

SB0833.pdf

Uploaded by: David LeGrande

Position: FAV

Cannabis Legalization -

SB0833 Cannabis - Legalization and Regulation - Senator Feldman - Hearing Date March 3rd

This bill legalizes cannabis use for individuals over 21 years of age as of July 1, 2023. It defines "Personal use amount" as (i) not exceeding 2 ounces; 8 (ii) concentrated cannabis that does not exceed 15 grams; (iii) an amount of cannabis products that does not exceed 1,500 milligrams; or (iv) four or fewer cannabis plants per person. There are still fines and penalties, for exceeding the personal use amount, but possession is now a civil crime and the penalties do not to exceed \$250 and 16 hours of community services. Any convictions for past violations that did not exceed the personal use amount will be automatically expunged. Persons who are incarcerated may request a re-sentencing. There are additional provisions for regulation and taxation of cannabis.

Our Revolution Howard County, Maryland encourages support for and passage of SB0833.

Submitted by David LeGrande, Vice Chair
Our Revolution Howard County, Maryland

MOST_SUPPORT_SB833_FINAL.pdf

Uploaded by: Ellie Mitchell

Position: FAV

March 1, 2022

SB 833—Cannabis Legalization and Regulation—Favorable

Dear Chair Kelley, Vice-Chair Feldman, and Members of the Finance Committee,

The Maryland Out of School Time Network (MOST) is a statewide organization dedicated to closing opportunity gaps by expanding both the quantity and quality of afterschool and summer learning opportunities for school-aged young people. MOST is one of the fifty statewide networks supported by the Charles Stewart Mott Foundation and serves as Maryland’s affiliate to the National Afterschool Association.

We argue that the provisions outlined in Senate Bill 833 offer a sensible approach to statewide cannabis legalization and serve the needs of young people by explicitly allocating funding to youth development programs. The state has an opportunity to not only do away with the damaging effects of punitive drug policies, but also to strengthen the state’s communities by leveraging hitherto untapped revenues derived from cannabis sales.

If enacted, the law would inherently address the equity concerns which lay at the heart of drug prohibition policies. It is common knowledge that drug enforcement practices disproportionately burden communities of color, and indeed, black residents have accounted for roughly 90% of arrests for marijuana possession since 2014. Decriminalization has been an insufficient reform program; legalization is long overdue. Criminal records for nonviolent crimes—especially marijuana possession—reinforce generational poverty by denying previous offenders from critical sources of financial aid, housing, and employment. Expunging these records as indicated in Senate Bill 833 is a practical first step towards reducing poverty and stigma.

Senate Bill 833 is the only cannabis legalization bill on the docket this session that allocates funding for community-based initiatives that are specifically designed to benefit young people. At the discretion of the Office of Social Equity, funds generated from cannabis tax revenues will be eligible investment in high-need communities through the Community Reinvestment and Repair Fund. Expanded learning programs, recreational teams, and other organizations will undoubtedly reap the benefits of this program as tax revenues grow over the next ten years. Furthermore, the bill compliments these measures with explicit funding for drug education and abuse prevention programs.

Few questions facing Marylanders today stand to change the developmental outcomes of young people for the better. With Senate Bill 833, the General Assembly has the opportunity to rein in the excesses of the justice system while supporting invaluable youth development programs across the state. We strongly encourage the committee to provide a favorable report.

Ellie Mitchell
Director, Maryland Out of School Time Network
emitchell@mostnetwork.org
410-370-7498

SB 833 Testimony_MDPWC_Quinton.pdf

Uploaded by: Sylvia Quinton

Position: FAV



March 2, 2022

SB 833 – Cannabis – Legalization and Regulation

FAVORABLE

Dear Chair Kelley and Members of the Finance Committee:

The companion to criminal record expungement is restorative justice. An investment in substance abuse prevention is restorative justice. Substance abuse prevention is the alternative to mass incarceration. During the period of mass incarceration of youth and young adults for drug related offences, the investment in substance abuse prevention was marginalized and substance abuse treatment valued. A direct reciprocal correlation exists between mass incarceration for drug offense and substance abuse prevention: increase in mass incarceration decrease in prevention investment, decrease in mass incarceration, increase in prevention investment. The strategy was lock them up and treat them which was an economic strategy not a public health strategy. An investment in prevention is the great State of Maryland's opportunity for restorative justice.

Restore the investment in prevention.

The Maryland Prevention Works Coalition (MD-PWC) is an advocacy and education coalition of coalitions, a statewide collaborative. The Coalition's mission is:

- (1) to influence policies, practices, and programs in the State of Maryland to reduce youth substance use and other youth problem behaviors such as youth mental challenges, youth violence, low academic achievement, sexual risk avoidance education, low neighborhood attachment, youth engaged with the juvenile justice system, and Adverse Childhood Experiences (ACEs), and
- (2) increase collaborative efforts among and within untapped prevention efforts locally, statewide, and nationally.

The MD-PWC seeks to connect community coalitions for collaboration across jurisdictional boundaries to increase the power of population-level change at the state-level. MD-PWC is a

statewide prevention movement for positive youth development, youth engagement, and adolescent healthy development, including social-emotional learning.

We strongly support SB 833 – Cannabis – Legalization and Regulation. The bill addresses many of the necessary strategies to restore justice to lives lost because of the systematic and structural prejudices from the past criminalization of people’s behaviors resulting from lack of adequate investment in underserved populations and environmental strategies to address poverty experiences, employment preparedness, affordable housing, and educational opportunities. Substance use prevention was casualty of the mass incarceration movement. Currently, the federal Substance Abuse and Mental Health Services Administration (SAMHSA) provides the state of Maryland with approximately \$34 million annual for substance use disorders counseling and treatment from the Substance Abuse Block Grant. The investment from the federal government and the state of Maryland in prevention is dismal. The proposed fund is an opportunity for a balance approach to mass incarceration restorative justice.

MD-PWC defines prevention as an active, assertive *movement* of creating community conditions and environments that promotes the well-being of individuals, families, and communities. A coalition is a partnership of various sectors in society that collaborate to address universal problems and create a pathway for solutions. Some of the sectors of society include youth-serving organizations, schools, businesses, healthcare professionals, civic/volunteer groups, law enforcement, youth, parents, institutions of higher education, elected officials, local government, religious/fraternal organizations, and the like.

The MD-PWC uses evidenced-based prevention tools develop by the Substance Abuse and Mental Health Services Administration (SAMHSA), Center for Disease Control and Prevention (CDC), and the Community Anti-Drug Coalition of America (CADCA). SAMHSA’s Strategic Prevention Framework (SPF) is the operational model. The SPF is a 5-step approach to community-level change: Assessment, Planning, Capacity Building, Implementation, and Evaluation. CADCA’s 7 Strategies for Community-Level Change are employed to guide the implementation of programs, activities, and services. The seven strategies are: providing information, building skills, providing support as well as environmental change strategies (enhancing access/reducing barriers, changing consequences, physical design, and modifying/changing policy).

The MD-PWC approach to primary prevention is the public health model advocating for a comprehensive strategy of individual and environmental strategies implemented by multiple organizations in the community. A coalition identifies and coordinates the implementation of the comprehensive strategies. Individual-focused strategies target youth protective and risky behaviors by providing information, building skills, and providing support to make healthy decisions, i.e., direct prevention services to individuals. Environmental-focused strategies focus on the availability of the substance, community norms, and promote regulations to impact community-wide behaviors in the entire community environment.

SB833_NTEPB_FAV.pdf

Uploaded by: Therese Hessler

Position: FAV

SB0833 – Cannabis – Legalization and Regulation

March 3, 2022 – Senate Finance and Budget and Taxation Committees

FAVORABLE

Dear Members of the Senate Finance and Budget and Taxation Committees;

As Chair of The National Trauma Education and Policy Board, it's my privilege to discuss the importance of the above bill. The war on drugs and caused immense unnecessary tax payer dollar expenditure on incarcerating people who have been traumatized and re-traumatized by the system as well as those looking for emotional and physical pain relief as a result of other types of traumas in life. Cannabis is showing in countless studies to be so much more effective and healthier than various other prescription medications.

As someone who has personally worked deep in drug and alcohol counseling, jail/prison diversion, and having managed several programs (Trenton, Philadelphia, Baltimore, and Washington, DC), I've witnessed countless times where an individual is trying to get help for addiction and seeking effective services to turn one's life around, only to be arrested and pulled into jail, preventing treatment from occurring. We have all learned by now that there is almost nothing "correctional" in the correctional system. The correctional system causes people to revert back to a child like state and reverses the help the person may have been receiving from effective service provision in the community. I've also personally seen the relief people have experienced from simply coming off of opiate addiction and using cannabis for pain management, allowing them to live much more productive and healthy lives.

This bill is incredibly important and should be passed. I also would like to point out that drug treatment programs like what is provided by Empowerment Behavioral Therapeutic Services is an incredibly effective follow-up to ensure people get the treatment needed to be successful in their current and future endeavors in life. Thank you for taking the time to read this testimony.

Best Regards,

David Shrank, MSW, LCSW-C, LICSW

Chair: The National Trauma Education and Policy Board

Founder and CEO

Empowerment Behavioral Therapeutic Services

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SB833 Written Testimony.docx.pdf

Uploaded by: Zach Kovach

Position: FAV

Testimony on Maryland [HOUSE OR SENATE] Bill NUMBER: SB833
Bill Name: Cannabis - Legalization and Regulation

TO: Senator Brian Feldman, Finance Committee (Vice-Chair) and Executive Nominations Committee
Delegate Adrienne A. Jones, Speaker of the House
Senator Delores G. Kelley, Chair and of the Finance Committee
Senator Guy Guzzone, Budget and Taxation Committee (Chair), Executive Nominations Committee,
Reapportionment, and Redistricting Rules Committee
Senator Jim Rosapepe, Budget and Taxation Committee (Vice-Chair) and, Executive Nominations
Committee
Senator Joanne C. Benson, District 24
Benjamin L. Cardin, U.S. Senator of Maryland
Christopher Van Hollen, Jr., U.S. Senator of Maryland
Anthony G. Brown, U.S. Representative, 4th Congressional District

FROM: Ms. Alfrieda Hylton, Progressive Maryland, Member, Prince George's County, Capitol Heights
Maryland, District 24

DATE: March 2, 2022

POSITION: SUPPORT

Thank you for the opportunity to submit written testimony. Progressive Maryland is grassroots, nonprofit organization with 9 chapters from Frederick to the Lower Shore and more than 100,000 members and supporters who live in nearly every legislative district in the state. Also, there are dozens of affiliated community, faith, and labor organizations across the state that stand behind our work. Our mission is to improve the lives of working families in Maryland. Please note our strong SUPPORT FOR this bill.

Ms. Alfrieda Hylton is a member of the Progressive Maryland Drug Policy Task Force and Reentry Work Group. She's a resident of Capitol Heights, Maryland, Prince George's County, District 24. Two of her older sons were driven from their jobs and families and pushed into the Federal prison system for "possession with intent to distribute" and both served approximately 16 years which contributes to racial and social class inequalities. The War on Drugs has been around for more than 50 years, and it hasn't been a war on drugs at all. It's been a war on people: people like her, and her family. Black people. The part where it was supposed to decrease drug use? That part failed.

In the nineties, her two older sons were driven from their jobs and families and pushed into the federal prison system for marijuana possession. This was at the peak of the drug war, and both were punished with the harshest possible sentences. Her sons served their time, but when they first came home, they were offered no jobs, no housing, and no compassion. With no other way to make a living, both ended up arrested again for the same reasons and even harsher sentences. They were caught in the trap that was set up for them to fail, a revolving door from the street to prison.

There were nobody cameras worn to document the excessive force from police when her sons were arrested, the police violated laws when they were stopped, searched, arrested, and convicted, her sons and so many others. There was never a warning when police invaded the privacy of her home. After serving sixteen years behind bars, her sons were finally released to come home. Because these years were spread out from their teens when they were first arrested into their early thirties, this War on Drugs has disrupted their adult lives. The criminalization of marijuana has been a terrible mistake, and the racially disparate enforcement of marijuana laws has only compounded this mistake, with serious consequences, particularly to the people of color communities. The War on Drugs has been a

complete failure. African Americans and Latino people are far more likely to be criminalized than white people. It has torn apart families and communities, ruined individuals' lives, and acted as a vehicle for racial injustice.

Recommend: End policies that exclude people with a record of arrest or conviction from key rights and opportunities. These include barriers to voting, employment, public housing, other public assistance, loans, financial aid, and child custody. I do agree with taken steps to regulate and legitimize the production, distribution, and use of cannabis and its derivatives. Development of a more rational cannabis policy requires better evaluations of both the health consequences of regular cannabis use and of the costs and benefits of enforcing the existing prohibition on its use. End ineffective, racially biased, and unjust criminal enforcement and it need to decouple marijuana from vice and crime otherwise remains a federal controlled substance. The cannabis legalization framework should explicitly state that public health promotion and protection as its primary goals. **Example of Inspiring Change:** The Centre for Addiction and Mental Health (CAMH) is Canada's largest mental health teaching hospital and one of the world's leading research centers in its field. Instead, of a civil fine and prison confinement for first and, second-time offenses offer 6 months of community services, provide, and extend drug education, and drug treatment such as cognitive-behavioral therapy, contingency management, and motivational enhancement therapy. It reduces marijuana use, particularly among those involved with heavy use and those with more chronic mental disorders. Because people with marijuana use disorders, especially adolescents often also suffer from other psychiatric disorders. Rather than ban smoking of marijuana in a public place entirely expands places where marijuana smoking and vaping is allowed.

We urge a FAVORABLE report on BILL NUMBER SB833. TESTIMONY ON CANNABIS LEGALIZATION IN THE STATE OF MARYLAND

Testimony: 3/3/22

Cannabis – Legalization and Regulation: SB0833

Dear Maryland General Assembly;

As a volunteer with Progressive Maryland’s Drug and Alcohol Policy Task force, it’s my privilege to discuss the importance of the above bill. The war on drugs and caused immense unnecessary tax payer dollar expenditure on incarcerating people who have been traumatized and re-traumatized by the system as well as those looking for emotional and physical pain relief as a result of other types of traumas in life. Cannabis is showing in countless studies to be so much more effective and healthier than various other prescription medications.

As someone who has personally worked deep in drug and alcohol counseling, jail/prison diversion, and having managed several programs (Trenton, Philadelphia, Baltimore, and Washington, DC), I’ve witnessed countless times where an individual is trying to get help for addiction and seeking effective services to turn one’s life around, only to be arrested and pulled into jail, preventing treatment from occurring. We have all learned by now that there is almost nothing “correctional” in the correctional system. The correctional system causes people to revert back to a child like state and reverses the help the person may have been receiving from effective service provision in the community. I’ve also personally seen the relief people have experienced from simply coming off of opiate addiction and using cannabis for pain management, allowing them to live much more productive and healthy lives.

This bill is incredibly important and should be passed. I also would like to point out that drug treatment programs like what is provided by Empowerment Behavioral Therapeutic Services is an incredibly effective follow-up to ensure people get the treatment needed to be successful in their current and future endeavors in life. Thank you for taking the time to read this testimony.

Best Regards,

David Shrank, MSW, LCSW-C, LICSW

Progressive Maryland Drug and Alcohol Policy Task Force Leader

Founder and CEO

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2022 GBCC SENATE LEGALIZATION BILLS.pdf

Uploaded by: Ashlie Bagwell

Position: FWA



**STATEMENT BY
THE GREATER BETHESDA CHAMBER OF COMMERCE REGARDING**

**SENATE BILL 692-CANNABIS-LEGALIZATION AND REGULATION (CANNABIS
LEGALIZATION AND REPARATIONS FOR THE WAR ON DRUGS ACT) AND**

SENATE BILL 833—CANNABIS-LEGALIZATION AND REGULATION

**SENATE FINANCE COMMITTEE
MARCH 3, 2022
POSITION: FAVORABLE REPORT**

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 550 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on Senate Bill 692—Cannabis-Legalization and Regulation (Cannabis Legalization and Reparations for the War on Drugs Act) and Senate Bill 833—Cannabis—Legalization and Regulation.

The cannabis industry is one of the country's fastest growing industries. An estimated 321,000 people now work in the legal cannabis industry, and that number will only continue to increase. The Greater Bethesda Chamber of Commerce supports this industry as it is an important part of Maryland's economy, now and moving forward.

We support what many surrounding states have already done, which is to legalize cannabis for adult use. However, we are agnostic on the regulatory approach the state takes, including the licensing structure, and would simply hope that whatever tax structure the committees deem appropriate would allow the State to compete with the illicit market and prevent diversion of legally produced cannabis into the illicit market.

For these reasons, we respectfully urge the committee to pass some version of Senate Bills 692 and Senate Bill 833.

SB 833 - Cannabis - Legalization and Regulation.pdf

Uploaded by: Donna Edwards

Position: FWA



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

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President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

SB 833 – Cannabis – Legalization and Regulation Senate Finance Committee March 1, 2021

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 provide testimony in support of SB 833 – Cannabis – Legalization and Regulation, with amendments. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

Sixteen states and the District of Columbia have changed their laws to legalize or decriminalize cannabis for recreational use. In 2021, alone, five states moved legislation to legalize cannabis for recreational use, and it is time for Maryland to join their ranks. SB 833 sets us on the pathway to legalize recreational cannabis, in small amounts for personal use, while restoring the rights of those previously convicted of personal possession through automatic expungement of criminal records. Legalization and regulation of cannabis will reduce the stress on our criminal justice system, allowing for more resources to be used to prevent and mitigate serious crimes. It will provide much needed revenues to the state to meet the needs of Maryland's residents. Most importantly, providing justice to those who have been convicted in the past, is morally just.

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, that 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 amendments to SB 833, 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. 41, after line 29, please insert:

(4). Grants and Loans from the Fund for 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.

On p. 48, after line 17, please insert:

4. For all applicants for a dual license that have 10 or more employees, submitting 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.

On p. 50, at the end of line 29, please insert:

;INCLUDING

1. A requirement that all applicants for a license that have 10 or more employees to 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

On p. 57, after line 4, please insert:

(F) Each application or renewal application for a license from an entity that has 10 or more employees needs to include 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.

(G) The maintenance of a labor peace agreement with a bona fide labor organization shall be an ongoing material condition of maintaining a cannabis establishment license with 10 or more employees beginning 200 days after the cannabis establishment hires its 10th employee.

Maryland's unions ask that you include strong Labor Peace language within this legislation. 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 workers and businesses by creating continuity across the industry.

For these reasons, we ask for a favorable report on SB 833 with the above amendments.

2022-03-03 SMG SUPPORT SB 833 with amendments.pdf

Uploaded by: Jason Weintraub

Position: FWA

SUNMED GROWERS

Medicine from the Sun

March 3, 2022

Honorable Delores G. Kelley, Chair
Senate Finance Committee
11 Bladen Street
Annapolis, MD 21401

Re: **SB 833 – Support, with amendments**

Dear Chair Kelley:

On behalf of SunMed Growers, LLC (“SunMed”), I am writing to support passage of SB 833, with amendments. SunMed is generally supportive of the comments on SB 833 separately submitted by CANMD and SunMed submits the following additional comments.

Introduction

SunMed Growers, LLC (“SunMed”) appreciates the opportunity to comment upon Senate Bill 833. SunMed is beneficially owned by me, Jake Van Wingerden, a fourth-generation family greenhouse grower. I am a long-time resident of Cecil County and for decades have operated Tidal Creek Growers, a wholesale greenhouse operation producing bedding plants, flowers and other horticultural products, with facilities in Anne Arundel County and Cecil County. When the Maryland Medical Cannabis Commission (“MMCC”) began accepting applications for medical cannabis cultivation licenses in 2017, I formed SunMed in hopes that my horticultural skills could benefit the needs of Maryland’s patients for safe, high-quality medical cannabis. SunMed was fortunate to have been awarded a medical cannabis cultivation license and, since that time, SunMed and I have actively worked with legislators, regulators and industry participants to help make Maryland’s medical cannabis program a success.

SunMed appreciates the hard work of the sponsor, Senator Brian Feldman, and others in bring an adult-use bill to the session for consideration. SunMed supports the comprehensive approach of SB 833 - addressing criminal justice and expungement reform, and keeping social justice and equitable economic opportunity at the forefront of the bill. SunMed and I have been active in supporting initiatives to help diversify the medical cannabis industry, including consulting and advising policy makers and working to increase the number of diverse grower and processor licenses as emerged in 2018 with House Bill 2.

SunMed submits the following comments and suggestions in hopes that legislation that ultimately emerges from this session can create an equitable, diverse and successful adult-use cannabis program in the State of Maryland.

www.sunmedgrowers.com • Phone #410-275-9370 • Fax #410-275-9371

65 Knight Island Road, Earleville, MD 21919

Comments

It is essential that existing medical cannabis licensees should be able to participate in the adult-use industry from its inception.

Every state that has moved from medical cannabis to adult-use cannabis has recognized the imperative of allowing medical licensees to participate in the adult-use license structure without additional qualification. SB 833 allows existing medical licensees to participate at the inception of the adult-use system. SunMed fully supports this provision of the bill for the following reasons.

- Allowing medical licensees to immediately participate in adult-use upon payment of a fee for funding social equity can decrease illicit market activity in cannabis. It may take some time for the regulatory body to award new adult-use licenses. Once cannabis is legalized, however, many people will want the ability to procure cannabis on an immediate basis. Medical cannabis licensees, already subject to inspection and testing required in the medical cannabis arena, can immediately serve this need. If there is a gap in time between legalization of cannabis and licensure of dispensaries/Retailers, cannabis consumers will likely turn to the illicit/non-legal market when seeking to obtain cannabis in this gap period. From a public policy standpoint, Maryland is obviously motivated not to inadvertently support or benefit the illicit market in cannabis.
- Allowing medical licensees to immediately participate in adult-use upon payment of a fee for funding social equity enables the funding of new start-up minority businesses. As structured in SB 833, an existing medical licensee could immediately participate in the adult-use market by submitting application paperwork and a license fee to the Department and, importantly, paying a substantial additional fee to the Social Equity Start-Up Fund (“SESUF”). The purpose of the SESUF is to provide no-interest loans and grants to support businesses in the legal cannabis industry that are social equity applicants. To insure that SESUF is timely and adequately funded for disbursements to new social equity licensees, it is imperative that the SESUF is funded as soon as possible by fees paid by existing medical licensees seeking to participate in the adult-use market. SB 833 achieves this objective by permitting medical licensees to immediately operate in the adult-use market upon funding of the SESUF.
- Allowing medical licensees to immediately participate in adult-use upon payment of a fee for funding social equity enables the new adult use industry to realize upon the successes of the medical cannabis industry. Existing medical cannabis

licensees are accustomed to the stringent inspection, reporting, testing and operational requirements that are applicable to medical cannabis. Maryland's medical cannabis program has been deemed by many other states as a model to follow. By enabling existing medical cannabis licensees, in good standing with the MMCC, to immediately participate in the adult-use market, the legislature is doing what is prudent to help promote a viable, compliant and well-regulated adult-use market at its inception.

Medical and adult use cannabis should be subject to the same regulatory stream, with differentiation occurring solely at the point of consumer purchase for taxation purposes.

The medical cannabis regulatory program has resulted in a safe, inspected, tested and compliant cannabis product for Maryland patients. Conceptually, there is no sound basis for differentiating in general standards that would be applied to adult use cannabis and those that apply to medical cannabis. Both recreational consumers and patients are entitled to the same safe, independently tested and regulated cannabis product. Laudably, SB 833 substantially recognizes this concept by providing that procedures for inventory management and tracking may not require the differentiation between adult-use and medical cannabis before the point of sale. SunMed suggests that SB 833 should be clarified to affirmatively provide that there should be no differentiation in testing and inspection standards applied to medical and adult use cannabis. By having a single stream of regulated testing and inspection of all cannabis products (medical and adult use) the Maryland consumer benefits with ease of choice and comfort in product safety.

To account for the fact that medicine is not taxed in Maryland, SB 833 wisely provides that taxation of cannabis occurs solely at the point of sale to the consumer and not upon any transfer of cannabis between cannabis establishments. If the consumer is a patient and produces an MMCC card, the transaction is not subject to taxation. If the consumer is not a patient but an adult-use purchaser, the transaction is subject to taxation collected by the Retailer. This system is administratively easy to manage and should require much less systemic burden and cost as compared to a minority of states that impose taxes in the production stream prior to the consumer point of sale purchase.

The Social Equity Start-Up Fund purposes should include guarantee of third-party loans

One of the most significant hurdles to inaugurating a business in the cannabis arena is the amount of capital required and access to capital. Given that cannabis remains illegal under federal law, many banks and traditional lending sources decline to consider cannabis business loans. This hurdle is appropriately recognized in SB 833 with the creation of the Social Equity Start-Up Fund ("SESUF"), which is tasked with providing no-interest loans and grants to social equity applicants.

After operating for about four years, SunMed recently was able to close a financing facility with a lender to refinance some of its privately raised debt. After closing, and in anticipation of newly formed social equity licensees entering the adult use market, I specifically asked my lender whether it would be interested in offering financing to newly formed cannabis social equity licensees. The lender responded that it was incentivized to make its loan to SunMed based upon SunMed's four year operating history. The lender said that it might consider loans to new start-ups who have no operational history if those loans were guaranteed by the State or a state agency, similar to FHA or SBA federally guaranteed loans. This lender seemed willing to help address the capital needs of newly formed cannabis businesses if some of the underwriting risk attributed to new businesses could be mitigated with a State guarantee.

As an additional method for providing capital access to social equity applicants, it might be prudent for the legislature to allow SESUF to issue loan "guarantees", in addition to no-interest loans and grants, and SB 833 should be amended to allow such guarantees by SESUF. SunMed and I are willing to assist legislators, lenders and borrowers in structuring additional opportunities to help solve the "access to capital" issue that newly formed social equity licensees will encounter.

The number of new dispensaries/Retailers should be increased to be more proportional to number of new cultivators

SB 833 would authorize the issuance of an additional 50 cultivator licenses, but only an additional 47 dispensary/Retailer licenses. SunMed supports issuance of additional licenses for the adult use market and believes that, based upon what has been experienced in the medical cannabis market, more Retailer licenses should be authorized.

In 2017, at start of sales in the medical cannabis system, there were 15 authorized cultivator licenses and 109 authorized dispensary licenses (2 per senatorial district plus 1 per cultivator). In 2018, in response to a disparity study of the medical cannabis industry, HB 2 increased the number of cultivator licenses to 22 but did not increase the number of dispensary licenses. SB 833, by adding a roughly equal number of Cultivator licenses and Retailer licenses, may be disproportionately increasing potential supply of cannabis by cultivators without providing sufficient retail outlets for Maryland consumers.

As the chart below indicates, in the medical cannabis market, the ratio of dispensaries to cultivators in 2017 was 7.27: 1; in 2018 it decreased to 4.95:1; and SB 833 would decrease the ratio to 1.91:1.

	Cultivator Licenses: Total	Dispensary Licenses: Total	Ratio: Dispensary/Retailer to Cultivator
2017	15	109	7.27
2018	22	109	4.95
SB 833	74	141	1.91

While a dispensary/Retailer to cultivator ratio of 4.95:1 might be sufficient to serve solely medical cannabis patients and medical dispensaries, but is likely insufficient to serve adult use retail market in addition to medical patients.

Legalizing adult use of cannabis will likely create a demand for **more** convenience and **more** retail outlets, likely generating a demand by the public for substantially **more** dispensary/Retailer locations. An increase in the number of growers, but not proportionately increasing the number of retail outlets for product, could also detrimentally impact growers because there are proportionately fewer outlets for sale, particularly where multi-state operators in cultivation dominate the existing dispensaries that they own.

If the legislature deems it appropriate to increase the number of cultivation licenses, SunMed suggests that SB 833 be amended to increase in number of dispensaries/Retailers to correlate more closely with prior ratio of cultivators. Increasing the number of dispensaries/Retailers would align with several objectives of the legislature, including:

- **An increased number of dispensaries/Retailers would provide more opportunities for new business ownership, particularly for social equity applicants - capital required for opening a dispensary/Retailer is substantially less than capital required to open a grow operation**
- **An increased number of dispensaries/Retailers would better serve the customers in the adult-use market**

For these reasons, SunMed suggests that SB 833 be amended to authorize licensure of an additional 141 Retailers (instead of an additional 50 as provided in SB 833). SunMed suggests that 94 of such new Retailer licenses could be allocated at two (2) licenses per senatorial district. SunMed further suggests that the remaining 47 new Retailer licenses should not be tied to a senatorial district, but might be located in any district based upon demand and other market forces. We suggest that increasing the number of Retailers, and including the ability to site some

Retailers based upon market demand and not senatorial district limitations, might best insure the success of the new adult use market.

The number of dispensaries/Retailers owned by a single licensee should not be increased

As currently drafted, SB 833 would raise the number of dispensaries/Retailers that could be owned/managed by a licensee from 4 currently permitted to 5 dispensaries/Retailers. Raising the number of dispensaries/Retailers permitted to be owned by a single licensee would cause unintended consequences (as borne out by Maryland’s historical experience) and could be counterproductive to a goal of promoting diverse ownership of business in the cannabis arena.

In 2017, at the beginning of medical cannabis sales, a person/business could not own more than **one** grower license, processing license and/or dispensary license. In light of the limitation of ownership a single dispensary license, some multi-state operators (“MSO’s) entered in “management agreements” by which the MSO would “manage/operate” a number of dispensaries. Responding to this scenario, the General Assembly amended the state law in 2019 to specifically provide that ownership restrictions applied to “manage or operate” and changed the single dispensary limitation to a **four** dispensary limitation to reflect existing management of dispensaries in the marketplace. 2019 Laws of Maryland, ch. 501.

Since raising the number of dispensaries/Retailers that could be owned or managed from one dispensary to four dispensaries, data published by the Commission indicates that multi-state operators (“MSO’s) currently own approximately 40% of existing dispensaries. These MSO’s, who own licenses for cultivation and processing, naturally tend to favor the dispensaries they own when they sell products as a grower or processor. This circumstance is potentially detrimental to independently owned [non-MSO] dispensaries and new entrants to the adult-use market.

A significant goal of the legislature in enacting adult-use legislation evinces an intent to promote business opportunities to Maryland residents, particularly historically disadvantaged persons/businesses. The legislature should encourage ownership of dispensaries/Retailers by local small businesses, particularly social equity licensees. This goal could be stymied if MSO’s could own up to 5 dispensaries/Retailers, as opposed to the current cap of no more than 4 dispensaries owned by a single licensee.

SunMed suggests that the number of dispensaries/Retailers that can be owned by a single licensee should not be increased from 4 to 5 dispensaries/Retailers.

Miscellaneous Amendments

- Diversity data. Pages 49-50 of SB 833 requires that the Commission adopt regulations to collect data regarding diversity of participation in the Maryland cannabis industry. Lines 27-29 would require that “each cannabis establishment...report on the diversity of its workforce, management, *contracts*, and ownership on or before January 1 each year.” (Emphasis added). SunMed agrees that all reasonably available diversity data should be collected to promote, evaluate and assess diversity in the industry. It would, however, be highly impractical for a cannabis establishment to collect diversity data on any person or business with whom the establishment might have a “contract.” A cannabis establishment might have hundreds of “contracts” entered into over the course of a year and it may not be possible to obtain data pertaining to the diversity of many businesses that have a “contract.” For example, if a “contract” existed for servicing of a photocopier, it would be impractical for the cannabis establishment to require that the photocopier servicer provide data pertaining to the diversity of the servicer’s ownership, employees, etc. SunMed suggests that “contracts” should be excluded from regulations for collection of diversity data.
- Tiers and Total Growth Canopy. Pages 52-53 describe “Tiers” for a Cultivator and subparagraph F [lines 4-6] refers to “Additional Tiers necessary to accommodate the Total Growth Canopy of any Dual Licensee as of the date of licensure.” A number of current cultivators are in the midst of expansion plans. SunMed suggests that language be added to the bill to clarify that “Total Growth Canopy” as used in subparagraph F “includes any area under development or construction as of the date of licensure.”
- Transfer of License from a Social Equity Applicant to a Nonsocial Equity Applicant. Page 56 of SB 833 requires the Commission to promulgate regulations governing transfers of licenses. The bill specifically provides that there cannot be a prohibition of transferring a license from a Social Equity Applicant to a Nonsocial Equity Applicant, but the Commission can require that “a reasonable period of time elapse before the transfer.” SunMed suggests that, given the significant interest of the State in creating and maintaining a diverse cannabis industry and empowering Social Equity Applicants, the legislature should specify a minimum period (e.g. 5 years) before a license from a Social Equity Applicant could be transferred to a Nonsocial Equity Applicant. Such a minimum period might also deter out of state MSO’s from acquiring and dominating Licenses designed to be held by Social Equity Applicants.
- Clarification of whether Cultivation Licenses may be issued to Nonsocial Equity Applicants. On page 61, lines 27-29 of SB 833, the bill provides that the Commission “shall issue to Social Equity Applicants” 50 Cultivation licenses, broken down by Tiers.

On page 49, lines 30-32 and page 50, line 1 of SB 833, the bill provides that the Commission shall issue “regulations allowing social equity applicants to apply for, and be licensed for, Cultivator and Processor licenses not less than 180 days before applicants that are not social equity applicants or that do not hold dual licenses.” This second provision implies that nonsocial equity applicants could apply for a cultivation license, but the first provision indicates that the 50 Cultivation Licenses “shall” be issued to “Social Equity Applicants”. Clarity is needed. If 50 new Cultivation licenses are authorized by SB 833, can nonsocial equity applicants apply for Cultivation licenses only if all 50 new Cultivation Licenses are not awarded to Social Equity Applicants?

Conclusion

SunMed applauds the efforts of the sponsor, Senator Brian Feldman, this Committee and the legislature for thoughtfully crafting a bill to enable adult use of cannabis in the State. SunMed looks forward to continuing to work with all interested stakeholders in helping to realize a safe, just, equitable, and remedial cannabis adult use program in the State of Maryland.

Respectfully,

SunMed Growers, LLC

by: Jacob J. Van Wingerden

Jacob J. Van Wingerden, Manager

Maryland SB 833 - Jax James.pdf

Uploaded by: Jax James

Position: FWA



Working to Reform Marijuana Laws

Maryland (2022): SB 833, Testimony in support of legislation to establish a regulated, adult-use cannabis market

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 Senate Bill 833. NORML is supportive of legislative efforts to create regulated markets for consumers to safely access cannabis products.

Never in modern history has there existed greater public support for repealing the nation's nearly century-long experiment with marijuana prohibition. According to statewide polling data, **60 percent of Maryland residents endorse regulating the adult use of marijuana.**

Licensing the commercial marijuana marketplace will bring long overdue controls to this market. Voters do not desire replacing nearly a century of criminalization with a marijuana free-for-all. They are aware of the reality that marijuana possesses some potential level of risk and that there exists the potential for abuse, particularly among young people. In fact, it is precisely because of this reality that NORML believes that society ought to regulate its use, production, and dispensing accordingly. By contrast, we believe that advocating for the plant's continued criminalization and for the proliferation of the illicit market does nothing to offset these risks; it compounds them.

We thank the author for bringing forth this important legislation and thoughtfully offer some feedback. In order to perfect this legislation, **NORML requests that the following amendments be made:**

Removing the unscientific per se DUID limit.

- The five ng/ml limit would criminalize sober drivers. Cannabis consumers can test positive for five ng/ml many hours after impairment has worn off.
- Requiring a person over five ng/ml to prove they were not impaired to avoid a conviction flips the burden of proof and will cause people (including patients who may have neurological and mobility issues) to be wrongly convicted of DUI.
- Please see detailed and resourced testimony on this topic from NORML Deputy Director Paul Armentano.



Significantly increase the number of new stores licensed in 2024 and include a social equity component.

- This too-low limit would leave many cannabis consumers without access to safe, lab-tested cannabis and is detrimental to a healthy, competitive market with reasonable pricing. Too few stores would perpetuate the illicit market and related arrests and violence. (Note: 31% of Baltimore residents don't have a car.)
- The regulated marijuana industry cannot be successful without actively working to repair the harms caused by the failed war on drugs. Ensuring that communities disproportionately impacted by prohibition are able to benefit from and add to the cannabis industry is in the best interest of public welfare.

Increasing the number of growers, including with uncapped micro-grows

- Capping licenses results in the government picking winners and losers. SB 833 would require applicants to spend large sums on applications to throw their hat in the ring. Avoiding a cap, and instead having discrete application periods, avoids that injustice and related litigation and delays.
- Uncapped micro-grow licenses give everyone a fair shot to compete in the free market without causing oversupply (see Virginia JLARC report). Failing to allow uncapped grows will allow existing vertically integrated operators to squeeze out competitors, including new social equity applicant-run dispensaries and infused product manufacturers.

Changing “or” to “and” in the possession limit.

- Cannabis consumers often possess and purchase flower, edibles, and concentrates, not just one or the other. However, the limit says a person can possess two ounces, 15 grams of concentrates, or products with 1,500 mg of THC. It is not clear if a person can even possess a gram and an edible. “Or” must change to “and.”

Increasing possession and cultivation limits.

- We suggest six plants, rather than four, which comports with cultivation limits in other states. We also recommend allowing four ounces (of dry flower?) to mirror the medical law.
- Permitting limited home cultivation allows for patients to have reliable, affordable, and consistent access to the medicine they rely on. Patients deserve the option to legally grow a botanical product that is objectively safer than the litany of pharmaceutical



Working to Reform Marijuana Laws

drugs it could replace, including those patients that may not be able to afford such medicine or who do not live within a reasonable distance from a retail outlet.

Including additional banking-related language.

- No industry can operate safely, transparently, or effectively without access to banks or other financial institutions and it is self-evident that this industry, and those consumers that are served by it, will remain severely hampered without better access to credit and financing.

NORML urges Maryland lawmakers to thoughtfully consider, amend and pass SB 833 to ensure a safe and regulated cannabis market for responsible adult consumers.



UFCW Local 27 Testimony on SB 833.pdf

Uploaded by: Jessica Hack

Position: FWA



WRITTEN TESTIMONY IN SUPPORT OF SB 833

Cannabis Legalization and Regulation

March 3rd, 2022
Finance Committee
Maryland Senate

TO: Hon. Delores Kelly, Chair, and Members of the Committee

FR: Jason Chorpenning
President, United Food & Commercial Workers International Union Local 27
21 West Road, Towson, MD 21204

Chair Kelly, Vice Chair Feldman and Members of the Committee, on behalf of the 23,000 working men and women represented by United Food & Commercial Workers International Union (UFCW) Local 27, I am submitting testimony in support of SB 833 with Amendments.

Nationally, UFCW represents over 1.3 million hard-working men and women who work in highly regulated industries including the emerging legal cannabis industry. Our cannabis members can be found across multiple states in growing and cultivating facilities, manufacturing, and processing facilities, and in laboratories and dispensaries, including in Maryland.

UFCW Local 27 supports the legalization of recreational cannabis in Maryland with the addition of labor peace agreements as a condition of cannabis regulation. Labor peace agreements protect businesses, workers, and consumers, and are an effective regulatory tool for the state.

Wherever cannabis is legalized, the UFCW is committed to building family sustaining jobs and a strong, diverse, and skilled workforce. These are good-paying, union jobs in an area that has a higher unemployment rate than the state average.

We want to emphasize one important fact: the cannabis industry in Maryland does not operate in a free-market environment. It is a state-sanctioned and regulated. Unlike a traditional market not anyone is entitled to open a business and compete for business; a limited number of licenses are awarded by the state.

As a regulated, non-competitive industry, the state has an interest in ensuring the industry promotes the public good. That the industry is open to women and minority owned businesses. That we are growing local businesses instead of only promoting multi-state operators backed by venture capital.

The bill includes numerous provisions that address outstanding criminal justice reform issues and the need for equity and inclusion to ensure the industry is reflective of the state and grows local businesses.

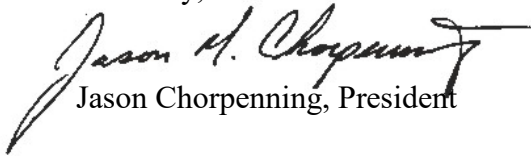
As a regulated, non-competitive industry, the state also has an interest in ensuring the jobs created will pay a family sustaining, living wage.

The inclusion of labor peace language allows employees to exercise their right to unionize without intimidation or coercion and ensures a democratic process. In addition, collective bargaining agreements generally mean employees will be covered by health and welfare plans, removing the drain of the state established social safety net.

The inclusion of this language is also closing a loophole some employers have used to deny worker's their rights. Since the federal government still considers cannabis an "federally" illegal industry, the federal government has avoided a decision on employee's right to organize under the normal procedure of National Labor Relations Act. The inclusion of a labor peace language in the regulations ensures that workers in this industry have the same rights as other workers in Maryland.

I urge the Committee to SUPPORT SB 833 with Amendments.

Sincerely,

A handwritten signature in cursive script that reads "Jason M. Chorpenning". The signature is written in black ink and is positioned above the printed name.

Jason Chorpenning, President

2022_SB 833_CANMD_FWA.pdf

Uploaded by: Joe Bryce

Position: FWA



SENATE BILL 833 – FAVORABLE WITH AMENDMENTS

Cannabis - Legalization and Regulation

March 3, 2022

The Maryland Wholesale Medical Cannabis Trade Association (CANMD), an organization representing the majority of medical cannabis grower and processor licensees in Maryland, submits this statement in general support of Senate Bill 833, with some suggested changes. We applaud Senator Feldman for taking a leadership role on this issue, and particularly appreciate his focus on social justice and social equity in this bill.

CANMD members have been, and remain, dedicated to creating and supporting a medical cannabis program in the State that provides a safe, affordable, accessible product for Maryland patients. If the State makes the decision to move forward with an adult use program, CANMD members have a valuable perspective to share on what has worked in Maryland's medical program and across the country. As well-regulated existing entities, medical licensees should be included in any adult use program, as has happened in every other State that has permitted adult use after adopting a medical program.

We support the sponsor's focus on the issues of social justice and inclusion. These goals are advanced through the possession and expungement provisions; efforts to further diversify the cannabis industry; the role of existing licensees in assisting and supporting new social equity licensees and; the targeting of tax proceeds to communities most impacted by the disparate enforcement of current cannabis laws. Our comments, however, generally relate to the structure, regulation, and implementation of an adult use market, as others are more expert on criminal justice issues.

Overall, Senate Bill 833 presents a sound framework for an adult use market, if that is the policy direction Maryland pursues. The proposal addresses social justice issues, promotes diversity and inclusion in the industry, and contemplates a well-regulated system that includes existing medical operators with sound records of regulatory compliance and the production of safe products. We look forward to working with Senator Feldman and the Committee on the conceptual issues that we identify here.

Regulatory Structure. As drafted, Senate Bill 833 places regulatory responsibility for the adult use program with the Alcohol and Tobacco Commission (ATC) while the Maryland Medical Cannabis Commission (MMCC) presumably retains regulatory responsibility for the medical program. If enacted, this approach would contradict the approach taken in most States that have adopted an adult use program while maintaining an existing medical program – one regulator should have responsibility for both programs. CANMD has no position on the

particular entity that will be the regulator. However, there are several considerations that should be observed when making that decision.

First, Maryland should take advantage of the experienced personnel at the current MMCC (as contemplated in the bill), who have developed significant expertise in regulating the medical market. Staff is very knowledgeable and strict, but fair, and Maryland should take advantage of that experience. Second, the regulating entity's Commissioners/Board members should reflect the new mission of the entity – the qualifications of the current membership of the ATC and/or MMCC would have to be amended to meet that need. Finally, the regulating entity should be a truly independent entity that can promulgate its own regulations and act swiftly and decisively when necessary to perform its duties.

Regulatory Provisions. As a related matter, Maryland's medical program is governed by a comprehensive set of regulations that have been developed over time by the MMCC based on best practices across the country (COMAR Title 10, Subsection 62.01-37). Senate Bill 833 unnecessarily dedicates several pages to topics that a new regulator must address through regulations – yet all these programmatic issues are already incorporated in the current regulations, including security, seed-to-sale tracking, testing, diversion, labeling, advertising, child-proof packaging, transportation, crop protection, marketing to children, and many others. As a general matter, the regulations for the adult use program should reflect the current medical regulations unless there is a significant reason to differentiate – which should be the exception.

Existing medical cannabis grower, processor, dispensary and independent testing laboratory licensees. Senate Bill 833 reflects the practice in other States that allows medical cannabis licensees to participate in the adult use market. To participate, a medical licensee must have a solid regulatory record and commit to continuing to serve the medical market that remains after adult use is implemented. This approach benefits the State and consumers. The State benefits from having a set of businesses that have experience following State laws and policies on security, diversion, and the development of a safe product, to assist in the immediate production of taxable adult use products. Consumers benefit from knowing they are purchasing from established entities with a record of safety.

Senate Bill 833 requires a payment from these medical licensees to a Social Equity Fund that can help provide much needed technical assistance and starting capital for applicants for the newly available social equity licenses. This structure helps relieve a significant hurdle for small and minority businesses that may have difficulty acquiring capital to navigate the application process, secure property, and establish their new business. CANMD looks forward to working with the sponsor on this and other measures that the State and existing medical licensees can take to help new businesses get established in the adult use market. States that have recently adopted an adult use program have used a variety of approaches to assist – fees similar to the fees dedicated in the bill to the Social Equity Fund; incubators; mentorships; application assistance; access to capital; joint venture partnerships; tax credits and other approaches.

Licensing issues, including number, size, multiple ownership and license transfer. As drafted, Senate Bill 833 creates a system for “tiered” grow operations, unlimited processor licenses, and a statutory cap on dispensary licenses. CANMD does not support unlimited license structures, which have led to significant regulatory issues in other States. Ideally, license numbers would be set after an analysis of the projected adult use market in Maryland. Demand in that market will far exceed demand in the medical market and would dictate the issuance of many additional licenses, which should be distributed consistent with the equity and inclusion provisions in the bill.

It is important that any system with limits on the size of cultivation facilities accounts for the size and growth of existing medical licensees, which Senate Bill 833 contemplates. Further, legislation needs to clarify the relationship between ownership restrictions in the medical program and restrictions in the new adult use program. For example, a medical licensee can have an interest in up to four dispensaries. Senate Bill 833 allows a person to have an interest in “five retailers.” Senate Bill 833 also limits a person to an interest in one cultivator but makes no mention of interests in a processor or any other license category in the new market.

Maintenance of a medical program. Senate Bill 833 generally requires that dual licensees (existing medical licensees) continue to serve medical patients “without increasing prices or reducing product availability” (page 48, lines 14-17). CANMD agrees that the medical program needs to be preserved and patients need to be prioritized and served. However, the vague standard in the bill is difficult to interpret and likely impossible to meet. This is particularly true given the experience in other States that the existing medical program loses enrollment, often by large amounts, when an adult use system is put in place. Other States have used more measurable standards to regulate the supply to the medical market, and more precise standards should be put in place here.

As noted, the reduction of the patient count in a State that moves to adult use varies, but inevitably it declines. It is important, therefore, to ensure medical licensees can be converted to dual licensees, as Senate Bill 833 contemplates. Some of the potential restrictions on size, however, cause concern if medical licensees are capped as dual licensees. If that occurs, the dual licensee would be able to produce for the adult use market only the amount of product equal to the reduction in demand in the medical market. This is inefficient and is a particular impediment to the launching of the adult use market given the initial constraint on supply.

Finally, the bill should allow for the sale of certain medically oriented products (higher dosage, different delivery methods) in the medical market even if they are not permitted in the adult use market.

Taxation of medical and adult use cannabis businesses (280E). The cultivation, production and dispensing of cannabis – medical or adult use – are considered illegal business activities in the eyes of the federal government. These businesses are still required to pay federal and State taxes, however. Because of the illegal nature of the business, cannabis-related businesses are

not allowed to deduct ordinary and necessary business expenses (because of Section 280E of the Internal Revenue Code), which include expenses associated with distribution, sales, administration, management, promotion, advertisement, overhead, and support. This also impacts Maryland taxes.

Application of 280E results in cannabis business owners being subjected to an effective tax rate as high as 90%. While there is a need to fix this at the federal level, Maryland can lessen the impact on Maryland business owners by allowing for the deduction of these expenses. This has been a major challenge for medical cannabis licensees in Maryland and should be fixed immediately. Failing to fix it will continue to have a disproportionate impact on entities conducting a business activity that is permitted under Maryland law. This extraordinarily high effective tax rate also poses a challenge for medical businesses in making required payments into the Social Equity Fund as Senate Bill 833 requires.

Senate Bill 833 has language to address the State impact of 280E on page 80.

Taxation of adult use cannabis. There are three tax-related issues that are addressed appropriately in Senate Bill 833. First, as noted above, there will continue to be a medical market of some size in Maryland. Senate Bill 833 maintains the current tax exemption for medical products. Second, the bill states that taxation of the product comes only at the point of sale when it can be determined whether the product is sold to a medical patient or an adult use customer. This structure is necessary to avoid an unnecessary and undue burden on licensees to maintain separate inventories of medical and adult use products, which in most instances are identical products. The bill also prohibits the regulatory body from requiring an inventory system that requires the differentiation of medical products from adult use products before the point of sale.

CANMD also endorses the phasing in of a higher sales tax rate over time. An important goal of establishing an adult use market is to displace sales in the illicit market. A lower tax rate at the start of the program, when supply is presumably limited and price is relatively high, makes sense. Over time, as price comes down and people are accustomed to purchasing in the legal market, a higher tax rate can be applied.

Other issues. Many other details remain to be worked out. For example, it is unclear when dual licensees can begin to sell products in an adult use market. The bill contemplates licenses being awarded by mid-May 2023, but the required regulations are not required to be submitted until October 1, 2023. Further, the bill is not clear on how dual licensees are permitted to open additional dispensaries – dual or adult use – as contemplated under current law.

In summary, if Maryland decides to adopt an adult use system, CANMD would like to lend its members' experience in the medical market to help structure the program and make it successful. We also share the perspective that an adult use program must promote inclusion, address prior injustices, and ensure social equity. We appreciate Senator Feldman's efforts to make this possible.

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Uploaded by: John Pica

Position: FWA



**Medical Cannabis Grower and Processor Stage One Preapproved Entities:
Equity Interest Held by Disadvantaged and African American Owners**

Note: Disadvantaged Equity Applicant is defined as a person who (1) is African American, American Indian/Native American, Asian, Hispanic and/or a Woman, and (2) has a personal net worth of \$1.713 million or less, or is an owner of an MDOT-certified MBE.

The following was prepared in response to a request for information from the Legislative Black Caucus of Maryland.

Majority African American Ownership:

- 2 out of 3 growers
- 7 out of 8 processors

Growers

Viola Maryland, Inc.

Disadvantaged Equity Applicant: 55.9%
African American Ownership: 100%

Herbiculture Cultivation, Inc.

Disadvantaged Equity Applicant: 100%
African American Ownership: 0%

MAS Alliance, LLC

Disadvantaged Equity Applicant: 54.12%
African American Ownership: 70.02%

P-2076 - Bouquet Labs, LLC

Disadvantaged Equity Applicant: 77.75%
African American Ownership: 57.75%

P-2025 - Element MD, LLC

Disadvantaged Equity Applicant: 51%
African American Ownership: 95.25%

P-2029 - AHI Group, LLC

Disadvantaged Equity Applicant: 59%
African American Ownership: 51%

P-2072 - Ceres Naturals, LLC

Disadvantaged Equity Applicant: 99%
African American Ownership: 98.5%

P-2093 - Marileaves Extractions, LLC

Disadvantaged Equity Applicant: 88.5%
African American Ownership: 99.25%

P-2028 - Greener Good, LLC

Disadvantaged Equity Applicant: 66.67%
African American Ownership: 66.67%

Processors

Herbiculture Manufacturing, Inc.

Disadvantaged Equity Applicant: 100%
African American Ownership: 0%

P-2040 - Organic Remedies MD, LLC

Disadvantaged Equity Applicant: 54%
African American Ownership: 54%

UFCW 400 Favorable with Amendments Written Testimo

Uploaded by: Kayla Mock

Position: FWA

Testimony in Support with Amendments of SB 833

Cannabis – Legalization and Regulation

March 2, 2022

To: Hon. Chair Kelley, Vice Chair Feldman, and members of the Senate Finance Committee

From: Kayla Mock, Political Organizer
United Food and Commercial Workers Union, Local 400

Chair Kelley and members of the Finance Committee, I appreciate the chance to share my testimony on behalf of our over 10,000 members in Maryland, working on the front lines of the ongoing pandemic in grocery, retail, food distribution, law enforcement, and health care. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers. Union members are critical to addressing inequality and uplifting the middle class.

We support SB 833 with friendly amendments.

We are excited Maryland is poised to become the 32nd state, plus Washington, D.C., to either legalize or decriminalize adult use cannabis, especially since 67% of Marylanders are supportive of legislation to do so. We appreciate the hard work and thoughtfulness that has gone into this legislation and understand the extreme complexity that comes with adult use cannabis reform.

We also welcome the thought and consideration that has gone into the future Maryland cannabis workers that will be employed in these multimillion-dollar industries. We believe this bill is a good start to figuring out how to make these jobs as sustainable and equitable for the workers and the communities they live in.

The United Food and Commercial Workers Union (UFCW) represents tens of thousands of cannabis workers across the United States in dispensaries, labs, kitchens, manufacturing, grow facilities, and more.

Testimony in Support with Amendments of SB 0833

UFCW

2

UFCW advocates for reform that sets up an equitable system of legalization and regulation centering around social equity prioritizing impacted communities and community reinvestment, and labor peace agreements for cannabis workers.

We propose, instead of giving points for companies that providing plans for “labor and employment practices,” and how they propose to “provide a safe, healthy, and economically beneficial working environment for the cannabis establishment’s agents including codes of conduct, health care benefits, educations benefits, retirement benefits, and living wage standards,” as proposed in SB 833, we propose that cannabis companies must sign “Labor Peace Agreements.”

A "labor peace agreement" is an agreement between a marijuana establishment and a bona fide labor organization protecting the state's proprietary interests by, at a minimum, prohibiting the labor organization from engaging in picketing, work stoppages, or boycotts against the cannabis establishment. A "Bona fide labor organization" is a labor union representing, or is actively seeking to represent, cannabis workers. Labor peace agreements would also prohibit employers from interfering with their workers choice to organize or form a union.

Labor peace agreements create a fair process for workers to decide whether they would like union representation by prohibiting employers to use intimidation or retaliation for organizing. The Economic Policy Institute estimates U.S. employers spend nearly \$340 million each year on advisors that conduct “‘union vulnerability tests’ and provide companies with important recommendations for crushing union drives at their companies.” Labor peace agreements in cannabis licensure will ensure workers can choose to form a union in a neutral environment, without employer interference.

Labor peace agreements does not mean a cannabis company would have to unionized; it simply means that if the workers choose to organize, the company will respect their right to do so without interference.

While the law under the National Labor Relations Act forbids employers from interfering with, restraining, or coercing employees in the exercise of rights relation to organizing, forming, joining, or assisting a labor organization for collective bargaining purposes, employers find ways to legally intimidate employees from exercising their rights all the time. A perfect example of this is a current organizing drive at Starbuds, a medicinal cannabis dispensary in Maryland. The workers have been subjected to anti-union literature, captive audience meetings, and vote no intimidation.

Additionally, the cannabis industry is fast growing and a multimillion-dollar industry, and it is important to ensure workers obtain a fair share of the economic growth. The “Ensuring

the High Road in Cannabis” report by the Economic Policy Institute found that union representation in the cannabis industry was key to ensuring jobs were safer, better paying, and more likely to provide benefits like healthcare, paid leave, and fair scheduling.” The report also found that union representation could significantly increase cannabis worker wages, with cultivation workers making over \$7,000 more a year, processing workers could make more than \$8,700 more a year, and retail employees making \$3,000 more a year on average than non-unionized employees.

Labor peace agreements also address social equity issues, addressing inequity in the hardest hit communities from the “War on Drugs.” The EPI study also found people of color and women would enjoy a bigger wage boost from unionizing in the cannabis industry. For example, unionized cannabis workers of color in processing jobs earn 26.4% to 32.4% more than nonunion workers. “Unions offer a powerful mechanism for promoting greater racial equity in cannabis,” the report stated.

Labor peace agreements can also help ensure quality training for this new and emerging workforce, and safety regulations in these facilities. When workers have access to representation their ability to advocate for training or additional education, is increased. Additionally, unionized workers are less likely to have workplace accidents because of safety regulations and enforcement by collective bargaining. By requiring safe working conditions, labor peace agreements also protect the health and welfare of workers and consumers. A well-trained workforce can produce quality products that meet higher safety standards.

Social equity is an incredibly important piece of cannabis legalization, and we are appreciative of the pieces placed in this bill. We ask that labor peace agreements be included to promote social equity and ensure good sustainable jobs for Marylanders by requiring freedom of choice without interference, opening access for collective bargaining for wages, benefits, racial and gender equality and equal treatment, safe working conditions.

For all of these reasons, UFCW 400 supports SB 833 with the proposed friendly amendments.

LaWann Stribling Testimony 833.docx.pdf

Uploaded by: LaWann Stribling

Position: FWA



Maryland General Assembly
Maryland Senate Finance Committee
Annapolis, MD - March 3, 2022

Testimony from LaWann Stribling, Strib'ble District LLC

Support with Amendments: Cannabis - Legalization and Regulation Act (SB0833)

Thank you for your commitment to end the “intentional” war on drugs. Before I go into the referendum request, I would like to begin with why Social Equity in Cannabis is extremely important.

In order to understand how we got to this point of inequalities, one needs to know the history behind the War on Drugs. In 1930, Harry Anslinger was appointed by his father to be the first Commissioner of the Federal Bureau of Narcotics, now known today as the DEA. From his appointed positions Anslinger opined for extremely harsh drug laws and ridiculously long prison sentences. This began the foundation that ultimately led to the mass incarceration of people of color, mainly those of African and Mexican descent. From then, Police Departments began to have militarized access to raid homes and businesses of Black and Brown residents which included known musicians, actors and actresses.

Persecuting Black and Brown Residents destroyed the backbone for these families for centuries to come. It is 2022 and we are still suffering from the damage caused by Anslinger’s – and later Richard Nixon’s, ramped up War on Drugs. This War on Drugs has created a profitable business for Private Prisons, bail bonds and cities across the country and nation. Anslinger associated cannabis use with the enabling of Black and Brown residents with the belief that it gave us a sense of entitlement for success. Being able to use laws to harass, incarcerate and murder have created the world we live in today that is full of inequities, inequalities and injustices.

Addressing the social inequities in Cannabis today would free those incarcerated, change the racist laws surrounding drugs and plants and give hope to our current and future generations. Social equity in Cannabis would allow families to rebuild what has been stripped from them. Addressing the equity would begin to correct the decades of unfairness to many Black and Brown families. It’s HOPE, hope that we can live our lives using natural holistic methods for wellness without criminalization and prosecution. To have a way for families to build up wealth and change the climate of poverty, red lining, lack of education and resources.

In 2019 I aspired to apply to be a processor on the cottage level for cannabis infusions. That dream quickly faded when I began to read the application process. That dream would not come to fruition with current policies that emphasize the need for excessive equity and capital. I do not possess either! I could not afford step 1 in the application process which cuts my family's cottage business dreams down. Providing low barriers of entry into the industry seeks to amend the history of injustices surrounding marihuana, poverty, redlining, mass incarceration and lack of wealth and resources for Black and Brown residents.

It is past time to correct the foundational racist laws that govern our everyday lives.
#lastprisonerproject #520

I support bill 833 with amendments to address social equity, home grow, decriminalization and cottage businesses. I fully support HB1362 & SB692.

Harry Anslinger's quotes:

“. . . the primary reason to outlaw marijuana is its effect on the degenerate races “ ---(attributed to) Harry Anslinger during congressional hearings

“Marihuana leads to pacifism and Communist brainwashing.” — (attributed to) Harry Anslinger during congressional hearings (era 1947-48)

“Negro entertainers with their jazz and swing music are declared an outgrowth of marihuana use which possesses white women to tap their feet.” — statements to Congress by Anslinger, FBN - 1937-50:

Thank you for allowing my submission,

LaWann Stribling, a Wife, Mom, Entrepreneur, Advocate & Lobbyist
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Ref: [Anslinger's Quotes](#)

SB 833 - MoCo_Elrich_SWA (GA 22).pdf

Uploaded by: Marc Elrich

Position: FWA



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.

The Honorable Delores G. Kelley
Re: Senate Bill 833
March 3, 2022
Page 2 of 2

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

SB0833-2022_MDNORML.pdf

Uploaded by: Miguel Jones

Position: FWA



Luke Jones, Public Citizen, Montgomery County, District 20
Maryland NORML, Director of Legislative Affairs
750 Thayer Ave., Silver Spring, MD 20910
(202) 285-3199, Luke.MDNORML@gmail.com

Submitted to:
Maryland Senate Finance Committee
Annapolis, MD - March 3, 2022

Testimony from the Maryland State Chapter of the
National Organization for the Reform of Marijuana Laws (NORML)

Support with Amendments: **Cannabis - Legalization and Regulation Act (SB0833)**

"If I can't grow my own cannabis, it's not actually legal."

Introduction

Maryland NORML has no paid staff – we are entirely energized by more than 5,000 Maryland citizens committed to ending marijuana prohibition and establishing a regulated cannabis commercial market for adults who choose to use marijuana responsibly. We submit this testimony on behalf of our membership, their families, and other Marylanders who want to see harm reduction policies that will establish a more just and inclusive society. I do not now and never have had any stake or investment of any kind in any cannabis enterprise, (nor does anyone in my family) and have never received any fee or remuneration for consulting with any cannabis enterprise.

1. Decriminalizing Home Cultivation

Once we repeal marijuana prohibition, an adult in Maryland will no longer face criminal charges for “personal use amounts” of cannabis. The “personal use amount” definition should include six cannabis plants with a twelve-plant limit per household, as reflected in SB0692. The law should protect people for keeping the cannabis produced by their legal personal use cultivation, provided the cannabis is kept at the location where it was cultivated and secure from unauthorized access. Our laws should not *require* citizens to purchase a product they are perfectly capable of producing for themselves.

When adult cannabis use is legal, it is inconceivable that there would be any penalty under law for growing a personal use amount for non-commercial purposes.

2. SB0833 must greatly expand the number of Tier I cultivation licenses during the initial round; the state should not prevent people from developing viable businesses.

Capping licenses results in the government picking winners and losers. Uncapped licenses for small, family owned-and-operated enterprises would give everyone a fair shot to compete in the free market, without causing over-supply problems associated

with massive industrial-sized production facilities. Many states, including New Jersey, do not cap small-business licenses. Allowing uncapped micro-grow licenses will also avoid furthering the unfair advantage associated with the existing growers and businesses in the legal market. Capping small business licenses allows existing vertically-integrated operators to squeeze out their competitors, including any new social equity applicants.

3. Increase legal possession amounts to four ounces to mirror the medical law.

Police should not arbitrate who can and cannot possess four ounces - we must harmonize the medical and adult-use market. Applying different possession levels places citizens under continued pressure associated with otherwise avoidable police encounters.

4. Delay current license holder entry into the adult-use market until new, family-owned and operated business are established.

The only way to assure broad-based economic participation is to provide aspiring business owners with legal access to the legal market.

For these reasons, we urge you to support SB0833 with amendments and forward with a favorable recommendation. Thank you for your time and consideration.

Luke Jones, Maryland NORML

SB 833_MPP_FWA.pdf

Uploaded by: Olivia Naugle

Position: FWA



March 3, 2022

SB 833

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

Dear Chair Kelley, Vice Chair Feldman, 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 Senate leadership and Sen. Feldman for their leadership on this important issue. Marylanders have long supported moving forward with cannabis legalization, and it is past time Maryland joined the 18 states (and D.C.) that have legalized cannabis for adults.

SB 833 includes many strong provisions, including home cultivation, broad expungement, ensuring parole and probation are not revoked over cannabis, funding to promote a diverse industry and community reinvestment, and equity-centered licensing. I am here today to discuss the positive impacts cannabis legalization will have and offer amendments to strengthen SB 833 as it is currently written.

Legalization should go into effect immediately upon voter approval.

Since we learned of leadership's will to legalize adult-use cannabis through referendum, we have advocated strongly that the measure must be self-executing, meaning it would legalize possession for adults 21 and older immediately upon voter approval with no other legislative

action needed. Further, contingent legislation should be enacted with the referendum to include regulatory details rooted in social equity and reparative justice.

To underscore the importance of having the referendum be self-executing, Maryland should learn from New Jersey. New Jersey is the only state that has legalized through a constitutional amendment voter referendum. New Jersey's voters approved legalization on the ballot in 2020, but unfortunately, the will of the people alone did not immediately make cannabis legal. The legislature still had to come back to implement a law months later.

In the three months between two-thirds of voters adopting legalization and the governor signing implementing legislation, more than 6,000 charges for minor marijuana possession were filed. Maryland should learn from New Jersey and make the referendum self-executing. When voters legalize cannabis, cannabis needs to actually become legal.

The current House proposals to legalize cannabis — HB 1 and HB 837 — include an eight-month delay between referendum approval and cannabis possession and home cultivation becoming legal. The House bills also do not set up a regulatory framework. The longer the delay for implementation, the longer people will be at risk. With no regulated system, consumers will only have access from the illicit market, which brings risks of theft, violence, and the dangers of an unregulated product that can contain dangerous pesticides and additives. The sooner the details of regulation are sorted out, the sooner these harms will be reduced and then eliminated. With communities of color having borne the brunt of prohibition for decades, the sooner the legislature moves forward with regulation, the sooner it can begin to repair the past harms prohibition has caused.

We recommend that a final proposal to legalize cannabis this year take the approach of SB 833 — to provide that possession and home cultivation become legal when the election is certified without delay and set up a regulatory structure.

Recommendations to improve SB 833 as currently written

1) Remove the unscientific per se DUID limit (from p. 81, line 6 to p. 82, line 2)

SB 833 currently establishes a per se DUID limit of having a concentration of five nanograms or more of THC in the blood. Driving or attempting to drive while under the influence of cannabis per se would be punishable by a year of imprisonment, up to a \$1,000 fine, or both for a first offense. The defendant can raise an affirmative defense — where *they have the burden of proof* — that they were not actually under the influence of cannabis.

This misguided approach can be expected to both result in convictions of completely sober drivers *and* in acquittals of impaired drivers who are below five ng/ml at the time of their blood test.

We suggest Maryland instead maintain its current approach, which is the same policy as most other states use — an “effects-based” law but with additional drug recognition training and public education. “Effects-based” driving under the influence of cannabis laws criminalize a

person for driving while they are truly impaired, which is determined based on all available evidence. That may include footage or testimony about how the person drove, the results of a 12-step analysis by a drug recognition expert, whether the person smelled of marijuana, and *the results of a blood test for THC* — the main psychoactive ingredient in marijuana.

Cannabis consumers can test positive for five ng/ml many hours after impairment wears off. Medical cannabis patients are particularly likely to be frequent consumers, so this limit would hit them particularly hard. One Colorado patient who was also a reporter used cannabis at night, got a full night's sleep, and then had his blood drawn 15 hours later. He tested at 13.5 nanograms of THC per milliliter of blood, nearly three times the proposed limit.¹

As the National Highway Traffic Safety Administration has noted, “toxicology cannot produce per se proof of drug impairment. That is, the chemist can’t analyze the blood or urine and come up with a number that ‘proves’ the person was or wasn’t impaired.”²

There is no magic number for a threshold of THC at which a driver is impaired by cannabis. The AAA Foundation for Traffic Safety evaluated data on THC-positive drivers and drug-free controls, along with results of drug recognition expert evaluations, to see if the data supported a set threshold for a *per se* driving law for cannabis. It did not.³ As AAA Director of Traffic Safety Advocacy and Research Jake Nelson explained, “There is no concentration of [THC] that allows us to reliably predict that someone is impaired behind the wheel in the way that we can with alcohol.”⁴

Given the length of time after impairment THC can stay in a person’s system, no conviction for driving under the influence of marijuana should be based solely on the results of a blood test; rather, test results should just be one piece of evidence that is used to determine if the person was driving under the influence. Requiring a person over five ng/ml to prove they were *not* impaired to avoid a conviction flips the burden of proof and will cause people to be wrongly convicted of DUI.

In addition, creating a per se DUI level of five ng/ml may make it difficult to secure a conviction of an individual who tests below that threshold. This is a problem because some individuals will be impaired while testing at lower levels, especially if they also drank alcohol or are an infrequent consumer of cannabis and a significant amount of time elapsed before a blood test was administered.

2) Significantly increase the number of new stores licensed in 2024 (p. 63, lines 15-18)

¹ “THC blood test: Pot critic William Breathes nearly 3 times over proposed limit when sober,” *Denver News*, April 18, 2011.

² “The Drug Recognition Expert School Student Manual,” National Highway Traffic Safety Administration, 2011. Available at <http://www.maine.gov/dps/bhs/impaired-driving/law-enf-resources/dre/documents/7daystu1-10-11.pdf>.

³ Barry Logan, Ph.D., et al., “An evaluation of data from drivers arrested for driving under the influence in relation to per se limits for cannabis,” AAA Foundation for Traffic Safety, May 2016.

⁴ Jonah Bromwich, “How Much Is Too Much Marijuana to Drive? Lawmakers Wonder,” *The New York Times*, May 13, 2016.

SB 833 provides that 47 new retail licenses will be issued in 2024, with one per senatorial district. This would be less than a 50% increase, even as the number of legal consumers increases by more than five-fold (Maryland has 147,070 medical patients, while 758,000 Maryland adults admit past-year cannabis use according to SAMSHA). This would result in far fewer stores than other states. For example, Washington has as statewide cap of 556, which would be 442 in Maryland if adjusted per capita.

This too-low limit would leave many cannabis consumers without access to safe, lab-tested cannabis and is determinantal to a healthy, competitive market with reasonable pricing. Only 47 new retailers in 2023 would mean far fewer opportunities for social equity applicants. It would also mean patients and other consumers would have to travel further and have fewer product choices. This would also likely lead to more illicit market activity.

3) Increase the number of growers, including with uncapped micro-grows (p. 61, lines 24-29)

Capping licenses results in the government picking winners and losers. SB 833 would require applicants to spend large sums on applications to throw their hats in the ring. Avoiding a cap, and instead having discrete application periods, prevents that injustice and related litigation and delays. Uncapped micro-grow licenses give small businesses a fair shot to compete in the free market without causing oversupply.⁵

Many states, including New Jersey, do not cap micro-grows. In contrast, SB 833 only allows 14 micro-cultivation licenses to be issued in the social equity round. Allowing uncapped micro-grows also avoids creating a massive unfair advantage for existing grows and the businesses they have relationships with. Failing to allow uncapped micro-grows will allow existing vertically integrated operators to squeeze out their competitors, including new social equity applicant-run dispensaries and infused product manufacturers.

4) Change “or” to “and” in the possession limit (p. 7, lines 5-16)

Cannabis consumers often possess and purchase flower, edibles, *and* concentrates, not just one or the other. However, the limit says a person can possess two ounces, 15 grams of concentrates, *or* products with 1,500 mg of THC. 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.

5) Increase possession and cultivation limits (p. 7, lines 5-16)

We suggest legalizing personal cultivation of up to six plants, rather than four, which is more in line with other states.⁶ We also recommend allowing personal possession of four ounces to mirror the medical law. Having consistency in the possession limits between adult-use and

⁵ “Key Considerations for Marijuana Legalization,” Joint Legislative Audit and Review Commission, November 16, 2020, <http://jlarc.virginia.gov/pdfs/reports/Rpt542-6.pdf>. (p. 48, starting, “Small cultivators could be excluded from caps to provide more opportunities for small businesses to enter the market.”)

⁶ See <https://www.mpp.org/assets/pdf/issues/legalization/Review-of-State-Legalization-Laws.pdf>.

medical cannabis will further 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.

6) 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 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]."

7) Provide for a deadline and a local referendum on any local ban (p. 68, line 32 to p. 69, line 3)

States are increasingly putting deadlines on local bans so there will be certainty in where establishments can locate. If localities will be allowed to opt out of cannabis sales, thus causing the illicit market to persist, voters should be given the final say, and there should be a clear deadline. For example, counties and cities could be required to decide by July 1, 2023, and any ban could be automatically referred to voters no later than September 26, 2023.

8) Consider delaying medical licensing until social equity licensing begins

In Illinois, we have seen a years-long delay in social equity licensing while medical businesses expand their market share. Many equity advocates are now skeptical of allowing medical businesses to have a head start.

Conclusion

Thank you, Chair Kelley and members of the committee, for your time and attention.

I respectfully urge the committee to consider our suggested amendments and issue a favorable report of SB 833. 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

Maryland SB 833 Testimony and Factsheet - Paul Arm

Uploaded by: Paul Armentano

Position: FWA



Working to Reform Marijuana Laws

*Written Testimony of Paul Armentano,
Deputy Director
National Organization for the Reform of Marijuana Laws (NORML)
RE Senate Bill 833, Sec. 12.5-104*

My name is Paul Armentano and I am here to today to testify in support of striking language in Senate Bill 833 that seeks arbitrarily define cannabis-induced psychomotor impairment in a manner that is neither evidence based nor in the best interest of public health and safety.

I voice these concerns today not only as a Maryland resident, but also as someone who has worked professionally in the field of marijuana policy, with a particular emphasis on the science specific to cannabis' effect on driving performance and traffic safety. My work on this issue has been highlighted in the peer-reviewed scientific literature and in various academic anthologies, and I have presented at numerous academic and legal symposiums on drugged driving.

I am a court certified expert on issues pertaining to cannabis and psychomotor performance, and I have attended many accredited educational forums on the topic, including those sponsored by the American Academy of Forensic Sciences (AAFS), the Society of Forensic Toxicologists (SOFT), the International Council on Alcohol, Drugs, and Traffic Safety (ICADTS), and the National Institute on Drug Abuse (NIDA). In 2021, I worked with state lawmakers in Nevada and Indiana to successfully amend their states' ineffective and problematic cannabis DUI laws.

I currently serve as the Deputy Director for the National Organization for the Reform of Marijuana Laws (NORML) – a public interest advocacy organization based in Washington, DC. While NORML supports the overall goal of SB 833 – to place the adult-use legalization question before voters and to establish a framework for a legal cannabis market – **we are concerned that the inclusion of a 5ng/ml *per se* traffic safety provision for THC will unduly criminalize adults who are not under the influence of cannabis and, thus, who pose no legitimate traffic safety risk.**



Working to Reform Marijuana Laws

Leading Traffic Safety Experts Oppose *Per Se* Limits for Cannabis

It is well-established by leading experts in the field that neither *per se* limits for THC nor its metabolite are consistent or appropriate predictors of driving impairment. In fact, there is no legitimate debate on this issue.

Specifically, the premiere traffic safety agency in the United States, the National Highway Traffic Safety Administration (NHTSA), acknowledges: “It is difficult to establish a relationship between a person's THC blood or plasma concentration and performance impairing effects. ... **It is inadvisable to try and predict effects based on blood THC concentrations alone, and currently impossible to predict specific effects based on THC-COOH (metabolite) concentrations.**”¹

On-road driving performance studies coordinated by NHTSA confirm this conclusion, finding, “**One of the program’s objectives was to determine whether it is possible to predict driving impairment by plasma concentrations of THC and/or its metabolite, THC-COOH, in a single sample. The answer is very clear: it is not.** Plasma of drivers showing substantial impairment in these studies contained both high and low THC concentrations; and, drivers with high-plasma concentrations showed substantial, but also no impairment, or even some improvement.”²

A 2016 study conducted by the American Automobile Association (AAA) also concludes, “There is no evidence from the data collected, particularly from the subjects assessed through the DRE exam, that any objective threshold exists that established impairment, based on THC concentrations.”³

¹ NHTSA. Drugs and Human Performance Fact Sheet: Cannabis/Marijuana
https://www.wsp.wa.gov/breathtest/docs/webdms/DRE_Forms/Publications/drug/Human_Performance_Drug_Fact_Sheets-NHTSA.pdf

² US DOT, NHTSA Final Report: Marijuana and Actual Driving Performance, page 107.
<https://rosap.nhtl.bts.gov/view/dot/1558>

³ AAA. *An Evaluation of Data from Drivers Arrested for Driving Under the Influence in Relation to Per Se Limits for Cannabis*. May 2016.
<https://aaafoundation.org/wp-content/uploads/2017/12/EvaluationOfDriversInRelationToPerSeReport.pdf>



Working to Reform Marijuana Laws

A 2019 Congressional Research Service report, entitled *Marijuana Use and Highway Safety*, similarly determines: “**Research studies have been unable to consistently correlate levels of marijuana consumption, or THC in a person's body, and levels of impairment.** Thus, some researchers, and the National Highway Traffic Safety Administration, have observed that using a measure of THC as evidence of a driver's impairment is not supported by scientific evidence to date.”⁴

Two recent state-appointed task forces on drugged driving – one in Michigan and another in California – have reaffirmed this position in recent months in their recommendations to lawmakers. In California, recommendations of a task force led by the California Highway Patrol concluded: “**Drugs affect people differently depending on many variables. A *per se* limit for drugs, other than ethanol, should not be enacted at this time as current scientific research does not support it.**”⁵ In Michigan, a report from the state’s Impaired Driving Safety Commission similarly concluded: “[B]ecause there is a poor correlation between $\Delta 9$ -THC bodily content and driving impairment, the Commission recommends against the establishment of a threshold of delta-9-THC bodily content for determining driving impairment.”⁶

More recently, a literature review published online ahead of print in November in the journal *Neuroscience and Biobehavioral Reviews*, concluded, “**Blood THC, 11- OH-THC and 11- COOH-THC concentrations, oral fluid THC concentrations, and subjective ratings of intoxication are relatively poor indicators of cannabis-induced impairment. The use of *per se* limits as a means of identifying cannabis-impaired drivers should therefore be re-considered.**”⁷ Similarly, driving simulator data published in January in the journal *JAMA Psychiatry* identified “**no correlation between**

⁴ Congressional Research Service. *Marijuana use and Highway Safety*. May 14, 2019. <https://crsreports.congress.gov/product/pdf/R/R45719>

⁵ CHP Impaired Driving Task Force, Report to the Legislature. January 2021 <https://www.canorml.org/wp-content/uploads/2021/03/Senate-Bill-94-2017-CHP-Report-to-the-Legislature-Impaired-Driving-Task-Force-Report.pdf>

⁶ Report from the Impaired Driving Safety Commission. March 2019 https://www.michigan.gov/documents/msp/Impaired_Driving_Report_650288_7.pdf

⁷ McCartney et al. 2022. Are blood and oral fluid THC and metabolite concentrations related to impairment? A meta-regression analysis. *Neuroscience and Biobehavioral Reviews*: <https://pubmed.ncbi.nlm.nih.gov/34767878/>



Working to Reform Marijuana Laws

blood THC concentrations” and impairment of performance at any time, even under “highly controlled conditions.”⁸

This is not a matter of “we need more study.” This issue has been studied extensively and the results are clear and consistent. This reality is best summarized by Dr. Marilyn Huestis, who spent over 25 years studying this issue at the US National Institute on Drug Abuse and is one of the leading scholars in the world on the issue of cannabis and driving performance, who said: “There is no one blood or oral fluid concentration that can differentiate impaired and not impaired. It’s not like we need to say, ‘Oh, let’s do some more research and give you an answer.’ We already know. We’ve done the research.”⁹

Why Are *Per Se* Limits Inadvisable for Cannabis?

There are several reasons why neither the identification of THC nor its metabolite is not well correlated with either driving impairment or recency of cannabis exposure.

First, THC possesses unique pharmacokinetics (absorption patterns). For example, when inhaled, THC/blood levels rise to maximal levels almost instantly, well before the onset of acute impairment.¹⁰ These levels then begin to decline precipitously during the acute impairment phase. This relationship is the exact opposite of that of alcohol, in which rising BAC levels are consistently correlated with both the level of consumption and the degree of intoxication.

By contrast, when THC is consumed orally, THC blood levels barely rise at all – despite associated (and longer lasting) intoxication.

Second, because THC is lipid soluble, trace quantities of it may remain present in blood for days after past exposure – long after any intoxication has worn off.

⁸ Marcotte et al. 2022. Driving performance and cannabis users’ perception of safety: A randomized clinical trial. *JAMA Psychiatry*:

<https://jamanetwork.com/journals/jamapsychiatry/fullarticle/2788264>

⁹ https://www.eurekalert.org/pub_releases/2018-01/cp-dar011818.php

¹⁰ Schwoppe et al. 2012. Psychomotor performance, subjective and physiological effects and whole blood delta-9- tetrahydrocannabinol concentrations in heavy, chronic cannabis smokers following acute smoked cannabis. *Journal of Analytical Toxicology*: 1-8.



Working to Reform Marijuana Laws

Specifically, scientific studies have documented the presence of residual quantities of THC in the blood of more frequent cannabis consumers at levels near or above SB 833's proposed standard for periods of time exceeding seven days¹¹ – long after any psychomotor impairing effects have long subsided.¹² At present, there exists no technology that can differentiate between cannabis exposure that occurred within the past several hours versus exposure that occurred within the past several days.

Three, subjects' response to THC is much more variable than it is for alcohol. For example, experienced cannabis consumers – such as those patients legally protected under Maryland's existing medical cannabis law who consume it daily, tend to display little to no change in psychomotor performance following cannabis administration,¹³ while more naïve may display changes in reaction time, brake latency, and in standard deviation of lateral positioning. Several papers in the scientific literature affirm this phenomenon of cannabis tolerance.¹⁴ One literature review finds, "Patients who take cannabinoids at a constant dosage over an extensive period of time often develop tolerance to the impairment of psychomotor performance, so that they can drive vehicles safely."¹⁵ **Similarly, the US Food and Drug Administration acknowledges persons acclimated to the effects of oral THC "are able to tolerate the drug and to perform such tasks safely."**¹⁶

In Conclusion:

The 5ng/ml THC *per se* threshold proposed in Senate Bill 833 (page 81) is not evidence-based; such *per se* thresholds for THC are opposed by the majority of experts in the field, and they will have the unintended result of criminalizing adults

¹¹ Odell et al. 2015. Residual cannabis levels in blood, urine and oral fluid following heavy cannabis use. *Forensic Science International*: 173-180.

¹² Ronen et al., 2008. Effects of THC on driving performance, physiological state and subjective feelings relative to alcohol. *Accident, Analysis and Prevention*: 926-934.

¹³ Sewell et al., 2009. The effect of cannabis compared with alcohol on driving. *American Journal of Addiction*: 185- 193.

¹⁴ Colizzi and Bhattacharyya. 2018. Cannabis use and the development of tolerance: A systematic review of human evidence. *Neuroscience & Behavioral Reviews*: 1-25.

¹⁵ Grotenhermen and Muller-Vahl. 2012. The therapeutic potential of cannabis and cannabinoids. *Duetsches Arzteblatt International*: 495-501.

¹⁶ Online at: <http://www.fda.gov/ohrms/dockets/dockets/05n0479/05N-0479-emc0004-04.pdf>



Working to Reform Marijuana Laws

and patients who consume cannabis responsibly while in the privacy of their own home.

Accordingly, I urge lawmakers to amend SB 833 in a manner that eliminates the inclusion of this language.

Below are some helpful resources that I am including as a fact sheet for your ease of reference.

Per se thresholds for THC are not evidence-based and may result in inadvertently criminalizing adults who previously consumed cannabis several days earlier but are no longer under the influence.

Here is what the leading experts in the field have to say:

- “Drugs affect people differently depending on many variables. A *per se* limit for drugs, other than ethanol, should not be enacted at this time as current scientific research does not support it.”
[California Highway Patrol Impaired Driving Task Force, Report to the Legislature, January 2021](#)
- “Due to erratic and route-dependent differences in THC pharmacokinetics as well as significant inter- and intra-individual variability, blood and oral fluid THC concentrations, unlike BAC [blood alcohol concentrations] for alcohol, provide little information as to the amount of cannabis consumed or the extent to which an individual may be intoxicated. Collectively, these results suggest that the *per se* limits examined here do not reliably represent thresholds for impaired driving.”
[The failings of *per se* limits to detect cannabis-induced driving impairment: Results from a simulated driving study, Traffic Injury Prevention, 2021](#)
- “[E]pidemiological evidence supporting a specific *per se* limit for THC is scant. ... Blood THC >2 ng/mL, and possibly even THC >5 ng/mL, does not necessarily represent recent use of cannabis in frequent cannabis users.”



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[Residual blood THC levels in frequent cannabis users after four hours of abstinence: A systematic review, Drug and Alcohol Dependence, 2020](#)

- “[T]he relationship between crash risk and the amount of cannabis consumed or the blood concentrations of THC is weak. ... [B]lood concentration of THC is a poor index of driving-related risk or impairment.”

[Strengths and limitations of two cannabis-impaired driving detection methods: a review of the literature, The American Journal of Drug and Alcohol Abuse, 2019](#)

- “[B]lood and other fluid levels of various cannabinoids correlate poorly with impairment. A person can have detectable cannabinoids, such as THC, in the blood or oral fluid, but not be cognitively impaired, since these levels may reflect on-going, low-level use, such as in medicinal cases, or a single use that occurred many hours or even days previously.”

[Written testimony of Dr. Igor Grant, Director Center for Medicinal Cannabis Research, before the California Senate Committee on Labor, Public Employment and Retirement, November 8, 2019](#)

- “Research studies have been unable to consistently correlate levels of marijuana consumption, or THC in a person’s body, and levels of impairment. Thus some researchers, and the National Highway Traffic Safety Administration, have observed that using a measure of THC as evidence of a driver’s impairment is not supported by scientific evidence to date.”

[Congressional Research Service, Marijuana Use and Highway Safety, 2019](#)

- “[B]ecause there is a poor correlation between $\Delta 9$ -THC bodily content and driving impairment, the Commission recommends against the establishment of a threshold of delta-9-THC bodily content for determining driving impairment.”

[Report from the Michigan Impaired Driving Safety Commission, March 2019](#)

- “To contribute to the ongoing discussion about threshold limits of $\Delta 9$ -tetrahydrocannabinol (THC) in road traffic, a driving simulator study with 15 habitually cannabis consuming test persons was conducted. ... Consistent with previous studies, a direct correlation between the individual fitness to drive (amount of penalty points) and the THC concentrations ... was not found. Therefore,



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determining a threshold limit for legal purposes based on these values alone seems to be arbitrary.”

[On the impact of cannabis consumption on traffic safety: a driving simulator study with habitual cannabis consumers, International Journal of Legal Medicine, 2019](#)

- “Unlike alcohol, blood levels of THC do not reflect intoxication.”
[Statement of Dr. Daniele Piomelli, professor of anatomy and neurobiology at the University of California, Irvine, March 1, 2019](#)
- “[B]lood THC levels drop very sharply over time-periods measured in minutes. Blood THC is not a good proxy either for recency of use or for impairment, and the dose-effect curve for fatality risk remains a matter of sharp controversy. ... Moreover, the lipid-solubility of THC means that a frequent cannabis user will always have measurable THC in his or her blood, even when that person has not used recently and is neither subjectively intoxicated nor objectively impaired.”
[Driving while stoned: Issues and policy options, BOTEC Analysis/SSRN white paper, 2018](#)
- “Current evidence shows that blood levels of tetrahydrocannabinol do not correlate well with the level of impairment.”
[Driving under the influence of cannabis: A framework for future policy, Anesthesia and Analgesia, 2018](#)
- “It is difficult to establish a relationship between a person’s THC blood or plasma concentration and performance impairing effects. ... It is inadvisable to try and predict effects based on blood THC concentrations alone, and currently impossible to predict specific effects based on THC-COOH (metabolite) concentrations.”
[US National Highway Traffic Safety Administration, Drugs and Human Performance online factsheet](#)
- “The interpretation of cannabinoid effects is even more difficult than identifying the presence or concentration of natural or synthetic cannabinoid markers in a diverse array of biological samples. Interpretation is complex because the onset, peak, and duration of effects are different based on whether the route of cannabis administration is inhalation, oral, or rectal, and on whether the individual is an



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occasional or chronic frequent cannabis users. Currently, science does not support the development of cannabinoid limits per se in motor vehicles drivers because of the many factors influencing concentration–effect relationships.”

[Cannabinoid markers in biological fluids and tissue: Revealing intake, Trends in Molecular Medicine, 2018](#)

- “There is no one blood or oral fluid concentration that can differentiate impaired and not impaired. It’s not like we need to say, ‘Oh, let’s do some more research and give you an answer.’ We already know. We’ve done the research.”
[Statement of Marilyn Huestis, who spent over 20 years leading cannabinoid-related research projects at the US National Institute on Drug Abuse, January 25, 2018](#)
- “Simply identifying cannabis use in a driver is not enough to justify the assumption of an increased risk for UTEs (unfavorable traffic events).”
[The association of unfavorable traffic events and cannabis usage: A meta-analysis, Frontiers in Pharmacology, 2018](#)
- “A quantitative threshold for per se laws for THC following cannabis use cannot be scientifically reported.”
[American Automobile Association, An Evaluation of Data from Drivers Arrested for Driving Under the Influence in Relation to Per Se Limits for Cannabis, 2016](#)
- “The alcohol laws are based on evidence concerning the decreased ability of drivers across the population to function safely at these BACs. ... Such evidence is not currently available for concentrations of other drugs.”
[US National Highway Traffic Safety Administration, Understanding the Limitations of Drug Test Information, Reporting, and Testing Practices in Fatal Car Crashes, 2014](#)
- “There is no direct correlation between driving impairment and THC concentration”
[Cannabis effects on driving skills, Clinical Chemistry, 2013](#)



Working to Reform Marijuana Laws

- “Individuals can vary widely in their sensitivity to THC induced impairment as evinced by the weak correlations between THC in serum and magnitude of performance impairment.”
[Dose related risk of motor vehicle crashes after cannabis use: an update, 2009](#)
- “One of the program’s objectives was to determine whether it is possible to predict driving impairment by plasma concentrations of THC and/or its metabolite, THC-COOH, in single samples. The answer is very clear: it is not. Plasma of drivers showing substantial impairment in these studies contained both high and low THC concentrations; and, drivers with high plasma concentrations showed substantial, but also no impairment, and even some improvement.”
[US National Highway Traffic Safety Administration, Marijuana and Actual Driving Performance, 1993](#)

MCPA-MSA_SB 833 _Cannabis Legalization-Oppose-with

Uploaded by: Andrea Mansfield

Position: UNF



Maryland Chiefs of Police Association

Maryland Sheriffs' Association



MEMORANDUM

TO: The Honorable Delores G. Kelley, Chair and
Members of the Finance Committee

FROM: Chief of Staff David Morris, Co-Chair, MCPA, Joint Legislative Committee
Sheriff Darren Popkin, Co-Chair, MSA, Joint Legislative Committee
Andrea Mansfield, Representative, MCPA-MSA Joint Legislative Committee

DATE: March 3, 2022

RE: **SB 833 Cannabis – Legalization and Regulation**

POSITION: **OPPOSE**

The Maryland Chiefs of Police Association (MCPA) and the Maryland Sheriffs' Association (MSA) **OPPOSE SB 833** and have raised objections to all efforts to legalize cannabis over the past several years. Understanding there is broad interest in this topic, MCPA and MSA would like to raise an issue that we strongly believe should be addressed should legislation pass to take steps to legalize cannabis and place the issue on the ballot for voters to decide.

The current decriminalization of less than ten grams of marijuana creates a condition where there is nothing other than confiscation of the marijuana and issuance of a civil citation to prohibit smoking and the consumption of marijuana while driving a motor vehicle. These circumstances will be exacerbated should cannabis be legalized. This presents the opportunity for very dangerous situations on our roadways.

To address this, SB 833 should be amended to prohibit a driver of a motor vehicle from smoking or consuming marijuana in the passenger area of the motor vehicle on a highway and prohibit an occupant of a motor vehicle from smoking marijuana in the passenger area of the motor vehicle on a highway.

Legislation that has been introduced in past years (SB 418, 2019 Session) provides a remedy for this problem by narrowly defining the circumstances where the danger to the public created by smoking or consuming marijuana is sufficient to cause that behavior to become a misdemeanor punishable by a fine. Moving consuming marijuana in a vehicle from a civil offense to a misdemeanor would also require the individual engaging in this reckless behavior to provide identification. This will remove the anonymity inherent in the current civil infraction status and will help create a disincentive to this behavior.

MCPA and MSA believe amending the bill in this manner will increase the safety of our citizens and visitors as they drive on the highways across Maryland. MCPA and MSA respectfully requests your consideration.

Opposition of SB 833 - Cannabis - Legalization and

Uploaded by: Colby Ferguson

Position: UNF



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

March 3, 2022

To: Senate Finance Committee

From: Maryland Farm Bureau, Inc.

Re: **Opposition of SB833 - Cannabis - Legalization and Regulation**

On behalf of our member families, I submit this written testimony opposing SB 833. This bill legalizes the sale and use of Marijuana starting July 1, 2023. It establishes a system for the regulation and taxation of the market for the production and sale of cannabis in the State.

Production agriculture is an inherently dangerous business that requires focus and concentration to make sure accidents don't happen. There are many worries among the farming community that if cannabis is made legal, then employees will come to work under the influence and that will put them, other employees, and the farm owners in danger. If someone were to cause an accident on the farm or in a farmer's equipment and that person is found to be under the influence of marijuana, who will be liable? The employee or the farm business or both? These are areas that haven't been addressed and should be addressed before legalizing this drug. We understand the state tax revenue that would be generated to fund things like education and other valuable services. However, at what cost will that be to those that fall victim to ones under the influence?

MDFB Policy: We oppose the production and sale of recreational marijuana.

MARYLAND FARM BUREAU RESPECTFULLY OPPOSES SB 833

A handwritten signature in black ink, appearing to read "Colby Ferguson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396

Smoking in Vehicle.pdf

Uploaded by: David Daggett

Position: UNF

HOUSE BILL 350

E1
HB 651/18 – JUD

9lr2229
CF 9lr2993

By: Delegates Valentino–Smith, Anderson, Atterbeary, and Jackson
Introduced and read first time: January 28, 2019
Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Smoking Marijuana in Vehicles – Prohibition**

3 FOR the purpose of prohibiting a driver of a motor vehicle from smoking or consuming
4 marijuana in a passenger area of a motor vehicle on a highway; prohibiting an
5 occupant of a motor vehicle from smoking marijuana in a passenger area of a motor
6 vehicle on a highway; and generally relating to smoking marijuana in a motor
7 vehicle.

8 BY repealing and reenacting, with amendments,
9 Article – Transportation
10 Section 21–903
11 Annotated Code of Maryland
12 (2012 Replacement Volume and 2018 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 That the Laws of Maryland read as follows:

15 **Article – Transportation**

16 21–903.

17 (a) (1) In this section the following words have the meanings indicated.

18 (2) “Alcoholic beverage” means a spirituous, vinous, malt, or fermented
19 liquor, liquid, or compound that contains at least 0.5% alcohol by volume and is fit for
20 beverage purposes.

21 (3) (i) “Passenger area” means an area that:

22 1. Is designed to seat the driver and any passenger of a motor
23 vehicle while the motor vehicle is in operation; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 2. Is readily accessible to the driver or a passenger of a motor
2 vehicle while in their seating positions.

3 (ii) "Passenger area" does not include:

4 1. A locked glove compartment;

5 2. The trunk of a motor vehicle; or

6 3. If a motor vehicle is not equipped with a trunk, the area
7 behind the rearmost upright seat or an area that is not normally occupied by the driver or
8 a passenger of the motor vehicle.

9 (b) This section applies to a motor vehicle that is driven, stopped, standing, or
10 otherwise located on a highway.

11 (c) A driver of a motor vehicle may not consume an alcoholic beverage in a
12 passenger area of a motor vehicle on a highway.

13 (D) **A DRIVER OF A MOTOR VEHICLE MAY NOT SMOKE OR OTHERWISE
14 CONSUME MARIJUANA IN A PASSENGER AREA OF A MOTOR VEHICLE [ON A HIGHWAY.]**

15 (E) **AN OCCUPANT OF A MOTOR VEHICLE MAY NOT SMOKE MARIJUANA IN A
16 PASSENGER AREA OF A MOTOR VEHICLE [ON A HIGHWAY.]**

17 [(d)] (F) Notwithstanding § 6-320, § 6-321, or § 6-322 of the Alcoholic
18 Beverages Article, or any other provision of law, the prohibition contained in this section
19 applies throughout the State.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2019.

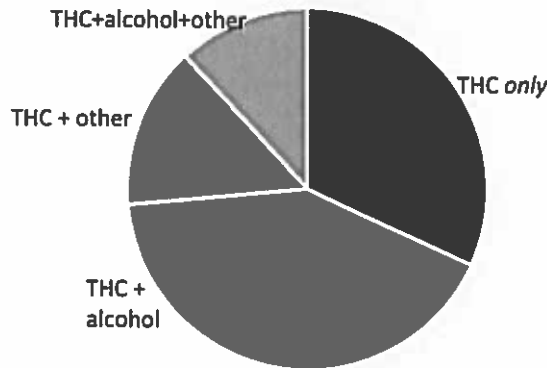
Summary of 2021 report “Driving Under the Influence of Drugs and Alcohol”

DUI is not just about alcohol, and DUID is not just about marijuana

Over 100 different impairing drugs were found in drivers in 2019. The most common drugs found were alcohol followed by marijuana’s THC, methamphetamine, and alprazolam (Xanax). [Appendix A p73ff]

Most THC-positive drivers were impaired by multiple drugs (polydrug impairment)

68% of THC-positive drivers arrested for DUI also tested positive for other drugs. [Table 21, p44]



Colorado convicts about 700 drivers impaired by THC each year

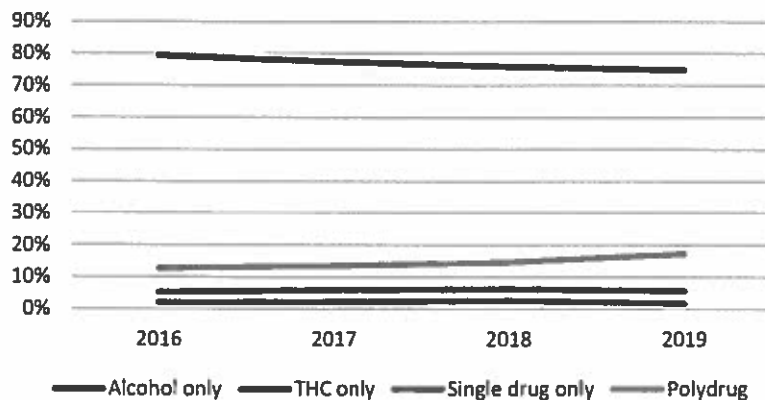
Colorado convicts ~700 drivers per year of impaired driving when THC was the *only* impairing substance found in their blood. This is convincing evidence that THC impairs drivers. These drivers were convicted and sentenced for their crimes. [Table 35, p57]

The conviction rate of stoned drivers is lower than that of drunk drivers (74% vs 92%)

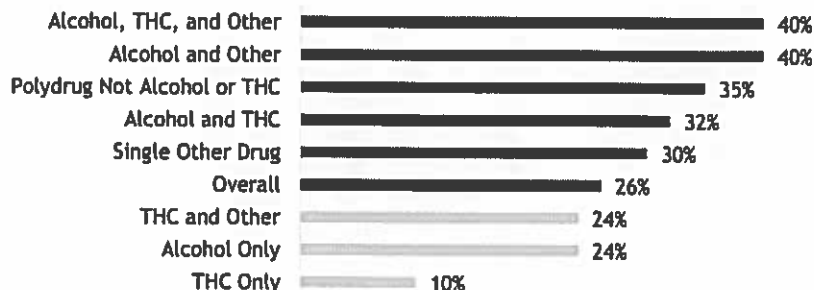
The conviction rate of drivers impaired by THC *only* is lower than the conviction rate of drivers impaired by alcohol *only*. The conviction rate of drivers impaired by THC *only* has improved from 69% in 2016 to 78% in 2019. [Table 35, p57]

Polydrug use is more common, more dangerous, and faster growing than other drugs

Polydrug impairment is more common than impairment from drugs other than alcohol and it is growing more rapidly than any other cause of impairment. [Table 21, p44]



Polydrug impairment is far more dangerous than impairment from either alcohol *only* or THC *only* [Table 35, p57]. Only 2.9% of Colorado’s non-impaired drivers are involved in a crash each year. Crash involvement for convicted impaired drivers was much higher, regardless of cause:



A toxicology test is not needed to convict a driver of DUI

A drug toxicology test is not needed to convict a driver of DUI. 37% of the reported cases had no toxicology test yet had an 84% conviction rate vs a 90% conviction rate for those with a toxicology test. [Table 28, p51]

Stoned drivers don’t necessarily drive more slowly than sober drivers

25% of stoned drivers were also charged with speeding. That’s a higher speeding rate than any other impairing drug or combination of drugs. Drunk drivers were second at 14%. So much for the myth that stoned drivers are careful drivers because they go more slowly. [Appendix G, p96]

Drugged drivers are undercounted

Approximately one-third of all Colorado drivers arrested for DUI refuse to submit to a toxicology test, despite the state’s expressed consent law. We have no drug data on those drivers. If an arresting officer believes that a driver’s observed impairment is caused by alcohol, the driver may choose to be tested by an evidentiary breath testing device. We have no other drug data on those drivers. Until July 2019, drug testing was only done when an arresting officer believed it was essential and the law enforcement agency had the budget for it. Beginning July 2019, all blood samples drawn for DUI forensic testing included a state-funded full drug panel. As a result, THC-positive cases jumped from 36% of all tested drivers in the first half of 2019 to 42% in the second half. Polydrug cases jumped from 30% to 44%. [Table 15, p37]

Colorado’s 5 ng/mL THC permissible inference law is ineffective

In 2013 Colorado passed its 5 ng/mL THC law. There is a permissible inference that the driver was impaired by THC when the toxicology test was at least 5 nanograms of THC per milliliter of whole blood. The law was passed for the same reason that alcohol .08 gm/dL *per se* laws were passed – to make it easier to convict drivers of DUI.

Alcohol’s maximum .08 gm/dL *per se* laws are supported with scientific evidence of a very high correlation between blood alcohol levels and risk of traffic crashes.

Unlike with alcohol, there is no correlation between blood THC levels and risk of traffic crashes or levels of impairment. The same is true with all other drugs except alcohol. Alcohol is the exception.

The results are now in. The 5 ng law is a failure. Conviction rates of drivers arrested for THC impairment remain lower than other causes. The law makes conviction harder for drivers impaired by THC when the forensic toxicology results are below 5 ng/mL.

Colorado unwittingly launched a natural experiment to test the utility of a THC 5 ng law since the state uniquely has two impaired driving infractions:

- DWAI – impaired to the slightest degree, and
- DUI – incapable of safe driving

The 5 ng/mL law applies only to DUI, not to DWAI.

The 2021 Driving Under the Influence of Drugs and Alcohol analysis revealed that:

1. Overall THC DUI convictions are dramatically lower than overall alcohol DUI convictions, or convictions of drivers impaired by other drugs,
2. The 5 ng/mL law prevented most DUI convictions of drivers who tested below that level, even though drivers with any level of THC were nearly always impaired,
3. Most impaired driving convictions were for DWAI without the aid of the 5 ng law, not for DUI, and
4. The overwhelming majority (93%) of drivers testing below the 5 ng/mL THC level were convicted of DWAI, not DUI.

THC only

Charge	Charges	Convictions	Conviction %
DUI 5ng+	221	155	70%
DUI <5ng	98	8	8%
DWAI 5ng+	372	370	99%
DWAI <5ng	56	52	93%

Contrary to the language of the law, a driver convicted of DWAI is not necessarily less impaired than a driver convicted of DUI. That is because DWAI is commonly used as a plea bargain tool. This can be confirmed by studying the comparable data for drivers arrested for DUI where alcohol was the only drug found forensically. 45% of drivers with a BAC greater than the alcohol *per se* level were still convicted of DWAI, not of DUI.

Alcohol only

Charge	Charges	Convictions	Conviction %
DUI .08+	5,397	5,032	93%
DUI .05-.079	91	24	26%
DWAI .08+	4,096	4,094	100%
DWAI .05-.079	790	670	85%

For THC-impaired drivers, most convictions were for DWAI. For alcohol and polydrug-impaired drivers, most convictions were for DUI.

Polydrug with THC

Charge	Charges	Convictions	Conviction %
DUI 5ng+	496	370	75%
DUI <5ng	394	327	83%
DWAI 5ng+	267	267	100%
DWAI <5ng	218	217	100%

From: TSRP-Forum@groups.io on behalf of Jennifer Tibbits Knudsen <jen@cdac.state.co.us>
Sent: Thursday, January 20, 2022 12:08 PM
To: TSRP-Forum@groups.io
Subject: [TSRP-Forum] Report: Driving Under the Influence of Drugs and Alcohol
Attachments: 2021-DUI_HB17-1315.pdf; ATT00001.htm; DCJ 2021 analysis.pdf; ATT00002.htm

FYI- for those of you needing data related to cannabis (and or DUI generally), from a local victim group (see attachments too):

The latest report, "Driving Under the Influence of Drugs and Alcohol: A Report Pursuant to C.R.S. 24-33.5-520" covering data for calendar year 2019 has been released: https://cdpsdocs.state.co.us/ORS/Docs/Reports/2021-DUI_HB17-1315.pdf. This is the fourth such report produced by DCJ for judiciary committee members. From my perspective as a DUI victim, President of DUI Victim Voices, and the author of HB17-1315 that created the process culminating in these reports, I must say that this is the best report yet. It is the best report yet for many reasons, including: the learning process in creating the reports, we now have a history of four years of reports to understand trends better, and the inclusion of data from CBI's greatly improved testing process described in the report.

It is easy to peruse the Executive Summary and then simply put the report in an archive file. I hope you don't stop there.

I encourage you to also read my attached analysis of the report and then choose to educate others and do something about about analysis issue number 9 below, the fact that the the 5 ng/ml THC bill passed in 2013 is not working as intended. I suggest an interim study committee may be the best way to craft improved legislation to replace that portion of the law (42-4-1301 (6) (IV)).

Analysis of DCJ 2021 report headlines:

1. DUI is not just about alcohol and DUIID is not just about marijuana.
2. Most THC-positive drivers arrested for DUI were impaired by multiple drugs.
3. Colorado convicts nearly 700 drivers each year for being impaired by THC *only* (yes, marijuana causes DUI).
4. The conviction rate for THC-impaired driving is much lower than the conviction rate of drunk driving (74% vs 92%).
5. Polydrug use is more common, more dangerous, and faster growing than other drugs.
6. A toxicology test is not needed to convict a driver of DUI (therefore, there is little merit in refusing a drug test).
7. THC-impaired drivers don't necessarily drive more slowly than other drivers (another busted myth).
8. Drugged drivers are undercounted (but Colorado may be better than any other state).
9. Colorado's 5 ng/ml permissible inference law is ineffective.

If you choose to establish an interim study committee to address these issues, I am ready to support your efforts.

ED WOOD

SB 0833 Const.Amend. and Cannabis - OPPOSED - MF

Uploaded by: Ella Ennis

Position: UNF



Ella Ennis, Legislative Chairman
Maryland Federation of Republican Women
PO Box 6040, Annapolis MD 21401
Email: eee437@comcast.net

Senator Dolores Kelley, Chairman
and Members of the Finance Committee
Senate of Maryland
Annapolis, Maryland

Re: **SB 0833** – Constitutional Amendment to Legalize Adult Use of Cannabis – **OPPOSED**

Dear Chairman Kelley and Committee Members,

The Maryland Federation of Republican Women strongly opposes SB 0833 Constitutional Amendment to Legalize Adult Use of Cannabis and possession of a “personal use amount” of 2 ounces of cannabis (marijuana) and replaces current criminal penalties with fines and community service.

Marijuana is a gateway drug to more powerful and deadly drugs. Its potency (the amount of THC in marijuana, the ingredient that produces the high) has been increasing steadily since the 1970s – 20-25% THC today compared to less than 2% in the 1970s. Stronger marijuana is more addictive. Daily use can cause paranoia and lead to violence. More frequent use can increase the violence 4-5 times.

A report by the National Institutes of Health (NIH) states that the number of young people who believe regular marijuana use is risky is decreasing, and surmises that legalization could continue that trend. Research has shown that marijuana can impact brain development, resulting in impairment of thinking, memory and learning functions.¹

The brain continues to develop until about age 25. Toxicology reports from Colorado, where marijuana is legal, revealed that marijuana was the most common substance found in teenagers who died by suicide in 2020. There was a 25% increase in suicides among Colorado veterans compared to the prior two years.

Maryland has a severe addiction problem with large numbers of people losing their lives every year to overdoses. We see no benefit from the legalization of marijuana. Please give SB 0833 an **UNFAVORABLE** Report.

Sincerely,
Ella Ennis, Legislative Chairman

1. <https://nida.nih.gov/publications/drugfacts/marijuana>

sb833.pdf

Uploaded by: Sara Elalamy

Position: UNF

MARYLAND JUDICIAL CONFERENCE
GOVERNMENT RELATIONS AND PUBLIC AFFAIRS

Hon. Joseph M. Getty
Chief Judge

187 Harry S. Truman Parkway
Annapolis, MD 21401

MEMORANDUM

TO: Senate Finance Committee
Senate Budget and Taxation Committee

FROM: Legislative Committee
Suzanne D. Pelz, Esq.
410-260-1523

RE: Senate Bill 833
Cannabis – Legalization and Regulation

DATE: February 23, 2022
(3/3)

POSITION: Oppose

The Maryland Judiciary opposes Senate Bill 833. In particular, the expungement provisions of this will have a significant fiscal and operational impact on the Judiciary.

There are no criminal court record data fields indicating how much marijuana (“cannabis”) the defendant possessed in cases prior to 2012. From 2012 to 2014, there was a criminal charge for the possession of less than 10 grams of marijuana, for which the court does have statistics. In 2014, cases involving the use and possession of less than 10 grams of marijuana (“cannabis”) were issued on a civil citation in accordance with Criminal Law 5-601.1. After 2014, any criminal charge for the use and possession of marijuana (“cannabis”) that involved an amount over 10 grams was charged as a misdemeanor violation. There are no data fields indicating how much marijuana (“cannabis”) the defendant possessed in these cases, other than it was an amount over 10 grams.

Under this legislation, the only charges eligible for automatic expungement would be those charges that did not exceed the personal amount. Senate Bill 833 is unclear on whether a person charged with possession of cannabis over the personal use amount of 2 ounces but under 10 ounces would be eligible for expungement for possession of cannabis involving the personal use amount, defined in the bill as 2 ounces.

Maryland Electronic Courts (MDEC) has been implemented in 92% of the jurisdictions; however, the bulk of the expungement process still requires the clerks to do manual processing. The average time to complete expungement of an entire case in the District Court or circuit courts has been determined to be 1.5 hours. The average time to complete the more complex process of expunging a single charge from a case with multiple charges, which requires reading through all documents and docket entries, has been determined to be 3 hours for District Court and 5 hours for circuit court due to the size of

case files. Time estimates could increase depending on circumstances such as the complexity of the case, the difficulty in locating files, and the number of custodians. The time to complete the expungement process is not currently available for the appellate courts.

This legislation would drastically increase the number of expungements the Judiciary would be required to perform. The bill is retroactive. For illustrative purposes, just the number of charges that are in an electronic format are indicated in the charts below. Cases with electronic records pre-MDEC would still include a paper file. The numbers below do NOT include charges or cases in paper, that were never entered into any electronic case management system, which would include cases filed before the mid-1980s in most instances.

The following statistics involving the use and possession of marijuana (“cannabis”) have been recorded in the District Courts and the circuit courts from Fiscal Years 1970-2019:

District Court Charges for Possession of Marijuana by County FISCAL YEARS 1970-2021: Charges with Electronic Records	Marijuana Possession - Single Charge	Marijuana Possession w/Multiple Charges
Allegany	2,571	7,241
Anne Arundel	8,503	14,030
Baltimore City	63,713	73,874
Baltimore County	9,192	22,093
Calvert	5,089	5,984
Caroline	1,876	2,224
Carroll	2,680	7,242
Cecil	5,332	5,832
Charles	7,680	9,256
Dorchester	3,037	3,597
Frederick	6,825	10,902
Garrett	1,003	3,375
Harford	8,378	8,373
Howard	5,087	11,801
Kent	695	2,396
Montgomery	9,591	26,027
Prince George's	25,479	33,575
Queen Anne's	2,260	4,741
Somerset	1,798	2,050

District Court Charges for Possession of Marijuana by County FISCAL YEARS 1970-2021: Charges with Electronic	Marijuana Possession - Single Charge	Marijuana Possession w/Multiple Charges
St. Mary's	3,011	4,463
Talbot	3,647	3,352
Washington	1,968	8,007
Wicomico	3,790	8,771
Worcester	6,707	9,465
Statewide	189,912	288,671

Circuit Court Charges for Possession of Marijuana by County FISCAL YEARS 1970-2021: Charges with Electronic Records	Marijuana Possession - Single Charge	Marijuana Possession w/Multiple Charges
Allegany	92	1,512
Anne Arundel	577	4,516
Baltimore City	11577	16,026
Baltimore County	1763	13,583
Calvert	158	1,045
Caroline	86	871
Carroll	84	2,098
Cecil	344	2,509
Charles	406	2,896
Dorchester	60	954
Frederick	668	4,211
Garrett	25	359
Harford	848	4,320
Howard	484	2,695
Kent	62	759
Montgomery	210	1,552
Prince George's	5342	6,446
Queen Anne's	87	952
Somerset	60	658
St. Mary's	195	1,267
Talbot	98	847
Washington	219	3,308
Wicomico	192	3,174
Worcester	377	2,236

Circuit Court Charges for Possession of Marijuana by County FISCAL YEARS 1970-2021: Charges with Electronic Records	Marijuana Possession - Single Charge	Marijuana Possession w/Multiple Charges
Statewide	24,014	78,794

District Court: Charges for Possession of Marijuana (By Year) Fiscal Years 1970 through 2021: Charges with Electronic Records	Marijuana Possession Single Charge	Marijuana Possession w/ Multiple Charges	Circuit Court: Charges for Possession of Marijuana (By Year) Fiscal Years 1970 through 2021: Charges with Electronic Records	Marijuana Possession Single Charge	Marijuana Possession w/ Multiple Charges
1970	0	0	1970	0	0
1971	0	0	1971	0	1
1972	0	0	1972	0	2
1973	0	0	1973	0	1
1974	0	0	1974	0	0
1975	0	0	1975	1	1
1976	0	0	1976	1	0
1977	0	2	1977	0	0
1978	0	0	1978	0	0
1979	0	0	1979	0	1
1980	0	0	1980	0	2
1981	0	0	1981	1	3
1982	0	0	1982	0	0
1983	0	0	1983	0	0
1984	0	1	1984	1	10
1985	0	1	1985	2	3
1986	1	1	1986	0	3
1987	1	0	1987	755	214
1988	1	2	1988	236	138
1989	2	8	1989	286	124
1990	11	30	1990	276	60
1991	842	2,469	1991	149	28
1992	1,169	3,715	1992	159	43
1993	1,597	5,288	1993	134	64
1994	2,216	6,154	1994	200	76
1995	2,604	7,776	1995	226	299
1996	3,011	8,654	1996	241	425

District Court: Charges for Possession of Marijuana (By Year) Fiscal Years 1970 through 2021: Charges with Electronic Records	Marijuana Possession Single Charge	Marijuana Possession w/ Multiple Charges	Circuit Court: Charges for Possession of Marijuana (By Year) Fiscal Years 1970 through 2021: Charges with Electronic Records	Marijuana Possession Single Charge	Marijuana Possession w/ Multiple Charges
1997	3,749	9,443	1997	277	509
1998	4,410	9,998	1998	434	779
1999	4,473	10,366	1999	575	752
2000	5,023	11,963	2000	847	1,370
2001	4,864	11,676	2001	908	2,350
2002	5,482	11,104	2002	1,158	2,695
2003	4,767	10,546	2003	943	3,100
2004	5,157	11,518	2004	1,057	3,808
2005	5,869	11,934	2005	1,313	4,316
2006	7,106	13,078	2006	1,392	4,528
2007	6,705	13,408	2007	1,365	4,807
2008	8,464	14,884	2008	1,413	4,967
2009	8,177	14,808	2009	1,645	4,875
2010	8,201	14,232	2010	1,541	4,695
2011	8,253	14,875	2011	1,713	4,803
2012	9,143	15,321	2012	1,876	5,150
2013	11,251	13,950	2013	1,321	5,304
2014	13,317	17,005	2014	548	5,366
2015	8,464	6,610	2015	231	3,003
2016	9,827	3,398	2016	135	1,901
2017	9,479	3,258	2017	142	1,904
2018	11,941	3,720	2018	179	2,140
2019	12,323	3,120	2019	198	1,791
2020	1,084	2,262	2020	34	978
2021	914	2,093	2021	101	1,405
Total	189,898	288,671	Total	24,014	78,794

The expungement process is a long, labor-intensive, and expensive process involving the determination of eligibility; the use of multiple NCR forms; postage costs for mailing petitions and orders to State's Attorneys, law enforcement agencies, defendants, defendant's attorneys; copying expenses; holding periods for pending expungements, physical redaction, and storage costs for the expunged records for three years. Court records that need to be redacted include all official records maintained by the clerk or other personnel pertaining to any criminal action or proceeding for expungement,

including indices, docket entries, charging documents, pleadings, orders, memoranda, assignment schedules, disposition sheets, transcriptions of proceedings, electronic recordings, orders, judgments, exhibits, and decrees. Some circuit courts do not have indexes of old cases. Searching for marijuana charges would involve manually going through docket books and microfilm to review each case to determine if a charge exists. In cases where there are multiple charges in a case but only one charge needs to be expunged, clerks would need to read through all aspects of the court record to properly redact references to the expungable charge. The appellate court process would be similar to the circuit court process, with a significant number of paper records needing to be researched. In addition, the bill does not cover the removal of “published” opinions of a court. Part of the expungement process for paper and electronic files is identifying all the custodians of the records that must expunge their files and then respond to the court with a Certificate of Compliance. Not all custodians are readily apparent by looking in a computer. Court commissioners can be a custodian of a record when a defendant applies for Public Defender eligibility determination. The entire file needs to be checked.

The bill is retroactive and involves any charges involving the use and possession marijuana in an amount that is considered less than personal use filed in the District Court since it was established in 1971, as well as charges filed in the circuit court going back even further. All District Court records prior to 1981 are archived and having to retrieve them would be burdensome for the Judiciary and the State Archives.. If a case is not in the electronic case management system, it is sometimes difficult to locate or obtain a case number. Some old cases are referenced in index books, if there is an index, that clerks can look through to locate a case. If a case number is located, clerks can look through warehouse listings to see if the box that houses that case file may be located. The case file may be on microfilm or may be located at the Maryland State Archives. Sometimes it takes several tries to find the correct case file location. The process varies for the circuit courts. Some courts have no index of cases with paper records, or the index does not indicate the charges. Unless the legislation specifically directs the Archives to redact the expunged information, courts would have to retrieve files from storage and manually review *every* criminal case to determine if there were any marijuana possession (less than a personal amount) charges. Even in cases with the lead charges listed, subsequent charges or violations of probation would not be listed in the index, necessitating a thorough review of all criminal cases. While some circuit courts have older records (approximately 1986 and older) with State Archives, others have maintained all their court records on-site or in warehouses. In addition to the paper files, many older circuit court files are on microfilm or microfiche with no obvious way to expunge a case or charge within a case. In courts where the paper record was lost due to flood or fire, the microfilm may be the only record remaining of cases for a given timeframe.

Senate Bill 833 requires the court to expunge charges of possession of marijuana in an amount that is considered less than personal use, where the defendant was also charged with one or more other crimes in the same case, regardless of the disposition of the other charge or charges on or before October 1, 2024. This type of expungement is called a partial expungement.

The Judiciary maintains that it is not able to effectively expunge one charge in a unit. There is no functionality currently within CaseSearch to remove records at the charge level without displaying a space for a missing charge(s). When a person is charged with multiple offenses, the charges are numbered and reported to the Criminal Justice Information System (CJIS) in the order presented on the charging document. For instance, there are three charges, and charge 2 is expunged, the system will still reflect charges 1 and 3. They are not and cannot be renumbered because the case information reported to CJIS must align with the same charge numbers initially reported. A missing numbered charge may raise questions and red flags, thereby, nullifying the purpose of the expungement.

The clerk would need to review the file, page by page to remove any information pertaining to the expunged charge. Charge information is repeated throughout the case many times and the charging document outlines what the alleged events are that occurred. There may not be a clear way to obliterate all information in a charging document related to a specific charge.

In addition, there is currently no functionality to build programmatic relationships between CaseSearch and the five case management systems that process criminal information to remove any reference to the existence of specific charges that may exist in any of the various components within those systems as required by the proposed legislation. As explained in the current and prior legislative sessions, the Judiciary anticipates that the implementation of CaseSearch Version 2 will provide the needed functionality to enable the removal of case information at a more granular level such as individual charges and will parallel the final rollout of MDEC. **The CaseSearch rebuild is estimated to cost at a minimum \$1.14 million.**

In order for the court to sentence a person with community service for civil violations of possession of cannabis and smoking in public if they request community service in lieu of a fine, the Judicial Information Systems division estimates that implementing the necessary programming changes will require 220.8 hours at an approximate cost of \$26,798.88.

Programming costs for the portion of this bill that details the court's responsibility to expunge current and historical cases involving the use and possession of cannabis are estimated to require 1,096.8 hours at an approximate cost of \$133,759.08.

Finally, the multi-part process involving the dismissal of current charges, the release of current defendants who are incarcerated, and the expungement of charges involving the possession or cultivation of a personal use amount of cannabis by a person who is 21 years of age or older is estimated to require 495.6 hours at an approximate cost of \$60,125.76. In total, it is estimated to require 1,813.2 hours at an approximate cost of \$220,683.72 to accomplish the programming required for the courts to meet the requirements of this legislation.

Costs will increase in direct relation to the higher number of expungements. Clerical positions will be necessary due to the expansive amount of charges that would become eligible and the retroactive nature of this bill.

Clerk Need in Fiscal Years 2023 to 2024 to Expunge Existing/Historical Charges for Possession of Marijuana with Electronic Records

	Single Charge	Single Charge		Multiple Charges	Multiple Charges
	DC	CC		DC	CC
No. of Electronic Cases	189,898	24,014		288,671	78,794
Hours to Complete Expungement Process	1.5	1.5		3	5
No. of Cases x Time to Complete the Process	284,847	36,021		866,013	393,970
No. of Clerks Needed*	236	30		123	134
*Number of clerks needed accounts for the time allotted in the bill to complete expungement at 1 years for single charge cases and 2 years for multiple charge cases.					

The total number of new clerks needed to accomplish the existing expungements for cases in an electronic format is:

District Court: 359

Circuit Court: 164

Please note that the above numbers do not account for cases that are still in paper.

Additional Clerk Need for Current and Incoming Possession of Marijuana Charges Starting in Fiscal Year 2023

	Single Charge	Single Charge		Multiple Charges	Multiple Charges
	DC	CC		DC	CC
No. of Cases*	11,248	173		3,366	1,945
Hours to Complete Expungement Process	1.5	1.5		3	5
No. of Cases x Time to Complete the Process	16,870.5	259.5		10,098	9,725
No. of Clerks Needed	14	-		8	8
* Number of cases is based on the three-year average filings for Fiscal Years 2017-2019 * FY2020 and FY 2021 data not used due to vast differences in charge data as a result of the COVID-19 shutdowns.					

The total number of new clerks needed to accomplish the expungement of current and incoming cases is:

District Court: 22

Circuit Court: 8

The cost for the estimated additional personnel and operating costs in the first full fiscal year is **\$40,294,586.00**. The number of clerks needed is in direct relation to the lack of time available to complete the required expungements of historical cases as well as handling the automatic expungement of current and incoming cases involving the use and possession of cannabis.

The initial cost to implement Senate Bill 833 is estimated to be approximately **\$41,686,270** million. That total includes the above mentioned 585 judicial clerks. The aforementioned costs do not include expungement of charges that were never entered in any of the Judiciary's case management systems, which is indeterminable at this time.

This bill will have a significant fiscal and operational impact on the Judiciary.

cc. Hon. Brian Feldman
Judicial Council
Legislative Committee
Kelley O'Connor

SB0833 UNF opposed mcavoy.pdf

Uploaded by: vince mcavoy

Position: UNF

UNFAVORABLE on SB 833

vince mcavoy baltimore maryland

In testimony in the House Judiciary, regarding legalization and liberalization of drug laws, a teenager once-addicted to marijuana said this “I was never a religious or spiritual person, but I started realizing people have a soul. And I realized I lost mine to marijuana. This is a REAL thing; people don't talk about it oftentimes.

This is silently affected a lot of youth...this legislation is going to create a lot more cases like mine...."

Jordan Davidson, former marijuana addict
Testimony in House Judiciary

Legalization of a drug which intoxicates and alters perception of mental and physical faculties works to destroy society. It lessens the heights to which mankind can achieve. This teenager's testimony mirrored that of others giving testimony in House Judiciary in 2021. There, emergency room doctors, neuroscientists, parents of child-addicts and others gave testimony of suicide attempts, addiction, prostitution to be around people who smoke drugs, as well as car accidents and deaths.

A Colorado mom discussed leaving her area because the smoke & smell was “everywhere we go”. She complained about predatory profiting on marijuana edibles in used by 8th graders. About dabs causing emergency room visits and suicide attempts. About how children she saw graduating from marijuana as a gateway drug to other drugs such as “meth”.

Legalization opens a Pandora's Box which will cost humans much in pain and death. Other locations such as Canada and Colorado are amid this pain and are backtracking their legalization laws.

Legalization is said to eliminate all types of issues from backpain to black market drugs to taxes to reducing arrests.

Each of these arguments have been up-ended by the facts after legalization/liberalization of drug laws. In California and Oregon, there are rampant illicit markets. It's gotten so bad the Governor of Oregon has declared state of emergency. Sin taxes never pay off; we found that with the gambling taxes which were supposed to pay off school funding.

The Speaker and others are using the words Black Agenda in connection with – what – engineering & jobless rates?

No, DRUGS and VIOLENT CRIME.

Thirty years of living in Baltimore City tells me you talk to agendists and opportunists, not real people, if you're someone who equates blacks with drug use. Blacks hate the crime that riddles their neighborhoods due to (primarily fatherlessness and) declining morals, endemic among drug users.

So many people talk about “black and brown” being represented by drug use. Or arrests from drugs. If this is what people tell you blacks and Hispanics discuss as needs, try speaking to people who have jobs and are ardently trying to raise & protect their children in a world you lawmakers have brought about where 8 year olds end up in REHAB in Baltimore City. EIGHT!

There's been no “war on drugs” because if there WAS a war, the fighters of that war wouldn't tolerate teens in Drug REHAB.

Year after year because people get arrested – and honestly folks, if you get arrested for smoking dope in Baltimore you don't have 2 brain cells to rub together – teens smoke dope in the open outside my downtown offices – who are not productive citizens striving to produce. They're striving to mistreat their personal issues with constant intoxication.

You're not thinking of children when you bring these bills. Kids will taunt others with a “legal” substance – I place in quotes because it is Federally-declared as an ILLEGAL substance – and children who would otherwise avoid the temptation will give in due to peer pressure.

Our students and our children deserve better than this bill.

And – as this isn't the first time each of you has advocated for this bill –
for real, for real.
Our children will pay the price.

SB 833_UNFAV_ACLU.pdf

Uploaded by: Yanet Amanuel

Position: UNF



**Testimony for the Senate Finance Committee
March 3, 2022**

SB 833- Cannabis - Legalization and Regulation

Unfavorable

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The ACLU of Maryland opposes SB 833, which seeks to change how marijuana is treated under Maryland law and establishes a regulatory structure for commercial production and sales. While the bill makes some improvements, SB 833 is missing crucial provisions to address the excessive interactions between Black people and law enforcement and lacks provisions that would sufficiently address the harms done to Black and Brown people by the criminal justice system. Additionally, SB 833 fails to establish reparations for communities directly impacted by the failed war on marijuana.

The war on marijuana has failed. The most damaging aspect of this failure is the way in which the criminalization of marijuana is used as an excuse to over-police Black, Indigenous, and People of Color. While this body seems poised to legalize marijuana, it is critical that legalization be carried out through a racial justice lens to address the onslaught of harms that have been selectively aimed at Black and Latinx communities.

The Maryland General Assembly decriminalized the possession of 10 grams or less of marijuana in 2014 – in large part because of the disparate enforcement of marijuana laws on Black people. However, decriminalization was never enough, and legalization without adequately addressing the racial inequalities of the war on marijuana will not be enough to repair the harm done to communities or reduce disparities in arrests. Despite comparable rates of use among Black and white people, Black people are still significantly more likely to be arrested for marijuana. This is true across *all* states, regardless of whether marijuana has been legalized, decriminalized, or remained illegal. National trends reveal that, on average, a Black person is 3.64 times more likely to be arrested for marijuana possession.

In Maryland, Black people continue to be arrested overwhelmingly more than whites and at disproportionate rates. In Queen Anne's County,

Black people are eight times more likely to be arrested for marijuana. In Carroll County, Cecil, and Frederick, Black people are six times more likely to be arrested for marijuana and five times more likely in Allegany County. Between 2018- 2019, 76% of Marylanders arrested for possession of more than 10 grams of marijuana were Black, despite Black people only making up 30% of the state's population¹.

Legalization is now widely viewed in many states and by the majority of voters in Maryland² as a reasonable recreational option and an engine of potential economic growth. Black and Brown Marylanders should not have to continue to face the brunt of the enforcement of our marijuana laws and the collateral consequences that accompany entanglement in the criminal legal system. Recreational use of marijuana is growing to be more mainstream, and the industry is booming. This shift requires a paradigm shift in how this body deals with existing marijuana-related convictions and enforcement, one grounded in the principle of retroactive legalization.³

Smoking in Public

SB 833 continues to make the smoking of marijuana in a public place a civil offense punishable by a fine. While the bill reduces the fine amount from \$500 to \$50, continuing to prohibit smoking or consuming in public contradicts the progress the General Assembly seeks to make towards addressing racially biased policing. Making it a crime to smoke or consume marijuana in public will enable the same racially biased policing to occur and does little to reduce unnecessary interactions between police and communities of color.

Black people being accused of smoking marijuana when they are, in fact, smoking a cigarette is not unheard of. For example, Alberto Willmore was a public-school teacher accused of and arrested for smoking marijuana when he was smoking a cigarette. He was a beloved teacher but could no longer teach due to his arrest. That arrest devastated his life.⁴ As Maryland moves forward with the Justice Reinvestment Coordinating Council reviewing our bloated criminal justice system and persistent racial disparities, it simply makes no sense to continue to

¹ Requested court data of marijuana possession over 10 grams from 2018-2019 made by Delegate Mosby in 2020

²<https://www.marylandmatters.org/2021/10/26/goucher-poll-support-for-marijuana-legalization-dips-slightly-hogan-remains-popular/>

³ Deborah M. Ahrens, Retroactive Legality: Marijuana Convictions and Restorative Justice in an Era of Criminal Justice Reform, 110 J. CRIM. L. & CRIMINOLOGY 379 (2020).
<https://scholarlycommons.law.northwestern.edu/jclc/vol110/iss3/1>

⁴http://www.huffingtonpost.com/2013/12/09/alberto-willmore_n_4412610.html

penalize people – mostly of color. To the extent the smoking of marijuana in public continues to be punishable, it should be treated similarly to tobacco.

Eliminate criminal penalties for possession over the personal use amount and possession with intent to distribute and require, not just permit, law enforcement to treat these violations as citable offenses

SB 833 still treats possession of more than double the personal use amount as a misdemeanor and PWID a felony offense subject to a maximum penalty of four years imprisonment and/or a \$5,000 fine. SB 833 favors corporate sellers by failing to adopt civil penalties, rather than criminal penalties, for possession and possession of cannabis with an intent to sell it. With legalization, unauthorized sales should be addressed with a civil penalty— similar to operating a business without the appropriate license. Without eliminating these penalties, Black people will be vulnerable to existing arrest patterns, saddling Black people with criminal penalties despite cannabis legalization. Especially because 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 cruel and unfair to continue to levy any kind of punishment against these persons when wealthy Marylanders, who are not overpoliced, will be able to engage in the same conduct legally and for profit.

A criminal record can and does create a barrier to employment for many Marylanders. More than 80 percent of U.S. employers perform criminal background checks on prospective employees.⁵ Under current regulations, a misdemeanor conviction in Maryland may result in the denial, suspension, or revocation of myriad business licenses and serves to exclude persons from educational opportunities. A recent study found that a majority (66%) of colleges collect criminal justice information as part of the admissions process⁶. A misdemeanor conviction also hinders an individual's access to stable housing and a range of public benefits. Additionally, misdemeanor conviction records may bar individuals from residing at certain homes⁷ and exclude individuals from low-income

⁵ Burke, M.E., 2004 Reference and Background Checking Survey Report: A Study by the Society for Human Resource Management, Alexandria, Va.: Society for Human Resource Management, 2006.

⁶ Center for Community Alternatives—Innovative Solutions for Justice, The Use of Criminal Records in College Admissions, Reconsidered (available at <http://www.communityalternatives.org/pdf/Reconsidered-criminal-hist-recs-in-college-admissions.pdf>).

⁷ See for example, COMAR 35.04.01.04.

utility payment plans⁸ and food stamps. ⁹With higher conviction rates, persons of color bear the brunt of collateral consequences stemming from misdemeanor convictions. Exclusion from the job market, stable housing, and countless other crucial services perpetuate the cycle of imprisonment plaguing communities of color—without gainful employment and stable housing, individuals are forced to livelihoods of criminality.

Moreover, although currently, law enforcement has the discretion to issue citations for many offenses, they rarely do so. If this body intends to treat marijuana more leniently, law enforcement must be *required* to issue citations for PWID, possession, and growing more than the personal use amount.

Expand opportunities for redress to include reconsideration hearings and vacatur for charges that stem from a conviction based on a search due to the odor of marijuana

The ACLU of Maryland appreciates the step that SB 833 takes to allow persons incarcerated for possession or cultivation of personal amounts to present an application for release and persons incarcerated for possession cultivation, processing, or sale of cannabis to file a petition for resentencing. However, this will not be enough to offer proper redress or capture the majority of individuals currently incarcerated with marijuana-related offenses. We suggest that SB 833 be expanded to provide relief to persons whose convictions sprung from cannabis-related searches by allowing them to petition for their convictions to be vacated or for a new trial.

Prohibit 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

SB 833 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 enforcement's disproportionate interactions with Black people will persist and inevitably lead to more violations of Black people's rights and dignity.

Any association between Black people and marijuana often frames Black people as inherently criminal or immoral. In contrast, white persons continue to use marijuana, which is seen as recreational or

⁸ COMAR 20.31.01.08.

⁹ *Rasherd Lewis v. State of Maryland*, No. 44, September Term, 2019

medicinal. As a result of this, Black persons are unfairly targeted and criminalized by the enforcement of our marijuana laws. When it comes to reforming our drug laws, policing, which more rightly can be titled over-policing, is at the root of the injustices communities of color suffer. SB 833 fails to combat or eliminate this discriminatory policing practice or structural racial bias of our drug enforcement laws. Allowing police to search based on odor creates a loophole that is frequently exploited: police conduct an unlawful search, and then if they find something else during the search, they claim afterward to have smelled marijuana before the search in order to justify it in court.

Community investment

State revenue generated through the marijuana industry must be reallocated directly towards communities most harmed by marijuana enforcement. 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, individuals who have a stake in these communities and or have lived in these communities should have substantial oversight of the allocation of these funding sources be done through reallocating the at least 60% of the tax revenue to local councils in jurisdictions most impacted by the war on drugs. SB 833 fails to accomplish this.

For the foregoing reasons, the ACLU of Maryland opposes SB 833, and we urge the committee to be more proactive and explicit in ensuring that the future legalized marijuana market is, in fact, equitable and that the over-policing and mass incarceration of Black and Brown communities due to marijuana seizures.



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Curio Testimony - Adult Use Bill - Industry Adviso

Uploaded by: Brad Rifkin

Position: INFO



**Curio Wellness Written Comments
SB833 Hearing - Thursday, March 3, 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 IN ADULT USE BILL

Regulator and Regulatory Structure

Senate Bill 833 proposes to regulate the adult use industry through the Alcohol and Tobacco Commission (ATC) while maintaining the Maryland Medical Cannabis Commission's (MMCC) oversight of the medical program. **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. **We ask that this committee strongly consider uniformity of regulations -- not just an "attempt to harmonize" the regulations (See pg. 47 line 21).**

Existing Licensees and Fees

We appreciate that Senate Bill 833, like legislation in other states, sees 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 enhancing 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.

Moreover, we are pleased to see language in SB833 that permits a licensee to redirect up to half of the licensing fee if they host a cannabis business incubator program (See pg. 59 line 19). However, we do believe the state should permit a licensee to redirect the entirety of its licensing fee should it have a cannabis business AND social equity fund. For example, we have established a \$30MM private equity fund that will provide the necessary capital for up to 50 women, minority or disabled veteran entrepreneurs to open a dispensary franchise. Having those individuals pay exorbitant fees to enter the adult use marketplace only sets them back and undercuts the intent of our initiative (see "280e & Fees" below). **Our program aims to address two major issues in the conversation around minority participation: investment opportunity and access to capital. The fund itself has a robust group of minority investors, many of which are local Maryland business leaders.**

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

In addition to the current medical licensees, the current draft of Senate Bill 833 creates an adult use program with up to 50 new grower licenses, unlimited processor licenses and 47 dispensary licenses. While the bill has the noble intent of promoting a diverse industry, the bill as drafted creates issues for all prospective licensees (e.g., risk of oversaturation in marketplace as well as capacity and transfer restrictions which dilutes the value of the business).

Curio opposes the number of cultivation and unlimited processor licenses being proposed by this bill without first conducting a thorough third-party study of industry demand (e.g., a Blue-Ribbon Commission established by the General Assembly). 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

Senate Bill 833 creates an expectation that an existing medical licensee must utilize their current footprint if they intend to participate in an adult use program (pg. 48 line 30). 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.



Existing Medical Program

Senate Bill 833 advocates for the continuation of the current medical program by existing licensees and we applaud this measure. However, there is a lack of clarity on how the 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!**

Moreover, while we appreciate the provision in the bill granting the Commission the authority to prohibit access to the adult use industry without a licensee first submitting a plan to ensure they will not be “increasing prices or reducing product availability”, the language is broad, vague and does not account for market dynamics (pg. 48 lines 14-17). **A better approach to protecting patients and the integrity of the medical program may be to consider a penalty for existing licensees who are awarded adult use licensing only to leave medical behind to the detriment of patients and licensees committed to medical program. Meaning if a dual licensee abandons medical, they have to relinquish their adult use license.**

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.

Taxation

Senate Bill 833 contemplates a scale up of excise tax from 10% to 20% (over five years) and the potential for a local sales tax of up to 3% on adult use cannabis products. **Most notably, Curio supports the provision of the bill which requires the collection of all taxes to take place at the point of sale to the consumer.** In addition to generating revenue to the state, any tax rates imposed on adult use cannabis



products must also factor in the impact on preserving the medical market (ensuring patients remain incentivized to enroll in the program) and preventing the proliferation of product on the black market.

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.

Home Grow

Curio strongly opposes provisions of SB833 that authorize home grow (See page 5-601.3 beginning on page 20). 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.

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 Senator Feldman's efforts to make this possible.

For more information, please contact:

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PROPOSED AMENDMENT TO SENATE BILL 833.pdf

Uploaded by: Brad Rifkin

Position: INFO

AMENDMENT TO SENATE BILL 833
(First Reading File Bill)

Proposed Amendment
On Page 82, after Line 2 insert:

§ 13-3317. MEDICAL CANNABIS INDUSTRY ADVISORY BOARD

- A. THERE IS A MEDICAL CANNABIS INDUSTRY ADVISORY BOARD.**

§ 13-3318. PURPOSE

- A. THE PURPOSE OF THE MEDICAL CANNABIS ADVISORY BOARD IS TO PROVIDE INPUT AND MAKE RECOMMENDATIONS TO ASSIST THE COMMISSION IN MAKING DECISIONS AS REQUIRED UNDER THIS SUBTITLE.**

§ 13-3318. COMPOSITION OF INDUSTRY ADVISORY BOARD

- A. (1) THE INDUSTRY ADVISORY BOARD CONSISTS OF 8 MEMBERS APPOINTED IN ACCORDANCE WITH THIS SUBSECTION.**

(2) THE GOVERNOR SHALL APPOINT:

- I. TWO LICENSED GROWERS**
- II. TWO LICENSED DISPENSARIES**
- III. TWO LICENSED PROCESSORS**
- IV. ONE LICENSED LABORATORY**
- V. TWO CERTIFIED PATIENTS**

- B. AT LEAST ONE MEMBER APPOINTED UNDER (A)(2)(I) SHALL BE INDEPENDENTLY OWNED AND HAVE NO INTEREST IN A DISPENSARY OR PROCESSOR LICENSE.**
- C. AT LEAST ONE MEMBER APPOINTED UNDER (A)(2)(II) SHALL BE INDEPENDENTLY OWNED AND HAVE NO INTEREST IN A GROWER OR PROCESSOR LICENSE.**
- D. AT LEAST ONE MEMBER APPOINTED UNDER (A)(2)(III) SHALL BE INDEPENDENTLY OWNED AND HAVE NO INTEREST IN A GROWER LICENSE OR DISPENSARY LICENSE.**
- E. THE CHAIR SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.**
- F. THE TERM OF A MEMBER IS 2 YEARS.**
- G. A MEMBER OF THE ADVISORY BOARD:**
- I. MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE ADVISORY BOARD; BUT**
 - II. IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

- H. THE COMMISSION SHALL PROVIDE THE ADVISORY BOARD WITH STAFF AS IS NECESSARY TO CARRY OUT THE DUTIES OF THE BOARD.
- I. THE MEMBERS OF THE ADVISORY BOARD MAY MEET THROUGHOUT EACH YEAR AT THE TIMES AND PLACES SPECIFIED BY A CALL OF THE CHAIR OR A MAJORITY OF ITS MEMBERS. A MAJORITY OF THE MEMBERS OF THE ADVISORY BOARD CONSTITUTES A QUORUM, AND A QUORUM MAY EXERCISE ALL THE POWERS CONFERRED ON THE ADVISORY BOARD.

§ 13-3318. DUTIES

- A. THE MEDICAL CANNABIS INDUSTRY ADVISORY BOARD SHALL:
 - I. UPDATE THE COMMISSION ON INDUSTRY TRENDS, MEDICAL RESEARCH AND MARKET CONDITIONS ON A QUARTERLY BASIS;
 - II. CONSIDER ALL MATTERS SUBMITTED TO IT BY THE COMMISSION;
 - III. RECOMMEND TO THE COMMISSION GUIDELINES, RULES AND REGULATIONS AND ANY CHANGES TO GUIDELINES, RULES AND REGULATIONS THAT THE INDUSTRY ADVISORY BOARD CONSIDERS IMPORTANT OR NECESSARY FOR THE COMMISSION'S REVIEW AND CONSIDERATION; AND
 - IV. ADVISE ON THE PREPARATION OF COMMISSION GUIDELINES, RULES AND REGULATIONS PRIOR TO ANY COMMISSION VOTE OR ANY OFFICIAL NOTIFICATION.
- B. THE COMMISSION SHALL SEND ANY PROPOSED GUIDELINES, RULES AND REGULATIONS TO THE INDUSTRY ADVISORY BOARD FOR ITS CONSIDERATION PRIOR TO ANY COMMISSION VOTE OR ANY OFFICIAL NOTIFICATION.
- C. ANY PROPOSED REGULATION APPROVED BY THE COMMISSION AND SENT TO THE JOINT COMMITTEE ON ADMINISTRATIVE, EXECUTIVE AND LEGISLATIVE REVIEW SHALL INCLUDE A STATEMENT OF POSITION FROM THE INDUSTRY ADVISORY BOARD.

ANY PROPOSED REGULATION APPROVED BY THE COMMISSION AND PUBLISHED IN THE MARYLAND REGISTER SHALL INCLUDE A STATEMENT OF POSITION FROM THE INDUSTRY ADVISORY BOARD.

§ 13-3302. Membership

- (a) In general. -- There is a Natalie M. LaPrade Medical Cannabis Commission.
- (b) Status. -- The Commission is an independent commission that functions within the Department.
- (c) Purpose. -- The purpose of the Commission is to develop policies, procedures, guidelines, and regulations to implement programs to:
 - 1. [m]Make medical cannabis available to qualifying patients in a safe, EFFICIENT and effective manner.

2. ENCOURAGE THE RESEARCH AND DEVELOPMENT MEDICAL CANNABIS FOR THERAPUETIC USES;
3. PROVIDE FOR ADEQUATE ACCESS TO AFFORDABLE MEDICAL CANNABIS; AND
4. ENSURE THAT PROGRAM LICENSEES CAN SAFELY, EFFICIENTLY AND EFFECTIVELY CULTIVATE, PROCESS, DISTRIBUTE AND SELL MEDICAL CANNABIS TO QUALIFYING PATIENTS.

§ 13-3303. Membership

(a) In general. -- The Commission consists of the following 13 members:

(1) The Secretary of Health, or the Secretary's designee;

(2) The following 5 members, appointed by the Governor with the advice and consent of the Senate:

(i) Two licensed noncertified **OR CERTIFIED** providers who are:

1. Physicians;

2. Dentists;

3. Podiatrists;

4. Nurse practitioners;

5. Nurse midwives; or

6. Physician assistants;

(ii) One nurse or other health care provider licensed in the State who has experience in hospice care, nominated by a State hospice trade association;

(iii) One pharmacist licensed in the State, nominated by a State research institution or trade association; and

(iv) One scientist who has experience in the science of cannabis, nominated by a State research institution

(3) Four members appointed by the Governor with the advice and consent of the Senate;

(4) One member appointed by the Governor from a list of three individuals recommended by the President of the Senate;

(5) One member appointed by the Governor from a list of three individuals recommended by the Speaker of the House of Delegates; and

(6) One member appointed by the Governor from either of the two lists described in items (4) and (5) of this subsection.

(b) Requirements; conflict of interests; financial disclosure statements. --

(1) An appointed member of the Commission shall:

(i) Be at least 25 years old;

(ii) Be a resident of the State who has resided in the State for at least the immediately preceding 5 years;

(iii) Be a qualified voter of the State; and

(iv) With respect to a member appointed under subsection (a)(3), (4), (5), or (6) of this section have substantial experience:

1. ONE MEMBER SHALL HAVE SUBSTANTIAL EXPERIENCE as an executive with fiduciary responsibilities for a large organization or foundation;

2. ONE MEMBER SHALL HAVE SUBSTANTIAL EXPERIENCE in an academic field relating to health, agriculture, HORTICULTURE finance, SECURITIES, or addiction treatment; [or]

3. ONE MEMBER SHALL HAVE SUBSTANTIAL EXPERIENCE As a professional in a profession relating to health [, agriculture, finance,] or addiction treatment;

4. ONE MEMBER SHALL HAVE SUBSTANTIAL EXPERIENCE AS A PROFESSIONAL IN A PROFESSION RELATING TO AGRICULTURE OR HORTICULTURE.

5. ONE MEMBER SHALL HAVE SUBSTANTIAL EXPERIENCE AS A PROFESSIONAL IN A PROFESSION RELATING TO FINANCE OR SECURITIES; OR

6. ONE MEMBER SHALL HAVE SUBSTANTIAL EXPERIENCE AS A PROFESSIONAL IN A PROFESSION RELATING TO PRODUCTION, SUPPLY CHAIN OR DISTRIBUTION LOGISTICS.

(2) A member of the Commission may not:

- (i) Have a direct or indirect financial, ownership, or management interest, including ownership of any stocks, bonds, or other similar financial instruments, in any State licensed medical cannabis grower, processor, or dispensary;**
- (ii) Have an official relationship to a person who holds a license under this subtitle;**
- (iii) Be an elected official of State or local government;**
- (iv) Receive or share in, directly or indirectly, the receipts or proceeds of any State licensed medical cannabis grower, processor, or dispensary; or**
- (v) Have a beneficial interest in any contract for the manufacture or sale of medical cannabis or the provision of any independent consulting services in connection with any medical cannabis license.**

(3) To the extent practicable and consistent with federal and State law, the membership of the Commission shall reflect the racial, ethnic, and gender diversity of the State.

(4) A member of the Commission shall file a financial disclosure statement with the State Ethics Commission in accordance with Title 5, Subtitle 6 of the General Provisions Article.

(5) ALL MEMBERS OF THE COMMISSION SHALL COMPLETE AN ANNUAL CANNABIS INDUSTRY TRAINING COURSE FROM AN IN STATE ACADEMIC RESEARCH INSTITUTION.

SB0833-FIN_MACo_LOI.pdf

Uploaded by: Dominic Butchko

Position: INFO



Senate Bill 833

Cannabis – Legalization and Regulation

MACo Position:

LETTER OF INFORMATION

Date: March 3, 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.

MDDCSAM Cannabis SB833 Ltr of Information.pdf

Uploaded by: Joseph Adams, MD

Position: INFO

MDDCSAM is the Maryland state chapter of the American Society of Addiction Medicine whose members are physicians and other health providers who treat people with substance use disorders.

SB 833 Cannabis - Legalization and Regulation
Senate Finance Committee. March 3, 2022

pg. 1

LETTER OF INFORMATION

MDDCSAM applauds robust cannabis decriminalization and expungement measures generally, including reduction and elimination of unaffordable, harmful & unnecessary civil penalties.

Cannabis legalization can limit profound harms primarily borne by minority communities targeted by the failed War on Drugs and mass incarceration.

However, **a public health regulatory framework** is needed to reduce harms of increased **cannabis use disorder (CUD)**, aka addiction, which is not uncommon and can impair functioning just as severely as other substance use disorders.

Over time the cannabis industry will **increasingly resemble the tobacco and alcohol industries**; it will become increasingly consolidated, and will adopt marketing, promotion, government relations, and product design practices now used to increase sales. **Powerful economic incentives will lead to increased cannabis use**, and an increase in **unhealthy use, or use disorders, which account for a disproportionate share of sales in all of these industries.**

Therefore, independent entities similar to the ‘Public Health Advisory Council,’ and ‘Cannabis Public Health Fund,’ as described in HB 837, need a robust Conflict of Interest Policy for vetting Council members and guiding operations, which should conform with Conflict of Interest best practices as described by the National Council of Nonprofits.

A ‘Public Health Advisory Council’ should collect information on health and other harmful impacts, and disperses funds to minimize these harms, as described in HB 837. However, this Council, and Fund, should be established with a more robust public health framework than is described in that bill.

Because of industry incentives to promote increased consumption (which are correlated with increased harmful use), **guardrails must be “built-in” to the regulatory framework, to protect against industry influence.** Only persons who are not directly or indirectly affiliated with the cannabis industry should be in a position to influence regulation and enforcement of the cannabis industry.

It should be specified that membership of the regulatory agency excludes persons that receive any items of value such as salary, payment, equity interest, investment instruments, benefits, or other forms of compensation from any cannabis-related business such as cannabis dispensaries, growers, processors,

other retail or wholesale cannabis-related businesses, or persons who receive similar items of value from business partners, consultants, suppliers or entities with any significant financial relationship with a cannabis business, or their immediate family members, with the exception of one representative of a laboratory that tests for cannabis, if said individual only receives items of value from the aforementioned laboratory.

Dr. Susan R.B. Weiss, Director of Extramural Research at the National Institute of Drug Abuse (NIDA), **reported to the Maryland House Cannabis Referendum and Legalization Workgroup** (Oct 2021) that cannabis business operatives should not be involved in setting or overseeing the implementation of regulations on the industry. She also expressed concern that federal legalization could lead to large alcohol and tobacco companies becoming more involved in the cannabis sector.

According to the October 2020 Public Policy Statement on Cannabis by the American Society of Addiction Medicine (ASAM), "The history of major multinational corporations using aggressive marketing strategies to increase and sustain tobacco and alcohol use illustrates the risks of corporate domination of a legalized cannabis market. . . **The marketing and lobbying muscle of a for-profit industry is likely to influence the future trajectory of cannabis policy. . . with regulators drifting over time toward more industry-friendly postures.**" (1: ASAM)

A public health framework for legalized cannabis should be based on best public health practices established for tobacco control. (2. Barry RA et al). **The World Health Organization Framework Convention on Tobacco Control**, ratified by 180 parties, calls for protecting the policymaking process from industry interference. It states that "[Governments] **should not allow any person employed by the tobacco industry or any entity working to further its interests to be a member of any government body, committee or advisory group that sets or implements tobacco control or public health policy.**" (2. Barry RA et al.)

In view of powerful incentives to expand consumption, and learning from decades-long efforts to "denormalize" tobacco consumption, avoiding the encouragement of increased consumption should be one of the goals of any adult use cannabis regulatory scheme. Promoting cannabis use is not socially or economically beneficial to our communities in the long run. (3. Gettingitrightfromthestart)

Public health education **should focus on prevention and intervention of unhealthy cannabis use IN ADULTS as well as youth.** Lessons learned from tobacco control efforts revealed that public health messages focused exclusively on youth were largely ineffective.

In addition, adult use cannabis **should be labeled with THC potency, and taxation should be based, at least in part, on THC potency**, as in several other states. THC potency is associated with adverse outcomes including the risk of CUD. (4) (5) (6) (7) (8)

Taxation based on weight incentives producers to create ever more concentrated products. Possibly as a result, the THC potency of retail cannabis products have roughly tripled in recent years. According to the

aforementioned ASAM policy statement, "The concentration of THC in commonly cultivated marijuana plants has increased three-fold between 1995 and 2014 (from 4% to 12% respectively), while THC concentrations in cannabis sold in dispensaries averages between 17.7% and 23.2%." (1. ASAM)

Respectfully,

Joseph A. Adams, MD, FASAM, Chair, Public Policy Committee

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SB 833 Testimony SUPPORT.pdf

Uploaded by: Moira Cyphers

Position: INFO



March 2, 2022

The Honorable Chairwoman Delores Kelly
The Honorable Vice-Chairman Brian Feldman
The Honorable Chairman Guy Guzzone
The Honorable Vice-Chairman Jim Rosapepe
Honorable Members of the Senate Finance and Budget & Taxation Committees

RE: Funding for Youth Development Programming in Senate Bill 833

Dear Honorable Chairs, Vice-Chairs and Members of the Committees,

We appreciate the focus in Senate Bill 833 on addressing community needs, particularly those in the areas of racial injustice and prevention programming. The establishment of The Office of Social Equity and the funding prescribed within is a thoughtful use of potential revenue from cannabis.

We are thrilled to see the recognition of the importance of funding available to providers like us and look forward to working with the Office of Social Equity on this opportunity as stated on page 49, of the proposed legislation. **“(IV) GRANTS TO COMMUNITY-BASED ORGANIZATIONS TO PROVIDE SERVICES TO PREVENT VIOLENCE, SUPPORT YOUTH DEVELOPMENT, PROVIDE EARLY INTERVENTION FOR YOUTH AND FAMILIES, AND PROMOTE COMMUNITY STABILITY AND SAFETY.”** We know there are likely to be changes made to this bill and ask that this remain in the legislation as it moves forward.

We know there will be incredible competition for grant funding and urge you to ensure there are adequate funds set aside, not only for prevention, but a full array of recreational, leadership, and educational programming. **Prevention works best when it is wrapped in fun as part of a larger youth development curriculum and offered by trusted community partners like Boys & Girls Clubs.**

From the Eastern Shore to Western Maryland, Clubs provide a safe place for youth to go when schools are closed. Our mission, “To enable all young people, especially those who need us most, to reach their full potential as productive, caring, responsible citizens” guides Clubs as we seek to serve youth and meet their unique needs. An additional investment of funds from the State would allow Clubs to serve more youth with quality programming and wraparound support.

Thank you to the bill sponsors for recognizing the important role that youth-serving community-based organizations play in building resilience among Maryland’s children, youth, and families. We look forward to working with the Office of Social Equity in the future.

Sincerely,

Vanessa Lyon
Executive Director
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NCADD-MD - SB 833 Letter of Info - Legalization an

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Position: INFO



**Senate Finance Committee
March 3, 2022**

Senate Bill 833 - Cannabis - Legalization and Regulation

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.

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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.

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March 3, 2022

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

RE: SB 833 – Cannabis – Legalization and Regulation – Letter of Information

Dear Chair Kelley and Committee Members:

The Maryland Medical Cannabis Commission (the Commission) is submitting this letter of information for Senate Bill (SB) 833 entitled “Cannabis – Legalization and Regulation.” SB 833 establishes an extensive framework for the legalization, taxation, and regulation of cannabis for personal adult-use in Maryland, contingent upon the passage of a constitutional amendment to legalize adult-use cannabis that is ratified by the majority of voters in the November 2022 general election.

Notably and admirably, SB 833 seeks to establish an equitable adult-use industry and ensure that small, minority, and women businesses, and minority and women entrepreneurs, have adequate access to capital and opportunities to thrive in this new industry. Specifically, the bill would establish several funds and a licensing structure aimed at ensuring inclusion and participation among minority groups and women, as well as addressing the critical issue of expungements for individuals with cannabis- or marijuana-related charges. As demonstrated by the 2018 disparity analysis ordered by Governor Hogan, as well as arrest data and cannabis ownership data collected in Maryland and across the country, the minority groups who have been disproportionately impacted by the criminalization of cannabis by and large have not benefited from the legalization of the same. The Commission commends the bill’s sponsor for his efforts in crafting legislation that seeks to address the significant issues of social justice and equity.

Eighteen states and the District of Columbia have legalized adult-use cannabis. Among these states, adult-use cannabis was legalized in New York, New Jersey, and Virginia in 2021. The Commission requested information from these jurisdictions through the Cannabis Regulators Association (CANNRA) – a nonpartisan national organization of cannabis regulators that provides policy makers and regulatory agencies with the resources to make informed decisions when considering whether and how to legalize and regulate cannabis – to assist the General Assembly as it considers the complex issue of cannabis legalization.

Based on information provided by states allowing adult-use cannabis and lessons learned over the past eight years developing, implementing, and administering the State’s medical cannabis program, the Commission identified the following issues with the bill as introduced:

1. Competing and redundant regulatory structures.

SB 833 places regulatory oversight of the program under the Alcohol and Tobacco Commission within the Health-General Article, while regulatory oversight of medical cannabis would remain with the Commission. Establishing two agencies to perform substantially the same work would significantly increase operational costs to the State. In addition, businesses that hold both adult-use and medical licenses (permitted under the bill), would be subject to two sets of regulators and two sets of laws. If the bill were to pass in its current form, Maryland would be the only state to regulate medical and adult-use cannabis under entirely separate agencies.

2. No funding to cover initial operational costs.

While the Alcohol and Tobacco Commission is authorized to assess license fees to operate the program, expenditures in excess of several million dollars must occur prior to the solicitation of license applications and award of licenses in order to get the adult-use program up and running (e.g., seed-to-sale tracking system, agent, and business licensing system). In other jurisdictions, the state legislature either (1) appropriates start-up funds or (2) where the medical and adult-use programs are jointly administered, authorizes the regulator to use existing funds from the medical program to cover the necessary start-up costs of the adult-use program.

3. Lack of expertise among commission members and staff.

While the Alcohol and Tobacco Commission membership currently is required to have alcohol, fiduciary or public health expertise, there are no amendments to require any cannabis experience or expertise among the members who will be adopting regulations for the program and making licensing and other critical decisions. The bill would make Maryland the first state to legalize adult-use and not leverage existing staff cannabis expertise and resources.

Staffing is a vital concern for a nascent adult-use program. Cannabis is a unique subject matter – it is an agricultural crop, a drug, a dietary supplement, and a food product, that is currently illegal under federal law. The conflict with federal law coupled with the fact that each jurisdiction has chosen a different path to legalization creates sizable challenges for the agency tasked with developing, implementing, and enforcing regulations to administer an adult-use program. Given that the industry as a whole is relatively novel and differs vastly from state-to-state, it is often the existing medical programs that have the most expansive subject matter expertise.

In Maryland, the Commission – including its staff – have developed cannabis-specific regulatory expertise over eight years. Rather than leveraging this expertise, SB 833 as introduced requires a new regulatory body and staff to start from scratch. Absent continuity in administration, the implementation of an adult-use cannabis market will almost certainly face a significant delay. The bill includes an aggressive timeline for developing regulations and implementing the program – based on the experience of the

Commission, this timeline will not be possible to meet if a new regulatory body is required to build the adult-use program from the ground up. In line with this, the hiring of adequate staff for a new agency can take years. This is why HB 1052 (2019), which created the Alcohol and Tobacco Commission, included specific provisions to transition existing staff from the Comptroller of Maryland to the new agency. SB 833 contains no such analogous provisions and would make Maryland the first state to transition from medical-only to adult-use and medical without also transitioning existing staff and expertise.

The Commission does note that Health-General Article §23-301(A)(3)(II) (Page 48) would require the Alcohol and Tobacco Commission to “give employees of the Natalie M. LaPrade Medical Cannabis Commission who perform similar duties...a one-time right of first refusal offer of employment.” This may enable the Alcohol and Tobacco Commission to add experienced staff, but it would come directly at the expense of the Commission, which under the bill would still separately be regulating the medical cannabis market. A likely result would be for the two regulatory bodies to compete over limited staff resources, rather than expanding staff as needed to regulate the separate adult-use and medical markets.

4. Separate regulatory body from social equity fund administration.

SB 833 would require the Alcohol and Tobacco Commission to oversee licensing, regulations, and compliance for adult-use, as well as establish the Office of Social Equity and administer several new funds (e.g., cannabis education, community reinvestment, and social equity start-up funds). These funds are critical to the program’s success and Maryland achieving its goal of a truly equitable cannabis industry, and the scope of responsibilities to administer each fund are incredibly broad.

The Alcohol and Tobacco Commission and the State are best served by clearly separating these functions for the following reasons:

- *Subject matter experts should be in charge of each aspect of the program.* Adult use jurisdictions have shared that establishing certain program functions in other agencies helps ensure that (1) subject matter experts are in charge of each aspect of the program and (2) the cannabis program can become operational and successful more quickly, because its focus can be on regulations, licensing, and compliance.
- *Conflict of interest or the appearance of a conflict of interest.* Beyond not being a subject matter expert in administering social equity programs, or business loans or grants, placing the cannabis regulatory body in charge of administering special funds earmarked for certain businesses that they regulate within the cannabis program may create conflicts of interest or make the regulatory body vulnerable to claims of favoritism or impropriety.

To address the concerns detailed above, the Commission offers the following technical changes to the bill:

1. Rename the Alcohol and Tobacco Commission the Alcohol, Tobacco, and Cannabis Commission;
2. Create the Cannabis Regulation and Enforcement Division within the Office of the Executive Director of the Alcohol, Tobacco, and Cannabis, which would be responsible for regulation and enforcement of both medical and adult-use cannabis;
3. Amend the definitions in Health-General Article §13-3301 to include the Alcohol, Tobacco, and Cannabis Commission;
4. Repeal Health – General Article §13-3302 and 13-3303, which eliminates the Maryland Medical Cannabis Commission membership;
5. Establish the Office of Social Equity as an independent office within the Alcohol, Tobacco, and Cannabis Commission – this will ensure the regulation of the program and administration of various funds are separate;
6. Clarify that amendments must be made to existing cannabis regulations to meet the requirements of a new adult-use program;
7. Authorize use of existing medical program funds and staff to operationalize adult-use program; and
8. Require the Alcohol, Tobacco, and Cannabis Commission to submit a report in January 2023 recommending any necessary conforming amendments between the medical and adult use programs.

The Commission appreciates the work the General Assembly has done over the past eight years to advance the medical cannabis program, and it is with the future of the program and its patients in mind that we are providing this information to you today. I hope you find it useful. If you would like to discuss this further, please contact me at (410) 487-8069 or william.tilburg@maryland.gov.

Sincerely,

A handwritten signature in blue ink that reads "William Tilburg". The signature is written in a cursive style and is followed by a long, horizontal, sweeping underline.

William Tilburg, JD, MPH
Executive Director
Maryland Medical Cannabis Commission

cc: Members of the Senate Finance Committee