

HB12 Unfavorable  
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I oppose HB12 and request the committee to report this bill as unfavorable.

Most people have not noticed it, but since 7/1/23 it has been virtually anything goes for Cannabis sales in Maryland. The CBD shops selling D8 that were supposed to be shut down by the new law are now selling THCA flower. In Mount Airy, we have three stores selling THCA products and no legal dispensaries. Snoop Dogg shipped Cannabis to me via USPS (signature required). There are national brands that have licenses in Maryland who are also shipping in "Hemp derived THC" Cannabis products in clear violation of state law. Current ACT enforcement of hemp shops is basically a slap on the wrist. Almost every home grower by definition breaks the law. The amount of law breaking going on is far, far worse than the proponents of this bill would have you believe. With 20% of sales going to non-residents, the state of Maryland is supplying the black market in other states. Even the State is breaking the law. And yet the world has not come to an end. Emergency rooms are not overwhelmed. Addicts aren't hanging out on street corners. Motor vehicle fatal accidents have gone down not up. For the last 19 months the prohibition of Cannabis has effectively been repealed in the state of Maryland and the world has not come to an end. We don't need more enforcement right now. With full licensing of new Cannabis businesses already one year behind schedule, we won't need more enforcement a year from now.

On July 1, 2023 Maryland implemented model Cannabis legalization legislation. Medical Cannabis patients were promised by MMCC that they would see no changes beyond the name change to MCA. We got a >50% price hike. That price hike amounts to \$300M annual windfall to the industry. Patients are still subject to an allotment system that is obsolete because they can pay tax to go over it. Medical delivery has been threatened with a shutdown annually since 7/1/23. Instead of a plan, the date just gets pushed back every year. The legislature has failed to reform employment and housing rights in light of legalization and last year deferred the issue of drug testing to the people for them to submit a solution to the legislature. The plan for on-site consumption and events is immature at best, unsafe at worst. The hemp industry that had been begging for regulation for years faced an attempted shut down that the courts have since invalidated. Then we get to the silly stuff. Home growers are not allowed to keep what they grow (because the personal limit is either a daily sales limit or a 30 day supply) or process what they grow. Home growers can not legally grow hemp plants without a permit. According to Maryland law, the difference between Hemp and Cannabis in the vegetative state is determined by intent. We have a daily sales limit for adult users that

presumes there is no Cannabis at home that puts them over the possession limit. We have many dispensaries who have implemented sales limits via a flower equivalency method that enforces lower limits than what the law allows (e.g. you can not order 700mg of edibles and 1/8 of flower). Amidst all of this, why is the top priority more enforcement and why is the pay for hidden in the fine print of the budget request?

Allowing sales of Cannabis to non-residents raised the prices that all residents paid. We were told it's not about the money. Now it's a money grab and you want to spend it on enforcement. Out of state sales and in state enforcement is the height of hypocrisy. And it's a dumb way for the state to make money. Consider if Maryland has chosen to tax Cannabis at 40% instead of charging \$80M for dual use licenses. That would have generated \$240M more than the 9% tax and more than 4 times the funding the tax increase is expected to generate in year 1. The state had no obligation to make the medical licensees rich from adult-use. Now you want to increase enforcement, but the pay for is buried in the fine print of the budget request

New licenses have more to fear from the existing licensees than they do from tobacco shops that are not hurting the existing licensees at all. Going to war against the tobacco shops only goes after a tiny fraction of illegal sales. Stopping all illegal sales will require much more than the \$6M being asked for through the tax increase and funding split change. Why is the change in the funding split to 60% necessary if not to fund the efforts requested by this bill?

There is a way out of this that does not cost us a fortune. Give out more licenses. Do what the courts have told us is the right thing. The Cannabis community is wondering whether the model Cannabis legislation that is designed to promote public safety by restricting the number of licensees has literally blown up in our faces like the PharmaCann extraction lab. Saying no to the governor is going to be hard. Speaking truth to power always is.

This is the road back to prohibition. Just say no. What is the worst that could happen? We don't need this change. Please report HB12 as unfavorable.

Thank you,  
Rusty Carr