



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

March 3, 2022

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

FROM: Marc Elrich
County Executive

RE: Senate Bill 833, *Cannabis – Legalization and Regulation*
Support with Amendments

I am writing to express my support for Senate Bill 833, *Cannabis – Legalization and Regulation*, with amendments that expand the local “opt-out” component of the bill to allow a county to establish a government-operated retail system as an alternative to the private sector model established in the bill.

It is essential that Maryland move forward as quickly as possible to legalize the personal use of cannabis by adults and to 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. Senate Bill 833 creates a structure that would allow the State to move forward expeditiously, upon enactment of the constitutional amendment proposed in the bill, to implement criminal justice reforms (expunge criminal records, dismiss pending charges, and release individuals from incarceration) and establish a regulatory structure that facilitates safe access to cannabis products, minimizes negative public health impacts, ensures diversity and social equity in the cannabis industry, and reinvests resources in communities that have been disproportionately impacted by the long history of racial and socioeconomic disparities in the enforcement of criminal laws relating to marijuana.

Although Senate Bill 833 establishes a private sector model for the cultivation, manufacture, sale, and distribution of cannabis and cannabis products (including comprehensive licensing requirements for all industry sectors), the bill authorizes “localities” to prohibit any type of “cannabis establishment” through the enactment of local legislation or adoption of a local referendum. I respectfully request that this part of the bill be expanded to allow a county to choose to establish a government-run retail system as an alternative to the private sector model established in the bill, through enactment of local legislation or adoption of a local referendum.

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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 youth consumption, 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, the issue is being discussed in other jurisdictions. 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 regulatory model. Across the border, a number of Canadian provinces chose to implement government-run retail systems after recreational cannabis was legalized in that country in 2018. It is a very legitimate option that might be more acceptable to some counties in Maryland as opposed to either the private sector model or local “opt-out” mechanism established in the bill.

I respectfully request that the Finance Committee vote favorable on Senate Bill 833 with amendments that authorize individual counties to decide which retail model best serves the public interest in their local communities.

cc: Members of the Finance Committee