of those currently selling marijuana are subsistence dealers [meaning they are selling to survive; they are not bringing in substantial profit] and will not have access to a license to distribute lawfully. It is unfair to continue to levy any kind of punishment against these persons when wealthy Marylanders will be able to engage in the same conduct legally and for profit.

	HB 837 (Clippinger)	SB 692 (Carter)	SB 833 (Feldman)
Expungement	✗ Expungement petitions for PWID convictions may not be filed until 3 years after the person has completed their sentence, including supervision. By July, 2024, DPSCS shall expunge all convictions for simple possession (with no additional charges in the case) that occurred before July, 2023.	✓ As amended, SB 692 allows for individuals previously convicted for possession and PWID to vacate their convictions.	✓ Automatic expungement for single possession and dismissal of current charges of possession. A person previously convicted for the possession, cultivation, processing or sale of cannabis may file a petition for expungement.

NOTES: Vacatur is when the conviction is dismissed and the matter shall be considered terminated and deemed a nullity, having been rendered "legally invalid." Vacatur is a more appropriate option for the impending legal and ideological shift, as it will formally undo convictions for activity, we now agree should be legal. Collateral damage caused by PWID convictions will not be mitigated by a expungement after 3 years. Additionally, cannabis remains illegal under federal law and it can still lead to serious immigration consequences. The new system for automatically expunging past convictions may not be enough to avoid the potential for federal immigration complications.

As of March 23, 2022

	HB 837 (Clippinger)	SB 692 (Carter)	SB 833 (Feldman)
Resentencing / Reconsideration	✗ A person who is incarcerated for a conviction related to cannabis under § 5-601 of the Criminal Law Article may apply to the court for resentencing, and the court must grant the application and resentence the person to time served. If the person is not serving another sentence, the person must be released from incarceration.	✓ SB 692 mandates reconsideration hearings or new evidentiary hearings for 4th Amendment violations due to odor searches. This will address more people entangled in the criminal legal system due to criminalization of marijuana and racial profiling.	A person incarcerated for possession or cultivation of personal amount may present an application for release. A person incarcerated for the possession, cultivation, processing or sale of cannabis may file a petition for resentencing.

NOTES: There are not many people actually serving jail or prison time solely for the possession of marijuana, rather marijuana enforcement has been used a tool for the enforcement of more serious offenses. In order to actually offer redress to the majority of individuals effected by marijuana prohibition, redress must be expanded to PWID and other low-level felonies and misdemeanors that resulted from a marijuana search. We are advocating for reconsideration hearings for people who have had their 4th Amendment rights violated due to an odor search.

As of March 23, 2022

	HB 837 (Clippinger)	SB 692 (Carter)	SB 833 (Feldman)
Reparations	<p>✓ Cannabis Business Assistance Fund would provide assistance to small, minority, and women-owned businesses. Grants would be provided to HBCUs for cannabis-related business development. Financial redress for impacted communities is limited to business owners or those seeking to participate in the marijuana industry.</p>	<p>✓ (See Economic Development) 60% of revenue from the Cannabis Regulation Fund will be directed to the Community Reinvestment and Repair Fund. Funds will be distributed to counties based on the total number of marijuana arrests in the county compared to the total number of marijuana arrests in the state, from July 1, 2002 to June 30, 2022. Money from the fund will be distributed to community-based organizations for the creation of community programs and initiatives.</p>	<p>✗ This bill also establishes a Community Reinvestment and Repair Fund, which will aim to improve the wellbeing of individuals and communities that have been negatively impacted by poverty, unemployment, cannabis prohibition, mass incarceration, and systemic racism. Distribution of funds (which will be 25% of remaining tax revenue) is decided by the Office of Social Equity and the Department of Commerce, in collaboration with local communities. Does not provide direct redress for marijuana prohibition.</p>

NOTES: Community reparations in the form of tax revenue will provide a form of compensation for communities who have felt the financial burden of marijuana arrests and convictions. Financial redress should not be limited to those looking to participate in the cannabis industry, but rather to all those who have been negatively impacted by cannabis prohibition and enforcement. Additionally, financial redress coming from marijuana industry revenue must be targeted and focused on those impacted by the financial harms of past marijuana enforcement specifically.

As of March 23, 2022

	HB 837 (Clippinger)	SB 692 (Carter)	SB 833 (Feldman)
Odor searches	✗ Does nothing to prohibit warrantless police searches due to the odor of marijuana.	✓ Prohibits police from using the odor of marijuana, without other legitimate cause for suspicion, as probable cause to arrest and perform a warrantless search of a person or vehicle.	✗ Does nothing to prohibit warrantless police searches due to the odor of marijuana.

NOTES: Per the Maryland Court of Appeals 2020 opinion, even under decriminalization, the odor of marijuana is not reason to suspect a crime is being committed by the individual in question. However, bans on odor based searches only to one's person, but do not apply to their vehicle. The delineation between these two spheres is arbitrary. Most importantly, if adult use of marijuana is legalized, it makes no sense for its odor to be used as justification for a fishing expedition.

Curio Testimony - HB837 - Cannabis Reform - Indust

Uploaded by: Brad Rifkin

Position: INFO



**Curio Wellness Written Comments
HB837 - Wednesday, March 23, 2022**

Founded and based in Maryland, [Curio Wellness](#) is a family-owned and operated cGMP certified medical cannabis company and trusted healthcare partner. We're dedicated to increasing the accessibility of high-quality medical cannabis to the growing population of citizens who seek a transformational solution to their health complications. Available in over 90 dispensaries across Maryland, our **patient-centered and innovative approach to medical cannabis has made Curio the market leader in Maryland.**

In three and half years, **Curio has done exactly what we said we would do in our application to obtain a medical cannabis grower license here in Maryland.** Not only have we remained steadfast in our promise to deliver high quality, safe and innovative medical cannabis to Maryland's certified patient population through constant research and development, but we have also maintained a constant drive to reinvest in our infrastructure (we just opened a brand new \$5 million state-of-the-art processor facility and undertaken a \$30MM upgrade to our cultivation facility) and people (with a **workforce of 250 employees** who are offered [competitive benefits packages](#) including comprehensive healthcare, 401k, PTO, and tuition reimbursement, to name a few).

Moreover, as an organization, Curio knows that a **diverse and inclusive workforce** creates an optimum workplace that attracts and retains talented employees and loyal customers. In fact, this commitment to diversity has been **present since inception** with Curio's inaugural leadership team comprising a multi-racial group of men and women. As the company has grown, so has its focus on a diverse team of workers and leaders. **Overall, 46% of the Curio Wellness workforce is female and 46% identifies as Black, Hispanic, Asian or multi-racial. Among management, 38% are female and 24% identify as Black, Hispanic or multi-racial.**

Curio's commitment to diversity and inclusion extends beyond our workforce and into industry action through the creation of a \$30MM [WMBE fund](#) to support women, minority and disabled veteran participation in the cannabis industry. This program provides eligible candidates with **start-up capital** needed to open a Far & Dotter dispensary franchise at **fair market value** and with **verified path to ownership**. The WMBE fund not only seeks to create **generational wealth** among minority entrepreneurs; it also provides a vehicle for under-represented investors to participate in the cannabis industry.

Therefore, as an industry leader Curio Wellness has an immediate focus: to remain dedicated to creating and supporting a medical cannabis program in the State that provides a safe, effective and reliable product for Maryland patients. It is with that context that Curio registers concerns with the current focus

the Maryland General Assembly has on adult use. Certainly, Curio supports the ongoing effort of the legislature as it relates to criminal justice reform, decriminalization, expungement and other critically important social equity factors. However, the conversations on adult use seem to ignore both Maryland patients and Maryland businesses that have invested tens of millions of dollars.

In an effort to shift some focus back on the existing medical cannabis industry -- which supports patients in need of innovative, safe and highly regulated medication -- we would like to proffer an amendment to this committee that we believe is essential for the industry to take the next step forward.

MEDICAL CANNABIS INDUSTRY ADVISORY BOARD

As this Committee is aware, the MMCC was originally created to oversee the distribution of cannabis by academic medical facilities. The Commission then pivoted to oversee a then, non-existent private sector. Since then, a fledgling private sector is now finally maturing; and we strongly advocate that it is time for the industry to have a more formal relationship with the Commission. **Certainly, we understand the Commission plays a very important role to protect Maryland patients and promote a successful medical program. However, we believe there is a strong benefit to the program, certified patients and the state to formally enhance collaboration with the very individuals (licensees) that live the industry day in, day out. Therefore, we propose formally creating the "Medical Cannabis Industry Advisory Board." Including this amendment in any adult use initiative signals a commitment to support the long-term viability and evolution of the medical cannabis industry.**

PROPOSAL (see attached amendment for specific language):

- **Board Creation:** The Medical Cannabis Industry Advisory Board
- **Board Composition:** The Advisory Board will be composed of 9 individuals (2 growers, 2 dispensaries, 2 processors, 2 patients and 1 laboratory).
- **Board Charge:** The charge of the Industry Advisory Board is to report quarterly to the MMCC about recent trends (new research, marketplace dynamics, etc.) to make recommendations to the Commission for consideration, and to review Commission proposals prior to formal action being taken.
 - To the latter point, the proposed language stipulates that the Industry Advisory Board shall receive advance notice of Commission proposals (regulations, rules, bulletins, etc.) and to have the chance to weigh in on those proposals prior to any formal vote. Lastly, any regulatory proposal that is adopted by the Commission (and sent to AELR and the MD Register) shall include the position statement from the Industry Advisory Board.

Notably, states like Massachusetts, Colorado and Nevada have similar advisory stakeholder boards. However, our proposal centers on an industry specific board in order to provide a formal role for the businesses and people that are the most knowledgeable about the Maryland's Medical Cannabis Program (and lack a formal role on the existing Commission already comprised of a wide array of stakeholders) to provide their expertise to the Commission.



ADDITIONAL CONCERNS FOR ANY PROSPECTIVE ADULT USE PROGRAM

Home Grow

Curio strongly opposes provisions of HB837 that authorizes home grow. Permitting home grow in the state directly contradicts the purpose of Maryland's medical cannabis program. A program designed to deliver cannabis safely and effectively within a highly regulated environment. Allowing home grow without stringent oversight jeopardizes the health and safety of Marylanders, enables the illicit marketplace, undercuts the medical program as well as any prospective adult use program. Before even considering home grow, Maryland should first establish a well-regulated marketplace that promotes the health, safety and well-being of its citizens and the long-term viability of program participants.

Existing Medical Program

There is a lack of clarity on how the existing medical program and its patients will be protected and preserved. As you will find in many adult use states, product availability often has dosage and/or delivery constraints. For example, in Colorado's adult use market you may only possess or use one ounce of flower and for manufactured products the limit is eight grams total of concentrate and edibles containing no more than 800mg per package. In Massachusetts, edible products are limited to 5mg per piece with a maximum of 20 pieces per package for a total of 100mg per package.

It can be argued that medical conversion to adult use is analogous to a prescription drug versus over-the-counter medication and regulations should follow accordingly. Allowing medical market to retain higher potency products and diverse delivery methods to support patient needs. **Any effect of the adult use program that makes manufacturing, processing and dispensing medical cannabis less attractive will undoubtedly undermine access and increase expense for medical patients. Keeping patients incentivized to enroll in the program should be of paramount importance and consideration!**

In considering adult use, the State must seek to find more ways to incentivize the existing medical market. **Moreover, the medical program by its nature seeks product innovation for specific physical ailments and requires unfettered ability to determine dosage amounts and forms to treat those ailments. If the medical program is not protected from the adult use program then the motivation to invest in new medicinal products is greatly diminished. The program was established with an eye toward creating alternative medicine. That is, and has been, Curio's strategic focus. And the patient has rewarded Curio by acknowledging its quality and patient focus through market leadership. The Committee should consider patient needs and assuring the continued innovation and accessibility of this alternative medicine as it crafts its adult use program.** Otherwise, Maryland will fail to be any better than other states that blindly converted to adult use, or worse of all becomes Oregon 2.0.

Regulator and Regulatory Structure

For efficiency and safety reasons, an adult use program should fall under the same regulatory paradigm as the medical cannabis program. With the exception of adult use specific deviations (e.g. limitations on



dosage/potency or the application of taxes), an adult use program should reflect the values and regulations of the medical program (security, seed-to-sale tracking, testing, diversion, labeling, advertising, child-resistant packaging, crop protection, etc.). Why would the state allow cultivators and processors in the adult use space to cut corners using a different set of safety protocols or to answer to a different regulatory body? This point is especially pertinent for dual licensees who should not have to manage two sets of rules.

Existing Licensees and Fees

The value in adding the experience and knowledge of the existing medical cannabis cultivators, processors, dispensaries and independent laboratories to an adult use program further enhances the State's ability to more efficiently, effectively, and safely stand up a new program with existing licensees currently operating under a strict regulatory structure.

280e & Fees

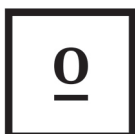
When establishing licensing fees for existing or new licensees, it is important to understand the punitive role that 280e plays within the tax code. **Due to cannabis' federal illegal status, licenses pay upwards of a 90% effective rate due to their inability to deduct ordinary business expense.** This means that many cannabis companies retain little to no profit relative to their overall revenue. **Until 280e is resolved on the federal and state levels, fees should be attenuated to align with the cash position of licensees.** As the State seeks to be a model of inclusivity in the cannabis industry, understanding 280e and creating non-onerous fee structures will better enable success of diverse participants.

Licensing: Number, Size, Ownership

While HB837 as amended does not address a licensing structure for an adult use program, Curio maintains that the state should first conduct a thorough third-party study of industry demand (e.g., a Blue-Ribbon Commission established by the General Assembly) prior to setting the number of industry participants. An oversupply of product can lead to catastrophic impact on the adult use program -- including on the very social equity applicants that this bill seeks to help. **Oversaturation of product in an adult use program will suppress prices, fuel the illicit marketplace, and create impossible margins for businesses to operate on (particularly without 280e resolved); and in turn, cause a mass exodus from the medical cannabis program by patients who will seek cheaper (even if taxed) products that they can obtain without a doctor's certification and registration card. Finally, any policy that could undercut the medical program directly harms those minority growers and processors that were just awarded licenses pursuant to HB2 from 2018 -- many of whom are yet to get up and running.**

Restricting Location and Dual Licensing

Again, while HB837 as amended does not address licensing, Curio opposes any requirement tethering the location of adult use to an existing medical licensee's cultivation or processing location.



Requiring adult use cultivation and processing to take place at the same location as medical cultivation and processing: (1) may negatively impact the existing medical program (forcing some licensees to choose whether to stay in the medical program or abandon it once entering the adult use space if it is more profitable); (2) unfairly harms those existing medical licensees located in certain areas of the state that are more landlocked than others; (3) causes concerns with program overlap and (4) unnecessarily restricts business decisions that could have a beneficial impact on the program and state.

With the exception of dispensaries -- that require statewide coverage and have territorial market considerations -- cultivation and processing facilities should be geographically agnostic and not tethered to a single location (this is especially true for medical licensees). Certainly, with respect to a grow (particularly if total canopy is capped), tying a cultivation to a single location (which in effect may force them to pick between indoor or outdoor cultivation) does not benefit the industry or overarching state interests. In that situation, the cultivator should be allowed to locate in the most economically advantageous location in the state. Ultimately, by allowing cultivators and processors more flexibility to spread their operations out, businesses will reduce the cost of production, promote more accessible pricing and foster job creation that is diverse both socially and geographically.

Taxation

As it relates to preserving the medical market, Maryland has made the correct public policy decision not to tax medical cannabis and to treat it like all other forms of medicine in the state. That public policy decision preserves the quality and authenticity of Maryland's medical cannabis program. But that decision is easily compromised by an adult use program that does not impose meaningful enough tax rates on product or an adult use program that lacks the necessary controls and licensing structure in place to prevent the oversaturation of the market (which will drive adult use prices down). Maryland must preserve the incentive to keep medical patients enrolled at or close to the current rates or it risks undercutting the medical program and depriving patients from innovative medicine -- created from the meaningful and substantial investment of constant research and development.

Conclusion

If Maryland decides to adopt an adult use system, Curio Wellness would like to lend its experience as industry leader in the medical market to help develop a diverse, successful and economically viable program. We appreciate the Maryland General Assembly's efforts to make this possible.

For more information, please contact:

Wendy Bronfein

Co-Founder, Chief Brand Officer & Director of Public Policy

Wendy.Bronfein@curiowellness.com



HB0837-FIN_MACo_LOI.pdf

Uploaded by: Dominic Butchko

Position: INFO



House Bill 837

Cannabis Reform

MACo Position:

LETTER OF INFORMATION

Date: March 23, 2022

To: Finance and Budget and Taxation
Committees

From: Dominic Butchko

MACo Statement on Adult Use Cannabis Implementation

The General Assembly is considering legislation seeking to authorize adult use cannabis, or to pose that matter to the voters for their approval. On these central questions, MACo does not take any position on the central matter. Some implementation factors are of county concern, which we note here.

Local Autonomy to “Opt Out” of Facilities

Multiple states legalizing cannabis use have affirmatively created a process for a local governing body to recognize the sentiment of its residents to not authorize certain facilities within their bounds. Current Senate proposals contain such a provision. MACo urges that any implementation legislation passed retain this local authority, through the appropriate actions of a local governing body – each of which embeds procedures for public input and participation.

Appropriate Taxation Reflecting Local Needs

Maryland needs to establish not only appropriate state/local tiered regulation, but also taxation, of the products made newly legal under such legislation. Again, the experience of other states may serve as a guide on the suitable structure of excise or sales-based taxation of cannabis. Local jurisdictions will bear the primary burden of related enforcement and compliance with most such measures, and with any public safety matters arising from cannabis facilities, and should be a central component of any such tax structure.

Counties stand ready to work with the General Assembly to ensure adult use cannabis implementation aligns with these local priorities.

NCADD-MD - HB 837 Letter of Info - Cannabis Reform

Uploaded by: Nancy Rosen-Cohen

Position: INFO



**Senate Finance Committee
March 23, 2022**

House Bill 837 - Cannabis Reform

Letter of Information

This letter of information is being submitted by the Maryland Chapter of the National Council on Alcoholism and Drug Dependence (NCADD-Maryland). Having conducted research and engaged in conversations with professionals from several states that have legalized cannabis, NCADD-Maryland has identified and suggests a number public health approaches to be taken should the State decide to legalize cannabis for recreational adult use.

NCADD-Maryland strongly urges the General Assembly to ensure if a Constitutional Amendment is passed, legislation clearly defining how revenue generated from this new, legal market will be committed to public health measures to prevent and respond to the negative impacts of cannabis use. There also must be a component reinvesting revenue in communities disproportionately impacted by the failed war on drugs.

Policies Addressing Consumption– Advertising and Packaging

Nearly all states that have legalized recreational cannabis have advertising and packaging policies to curb cannabis use amongst adolescents and vulnerable populations. Advertising and packaging restrictions are particularly important because the risks of negative health effects associated with cannabis use are not widely recognized by the public. Any legalization effort should:

- Clearly define specific restrictions and requirements on how, when, and where advertising of cannabis products can take place and what content and images can and cannot be in advertisements and on packaging.
- Incorporate the extensive knowledge Maryland and the federal government has developed over the last few decades in successful efforts to deter minors from using tobacco and alcohol products.

(over)

Public Health Education Campaigns

Negative health impacts can be a result of heavy cannabis use. Other states have found public health messaging and policies that fund, require, and support educational campaigns are effective ways to minimize adverse outcomes in high-risk groups such as adolescents, people with mental health disorders and pregnant women. Any legalization effort should:

- Develop age-appropriate public education campaigns designed to ensure the public understands cannabis and to mitigate any negative public health impact.
- Require the development of public health campaigns be led by the Department of Health's Public Health Administration, in consultation with health and educational campaign experts.

Policies Related to Potency and Mitigating Negative Public Health Impacts

Potency is an emerging issue as more states legalize recreational cannabis. As cannabis products become more diverse, THC potency has increased and the methods of use have changed significantly. Any legalization effort should:

- Set clear and specific limits on potency levels in the various products for sale to the public. Policies should prohibit potencies above a certain percentage, such as Maryland does with alcohol content.
- Create a higher tax rate on higher potency products to deter young people from accessing those products and to influence the market.

Fee Structures to Promote Public Health

The "war on drugs" policies in the United States have resulted in mass incarceration of primarily Black and Hispanic males, undermining public health in these communities. Black and Hispanic individuals are also less likely to complete addiction treatment. Legalizing cannabis provides an opportunity, through revenue generation, fees, and taxes, to reinvest in communities that have been historically impacted by discriminatory practices. Any legalization effort should specify minimum percentages of revenue generated by taxes and licensing fees for specific purposes. Revenue should significantly support:

- Public health education campaigns
- Youth prevention strategies
- Treatment and recovery services for people with substance use and mental health disorders
- Treatment and recovery workforce development
- Re-entry services
- Community programs that benefit disadvantaged communities, including those communities disproportionately impacted by the war on drugs

Public Use

Similar to alcohol and tobacco, there are public health and safety interests associated with the public use of certain substances. It is important to address the use of cannabis in public without creating additional criminal penalties. Any legalization effort should:

- Restrict the use of cannabis in public without creating additional criminal penalties. Smoking cannabis indoors should be restricted consistent with Maryland’s Clean Indoor Air Act.
- If considering the issue of “clubs” or other public spaces to allow for the consumption of cannabis products, Maryland should look to consistencies with restrictions and requirements on bars and other locations where alcohol is consumed on-site.

Driving Safety

Driving impairment has been a prominent issue of concern in a number of states, with data showing an increase in driving while impaired by cannabis. Maryland’s laws on impaired driving should be applied as consistently as possible to laws addressing any impairment, whether caused by cannabis or alcohol. While the technologies are not equal at this time, the policies should not create substantially different standards.

Governing Structures

Some governing structures in other states have placed responsibility with existing state agencies, while other states have created new entities to oversee this new market. In Maryland, public health authorities should be placed in leadership positions and ensure cannabis related regulations are overseen by appointed public health officials.

Data Collection

States that have legalized recreational cannabis have recognized the significant gaps in baseline data, which is incredibly important to quantify whether public health strategies are effective. Collection of baseline data is needed now, prior to any legalization implementation, to ensure policy makers have the most comprehensive and accurate data when regulating this industry.

The Maryland Affiliate of the National Council on Alcoholism and Drug Dependence (NCADD-Maryland) is a statewide organization that works to influence public and private policies on addiction, treatment, and recovery, reduce the stigma associated with the disease, and improve the understanding of addictions and the recovery process. We advocate for and with individuals and families who are affected by alcoholism and drug addiction.