

Curio Wellness Written Comments HB12 Hearing – Tuesday, February 18th, 2025

Founded and based in Maryland, <u>Curio Wellness</u> is a family-owned and operated cGMP certified cannabis company and trusted wellness partner. We're dedicated to increasing the accessibility of high-quality cannabis to the growing population of citizens who seek safe, effective, and reliable products. Available in over 90 dispensaries across Maryland, our focus on innovative and high-quality products and services has made Curio a market leader in Maryland. 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, 40% of the Curio Wellness workforce is female and 44% identifies as Black, Hispanic, Asian, American Indian or Alaska Native, or multi-racial. Among management, 39% are female and 27% identify as Black, Hispanic, or multi-racial.

We appreciate the efforts of the Maryland House and Senate over the last several years, crafting legislation of this nature is undoubtedly challenging, and we recognize the nuance and balance needed to address the plethora of industry-related stakeholders. Therefore, we'd like to take this opportunity to provide testimony on House Bill 12, the 2025 cannabis reform legislation. As operators and advocates for the safe, equitable, and responsible growth of Maryland's cannabis industry, we want to express my support for the proposed provision that grants the Alcohol, Tobacco, and Cannabis (ATC) Commission the authority to handle violations by non-compliant cannabis businesses.

The ability for the ATC to address violations is crucial in maintaining public safety, enforcing regulatory standards, and ensuring that the legal cannabis market in Maryland continues to operate within the framework of integrity and transparency. We fully support this measure and believe that empowering the ATC with the tools needed to ensure compliance will help build a more regulated, accountable cannabis marketplace.

However, while we support the ATC's ability to address violations, we also feel strongly that the current penalties outlined in this bill are not sufficiently stringent to deter non-compliance or illicit activity. As we have seen in other states, like California & Nevada, with legal cannabis markets, low-level penalties

for violations can inadvertently incentivize illegal activity and undermine the regulatory system intended to protect both consumers and legitimate businesses.

In markets, like California & Nevada, where penalties for non-compliant operators have been too lenient, the nation has witnessed a rise in illicit cannabis sales. Operators who see minor fines as a cost of doing business are more likely to disregard the law, operate in the shadows, and exploit gaps in enforcement. This not only undermines the legal market but also exposes consumers to unsafe products and jeopardizes public health.

To prevent such issues from taking root in Maryland, we urge this body to consider revising the penalty structure in House Bill 12. Specifically, penalties should be more stringent and meaningful, with clear consequences that reflect the seriousness of non-compliance. A stronger penalty framework will help ensure that those who choose to violate regulations are held accountable and deter the behavior of those who might otherwise view fines as an acceptable risk.

We understand that penalties must be fair and proportionate to the nature of the violation, but they must also be sufficient to dissuade businesses from cutting corners or operating outside the law. Without stronger deterrents, we risk the very issues that have plagued other states—unfair competition, compromised community safety, and a thriving illicit market.

By ensuring that the penalties for non-compliance are truly meaningful, we can create an environment in Maryland where businesses are incentivized to follow the rules, consumers and children are protected, and the legal cannabis market can grow responsibly and sustainably.

In conclusion, while we wholeheartedly support House Bill 12's provisions to empower the ATC to address cannabis violations, we also encourage the legislature to strengthen the penalties for non-compliance. This approach will protect Maryland's legal cannabis industry from exploitation and help ensure the safety and integrity of our market for years to come.

Thank you for your time and consideration regarding this important issue.

For more information, please contact:
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